



**MINUTES OF THE REGULAR  
MEETING OF  
THE  
INLAND EMPIRE UTILITIES AGENCY  
BOARD OF DIRECTORS**

**WEDNESDAY, MAY 17, 2017  
10:00 A.M.**

**DIRECTORS PRESENT:**

Steven J. Elie, President  
Michael Camacho, Vice President  
Jasmin A. Hall, Secretary/Treasurer  
Paul Hofer  
Kati Parker

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/AGM  
Sharmeen Bhojani, Manager of Human Resources  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
David Correia, Mechanic I  
Joseph Cundiff, Network Administrator  
Jason Gu, Grants Officer  
Liz Hurst, Water Resources Planner  
Joel Ignacio, Senior Engineer  
Vijayakumar Korisal, Senior Wastewater Operator  
Randy Lee, Executive Manager of Operations/AGM  
Sally Lee, Executive Assistant  
Chander Letulle, Manager of Operations and Maintenance  
Laura Mantilla, Executive Assistant  
Kenneth Monfore, Deputy Manager of Maintenance  
Lisa Morgan-Perales, Senior Water Resources Analyst  
Jesse Pompa, Senior Engineer  
Joyce Rucker, Senior Accountant  
Carina Spears, Office Assistant  
Shaun Stone, Manager of Engineering  
Christina Valencia, Chief Financial Officer/AGM  
Teresa Velarde, Manager of Internal Audit  
Phebe Wang, Control Systems Analyst I  
Raelen Wong, Human Resources Technician  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Martin Cihigoyenette, JC Law Firm  
Teresa James, Employer Support of the Guard and Reserve  
Sarish Kamath, Parsons Water & Infrastructure, Inc.  
Andrew Lazenby, Brown and Caldwell  
Tony Marraccino, Employer Support of the Guard and Reserve  
Suvendra Thakral, Parsons Water & Infrastructure, Inc.

A regular meeting of the Board of Directors of the Inland Empire Utilities Agency\* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A, Chino, California on the above date.

President Elie called the meeting to order at 10:01 a.m. Executive Manager of Operations/AGM Randy Lee led the Pledge of Allegiance to the flag. A quorum was present.

President Elie stated that members of the public may address the Board. There was no one desiring to do so.

President Elie asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

### **EMPLOYEE SUPPORT OF THE GUARD AND RESERVE (ESGR) AWARD PRESENTATION**

Maintenance Planner Mike Frazier gave a presentation expressing his gratitude for the benefits the Inland Empire Utilities Agency (Agency) provides to the service members. He stated that Agency's support is unprecedented and must be recognized and is the reason why he nominated the leaders of the Agency for awards through the Employee Support of the Guard and Reserve (ESGR). He called forward the representative of ESGR, retired Colonel Tony Marraccino. Mr. Marraccino stated that without companies like the Agency, organizations that support the Guard and Reserve, the Guard and Reserve would not exist. He thanked the Agency for its help and service. Awards were presented to President Steven Elie, Vice President Michael Camacho, Secretary/Treasurer Jasmin Hall, Director Paul Hofer, Director Kati Parker, General Manager Joe Grindstaff, Executive Manager of Operations/AGM Randy Lee, and Manager of Maintenance and Operations Chander Letulle. An award was also given to the Agency for providing services that are above and beyond what is required by state and federal law.

President Elie expressed his appreciation for the nomination and asked Mr. Frazier to introduce himself to the Board of his rank, where he was assigned, and his role with the Agency. Mr. Frazier stated that he is a staff sergeant of the psychological operations unit and at IEUA is the Maintenance Planner for the southern division.

### **NEW HIRE INTRODUCTIONS**

Chief Financial Officer/AGM Christina Valencia introduced the following new hire:

- Ms. Raelen Wong, Human Resources Technician, hired 4/3/17

She expressed that Mr. Michael Arana, Accountant II, had an emergency and could not attend the Board meeting and he will be introduced at the next Board meeting.

Executive Manager of Operations/AGM Randy Lee introduced the following new hires:

- Mr. Joseph Cundiff, Network Administrator, hired 4/3/17
- Mr. Vijayakumar Korisal, Senior Wastewater Treatment Plant Operator, hired 4/3/17
- Ms. Phebe Wang, Control Systems Analyst I, hired 4/10/17
- Mr. David Correia, Mechanic I, hired 5/1/17
- Ms. Carina Spears, Office Assistant, hired 5/1/17
- Mr. Kenneth Monfore, Deputy Manager of Maintenance, hired 5/15/17

### **CONSENT ITEMS**

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. Director Hall requested that Consent Calendar Item 3B – REPORT OF GENERAL DISBURSEMENTS; and General Manager Joe Grindstaff requested that Consent Calendar Item 3E – CHINO BASIN WATERMASTER COST SHARING AGREEMENTS be pulled from the Consent Calendar for further discussion.

**M2017-5-1**

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the April 5, 2017 Board Workshop meeting, April 10, 2017 Special Board meeting, and the April 19, 2017 Board meeting.
- B. PULLED.
- C. Approved the Treasurer's Report of Financial Affairs for the month ended March 31, 2017.
- D. The Board:
  - 1. Adopted Resolution No. 2017-5-4, declaring its intent to adopt the Fiscal Years (FYs) 2017/18 and 2018/19 budgets for the Agency's Regional Wastewater, Recycled Water, Non-Reclaimable Wastewater, and Water Resources programs and fixing time and place of hearing thereon for Fiscal Year 2017/18; and

**RESOLUTION 2017-5-4  
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,  
CALIFORNIA, DECLARING ITS INTENT TO ADOPT BUDGETS  
FOR THE REGIONAL SEWAGE, RECYCLED WATER, NON-  
RECLAIMABLE WASTEWATER, AND WATER RESOURCES  
PROGRAMS AND FIXING TIME AND PLACE OF HEARING  
THEREON**

*(for full text, see Resolution Book)*

- 2. Set a hearing date, and directed staff to distribute the Resolution to the appropriate agencies in compliance with the Regional Sewage Service Contract.
- E. PULLED.
- F. The Board:
  - 1. Awarded a consulting engineering services contract for the RP-1 1158 Recycled Water Pump Station Upgrades, Project No. EN14042, to Stantec for the not-to-exceed amount of \$428,000; and
  - 2. Authorized the General Manager to execute the consulting engineering services contract.
- G. The Board:
  - 1. Awarded a construction contract for the RP-1 Thickened Waste Activated Sludge (TWAS) Piping Replacement, Project No. EN15013, to J.F. Shea Construction, Inc., in the amount of \$242,492; and

*(Continued...)*

**M2017-5-1, continued.**

2. Authorized the General Manager to execute the construction contract.

H. The Board:

1. Awarded a construction contract for the RP-1 and RP-4 Safety Improvements, Project No. EN17052, to Ferreira Construction, Inc., in the amount of \$635,376;
2. Approved a total project budget amendment in the amount of \$189,000 for Project No. EN17052; and
3. Authorized the General Manager to execute the construction contract and budget amendment.

**REPORT OF GENERAL DISBURSEMENTS**

Director Hall stated she had pulled this item because she had a question about Director Terry Catlin's name being in the report. Chief Financial Officer/AGM Christina Valencia stated that there was a correction on his health insurance, which impacted a couple of the Board members. A retroactive adjustment was issued in March to reimburse Board members affected by the excess contribution. Director Hall mentioned that a footnote with that explanation should be noted on the report in the future. Director Hall also asked why the expenses for the March report were in February. Manager of Finance and Accounting Javier Chagoyen-Lazaro explained the report is for payments made in March for expenses incurred in the month of February or previous months. General Manager Joe Grindstaff stated that he appreciated Director Hall going through the general disbursement report. Director Hofer agreed saying that it is a lengthy item with a lot of detail and those who are not familiar, it helps to have explanation where there may be confusion.

Upon motion by Director Camacho, seconded by Director Parker, and unanimously carried:

**M2017-5-2**

MOVED, to approve the total disbursements for the month of March 2017, in the amount of \$28,681,716.24.

**CHINO BASIN WATERMASTER COST SHARING AGREEMENTS**

General Manager Joe Grindstaff asked Executive Manager of Engineering Chris Berch to speak on this item. Mr. Berch stated that it was brought to the Agency's attention the day before that there was an error on one of the tables that is an attachment to the various task orders. One of the dates for the beginning of construction was incorrect, so staff is going to be changing that today and updating all documents with all related parties. Because we were advised of it yesterday, the Agency wanted to ensure that the Board fully understood that. This change doesn't change the budgeted costs or projections for the project. The Agency is hoping that the Board will recommend their approval and allow the General Manager to make the changes on the table. President Elie asked which date had the error and what the discrepancy was. Mr. Berch answered by stating it was on Task Order No. 11 for Montclair Basin. On the attachment for the Task Order, the first table shows the different phases of the project design through construction. The construction shows that it starts before the design is completed. It should start at the end of design and extent through the end of that fiscal year. Discussion ensued regarding the funding of these projects.

Upon motion by Director Camacho, seconded by Director Parker, and unanimously carried:

## **M2017-5-3**

MOVED, to:

1. Approve Amendment No. 3 of Task Order No. 1 with Chino Basin Watermaster (Watermaster) for the design of multiple basin improvements under the Recharge Master Plan Update (RMPU) projects;
2. Approve Amendment No. 1 of Task Order No. 2 with Watermaster for the design and construction of the RMPU's Lower Day Basin improvements;
3. Approve Amendment No. 2 of Task Order No. 8 with Watermaster for the design and construction of the RMPU's San Sevaine Basin improvements;
4. Approve Task Order No. 9 with Watermaster for the design and construction of the RMPU's Wineville/Jurupa/RP-3 Basins;
5. Approve Task Order No. 10 with Watermaster for the design and construction of the RMPU's Victoria Basin improvements;
6. Approve Task Order No. 11 with Watermaster for the design and construction of the RMPU's Montclair Basin improvements;
7. Approve Task Order No. 12 with Watermaster for the design and construction of the RMPU's CSI Basin improvements; and
8. Authorize the General Manager to finalize and execute these task order amendments and new task orders subject to non-substantive changes.

## **ACTION ITEMS**

### **RP-5 EXPANSION CONSULTANT CONTRACT AMENDMENT**

Manager of Engineering Shaun Stone requested approval of the amendment to the contract with Parsons Water & Infrastructure, Inc. (Parsons) for the final design of the RP-5 expansion. He stated that in early January 2017, the Agency had finished the preliminary design and brought it forward to the Board in March for approval. Shortly after that approval, the Agency requested that Parsons provide a scope and fee proposal for the final design work of the expansion project. The original fee came in at \$21.29 million and the Agency negotiated with Parsons through the month of March and to the beginning of April. The Agency looked at ways to streamline project management, defer project components that are not immediately required, and worked to maintain all major scope items. This led to a discount of Parsons' fee, to \$17.99 million, a \$3.3 million reduction from the original fee proposal. In order to validate those fees, process, and scope, there was a survey done of multiple agencies who had completed similar waste water treatment plant expansion over the last seven to eight years by several design firms, including Parsons. Of that survey, staff consolidated the cost by the number of engineering design sheets that took to build the design and that cost as percent of construction dollars. The survey average was \$13,600 cost per engineering sheet and 8.2% of construction. Through negotiations, IEUA was able to secure a fee with Parsons of \$11,723 per sheet and 7.4% of construction. All the items were adjusted for inflation based on the consumer price index based on the time when the contracts were awarded. Mr. Stone went over the overall breakdown of the cost for the project and project milestone timeline.

Mr. Grindstaff added that this item was taken to both the Regional Sewerage Program Policy and Technical Committees. Both committees supported moving this project forward unanimously.

President Elie also mentioned that the item had been through the Engineering, Operations, and Water Resources Committee as well.

Director Hofer commended Mr. Grindstaff for deciding to take the item to the other agencies. It may not be necessary but it is good business to inform the other agencies to keep them up to date.

Upon motion by Director Camacho, seconded by Director Parker, and unanimously carried:

**M2017-5-3**

MOVED, to:

1. Approve a consulting engineering services contract amendment for the design of the RP-5 Liquids Expansion and Solids Treatment Facility, Project Nos. EN19901 and EN19006, to Parsons Water & Infrastructure, Inc. for the not-to-exceed amount of \$17,993,680; and
2. Authorize the General Manager to execute the consulting engineering services contract amendment.

**ADOPTION OF RESOLUTIONS TO AMEND THE MEMORANDA OF UNDERSTANDING AND SALARY MATRICES/SCHEDULES FOR REORGANIZATION AND UNIT MODIFICATION**

Manager of Human Resources Sharmeen Bhojani mentioned that this item was presented to the Board last month and was being brought back to address questions on the changes in the organizational structure and budget. The proposal is being made for the Board to approve new classifications and reclassifications of existing positions, while maintaining the current authorized 290 full time positions. She explained that the reorganization calls for 6 new classifications that are being proposed to more effectively meet succession planning, evolving technology, cyber security, and a more robust safety program. She briefed the Board on the organizational changes being proposed and provided an explanation. In addition to the reorganization, staff also recommended approval of some unit modifications with respect to the Agency's bargaining units. As a result of the classification and compensation study and subsequent negotiations. The unit modifications allow for more appropriate assignment of employees to bargaining units based on job duties. The annual fiscal impact of these changes is estimated to be at appropriately \$499,000 of which \$478,000 is related to the new classifications and reclassifications. This amount was calculated based on employment costs including salary and benefits over a 12-month period and represents the difference between the cost of the new classifications/reclassifications and annual average compensation of the existing vacancies. Director Kati Parker thanked the staff for going back and making the information about the impact on the budget more understandable.

Director Hofer asked if the changes were only on the management level and if there was anything evaluated at lower levels at this time. Ms. Bhojani answered by stating that the primary reason behind the changes was for succession planning purposes based on anticipated retirements. Some positions are used to help with that effort. Mr. Grindstaff further stated that all the changes are at management level, although in the budget staff is proposing 10 positions in next year's budget as revolving positions to fill positions when the Agency is aware employees are retiring. Chief Financial Officer/AGM Christina Valencia stated that this is already in place with the Contracts and Procurement department. Director Hofer stated that this is a complex Agency with a lot of moving parts and would like a workshop to further explain the changes in the Agency organizational structure.

Upon motion by Director Parker, seconded by Director Camacho, and the motion carried (4-1):

**M2017-5-4**

MOVED, to:

9. Adopt Resolution Nos. 2017-5-5 and 2017-5-6 to amend the Supervisors' Unit, General Unit and all the Professional Unit Memoranda of Understandings (MOUs) and the Personnel Manual and to amend Salary matrices/schedules for all groups to reflect the new classifications and unit modifications.

**RESOLUTION 2017-5-5**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AMENDING THE SUPERVISORS' UNIT MEMORANDUM OF UNDERSTANDING AND THE SALARY MATRIX/SCHEDULE**

*(for full text, see Resolution Book)*

**RESOLUTION 2017-5-6**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AMENDING THE PROFESSIONAL UNIT AND GENERAL UNIT MEMORANDUMS OF UNDERSTANDING AND THE SALARY SCHEDULE/MATRIX FOR THE UNREPRESENTED, EXECUTIVE MANAGEMENT, LABORATORY UNIT, OPERATORS' ASSOCIATION, PROFESSIONAL UNIT AND GENERAL UNIT**

*(for full text, see Resolution Book)*

*(Director Camacho left the meeting room at 10:52 a.m.)*

**INFORMATION ITEMS**

**REVIEW OF PROPOSED BIENNIAL BUDGET FOR FISCAL YEARS 2017/18 AND 2018/19 FOR ADMINISTRATIVE SERVICES, WATER RESOURCES, AND NON-RECLAIMABLE WASTEWATER FUNDS (WRITTEN/POWERPOINT)**

Chief Financial Officer/AGM Christina Valencia gave an overview on the three remaining funds – Non-Reclaimable Wastewater, Administrative Services, and Water Resources fund. Administrative Services fund records Agency-wide expenses and acquisition of Agency-wide assets. The costs recorded in this fund are then allocated out to other Agency funds based on the amount of support resources needed. One of the major components of this fund is employment cost. Out of the \$61 Million, \$51 Million is employment expense. The employment expense is distributed to other Agency funds and capital projects. The 7% increase next year is mainly driven by succession planning, reclassifications, and the final cost of living adjustment (COLA) that was negotiated with the bargaining units in 2013. In FY 2018/19, there is another increase of 5% which is primarily driven by CalPERS reducing their discount rate from 7.5% to 7% over a three-year period. That translates into a higher cost for all its employers. There is also an estimated COLA of 2%, which is subject to renegotiation of the MOUs set to expire on June 30, 2018.

Director Parker asked what retirement plan the Agency pays for. Ms. Valencia stated that IEUA participates in CalPERS program and social security. She explained that with the CalPERS program, there is the employer contribution (19%) and an employee contribution (8%). Historically, the Agency has paid for both parts. In 2011, IEUA employees began paying 2% of the EPMC rate with the Agency paying the remaining 6%. Incrementally, over the 5 year term of the MOUs, employees have been picking up 1% of that cost each year. Effective July 1, 2017, employees will be paying the full 8%, or 100% of the EPMC rate.

President Elie asked how staff has accounted in the charts for anticipated retirements. Ms. Valencia stated that staff normally budgets very conservatively, budgeting for a low vacancy factor of 3% and budget all positions at the highest level, knowing that the Agency can recruit at a lower level. That gives the some contingency throughout the year.

Director Hofer asked if employee's paying the 8% employee contribution rate was mandated by CalPERS. He asked what happens to organizations that do not comply and if it was optional. Ms. Valencia stated that she did not believe it was mandatory but it was the intent of Public Employee Pension Reform Act (PEPRA) to get to this point. All new employees coming in to the CalPERS system are paying 100% of their costs. Eventually PEPRA gives employers the opportunity to negotiate with employees to pick up their share. Director Hofer stated that with the CalPERS current financial state, the agencies may be responsible for that difference if CalPERS has insufficient retirement funds. Mr. Grindstaff added by stating that there was an analysis two years ago and the Agency's total unfunded liabilities based on 7.5% investment return at that time was about \$70 million dollars. Some was for health care and some was for CalPERS retirement. The Agency has been setting aside funds to pay the unfunded liabilities share. CalPERS increased the employers share based on the fact that they have estimated lower earnings. The Agency has almost fully funded the Other Post-Employment Benefits fund (OPEB), which is limited to health insurance. The Agency's goal was to fully fund all unfunded liabilities over 10 years so that the Agency itself will be in strong financial standing regardless of the performance of CalPERS.

Ms. Valencia continued by stating the Administrative Services fund's only source of revenue is \$2 million dollars a year in property tax and reimbursement from the Chino Basin Desalter for the operation of the Desalter facility. Most expenses, including employment, recorded in the Administrative Services fund are allocated out. The Administrative Service fund reserve supports the Agency's self-insurance programs, employee retirement long term obligations and mandated operating contingency. Director Hofer asked what self-insurance programs entailed. Ms. Valencia answered that it entailed excess worker's compensations, general liabilities, and some umbrella policies. The Agency maintains a resource of about \$6 million to support the self-insured retention (SRI) or deductible, as well as a catastrophic event that may require temporary cash flow.

Ms. Valencia continued onto an overview of the Water Resources Fund's major initiatives. There are two rates that are associated with this fund, one directly related to the deliveries from Metropolitan Water District of Southern California. She went over the Readiness to Serve (RTS) Ten Year Rolling Average (TYRA) 7-year phase-in recovery beginning in FY 2016/17. Ms. Valencia also discussed the Meter Equivalent Unit (MEU) rate, which covers all the cost in the Water Resources program with the exception of Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), Water bank project, and purchases of supplemental water supplies. Director Hofer asked how these other projects may be funded. Ms. Valencia answered by stating that the Agency may have to seek additional financing. The Agency has already received grants to help support a portion of the SARCCUP costs. Some of the Agency share will have to come through the property taxes allocated to the Water Resource fund. Another option may be to establish a fee in the future. Part of the negotiation on the rate restructuring was that the MEU be limited only to support the programs costs and the Agency's regional water use efficiency programs. Discussion ensued of the history of the MEU rates. Ms. Valencia stated that the Water Resources Fund reserve is very minimal because the Agency is using fund reserves and property taxes that would have otherwise been placed in reserves to help support the 7-year phase-in of the RTS fees.

Ms. Valencia ended her presentation with an overview of the Non-Reclaimable Wastewater Program fund. Discussion ensued regarding the Pass-Through Rate factors. Executive Manager of Engineering/AGM Chris Berch mentioned that there was a workshop a couple years ago going over the difference between the regional system and brine lines that may be helpful to bring back. Mr. Grindstaff agreed on bringing the workshop back since it had been 3-4 years since the Agency has negotiated the new contract with the Sanitation District of Los Angeles County.



**ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)**

Manager of Engineering Shaun Stone gave a PowerPoint presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: EN11031 – RP-5 Flow Equalization; EN11039 - RP-1 Disinfection Pump Improvements; EN14019 – RP-1 Headworks Primary and Secondary Upgrades; EN14047 – SCADA Control Upgrades; EN15012 – RP-1 Primary Effluent Conveyance Improvements; EN16047 – HQ Parking Lot.

Mr. Stone went over the last six years of comparison of the Agency's engineering estimates and construction awards to address Director Hofer's questions from a prior Board meeting.

**MWD UPDATE (ORAL)**

Executive Manager of Engineering/AGM Chris Berch stated that the biggest update with MWD is that the extra water that they are trying to sell or put in storage. Chino Basin Watermaster, Three Valleys Municipal Water District, IEUA, and MWD have an agreement called the Dry Year Yield (DYY) Program which allow for storage of up to 100,000 acre feet. In the Chino Basin DYY, MWD staff indicated that they are interested in starting the DYY program again. The Agency is planning collaborate with the other DYY agencies to try to find a home for as much of that water as we can in the Chino Basin. The Agency is also discussing some other options with MWD staff to see if there are other ways to further incentivize the Chino Basin parties to get further value from a program that would allow us to put more than the 25,000 acre feet that the agreement calls for. The Agency is in a very good position and hopes to exercise that very quickly.

**THE FOLLOWING INFORMATION ITEMS WERE RECEIVED AND FILED BY THE BOARD:**

**FY 2017/18 ADOPTED BUDGET FOR INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (WRITTEN/POWERPOINT)**

**UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN & RIVER MODEL UPDATE (POWERPOINT)**

**CALIFORNIA DATA COLLABORATIVE MEMBERSHIP UPDATE (POWERPOINT)**

**PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**

**LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**

**LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)**

**LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)**

**CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)**

**FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)**

**STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)**

**SAWPA REPORT**

Director Hall reported that SAWPA adopted the 2018 and 2019 biennial budget, established the brine line rates effective July 1, 2017, and adopted a resolution for the General Manager to execute the plan for the Disadvantage Community Involvement Program to receive grant funding from Prop. 1. SAWPA asked their member agencies to offset the cost for honoring General Manager Celeste Cantu's 40 year career in public service.

**MWD REPORT**

There was nothing reported.

## **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

Director Parker reported that the Regional Sewerage Program Policy Committee met Thursday, May 4<sup>th</sup>. Mr. Shaun Stone gave a presentation on the RP-5 Expansion Consultant Contract. There was one comment from the city of Ontario, that it would be nice to move to construction without taking any loans in the future. Ms. Christina Valencia gave a presentation on the budget.

## **CHINO BASIN WATERMASTER REPORT**

Director Elie reported that now the safe yield is set and they are moving onto storage issues.

## **GENERAL MANAGER'S REPORT**

General Manager Joe Grindstaff reported that the Agency received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. This is the 19<sup>th</sup> year in a row that the Agency has received this award. The Agency also received Transparency Certificate of Excellence from the Special District Leadership Foundation which is given out every two years. This is the second time the Agency has received this award. The Agency also received the remaining \$5.2 million remaining in the federal grant from the United States Bureau of Reclamation that fully utilizes the authorization that the Agency had been awarded. The South Archibald TCE Clean Up Project is overfunded and excess money will go to subsidize the cost of the Desalter expansion. Santa Ana Watershed Project Authority (SAWPA) is facilitating discussions with the JPA General Managers to try to come together on key issues.

He also stated that the Agency's wastewater flows have decreased from 52 million gallons per day (mgd) to about 48 mgd. There was a meeting that took place on the Habitat Conservation Plan (HCP), an effort by all upper watershed parties to work on protecting habitat on the Santa Ana River. One of the key items for discussion is the Santa Ana Sucker and what flows are necessary to preserve its habitat. A preliminary report from biologist working on the HCP states that they believe the minimum flow is approximately 20 mgd. Currently, there is about 27.5 mgd flowing down the Santa Ana River. The Agency may not be able to conserve and recycled all the water that all the upper watershed parties will like if the habitat for the Santa Ana Sucker is to be maintained. This is a complicated situation and it will take time to work through. As we move ahead, we will continue to focus on Ground Water storage and renegotiation of the Regional Contract as a priority, the HCP and Santa Ana River flows are going to become a big priority over the next couple years.

## **BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**

There were no Board requested future agenda items.

## **DIRECTORS' COMMENTS**

Director Hofer commented that it is wonderful that the Agency would receive the award from ESGR as a patriotic employer. He expressed his gratitude toward the men who would give up their time with families and put themselves in harm's way so that we can sleep well at night. Director Hall added by stating that with her recent trip to Cuba she realized not all people are blessed with the same freedom and justice at the level of the individual and she has a renewed appreciation of her liberty and freedom in the United States. She stated that she attended the IERCF 10 year anniversary celebration, Honoring the Planes of Fame Museum event, and the ACWA Spring Conference. Director Parker also expressed her appreciation of the award from ESGR. She stated that it should be Maintenance Planner Mike Frazier to receive the award; a lot of people take for granted that we live in the United States and we have the freedoms that we do. She stated that she attended the IERCF 10 year anniversary with Director Hall. She commended IEUA staff for all their work at that event. President Elie stated that he also attended and served as the master of ceremony at the IERCF 10 year anniversary. He stated that it was very well attended and the best part was to see all the individuals who worked there be recognized. He also commented that he had received and accepted a WaterNow Alliance Innovators Award award in Boulder, Colorado for his role in the South Archibald Plume settlement. He humbly accepted that award in Director Gene Koopman's name and honor. He stated that the process was not easy but it was his pleasure to do it for the right reasons. Lastly, he stated that he started

to hold meetings to meet with the Agency employees. He did four groups in the month of April to introduce himself as the new Board President and give staff an informal setting to hear from a Board members perspective. These meetings have confirmed his belief that this Agency has top notch employees who really care about what they do and it's been wonderful to see all the employees in a different setting. There are a few more that he will be doing in May as well.

**CLOSED SESSION**

The Board went into Closed Session at 11:58 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (2) Mwembu vs. IEUA, Case No. CIVDS 1415762; B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (1) Supplemental Water Transfer/Purchase, Negotiating Party: General Manager P. Joseph Grindstaff, Under Negotiation: Price and Terms of Purchase; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION; INITIATION OF LITIGATION: Two (2) Cases

The meeting resumed at 12:43 p.m., and General Counsel Martin Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board took no reportable action.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

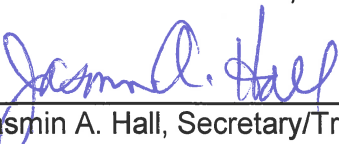
The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation; Initiation of Litigation:

Two Cases

The Board took no reportable action.

With no further business, President Elie adjourned the meeting at 12:44 p.m.

  
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Jasmin A. Hall, Secretary/Treasurer

**APPROVED: JUNE 21, 2017**