



**AGENDA
MEETING OF THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS**

**WEDNESDAY, SEPTEMBER 20, 2017
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
BOARD ROOM
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708**

CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. NEW EMPLOYEE INTRODUCTIONS

- James McShane, Electrical & Instrumentation Technician I, hired 7/24/17 (Randy Lee)
- Jeffrey Hyder, Electrical & Instrumentation Technician I, hired 7/24/17 (Randy Lee)

- Cody Neal, Electrical & Instrumentation Technician I, hired 7/24/17 (Randy Lee)
- Joshua Oelrich, Compost Facility Superintendent, hired 8/21/17 (Randy Lee)
- Douglas Gray, Warehouse Technician, hired 9/5/2017 (Randy Lee)

2. PRESENTATIONS

A. INNOVATIVE FEDERAL STRATEGIES PRESENTATION – Leticia White, Principal

B. INDUSTRY RECOGNITION FOR 100% COMPLIANCE WITH DISCHARGE REQUIREMENTS IN CALENDAR YEAR 2016

3. CONSENT ITEMS

NOTICE: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

The Board will be asked to approve the minutes from the August 16, 2017, September 6, 2017 Board meetings, and September 12, 2017 Special Board meeting.

B. REPORT ON GENERAL DISBURSEMENTS (Fin/Admin)

Staff recommends that the Board approve the total disbursements for the month of July 2017, in the amount of \$14,614,778.95.

C. IEUA & CBWM MASTER COST SHARING AGREEMENT AND BASIN PLAN AMENDMENT (Eng/Ops/WR)

Staff recommends that the Board:

1. Approve the Master Cost Sharing Agreement between IEUA and Chino Basin Watermaster;
2. Approve Task Order No. 1 for the Basin Plan Amendment for a not-to-exceed total project cost of \$723,000, under the Master Cost Sharing Agreement; and
3. Authorize the General Manager to execute the Master Cost Sharing Agreement and Task Order No. 1, subject to non-substantive changes.

D. SAN SEVAINE BASIN MONITORING WELLS CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR)

Staff recommends that the Board:

1. Award a construction contract for the San Sevaime Basin Monitoring Wells, Project No. EN13001, to Yellow Jacket Drilling in the amount of \$607,470; and
2. Authorize the General Manager to execute the construction contract.

E. CHINO I DESALTER STRUCTURE COATING CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR)

Staff recommends that the Board:

1. Award a construction contract for the CDA Chino I Desalter Structure Coating, Project No. DL37141, to Industrial Coating & Restoration in the amount of \$169,950.16; and
2. Authorize the General Manager to execute the construction contract.

4. ACTION ITEMS

A. BUDGET AMENDMENT FOR FISCAL YEAR 2016/17 CARRY FORWARD OF OPEN ENCUMBRANCES AND NON-ENCUMBERED COMMITMENT RELATED BUDGET (Fin/Admin)

Staff recommends that the Board:

1. Approve the carry forward of open encumbrances and non-encumbered commitment related budgets from FY 2016/17 to FY 2017/18 and amend the budget in the amount of \$13,969,575; and
2. Approve amendments to the adopted FY 2017/18 budget for grant and reimbursement revenues in the amount of \$1,294,043.

B. CITY OF RIALTO COMPENSATION AGREEMENTS (Fin/Admin)

Staff recommends that the Board:

1. Approve the Compensation Agreements, substantially in its final form, between the City of Rialto (City), IEUA, and other affected taxing entities for the transfer of property commonly known as "Area A" for future development (non-governmental use), and "Fire Station #205" and "Public Park" to be retained for governmental use; and
2. Authorize the General Manager or his designee, to execute the final Compensation Agreements subject to non-substantive changes.

C. SAN SEVAINE BASIN IMPROVEMENTS CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR) (Fin/Admin)
Staff recommends that the Board:

1. Award a construction contract for the San Sevaire Basin Improvements, Project No. EN13001, to Gwinco Construction & Engineering, in the amount of \$3,873,029; and
2. Authorize the General Manager to execute the construction contract.

5. INFORMATION ITEMS

- A. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)
- B. OPERATIONS DIVISION UPDATE (POWERPOINT)
- C. MWD UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

- D. FY 2016/17 FISCAL YEAR BUDGET VARIANCE, PERFORMANCE GOALS UPDATES, AND BUDGET TRANSFERS (WRITTEN/POWERPOINT)
- E. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)
- F. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)
- G. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)
- H. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)
- I. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)
- J. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)
- K. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)
- L. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN)
- M. INTERNAL AUDIT DEPARTMENT STATUS REPORT FOR SEPTEMBER 2017 (WRITTEN)

N. CONTRACTS AND PROCUREMENT FOLLOW-UP AUDIT (WRITTEN/ POWERPOINT)

O. PAYROLL OPERATIONS AUDIT (WRITTEN/POWERPOINT)

6. AGENCY REPRESENTATIVES' REPORTS

A. SAWPA REPORT (WRITTEN)
Meeting Agenda not available at the time of printing.

B. MWD REPORT (WRITTEN)

C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)

D. CHINO BASIN WATERMASTER REPORT (WRITTEN)
The August 24 CBWM Board meeting was cancelled. The next meeting is scheduled for September 28, 2017.

7. GENERAL MANAGER'S REPORT (WRITTEN)

8. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

9. DIRECTORS' COMMENTS

A. CONFERENCE REPORTS

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

10. CLOSED SESSION

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

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

D. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 –
CONFERENCE WITH LABOR NEGOTIATOR

Meet and Confer Negotiations – All Bargaining Units
Negotiating Parties: General Manager P. Joseph Grindstaff

E. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC
EMPLOYMENT

General Manager

11. ADJOURN

**A Municipal Water District*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: JK

Declaration of Posting

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, September 14, 2017.



April Woodruff

PRESENTATIONS

2B

Date: September 20, 2017

To: The Honorable Board of Directors

From: *CB for JB* P. Joseph Grindstaff, General Manager

Committee:

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: Industry Recognition for 100% Compliance with Discharge Requirements in Calendar Year 2016

Executive Summary:

This is a presentation item to recognize seventeen Non-Reclaimable Waste System (NRWS) industries, two Inland Empire Brine Line (Brine Line) industries, and seven Regional System Significant Industrial Users (SIUs) for their 100% compliance record in calendar year 2016.

Staff's Recommendation:

Present 26 Certificates of Recognition for Compliance.

Budget Impact *Budgeted (Y/N): Y* *Amendment (Y/N): N* *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

This industry recognition is consistent with the Agency's Business Goal of Environmental Stewardship.

Attachments:

Attachment 1 - Background

Background

Subject: Industry Recognition for 100% Compliance with Discharge Requirements in Calendar Year 2016

Inland Empire Utilities Agency (IEUA) jointly permits industries with the Sanitation Districts of Los Angeles County (SDLAC) and Santa Ana Watershed Project Authority (SAWPA), fifty-one (51) industries discharging to the Non-Reclaimable Waste System (NRWS) and Inland Empire Brine Line (Brine Line). Thirty-eight (38) of these industries are classified as Significant Industrial Users (SIUs). IEUA provides wastewater collection services for these industries. IEUA also permits twenty-three (23) SIUs that discharge to the Regional System, providing both collection services and treatment at the regional water recycling plants.

An SIU is defined as an industry that: (1) is a federally regulated categorical industry, (2) discharges 25,000 gallons or more per day of process wastewater, (3) contributes a process waste stream which makes up 5% or more of the average dry weather hydraulic or organic capacity of the treatment plant, or (4) has a reasonable potential to adversely affect the treatment plant. The discharge requirements for SIUs are specified in the Code of Federal Regulations and are more stringent than the local discharge limits, which apply to other industries. In addition, many of these SIUs must successfully operate pretreatment systems to achieve satisfactory treatment and maintain consistent compliance.

IEUA's Pretreatment and Source Control group, in collaboration with the SDLAC, SAWPA, and our member agencies wish to recognize those SIUs for their 100% permit compliance record. The 17 NRWS, two Brine Line and seven Regional SIUs listed below have been selected for the 2016 Recognition for Compliance.

SIUs Selected to Receive Certificates of Recognition for Compliance
Calendar Year 2016

NRWS Industries

California Steel Industries

Cintas Corporation

City of Chino

The Coca Cola Company, Ontario Syrup Plant

Crothall Healthcare

Frito-Lay

Nestle Waters North America

NRWS Industries continued

New-Indy Ontario

Niagara Bottling, I and II

NRG California

Regional Plant No. 1

Sierra Aluminum Company

Steelscape

TAMCO

TI Wire

Union Pacific Railroad

Brine Line Industries

Mission Linen Supply

Repet

Regional System Industries

Amphastar Pharmaceutical

Aquamar

Parallel Products

Nestle Waters North America

O.W. Lee

PARCO

Wing Lee Farms

CONSENT
CALENDAR
ITEM

3A



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

**WEDNESDAY, AUGUST 16, 2017
10:00 A.M.**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs/Policy Development/AGM
Christina Valencia, Executive Manager of Finance and Administration/AGM
Joshua Aguilar, Senior Engineer
Sharmeen Bhojani, Manager of Human Resources
Jerry Burke, Deputy Manager of Engineering
Andrea Carruthers, Senior External Affairs Specialist
Lucia Diaz, Facilities Program Supervisor
Warren Green, Manager of Contracts & Procurement
Nel Groenveld, Manager of Laboratories
Liz Hurst, Environmental Resources Planner II
Joel Ignacio, Senior Engineer
Sally Lee, Executive Assistant
David Malm, Deputy Manager of Integrated Systems Services
Shaun Stone, Manager of Engineering
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Betty Andrews, Environmental Science Associates
Peter Vorster, The Bay Institute
Mike Myatt, The Water Foundation
Susan Longville, San Bernardino Valley Municipal Water District

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. Director Parker 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.

PRESENTATION

General Manager Joseph Grindstaff introduced Mr. Mike Myatt from the California Water Foundation (Foundation). Mr. Myatt gave an overview of the Foundation's history and goals, the Sustainable Water Management (SWM) program, and the pilot study conducted on IEUA. He stated that the Foundation aims to create a framework to defining sustainability and profiling different water agencies on how they measure to the framework and the goal is to provide ways to improve sustainability based on the management responses to stressors in the respective region. He stated a rating of bronze, silver, gold, and platinum is determined primarily on the management response to stressors. He stated that the Agency did very well by receiving a gold rating. Mr. Grindstaff stated that one of the reasons IEUA was able to score gold was primarily due to Santa Ana Watershed Project Authority (SAWPA) as a regional agency. SAWPA and the Metropolitan Water District of Southern California (MWD) are trying to plan and integrate across a larger region and MWD, which also operate on a larger scale. It is impossible for any one agency to ensure sustainability. It is necessary for IEUA to work with SAWPA and MWD and member agencies. The art and difficulty is to integrate and work together with all partners, which often means give and take and challenges that come with any relationship. For real success in the long run, Mr. Grindstaff stated the agency can only be successful as an interdependent agency. Director Paul Hofer asked where the Foundation is based and where the majority of the funding comes from. Mr. Myatt responded by stating that their home base was in Sacramento and they have a satellite office in Oakland. Their funding comes from philanthropic foundations such as the S.D. Bechtel, Jr. Foundation, Pisces Foundation, the David & Lucile Packard Foundation, Walton Family Foundation, and the Willian & Flora Hewlett Foundation and pass through grants. Director Paul Hofer asked where he can look to find the definition of sustainability as defined by the Water Foundation. Mr. Myatt referred to the SWM Profile provided. Mr. Myatt ended his presentation by expanding on the proposed next steps for IEUA.

CONSENT ITEMS

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. Director Hofer requested that Consent Calendar Item 1H – *OPPOSE POSITION TO AB 1000 (FRIEDMAN)* be pulled from the Consent Calendar for further discussion.

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

M2017-8-2

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the July 19, 2017, Board meeting and the August 4, 2017, Special Board meeting.

(Continued...)

M2017-8-2, continued.

- B. Recommended that the Board approve the total disbursements for the month of June 2017 in the amount of \$18,765,148.91.
- C. Adopted Resolution No. 2017-8-2, commending retired Council Member Ed Graham for his 26 Years of Service with the City of Chino Hills.

RESOLUTION 2017-8-2
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, COMMENDING RETIRED COUNCIL MEMBER ED
GRAHAM FOR HIS 26 YEARS OF SERVICE WITH THE CITY OF
CHINO HILLS *(for full text, see Resolution Book)*

- D. Approved the Fiscal Year 2017/18 membership as a founding member for the Southern California Water Committee in the amount of \$25,000.
- E. The Board:
 - 1. Awarded a service contract for the RP-5 Process Painting, Project No. PA16002, PA17002, and PA18002, to Tony Painting, in the amount of \$293,000; and
 - 2. Authorized the General Manager to execute the service contract.
- F. The Board:
 - 1. Awarded a construction contract for the Declaz Monitoring Well, Project No. EN17067, to Yellow Jacket Drilling, in the amount of \$243,239; and
 - 2. Authorized the General Manager to execute the construction contract.
- G. The Board:
 - 1. Approved the Upper Santa Ana River Integrated Model Cost Sharing Letter Agreement for the not-to-exceed amount of \$326,700; and
 - 2. Authorized the General Manager to execute the letter agreement, subject to non-substantive changes.
- H. PULLED
- I. The Board approved the request from Water Facilities Authority to waive the late payment penalty and interest related to IEUA Invoice #90020279 in the amount of \$92,784.46 and any loss of interest earnings estimated at \$186.00.

ACTION ITEM

OPPOSE POSITION TO AB 1000 (FRIEDMAN)

Executive Manager of External Affairs & Policy Development/AGM Kathy Besser stated that this legislation was written targeting one specific project but it leaves it open for other agencies to

challenge CEQA approved projects. President Elie stated that IEUA crafted the opposition letter to not be specific to the targeted project but against the policy issues.

Upon motion by Director Hofer, seconded by Director Hall, and unanimously carried:

M2017-8-3

MOVED, to oppose AB 1000 (Friedman) – Water Conveyance, which would impose additional state environmental reviews by unrelated agencies on a project that has already undergone environmental review under the California Environmental Quality Act, for water conveyed in California’s water transportation systems.

SCADA ENTERPRISE SYSTEM DESIGN-BUILD CONTRACT AWARD

President Elie asked if any Board members had any questions. All Board members stated that they were all supportive of the project and Manager of Engineering Shaun Stone did not have to give a presentation.

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

M2017-8-4

MOVED, to:

1. Award a design-build contract for the SCADA Enterprise System Migration (RP-4 and RP-5) Project Nos. EN13016.03 and EN13016.04, to CDM Smith for the not-to-exceed amount of \$5,277,527; and
2. Authorized the General Manager to execute the design-build contract subject to non-substantive changes.

INFORMATION ITEMS

ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES

Deputy Manager of Engineering Jerry Burke gave a PowerPoint presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: EN22002 – East End Flow Meter; EN15012 - RP-1 Primary Effluent Conveyance Improvements; EN14018 – RP-4 Disinfection Facility Improvements; EN15013 – RP-1 TWAS and Primary Effluent; EN17003 – RP-1 Training Room.

General Manager Joseph Grindstaff stated that IEUA has begun to coordinate with cities more on construction, to ensure that city codes are met and permits are pulled when needed. IEUA has been working toward continually improving good business practices by beginning to work more closely with cities on projects and will continue to do so in the future. Mr. Burke stated that they have meetings set up with cities to work toward this process of creating and maintaining good working relationships. Discussion ensued in regard to the legal roles cities have in the construction and inspection of facilities.

LABORATORY SEMI-ANNUAL UPDATE

Manager of Laboratories Nel Groenveld stated that the Environmental Laboratory Accreditation Program (ELAP) that regulates IEUA is going through significant changes and released their draft regulations in July 2017. ELAP will follow the national standards, which means that IEUA will have

some changes to make in the laboratory to update policies to meet the new requirements. She also gave a brief progress update on the Water Quality Laboratory construction.

MWD UPDATE

Executive Manager of Engineering/AGM Chris Berch stated that the main discussion in and around MWD is the California WaterFix. MWD has issued their third white paper, the first being on infrastructure, the second on how it would be operated, and third on finance and cost allocations. He stated that IEUA will be hosting a Water Association Leadership Breakfast in partnership with the Southern California Water Committee on September 7, 2017, at 7:30 a.m. at the Double Tree Hotel in Ontario. Assistant General Manager of MWD Roger Patterson will be speaking on the California WaterFix at that event. Director Camacho added that if any of IEUA's city leaders or chambers have any questions, the General Manager of MWD Jeff Kightlinger has offered to send staff to give presentations on the California WaterFix. Discussion ensued in regard to the California WaterFix.

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

PUBLIC OUTREACH AND COMMUNICATION

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES

LEGISLATIVE REPORT FROM WEST COAST ADVISORS

LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

FEDERAL LEGISLATIVE TRACKING MATRIX

STATE LEGISLATIVE TRACKING MATRIX

TREASURER'S REPORT OF FINANCIAL AFFAIRS

2016 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE

CITY OF UPLAND SEWER BILLING REIMBURSEMENT

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall reported that the meeting was mostly routine in nature. Commissioners asked staff to release the public review of the draft Ordinance No. 8 and draft Resolution Establishing Local Limits regulating discharges to the Inland Empire Brine Line. Amendment No. 1 to the Middle Santa Ana River Watershed TMDL Task Force agreement to extend the agreement through December 2022 was approved.

MWD REPORT

Director Michael Camacho had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

The Regional Sewerage Program Policy Committee meeting was held on July 27, 2017. The Committee unanimously approved the contract award for the SCADA system design. The next meeting is scheduled for September 7, 2017.

CHINO BASIN WATERMASTER REPORT

President Elie reported that Monte Vista Water District, Cucamonga Valley Water District, and the City of Pomona have filed an appeal to the judge's ruling on safe yield. There is ongoing discussion on whether by virtue of that appeal the rulings are stayed, pending resolution by the court of appeal.

GENERAL MANAGER'S REPORT

General Manager Joe Grindstaff reported on the current grant funding status from the State Water Resources Control Board State Revolving Fund Program. He stated that IEUA is expecting the approval of the grants applied for last year will be forthcoming in the next two or three months. Funding has been on hold because the State Board had a shortage of funds.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

Director Parker reported that she attended the Retirement Celebration of Eunice Ulloa from the Chino Basin Water Conservation District on July 31, 2017.

Director Camacho reported that he did a facilities tour with the Fontana Council Member Jesse Armendarez with Director Hall, Executive Manager of Engineering/AGM Chris Berch, and Executive Manager of Operations/AGM Randy Lee on July 24, 2017. He was also able to participate in the 11th Annual San Bernardino County Water Conference on August 11, 2017, with President Elie.

Director Hall reported that she did a facilities tour with Assembly Member Eloise Reyes with President Elie on July 21, 2017. She also attended the Assembly Member Freddie Rodriguez's open house on July 22, 2017, and 30 People under 30 event on July 22, 2017 which showcased young people within the 47th Assembly District that are making remarkable strides in their community. She also attended the tour with Fontana Council Member Jesse Armendarez on July 24, 2017, and attended the Employee Support of Guard and Reserves for IEUA employee Michael Frazier with Manager of Operations & Maintenance Chander Letulle. She also attended the IERCA Board Meeting on August 9, 2017, with Director Hofer.

President Elie reported that he attended the facilities tour with Assembly Member Eloise Reyes on July 21, 2017. He stated that these tours with Assembly Members are not only a wonderful opportunity for them to be educated on what IEUA does but also a great opportunity to create relationships. He attended the Retirement Celebration for Eunice Ulloa on July 31, 2017. He also attended the 11th Annual San Bernardino County Water Conference on August 11, 2017. He stated that he gladly accepted the Inland Empire H2O Hero Innovator of the Year Award on behalf of the Agency at the conference. He stated that it is continual recognition of the great work IEUA and staff is doing.

CLOSED SESSION

The Board went into Closed Session at 11:06 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: One (1) Case; D. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer

Negotiations – All Bargaining Units, Negotiating Parties: General Manager P. Joseph Grindstaff;
E. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT:
General Manager

The meeting resumed at 12:52 p.m., and General Counsel Jean Cihigoyenatche 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

The Board did not discuss.

Regarding Conference with Legal Counsel – Existing Litigation:

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 did not discuss.

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

First Case

The Board took no reportable action.

Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiator

Meet and Confer Negotiations – All Bargaining Units

Negotiating Parties: General Manager P. Joseph Grindstaff

The Board took no reportable action.

Pursuant to Government Code Section 54954.5 – Public Employment

General Manager

The Board took no reportable action.

With no further business, President Elie adjourned the meeting at 12:53 p.m.

Jasmin A. Hall, Secretary/Treasurer

APPROVED: SEPTEMBER 20, 2017



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

**WEDNESDAY, SEPTEMBER 6, 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:

Christopher Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Jason Gu, Manager of Grants
Sally Lee, Executive Assistant
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm

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 10:00 a.m. and President Elie 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.

ACTION ITEMS

ADOPT RESOLUTION NO. 2017-9-1 FOR APPROVAL OF MASTER AMENDMENT NO. 1

Executive Manager of Finance and Administration/AGM Christina Valencia stated that in July, the Board adopted Resolution No. 2017-7-1 to approve the Master Amendment No. 1 (Amendment) to standardize the lien position and certain financing terms of the financing agreements for the existing 19 State Revolving Fund Loans. After further review, the State Water Board's legal team recommends that IEUA amend the Resolution to further clarify the Board's authorization to

provide the General Manager authority to execute the Amendment. This authority is already included in each individual financing agreement but was not clearly stated in the Resolution that was adopted in July. Our general counsel, Jean Cihigoyenette, worked closely with their legal team to review the revised verbiage that is being recommended and is included in Resolution No. 2017-9-1.

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

M2017-9-1

MOVED, to adopt Resolution No. 2017-9-1 for the Master Amendment No. 1 (Amendment) between the Agency and the California State Water Resources Control Board (State Water Board) to authorize the General Manager or designee to execute the Amendment and all other documents necessary to accomplish the intent and purpose of the resolution.

**RESOLUTION 2017-9-1
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO
COUNTY, CALIFORNIA, FOR APPROVAL OF MASTER
AMENDMENT NO. 1 BETWEEN THE AGENCY AND THE
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD
(STATE WATER BOARD) TO AMEND THE LIEN POSITIONS,
PLEDGE AND CERTAIN FINANCING TERMS, COVENANTS AND
DEFINITIONS OF NINETEEN (19) CLEAN WATER STATE
REVOLVING FUND (SRF) FINANCING AGREEMENTS BETWEEN
THE AGENCY AND THE STATE WATER BOARD**
(for full text, see Resolution Book)

CLOSED SESSION

The Board went into Closed Session at 10:02 a.m.; A. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT: General Manager

The meeting resumed at 10:41 a.m., and General Counsel Jean Cihigoyenette stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Pursuant to Government Code Section 54954.5 – Public Employment

General Manager

The Board took no reportable action.

With no further business, President Elie adjourned the meeting at 10:42 a.m.

Jasmin A. Hall, Secretary/Treasurer

APPROVED: SEPTEMBER 20, 2017



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

**TUESDAY, SEPTEMBER 12, 2017
8:00 A.M.**

DIRECTORS PRESENT:

Steven J. Elie, President
Jasmin A. Hall, Secretary/Treasurer (via Teleconference)
Paul Hofer
Kati Parker

DIRECTORS ABSENT:

Michael Camacho, Vice President

STAFF PRESENT:

Laura Mantilla, Executive Assistant
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm

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

President Elie called the meeting to order at 8:00 a.m. and President Elie dispensed with 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.

CLOSED SESSION

The Board went into Closed Session at 8:01 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT: General Manager

The meeting resumed at 8:08 a.m., and President Elie state that below-mentioned matter was discussed in Closed Session, and the Board took the following action:

Regarding public employment:

General Manager

The Board took no reportable action.

ACTION ITEM

DISCUSSION AND POSSIBLE ACTION TO APPROVE GENERAL MANAGER EMPLOYMENT CONTRACT

General Council Jean Cihigoyenetché stated that after a rigorous recruitment process prompted by the retirement of General Manager P. Joseph Grindstaff, Mr. Norm Roberts was retained for the recruitment process and several candidates were interviewed. After the interviews, the Board decided to extend an offer and engage in negotiations with Ms. Halla Razak. Those negotiations culminated in the draft agreement for the Board's consideration and approval. President Elie stated that there will need to be some non-substantive changes made to the draft agreement. Mr. Cihigoyenetché stated that the changes will be non-substantive and they would not prohibit the approval of the draft agreement.

Upon motion by Director Hofer, seconded by Director Parker, and unanimously carried (4-0):

M2017-9-2

MOVED, to approve the General Manager Employment Contract as presented.

With no further business, President Elie adjourned the meeting at 8:10 a.m.

Jasmin A. Hall, Secretary/Treasurer

APPROVED: SEPTEMBER 20, 2017

CONSENT
CALENDAR
ITEM

3B

Date: September 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration

Chris Miller for JG
From: P. Joseph Grindstaff, General Manager

09/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Report on General Disbursements

Executive Summary:

July disbursement activity includes vendor check payments of \$4,472,462.99 and worker's compensation check payments of \$7,797.56. The total amount of ACH payments was \$1,124,073.15. The total amount of wire transfer payments (excluding payroll) was \$7,568,690.14. The total pay for the Board of Directors was \$5,292.10. The total pay for employees was \$1,436,463.01.

CalPERS, starting FY 2017/18, has changed the way it bills employers for the annual portion of the unfunded liability. The new billing represents a fixed dollar amount instead of a percentage of covered payroll. This amount can be paid monthly or in a lump sum payment before July 31st with almost a 4% discount. The lump sum amount after discount paid to CalPERS was \$2,575,558.00.

Staff's Recommendation:

Approve the total disbursements for the month of July 2017, in the amount of \$14,614,778.95.

Budget Impact *Budgeted* (Y/N): N *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The cash held by the Agency's various funds, including the Administrative Services (GG) Fund, is reduced as a result of paying the Agency's authorized expenditures.

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

The report on general disbursements is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for general disbursements associated with operating requirements.

Attachments:

Attachment 1 - Background

Background

Subject: Report on General Disbursements

Attachment	Payment Type	Amount
1	Vendor Checks	\$4,472,462.99
2	Workers' Comp Checks	\$7,797.56
3	Vendor ACHs	\$1,124,073.15
4	Vendor Wires (excludes Payroll)	\$7,568,690.14
5	Payroll-Net Pay-Directors	\$5,292.10
6	Payroll-Net Pay-Employees	\$1,436,463.01
Total Disbursements		\$14,614,778.95

Payments to vendors this month above \$500,000 include:

Vendor	Amount	Description
MWD	\$2,805,260.68	April 2017 Water Purchase
CalPERS	\$2,575,558.00	Retirement Unfunded Liability
LACSD	\$737,600.00	Past 4R's Note Payment No. 4 of 6
SO CALIF EDISON	\$666,594.76	Electricity June-July
I R S	\$653,055.08	P/R 14, 15, DIR 007 Taxes
PERS	\$651,862.21	7/17 Hlth Ins; P/R 14,15, DIR 007 PERS Cont

Attachment 1

Vendor Checks

Bank	CBB	CITIZENS BUSINESS BANK	ONTARIO CA 917610000
Bank Key	122234149		
Acct number	CHECK	231167641	

Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
219969	2200084117	07/06/2017	USD	2,204.00	AEROTEK INC ATLANTA GA	07/10/2017
219970	2200084105	07/06/2017	USD	386.78	AIRGAS WEST INC PASADENA CA	07/10/2017
219971	2200084141	07/06/2017	USD	1,575.00	ALS ENVIRONMENTAL DALLAS TX	07/12/2017
219972	2200084128	07/06/2017	USD	911.79	ALTA FOODCRAFT COFFEE LONG BEACH CA	07/12/2017
219973	2200084126	07/06/2017	USD	1,480.00	AMP MECHANICAL INC COSTA MESA CA	07/17/2017
219974	2200084130	07/06/2017	USD	793.73	ASAP INDUSTRIAL SUPPLY FONTANA CA	07/12/2017
219975	2200084112	07/06/2017	USD	11,136.22	BLACK & VEATCH CORPORATION KANSAS CITY MO	07/11/2017
219976	2200084121	07/06/2017	USD	414.84	BNI BUILDING NEWS VISTA CA	07/12/2017
219977	2200084134	07/06/2017	USD	16,918.83	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	07/10/2017
219978	2200084148	07/06/2017	USD	1,422.15	BURKTEC WASTE INDUSTRIES INC FONTANA CA	07/12/2017
219979	2200084110	07/06/2017	USD	88.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	07/14/2017
219980	2200084135	07/06/2017	USD	21,623.49	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	07/10/2017
219981	2200084155	07/06/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	07/11/2017
219982	2200084114	07/06/2017	USD	6,494.50	CAROLO ENGINEERS INC SALT LAKE CITY UT	07/13/2017
219983	2200084119	07/06/2017	USD	4,628.11	CASC ENGINEERING AND CONSULTING COLTON CA	07/12/2017
219984	2200084142	07/06/2017	USD	3,448.58	CHEMTRADE CHEMICALS US LLC DETROIT MI	07/10/2017
219985	2200084109	07/06/2017	USD	10,000.00	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	07/11/2017
219986	2200084125	07/06/2017	USD	2,852.15	CINTIAS CORPORATION LOC#150 PHOENIX AZ	07/18/2017
219987	2200084153	07/06/2017	USD	415.00	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	07/12/2017
219988	2200084144	07/06/2017	USD	3,094.29	CITY OF CHINO CHINO CA	07/10/2017
219989	2200084101	07/06/2017	USD	48.65	CITY RENTALS INC ONTARIO CA	07/14/2017
219990	2200084139	07/06/2017	USD	1,210.00	CONTROLWORKS, INC. CHINO CA	07/12/2017
219991	2200084162	07/06/2017	USD	83.91	Chino Basin Desalter Authority CHINO CA	07/18/2017
219992	2200084143	07/06/2017	USD	31,976.20	DORGAN LEGAL SERVICES LLP PASADENA CA	07/12/2017
219993	2200084140	07/06/2017	USD	13,600.00	DRH2O LLC IRVINE CA	07/10/2017
219994	2200084132	07/06/2017	USD	1,241.79	E R HLOCK PLUMBING INC RIVERSIDE CA	07/11/2017
219995	2200084116	07/06/2017	USD	16,063.50	ENVIRONMENTAL SYSTEMS RESEARCH LOS ANGELES CA	07/10/2017
219996	2200084133	07/06/2017	USD	4,815.00	EUROFINS EATON ANALYTICAL, INC GRAPEVINE TX	07/11/2017
219997	2200084138	07/06/2017	USD	56,628.67	FERREIRA COASTAL CONSTRUCTION BRANCHEBURG NJ	07/11/2017
219998	2200084102	07/06/2017	USD	464.60	FISHER SCIENTIFIC LOS ANGELES CA	07/10/2017
219999	2200084108	07/06/2017	USD	500.00	FONTANA HERALD NEWS FONTANA CA	07/12/2017
220000	2200084147	07/06/2017	USD	833.24	FONTANA WATER COMPANY FONTANA CA	07/13/2017
220001	2200084149	07/06/2017	USD	1,039.46	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	07/14/2017
220002	2200084107	07/06/2017	USD	430.00	GOVERNMENT FINANCE OFFICERS ASCHICAGO IL	07/18/2017
220003	2200084106	07/06/2017	USD	2,263.78	GRAINGER PALATINE IL	07/11/2017
220004	2200084159	07/06/2017	USD	152.31	HALL, JASMIN CHINO HILLS CA	07/10/2017
220005	2200084103	07/06/2017	USD	2,183.16	HOME DEPOT CREDIT SERVICES DES MOINES IA	07/14/2017
220006	2200084151	07/06/2017	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	07/11/2017
220007	2200084113	07/06/2017	USD	10.94	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	07/11/2017
220008	2200084156	07/06/2017	USD	288.00	MARIA FRESQUEZ N LAS VEGAS NV	07/17/2017
220009	2200084127	07/06/2017	USD	570.00	MARTEK DIVERSE AUTOMATION LA VERNE CA	07/13/2017
220010	2200084123	07/06/2017	USD	2,928.17	MONIE VISTA WATER DISTRICT MONTCLAIR CA	07/20/2017
220011	2200084158	07/06/2017	USD	70.00	MORGAN-PERALES, LISA CHINO HILLS CA	07/26/2017
220012	2200084137	07/06/2017	USD	140.00	MSO TECHNOLOGIES INC THOUSAND OAKS CA	07/19/2017

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Check							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
220013	2200084157	07/06/2017	USD	115.00	MUNOZ, MARIE LIZA CHINO HILLS CA		07/11/2017
220014	2200084118	07/06/2017	USD	402.65	NATIONAL BUSINESS INVESTIGATIONMURRIETA CA		07/11/2017
220015	2200084111	07/06/2017	USD	14.68	O RINGS & THINGS FONTANA CA		07/14/2017
220016	2200084154	07/06/2017	USD	430.50	PATRICK W HUNTER PHELAN CA		07/13/2017
220017	2200084115	07/06/2017	USD	771.06	RED WING SHOE STORE UPLAND CA		07/14/2017
220018	2200084131	07/06/2017	USD	840.00	RIVERSIDE UNIFIED SCHOOL DISTIRRIVERSIDE CA		07/18/2017
220019	2200084104	07/06/2017	USD	3,039.38	ROYAL WHOLESALE ELECTRIC ORANGE CA		07/12/2017
220020	2200084124	07/06/2017	USD	449.27	RSD LAKE FOREST CA		07/12/2017
220021	2200084150	07/06/2017	USD	506.34	SHERIFF'S COURT SERVICES SAN BERNARDINO CA		08/04/2017
220022	2200084145	07/06/2017	USD	66.02	SO CALIF EDISON ROSEMEAD CA		07/11/2017
220023	2200084146	07/06/2017	USD	424.14	SO CALIF GAS MONTEREY PARK CA		07/18/2017
220024	2200084160	07/06/2017	USD	1,030.00	SPEARS, JIM CHINO HILLS CA		07/17/2017
220025	2200084122	07/06/2017	USD	337,617.30	SWRCB ACCOUNTING OFFICE SACRAMENTO CA		07/21/2017
220026	2200084152	07/06/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA		07/13/2017
220027	2200084136	07/06/2017	USD	397.50	V3IT CONSULTING INC NAPERVILLE IL		07/11/2017
220028	2200084129	07/06/2017	USD	583.98	VALIN CORPORATION PASADENA CA		07/11/2017
220029	2200084120	07/06/2017	USD	7,564.08	W A RASIC CONSTRUCTION CO INC LONG BEACH CA		07/11/2017
220030	2200084161	07/06/2017	USD	20.12	WONG, RAELEN CHINO HILLS CA		07/17/2017
220031	2200084183	07/11/2017	USD	72,536.77	SO CALIF EDISON ROSEMEAD CA		07/17/2017
220032	2200084207	07/13/2017	USD	172.06	ACCUSTANDARD INC NEW HAVEN CT		07/20/2017
220033	2200084219	07/13/2017	USD	1,508.00	AEROTEK INC ATLANTA GA		07/18/2017
220034	2200084192	07/13/2017	USD	9,655.00	AIRGAS WEST INC PASADENA CA		07/17/2017
220035	2200084228	07/13/2017	USD	4,298.44	ALLIANCE FOR WATER EFFICIENCY CHICAGO IL		07/20/2017
220036	2200084202	07/13/2017	USD	310.27	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA		07/19/2017
220037	2200084231	07/13/2017	USD	1,400.00	AMP MECHANICAL INC COSTA MESA CA		07/20/2017
220038	2200084195	07/13/2017	USD	3,009.40	APPLEONE EMPLOYMENT SERVICES GLENDALE CA		07/20/2017
220039	2200084214	07/13/2017	USD	28.00	ASEBCSD HESPERIA CA		07/26/2017
220040	2200084239	07/13/2017	USD	18.31	AUTOZONE INC ATLANTA GA		07/19/2017
220041	2200084187	07/13/2017	USD	732.70	BEAR STATE PUMP & EQUIPMENT COONTARIO CA		07/21/2017
220042	2200084260	07/13/2017	USD	116.96	BERCH, CHRISTOPHER CHINO HILLS CA		08/02/2017
220043	2200084218	07/13/2017	USD	334.54	BOOT BARN INC IRVINE CA		07/20/2017
220044	2200084264	07/13/2017	USD	257.58	BOUGHAN, ARIN CHINO HILLS CA		07/19/2017
220045	2200084242	07/13/2017			voided by DSPRINGE - Lost Check		08/23/2017
220046	2200084236	07/13/2017	USD	7,170.00	C BELOW INC CHINO CA		07/18/2017
220047	2200084196	07/13/2017	USD	500.00	CALIF MUNICIPAL STATISTICS INCOAKLAND CA		
220048	2200084201	07/13/2017	USD	254.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA		07/21/2017
220049	2200084210	07/13/2017	USD	651.36	CALIFORNIA NEWSPAPER SERVICE BLOS ANGELES CA		07/18/2017
220050	2200084230	07/13/2017	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA		07/19/2017
220051	2200084243	07/13/2017	USD	14,956.03	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA		07/17/2017
220052	2200084188	07/13/2017	USD	2,897.53	CALITROL INC LOS ANGELES CA		07/17/2017
220053	2200084199	07/13/2017	USD	16,438.60	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA		07/18/2017
220054	2200084255	07/13/2017	USD	28,379.00	CHINO-OAKS AVE 23 LLC CORONA CA		07/20/2017
220055	2200084227	07/13/2017	USD	1,376.45	CINTAS CORPORATION LOC#150 PHOENIX AZ		07/25/2017
220056	2200084237	07/13/2017	USD	19,719.00	CIVIC PUBLICATIONS INC LA VERNE CA		07/18/2017

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Acct number		CHECK 231167641				
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220057	2200084232	07/13/2017	USD	1,885.50	CPS HUMAN RESOURCE SERVICES SAN FRANCISCO CA	07/19/2017
220058	2200084251	07/13/2017	USD	2,645.00	CSI SERVICES INC SANTA CLARITA CA	07/20/2017
220059	2200084245	07/13/2017	USD	518.26	D & H WATER SYSTEMS INC OCEANSIDE CA	07/20/2017
220060	2200084254	07/13/2017	USD	96.85	DAISY IT SUPPLIES SALES & SERV RANCHO CUCAMONGA CA	07/18/2017
220061	2200084247	07/13/2017	USD	525.00	DAVIS BARBER PRODUCTIONS INC FULLERTON CA	07/19/2017
220062	2200084198	07/13/2017	USD	1,220.02	DELL MARKETING L P PASADENA CA	07/18/2017
220063	2200084226	07/13/2017	USD	714.03	DETECTION INSTRUMENTS CORP PHOENIX AZ	07/19/2017
220064	2200084252	07/13/2017	USD	6,700.00	DOUGLAS DOYLE DRURY HENDERSON NV	07/19/2017
220065	2200084208	07/13/2017	USD	123.00	ENVIRONMENTAL CONSULTING & TESS SUPERIOR WI	07/24/2017
220066	2200084238	07/13/2017	USD	6,620.00	EUROFINS EATON ANALYTICAL, INO GRAPEVINE TX	07/18/2017
220067	2200084235	07/13/2017	USD	2,435.60	FIESTA TACOS AZUSA CA	07/25/2017
220068	2200084190	07/13/2017	USD	1,657.38	FISHER SCIENTIFIC LOS ANGELES CA	07/17/2017
220069	2200084194	07/13/2017	USD	470.21	FLW INC HUNTINGTON BEACH CA	07/19/2017
220070	2200084203	07/13/2017	USD	358.00	FRED PRYOR SEMINARS KANSAS CITY MO	07/24/2017
220071	2200084258	07/13/2017	USD	370.02	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	07/25/2017
220072	2200084244	07/13/2017	USD	921.60	FULL SOURCE, LLC JACKSONVILLE FL	07/18/2017
220073	2200084250	07/13/2017	USD	7,004.20	GILLIS + PANICHAPAN ARCHITECTS COSTA MESA CA	07/19/2017
220074	2200084193	07/13/2017	USD	199.69	GRAINGER PALATINE IL	07/19/2017
220075	2200084221	07/13/2017	USD	4,263.81	HACH COMPANY CHICAGO IL	07/19/2017
220076	2200084191	07/13/2017	USD	526.06	HOME DEPOT CREDIT SERVICES DES MOINES IA	07/21/2017
220077	2200084209	07/13/2017	USD	1,115.21	IMPRESSIONS GOURMET CATERING ONTARIO CA	07/18/2017
220078	2200084213	07/13/2017	USD	146.88	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	07/18/2017
220079	2200084249	07/13/2017	USD	270.00	INTERNATIONAL COUNCIL FOR BROKEN ARROW OK	07/24/2017
220080	2200084206	07/13/2017	USD	228.01	KONICA MINOLTA PASADENA CA	07/18/2017
220081	2200084205	07/13/2017	USD	496.98	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	07/19/2017
220082	2200084215	07/13/2017	USD	69,695.40	LEE & RO INC CITY OF INDUSTRY CA	07/24/2017
220083	2200084262	07/13/2017	USD	97.41	LEE, SYLVIE CHINO HILLS CA	
220084	2200084217	07/13/2017	USD	70.00	LIEBERT CASSIDY WHITMORE LOS ANGELES CA	07/20/2017
220085	2200084253	07/13/2017	USD	3,363.63	LOCAL GOVERNMENT COMMISSION SACRAMENTO CA	07/18/2017
220086	2200084248	07/13/2017	USD	696.38	MANAGED MOBILE INC PLACENTIA CA	07/19/2017
220087	2200084216	07/13/2017	USD	2,977.60	MCO - THE MICROFILM CO CORONA CA	08/14/2017
220088	2200084241	07/13/2017	USD	1,256.05	MICROAGE PHOENIX AZ	07/18/2017
220089	2200084211	07/13/2017	USD	409.75	MIDPOINT BEARING ONTARIO CA	07/17/2017
220090	2200084224	07/13/2017	USD	2,400.00	MONTE VISTA WATER DISTRICT MONTCLAIR CA	07/20/2017
220091	2200084234	07/13/2017	USD	5,130.70	MULTY INDUSTRIES PRECISION MACONTARIO CA	07/18/2017
220092	2200084225	07/13/2017	USD	994.80	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	07/18/2017
220093	2200084229	07/13/2017	USD	1,061.70	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	07/25/2017
220094	2200084189	07/13/2017	USD	2,028.52	OFFICE DEPOT PHOENIX AZ	07/24/2017
220095	2200084197	07/13/2017	USD	293.88	ONTARIO FIRE EXTINGUISHER CO ONTARIO CA	07/25/2017
220096	2200084233	07/13/2017	USD	100.00	ONTARIO INTERNATIONAL ONTARIO CA	08/18/2017
220097	2200084256	07/13/2017	USD	40.00	ONTARIO MUNICIPAL UTILITIES CO ONTARIO CA	07/17/2017
220098	2200084222	07/13/2017	USD	5,695.00	OSTS INC CHINO CA	07/18/2017
220099	2200084220	07/13/2017	USD	240.00	PANTHER PROTECTION ORANGE CA	07/28/2017
220100	2200084261	07/13/2017	USD	275.00	PARIS, ANGELA CHINO HILLS CA	07/25/2017

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
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Acct number		CHECK 231167641				
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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
220101	2200084259	07/13/2017	USD	96.54	PERS LONG TERM CARE PROGRAM PASADENA CA	07/19/2017
220102	2200084263	07/13/2017	USD	181.20	PIVOVAROFF, JASON CHINO HILLS CA	07/26/2017
220103	2200084200	07/13/2017	USD	6,807.65	POLYDYNE INC ATLANTA GA	07/18/2017
220104	2200084246	07/13/2017	USD	95.76	PREMIUM PROMOTIONALS UPLAND CA	07/24/2017
220105	2200084265	07/13/2017	USD	300.00	ROMERO, SERGIO CHINO CA	07/24/2017
220106	2200084257	07/13/2017	USD	9,080.52	SO CALIF EDISON ROSEMEAD CA	07/18/2017
220107	2200084240	07/13/2017	USD	1,440.00	STAFFING NETWORK LLC CAROL STREAM IL	07/19/2017
220108	2200084204	07/13/2017	USD	640.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	07/19/2017
220109	2200084212	07/13/2017	USD	20.00	THREE VALLEYS MWD CLAREMONT CA	07/19/2017
220110	2200084223	07/13/2017	USD	35,000.00	WATER ENVIRONMENT & REUSE FOUNPHILADELPHIA PA	07/18/2017
220111	2200084266	07/13/2017	USD	300.00	YANG, WEICHEN CHINO HILLS CA	08/08/2017
220112	2200084267	07/13/2017	USD	4,817.75	APPLIED NETWORK SECURITY BYRON CA	07/18/2017
220113	2200084314	07/20/2017	USD	462.55	AERATION INDUSTRIES INT'L INC CHASKA MN	07/27/2017
220114	2200084334	07/20/2017	USD	2,030.00	AEROTEK INC ATLANTA GA	07/26/2017
220115	2200084435	07/20/2017	USD	350.00	AGUILAR, JOSHUA CHINO HILLS CA	08/02/2017
220116	2200084308	07/20/2017	USD	1,323.15	AIRGAS WEST INC PASADENA CA	07/24/2017
220117	2200084350	07/20/2017	USD	444,575.00	ALLIANT INSURANCE SERVICES INCSAN DIEGO CA	07/31/2017
220118	2200084356	07/20/2017	USD	136.22	AMERICAN PRINTING & PROMOTIONSEASTVALE CA	08/08/2017
220119	2200084315	07/20/2017	USD	1,221.60	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	07/27/2017
220120	2200084429	07/20/2017	USD	348.50	ARCHER, WILLIAM CHINO HILLS CA	07/26/2017
220121	2200084367	07/20/2017	USD	2,014.81	AUTOZONE INC ATLANTA GA	07/26/2017
220122	2200084386	07/20/2017	USD	24,778.89	BANNER BANK SACRAMENTO CA	07/25/2017
220123	2200084418	07/20/2017	USD	74.06	BARKER, JOHN MICHAEL CHINO HILLS CA	07/26/2017
220124	2200084417	07/20/2017	USD	264.00	BARRER, SATURNINO CHINO HILLS CA	07/31/2017
220125	2200084462	07/20/2017	USD	350.00	BESSER, KATHRYN CHINO HILLS CA	
220126	2200084461	07/20/2017	USD	267.95	BHOJANI, SHARMEEN CHINO HILLS CA	08/21/2017
220127	2200084333	07/20/2017	USD	205.53	BOOT BARN INC IRVINE CA	07/31/2017
220128	2200084399	07/20/2017	USD	5,748.84	BURRTEC WASTE INDUSTRIES INC FONTANA CA	07/26/2017
220129	2200084377	07/20/2017	USD	12,578.69	BUSINESS CARD WILMINGTON DE	07/24/2017
220130	2200084310	07/20/2017	USD	4,777.00	CALIF DEPT OF FISH AND GAME ONTARIO CA	08/02/2017
220131	2200084373	07/20/2017	USD	3,379.46	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	07/25/2017
220132	2200084296	07/20/2017	USD	5,659.37	CALITROL INC LOS ANGELES CA	07/24/2017
220133	2200084363	07/20/2017	USD	650.00	CALVADA SURVEYING INC CORONA CA	07/25/2017
220134	2200084431	07/20/2017	USD	350.00	CAMBIASO, PIETRO CHINO HILLS CA	07/21/2017
220135	2200084412	07/20/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	07/27/2017
220136	2200084443	07/20/2017	USD	58.85	CARTER, JOSEPH CHINO HILLS CA	08/02/2017
220137	2200084359	07/20/2017	USD	36,800.00	CHARLES KING COMPANY INC SIGNAL HILL CA	07/25/2017
220138	2200084463	07/20/2017	USD	309.24	CHAVEZ, EDWARD CHINO HILLS CA	08/14/2017
220139	2200084388	07/20/2017	USD	3,478.48	CHEMTRADE CHEMICALS US LLC DETROIT MI	07/25/2017
220140	2200084354	07/20/2017	USD	353.91	CINTAS CORPORATION LOC#150 PHOENIX AZ	07/26/2017
220141	2200084410	07/20/2017	USD	415.00	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	07/28/2017
220142	2200084393	07/20/2017	USD	3,152.65	CITY OF CHINO CHINO CA	07/24/2017
220143	2200084458	07/20/2017	USD	350.00	COLE, CHRISTOPHER CHINO HILLS CA	08/07/2017
220144	2200084325	07/20/2017	USD	300.00	COSTCO WHOLESALE MEMBERSHIP SEATTLE WA	07/31/2017

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220146	2200084324	07/20/2017	USD	241,571.66	CSRMA SAN FRANCISCO CA	08/03/2017
220147	2200084395	07/20/2017	USD	562.73	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	07/25/2017
220148	2200084438	07/20/2017	USD	204.71	DAGAN, EDWARD CHINO HILLS CA	08/02/2017
220149	2200084364	07/20/2017	USD	86,650.00	DAVID T WADEN INC RIVERSIDE CA	08/16/2017
220150	2200084469	07/20/2017	USD	172.00	DELGADO, ROBERTO CHINO HILLS CA	08/15/2017
220151	2200084465	07/20/2017	USD	350.00	DIAS, MICHAEL CHINO HILLS CA	08/07/2017
220152	2200084442	07/20/2017	USD	350.00	DIX, GARY CHINO HILLS CA	07/27/2017
220153	2200084380	07/20/2017	USD	2,500.00	DRH2O LLC IRVINE CA	08/01/2017
220154	2200084384	07/20/2017	USD	2,939.71	DXP ENTERPRISES INC HOUSTON TX	07/25/2017
220155	2200084330	07/20/2017	USD	2,500.80	EAGLE AERIAL IMAGING COSTA MESA CA	08/02/2017
220156	2200084441	07/20/2017	USD	350.00	EDDY, NICHOLAS CHINO HILLS CA	07/27/2017
220157	2200084366	07/20/2017	USD	955.82	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	07/25/2017
220158	2200084369	07/20/2017	USD	437.75	ENVIRONMENTAL SCIENCE ASSOCIATES SAN FRANCISCO CA	07/25/2017
220159	2200084382	07/20/2017	USD	59,799.30	FACILITY SOLUTIONS GROUP INC PLACENTIA CA	07/31/2017
220160	2200084298	07/20/2017	USD	269.85	FISHER SCIENTIFIC LOS ANGELES CA	07/24/2017
220161	2200084454	07/20/2017	USD	326.24	FLORIES, JUAN CHINO HILLS CA	08/07/2017
220162	2200084401	07/20/2017	USD	6,837.97	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	07/28/2017
220163	2200084390	07/20/2017	USD	2,321.61	GE GRID SOLUTIONS LLC ATLANTA GA	07/26/2017
220164	2200084453	07/20/2017	USD	53.15	GIBSON, CONNIE CHINO HILLS CA	07/28/2017
220165	2200084391	07/20/2017	USD	3,371.26	GLASDON INC SANDSTON VA	07/25/2017
220166	2200084311	07/20/2017	USD	4,647.98	GRAINGER PALATINE IL	07/26/2017
220167	2200084457	07/20/2017	USD	350.00	GUPTA, NEETU CHINO HILLS CA	08/07/2017
220168	2200084452	07/20/2017	USD	350.00	GUZMAN, MARIA CHINO HILLS CA	08/07/2017
220169	2200084419	07/20/2017	USD	346.00	HAMLETT, DONALD CHINO HILLS CA	08/16/2017
220170	2200084422	07/20/2017	USD	200.05	HEIN, DAVID CHINO HILLS CA	07/27/2017
220171	2200084456	07/20/2017	USD	350.00	HEREDIA, JOSE CHINO HILLS CA	07/24/2017
220172	2200084451	07/20/2017	USD	350.00	HOLGUIN, GABRIEL CHINO HILLS CA	07/31/2017
220173	2200084299	07/20/2017	USD	427.33	HOME DEPOT CREDIT SERVICES DES MOINES IA	07/28/2017
220174	2200084459	07/20/2017	USD	96.00	HULL, KURT CHINO HILLS CA	07/26/2017
220175	2200084447	07/20/2017	USD	350.00	HURST, ELIZABETH CHINO HILLS CA	
220176	2200084426	07/20/2017	USD	326.24	IM, BYUNG-ROCK CHINO HILLS CA	07/24/2017
220177	2200084406	07/20/2017	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	07/26/2017
220178	2200084374	07/20/2017	USD	10,000.00	ISLE INC PALO ALTO CA	07/25/2017
220179	2200084318	07/20/2017	USD	62,339.20	J F SHEA CONSTRUCTION INC WALNUT CA	07/25/2017
220180	2200084300	07/20/2017	USD	2,350.38	J R FILANC CONSTRUCTION CO. INCESCONDIDO CA	07/26/2017
220181	2200084427	07/20/2017	USD	200.00	JACKSON, PAT CHINO HILLS CA	08/07/2017
220182	2200084385	07/20/2017	USD	470,798.88	KEMP BROS CONSTRUCTION INC SANTA FE SPRINGS CA	07/26/2017
220183	2200084437	07/20/2017	USD	323.23	KING, JEFFREY L CHINO HILLS CA	
220184	2200084425	07/20/2017	USD	350.00	KLING, WANDA CHINO HILLS CA	07/31/2017
220185	2200084329	07/20/2017	USD	1,578.60	LEE & RO INC CITY OF INDUSTRY CA	07/25/2017
220186	2200084466	07/20/2017	USD	350.00	LEE, SALLY H CHINO HILLS CA	07/27/2017
220187	2200084450	07/20/2017	USD	350.00	LENING, SCOTT CHINO HILLS CA	07/24/2017
220188	2200084400	07/20/2017	USD	939.27	LEVEL 3 COMMUNICATIONS LLC DENVER CO	07/26/2017

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220190	2200084381	07/20/2017	USD	1,525.18	MANAGED MOBILE INC PLACENTIA CA	07/25/2017	
220191	2200084413	07/20/2017	USD	288.00	MARIA FRESQUEZ N LAS VEGAS NV	07/28/2017	
220192	2200084414	07/20/2017	USD	217.95	MEDETIROS, SHAWN CHINO HILLS CA	07/25/2017	
220193	2200084428	07/20/2017	USD	312.00	MELTON, JOSEPH CHINO HILLS CA	07/26/2017	
220194	2200084470	07/20/2017	USD	282.62	MONFORE, KENNETH CHINO HILLS CA		
220195	2200084467	07/20/2017	USD	147.91	MORRIS, SHANEKA CHINO HILLS CA	07/25/2017	
220196	2200084332	07/20/2017	USD	682.95	MUNICIPAL WATER DISTRICT FOUNTAIN VALLEY CA	07/25/2017	
220197	2200084421	07/20/2017	USD	350.00	O'DEA, KRISTINE CHINO HILLS CA	07/27/2017	
220198	2200084415	07/20/2017	USD	242.61	OAKDEN, LISA CHINO HILLS CA	07/25/2017	
220199	2200084297	07/20/2017	USD	807.83	OFFICE DEPOT PHOENIX AZ	08/01/2017	
220200	2200084394	07/20/2017	USD	5,554.70	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	07/24/2017	
220201	2200084424	07/20/2017	USD	350.00	PARIS, ANGELA CHINO HILLS CA	08/22/2017	
220202	2200084411	07/20/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	07/25/2017	
220203	2200084455	07/20/2017	USD	350.00	PIVOVAROFF, JASON CHINO HILLS CA	07/26/2017	
220204	2200084338	07/20/2017	USD	2,483.79	PONTON INDUSTRIES INC YORBA LINDA CA	07/31/2017	
220205	2200084378	07/20/2017	USD	198.00	PUBLIC AGENCY SAFETY ORANGE CA	08/15/2017	
220206	2200084301	07/20/2017	USD	3,980.16	RAMONA TIRE & SERVICE CENTERS HEMET CA	07/31/2017	
220207	2200084464	07/20/2017	USD	29.99	REED, MICHELLE CHINO HILLS CA	08/07/2017	
220208	2200084432	07/20/2017	USD	170.06	REYES, RAYMOND CHINO HILLS CA		
220209	2200084448	07/20/2017	USD	350.00	RILEY, STEPHANIE CHINO CA	08/02/2017	
220210	2200084339	07/20/2017	USD	5,000.00	RIVERSIDE COUNTY FLOOD CONTROL RIVERSIDE CA	07/28/2017	
220211	2200084302	07/20/2017	USD	1,100.50	RMA GROUP RANCHO CUCAMONGA CA	07/25/2017	
220212	2200084319	07/20/2017	USD	4,280.00	RMS ENGINEERING & DESIGN CORONA DEL MAR CA	07/25/2017	
220213	2200084371	07/20/2017	USD	10,000.00	ROBERTS CONSULTING GROUP INC RANCHO MIRAGE CA	07/25/2017	
220214	2200084376	07/20/2017	USD	432.33	ROWLAND UNIFIED SCHOOL DISTRICT CROWLAND HEIGHTS CA	08/03/2017	
220215	2200084303	07/20/2017	USD	6,420.87	ROYAL WHOLESALE ELECTRIC ORANGE CA	07/25/2017	
220216	2200084348	07/20/2017	USD	6,064.54	RSD LAKE FOREST CA	07/26/2017	
220217	2200084362	07/20/2017	USD	1,556.44	RUSSELL SIGLER INC LOS ANGELES CA	07/24/2017	
220218	2200084344	07/20/2017	USD	1,090.00	SAFETY MANAGEMENT SYSTEMS IRVINE CA	08/07/2017	
220219	2200084440	07/20/2017	USD	350.00	SAYAVONG, KEVIN CHINO HILLS CA	07/25/2017	
220220	2200084392	07/20/2017	USD	149.00	SB TRAINING ON DEMAND COLLEGEVILLE PA		
220221	2200084445	07/20/2017	USD	350.00	SCOTT, STACEY CHINO HILLS CA	08/03/2017	
220222	2200084360	07/20/2017	USD	940.00	SCREENVISION DIRECT NEW YORK NY	08/21/2017	
220223	2200084353	07/20/2017	USD	74,126.40	SCW CONTRACTING CORPORATION FALLBROOK CA	07/28/2017	
220224	2200084468	07/20/2017	USD	40.00	SELIO, RICHARD CHINO HILLS CA	08/04/2017	
220225	2200084402	07/20/2017	USD	405.32	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	08/15/2017	
220226	2200084372	07/20/2017	USD	80.00	SIGNATURE SCUBA RANCHO CUCAMONGA CA	08/07/2017	
220227	2200084304	07/20/2017	USD	491.63	SMART & FINAL LOS ANGELES CA	07/31/2017	
220228	2200084396	07/20/2017	USD	573,126.88	SO CALIF EDISON ROSEMEAD CA	07/24/2017	
220229	2200084397	07/20/2017	USD	175.59	SO CALIF GAS MONTEREY PARK CA	08/01/2017	
220230	2200084309	07/20/2017	USD	858.08	SPARKLING INSTRUMENTS LLC PHOENIX AZ	07/25/2017	
220231	2200084434	07/20/2017	USD	347.99	SPRAGUE, TRAVIS CHINO HILLS CA	07/31/2017	
220232	2200084370	07/20/2017	USD	1,545.00	STAFFING NETWORK LLC CAROL STREAM IL	07/25/2017	

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220233	2200084346	07/20/2017	USD	94,373.44	STANTEC CONSULTING INC CHICAGO IL	07/24/2017
220234	2200084357	07/20/2017	USD	18,636.07	SUN WIRELESS SAN DIEGO CA	07/27/2017
220235	2200084313	07/20/2017	USD	1,952.80	SUNRISE COLLISION CENTER FONTANA CA	07/31/2017
220236	2200084420	07/20/2017	USD	107.73	SWEZEY, TOM CHINO HILLS CA	08/16/2017
220237	2200084343	07/20/2017	USD	72,351.02	SWRCB ACCOUNTING OFFICE SACRAMENTO CA	07/26/2017
220238	2200084449	07/20/2017	USD	350.00	TAM, KEN CHINO HILLS CA	
220239	2200084439	07/20/2017	USD	350.00	TANG, KEVIN CHINO CA	
220240	2200084317	07/20/2017	USD	413.46	TELEDYNE INSTRUMENTS INC CHICAGO IL	07/25/2017
220241	2200084323	07/20/2017	USD	518.33	TELEDYNE INSTRUMENTS INC CHICAGO IL	07/25/2017
220242	2200084312	07/20/2017	USD	16,921.37	TETRA TECH INC DENVER CO	07/25/2017
220243	2200084347	07/20/2017	USD	8,146.00	THE AUSTIN COMPANY CLEVELAND OH	07/25/2017
220244	2200084379	07/20/2017	USD	40.00	THE SHREDDERS LOS ANGELES CA	07/28/2017
220245	2200084389	07/20/2017	USD	429.00	THOMPSON INFORMATION SERVICES BETHESDA MD	08/04/2017
220246	2200084327	07/20/2017	USD	8,205.45	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	07/25/2017
220247	2200084460	07/20/2017	USD	350.00	TRAN, TIFFANY CHINO HILLS CA	
220248	2200084320	07/20/2017	USD	450.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	07/31/2017
220249	2200084375	07/20/2017	USD	1,853.90	TRIEPEI SMITH AND ASSOCIATES, IRVINE CA	07/27/2017
220250	2200084331	07/20/2017	USD	441.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	07/24/2017
220251	2200084326	07/20/2017	USD	2,632.77	U S HOSE INC ONTARIO CA	07/25/2017
220252	2200084321	07/20/2017	USD	1,197.02	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	07/27/2017
220253	2200084341	07/20/2017	USD	497.76	URIMAGE BLOOMINGTON CA	07/31/2017
220254	2200084361	07/20/2017	USD	8,636.97	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	07/25/2017
220255	2200084408	07/20/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	07/27/2017
220256	2200084423	07/20/2017	USD	200.00	VALENCIA, CHRISTINA CHINO HILLS CA	07/28/2017
220257	2200084436	07/20/2017	USD	350.00	VALENZUELA, ANDREW CHINO HILLS CA	07/25/2017
220258	2200084383	07/20/2017	USD	24,514.00	VARETECH SYSTEMS INC BATON ROUGE LA	07/25/2017
220259	2200084444	07/20/2017	USD	350.00	VASQUEZ, RUBEN CHINO HILLS CA	08/23/2017
220260	2200084352	07/20/2017	USD	13,555.92	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA	07/26/2017
220261	2200084398	07/20/2017	USD	453.52	VERIZON BUSINESS ALBANY NY	07/25/2017
220262	2200084328	07/20/2017	USD	9,165.24	VERIZON WIRELESS DALLAS TX	07/26/2017
220263	2200084387	07/20/2017	USD	43,505.37	VIRAMONTES EXPRESS INC CORONA CA	08/02/2017
220264	2200084305	07/20/2017	USD	317.89	VWR INTERNATIONAL LLC PITTSBURGH PA	07/25/2017
220265	2200084336	07/20/2017	USD	409,853.14	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	07/25/2017
220266	2200084368	07/20/2017	USD	5,150.00	WASTEWATER TECH TRAINERS MARSHFIELD VT	07/31/2017
220267	2200084306	07/20/2017	USD	3,409.14	WAXIE SANITARY SUPPLY LOS ANGELES CA	07/27/2017
220268	2200084307	07/20/2017	USD	91,803.99	WEST VALLEY MOSQUITO AND ONTARIO CA	07/24/2017
220269	2200084316	07/20/2017	USD	95.00	WESTERN ANALYTICAL LABORATORIECHINO CA	07/24/2017
220270	2200084358	07/20/2017	USD	4,844.00	WESTIN ENGINEERING INC RANCHO CORDOVA CA	07/25/2017
220271	2200084416	07/20/2017	USD	350.00	WOODRUFF, APRIL CHINO HILLS CA	08/11/2017
220272	2200084340	07/20/2017	USD	821.85	WORLDWIDE EXPRESS ALBANY NY	07/26/2017
220273	2200084365	07/20/2017	USD	5,977.55	XYLEM WATER SOLUTIONS USA INC CHICAGO IL	07/28/2017
220274	2200084349	07/20/2017	USD	2,723.75	ZASIO ENTERPRISES INC EAGLE ID	07/27/2017
220275	2200084430	07/20/2017	USD	257.52	ZAVALA, ADOLFO CHINO HILLS CA	07/31/2017
220276	2200084433	07/20/2017	USD	350.00	ZIEGENBEIN, JEFF CHINO HILLS CA	08/02/2017

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220278	2200084483	07/20/2017	USD	339.73	BOOT BARN INC IRVINE CA		07/31/2017
220279	2200084485	07/20/2017	USD	498.00	CATALAN, MARIA CHINO HILLS CA		08/10/2017
220280	2200084479	07/20/2017	USD	303.13	HOME DEPOT CREDIT SERVICES DES MOINES IA		07/31/2017
220281	2200084484	07/20/2017	USD	161.92	INFOSEND INC ANAHEIM CA		07/27/2017
220282	2200084481	07/20/2017	USD	2,699.14	KONICA MINOLTA BUSINESS SOLUTIONSPASADENA CA		07/27/2017
220283	2200084488	07/20/2017	USD	326.24	MARKOWSKI, EDWARD CHINO HILLS CA		07/25/2017
220284	2200084486	07/20/2017	USD	2,326.43	NIETO, ANDREW CHINO HILLS CA		07/27/2017
220285	2200084480	07/20/2017	USD	547.54	PATTON SALES CORP ONTARIO CA		08/03/2017
220286	2200084487	07/20/2017	USD	350.00	SMITH, JASON D CHINO HILLS CA		07/31/2017
220287	2200084482	07/20/2017	USD	5,181.42	U S BANK ST PAUL MN		07/31/2017
220288	2200084552	07/27/2017	USD	445.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA		08/02/2017
220289	2200084540	07/27/2017	USD	1,624.00	AEROTEK INC ATLANTA GA		08/03/2017
220290	2200084520	07/27/2017	USD	326.48	AIRGAS WEST INC PASADENA CA		07/31/2017
220291	2200084554	07/27/2017	USD	4,273.72	ALLIED UNIVERSAL SECURITY SERVPASADENA CA		07/31/2017
220292	2200084566	07/27/2017	USD	1,275.00	ALS ENVIRONMENTAL DALLAS TX		08/02/2017
220293	2200084526	07/27/2017	USD	2,604.72	ANIXTER INC DALLAS TX		08/02/2017
220294	2200084585	07/27/2017	USD	2,118.19	ARAMBULA, BLANCA CHINO HILLS CA		08/21/2017
220295	2200084590	07/27/2017	USD	47.14	BELITRAN, MIA CHINO HILLS CA		08/15/2017
220296	2200084538	07/27/2017	USD	170.07	BOOT BARN INC IRVINE CA		08/04/2017
220297	2200084532	07/27/2017	USD	1,207.34	BRAGG CRANE SERVICE LONG BEACH CA		08/01/2017
220298	2200084560	07/27/2017	USD	2,065.00	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA		07/31/2017
220299	2200084527	07/27/2017	USD	180.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA		08/10/2017
220300	2200084564	07/27/2017	USD	225.00	CALIFORNIA ASSOCIATION OF PUEBLICO CA		08/07/2017
220301	2200084562	07/27/2017	USD	1,125.00	CAMET RESEARCH, INC. GOLETA CA		08/23/2017
220302	2200084584	07/27/2017	USD	2,520.38	CAMPOS, JESSE CHINO HILLS CA		08/01/2017
220303	2200084541	07/27/2017	USD	5,778.00	CASC ENGINEERING AND CONSULTINGCOLTON CA		08/01/2017
220304	2200084513	07/27/2017	USD	2,029.14	CHARLES P CROWLEY CO IRWINDALE CA		08/09/2017
220305	2200084528	07/27/2017	USD	225.00	CHINO BASIN WATER CONSERVATIONMONTECLAIR CA		08/10/2017
220306	2200084547	07/27/2017	USD	8,602.51	CINTAS CORPORATION LOC#150 PHOENIX AZ		08/04/2017
220307	2200084558	07/27/2017	USD	9,400.00	CIVIC PUBLICATIONS INC LA VERNE CA		08/14/2017
220308	2200084578	07/27/2017	USD	347.26	COLONIAL LIFE & ACCIDENT INSURCOLUMBIA SC		08/01/2017
220309	2200084587	07/27/2017	USD	2,176.00	CONCEMINO, FRANCIS CHINO HILLS CA		08/01/2017
220310	2200084522	07/27/2017	USD	722.66	CUCAMONGA VALLEY WATER DISTRICTRANCHO CUCAMONGA CA		08/08/2017
220311	2200084555	07/27/2017	USD	653.56	DAVID WHEELER'S PEST CONTROL, NORCO CA		08/09/2017
220312	2200084525	07/27/2017	USD	2,275.50	DELL MARKETING L P PASADENA CA		08/01/2017
220313	2200084557	07/27/2017	USD	664.79	DOWNES ENERGY CORONA CA		08/01/2017
220314	2200084581	07/27/2017	USD	12.04	ECHAVARRIA, CAROLYN CHINO HILLS CA		08/01/2017
220315	2200084559	07/27/2017	USD	10,450.00	EPI-USE AMERICA INC ATLANTA GA		08/09/2017
220316	2200084582	07/27/2017	USD	350.00	FAN, BONITA CHINO HILLS CA		08/21/2017
220317	2200084580	07/27/2017	USD	2,316.15	FIDELITY SECURITY LIFE INSURANCINCINNATI OH		08/02/2017
220318	2200084515	07/27/2017	USD	2,521.01	FISHER SCIENTIFIC LOS ANGELES CA		07/31/2017
220319	2200084523	07/27/2017	USD	681.00	FONTANA HERALD NEWS FONTANA CA		08/03/2017
220320	2200084576	07/27/2017	USD	3,295.49	FOUNDATION HA ENERGY GENERATIONSAN FRANCISCO CA		08/03/2017

Bank	CBB	CITIZENS BUSINESS BANK	ONTARIO CA 917610000
Bank Key	122234149		
Acct number	CHECK	231167641	

Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
220321	2200084589	07/27/2017	USD	1,105.24	GALLAGHER, MICHAEL CHINO HILLS CA	07/28/2017
220322	2200084524	07/27/2017	USD	330.11	GATOR AUTO GLASS ONTARIO CA	08/10/2017
220323	2200084572	07/27/2017	USD	24,472.00	HOLZBERG COMMUNICATIONS, INC. TOTOWA NJ	08/02/2017
220324	2200084516	07/27/2017	USD	710.07	HOME DEPOT CREDIT SERVICES DES MOINES IA	08/04/2017
220325	2200084546	07/27/2017	USD	1,095.04	INTEGRATED DESIGN SERVICES INCIRVINE CA	08/01/2017
220326	2200084545	07/27/2017	USD	1,987.00	JAENICHEN, CLAUDINE STEPHANIE ORANGE CA	08/01/2017
220327	2200084529	07/27/2017	USD	290.93	KONICA MINOLTA PASADENA CA	08/01/2017
220328	2200084544	07/27/2017	USD	2,826.25	KVAC ENVIRONMENTAL SERVICES INRANCHO CUCAMONGA CA	08/02/2017
220329	2200084586	07/27/2017	USD	94.60	MENDEZ, JOSE CHINO HILLS CA	08/10/2017
220330	2200084533	07/27/2017	USD	402.97	MIDPOINT BEARING ONTARIO CA	07/31/2017
220331	2200084556	07/27/2017	USD	4,180.70	MULTY INDUSTRIES PRECISION MACONTARIO CA	08/02/2017
220332	2200084514	07/27/2017	USD	290.18	OFFICE DEPOT PHOENIX AZ	08/07/2017
220333	2200084539	07/27/2017	USD	804.00	OLSON HAGEL & FISHBURN LLP SACRAMENTO CA	08/01/2017
220334	2200084573	07/27/2017	USD	49.64	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	08/01/2017
220335	2200084579	07/27/2017	USD	96.54	PERS LONG TERM CARE PROGRAM PASADENA CA	08/02/2017
220336	2200084521	07/27/2017	USD	990.04	PETTY CASH EXPENDITURES CHINO CA	08/01/2017
220337	2200084561	07/27/2017	USD	13,940.00	POWER ENGINEERING SERVICES INCBREA CA	08/03/2017
220338	2200084549	07/27/2017	USD	1,566.50	POWERFLO PRODUCTS INC CYPRESS CA	08/03/2017
220339	2200084568	07/27/2017	USD	16,235.05	PRIORITY BUILDING SERVICES LLCBREA CA	08/01/2017
220340	2200084543	07/27/2017	USD	121,330.40	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	08/02/2017
220341	2200084517	07/27/2017	USD	12,909.97	ROYAL WHOLESALE ELECTRIC ORANGE CA	08/01/2017
220342	2200084553	07/27/2017	USD	898.21	RUSSELL SIGLER INC LOS ANGELES CA	07/31/2017
220343	2200084536	07/27/2017	USD	25,185.23	SAN BERNARDINO COUNTY SAN BERNARDINO CA	08/04/2017
220344	2200084518	07/27/2017	USD	40.76	SMART & FINAL LOS ANGELES CA	08/03/2017
220345	2200084574	07/27/2017	USD	11,784.57	SO CALIF EDISON ROSEMEAD CA	08/01/2017
220346	2200084575	07/27/2017	USD	133.05	SO CALIF GAS MONTEREY PARK CA	08/11/2017
220347	2200084531	07/27/2017	USD	12,102.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	08/09/2017
220348	2200084570	07/27/2017	USD	367.17	STOREIRIEVE LLC MONTEBELLO CA	08/01/2017
220349	2200084588	07/27/2017	USD	42.10	TE, GARY CHINO HILLS CA	08/18/2017
220350	2200084534	07/27/2017	USD	1,400.27	TELEDYNE INSTRUMENTS INC CHICAGO IL	08/02/2017
220351	2200084565	07/27/2017	USD	40.00	THE SHREDDERS LOS ANGELES CA	08/09/2017
220352	2200084551	07/27/2017	USD	4,048.10	THOMAS HARDER & CO INC ANAHEIM CA	08/07/2017
220353	2200084550	07/27/2017	USD	1,500.00	TOTALFUNDS BY HASLER TAMPA FL	08/04/2017
220354	2200084530	07/27/2017	USD	150.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	08/03/2017
220355	2200084548	07/27/2017	USD	18,714.43	U S BANK ST LOUIS MO	08/07/2017
220356	2200084537	07/27/2017	USD	234.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	08/01/2017
220357	2200084542	07/27/2017	USD	26.94	URIMAGE BLOOMINGTON CA	08/07/2017
220358	2200084563	07/27/2017	USD	1,116.50	V3IT CONSULTING INC NAPERVILLE IL	08/02/2017
220359	2200084567	07/27/2017	USD	657.70	VANITAGE TECHNOLOGY CONSULTING EL SEGUNDO CA	08/04/2017
220360	2200084571	07/27/2017	USD	9,080.55	VECTOR USA TORRANCE CA	08/01/2017
220361	2200084583	07/27/2017	USD	89.63	VELARDE, TERESA CHINO HILLS CA	08/09/2017
220362	2200084535	07/27/2017	USD	225.55	VERIZON WIRELESS DALLAS TX	08/03/2017
220363	2200084569	07/27/2017	USD	5,189.56	VIRAMONTES EXPRESS INC CORONA CA	08/03/2017
220364	2200084519	07/27/2017	USD	4,588.00	WEST VALLEY MOSQUITO AND ONTARIO CA	08/01/2017

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register
 July 2017 Disbursements

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Bank	CEB	CITIZENS BUSINESS BANK				
Bank Key	122234149			ONTARIO CA 917610000		
Acct number	CHECK	231167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
220365	2200084577	07/27/2017	USD	2,609.80	WESTERN DENTAL PLAN ORANGE CA	08/11/2017
220366	2200084701	07/28/2017	USD	172.48	BREIG, ANNA VICTORVILLE CA	08/08/2017
220367	2200084704	07/28/2017	USD	472.96	HOBBS, DIANA APPLE VALLEY CA	08/08/2017
220368	2200084702	07/28/2017	USD	472.96	HORNE, WILLIAM YUCCA VALLEY CA	08/01/2017
220369	2200084703	07/28/2017	USD	746.37	MILLER, ELMER L BLUE JAY CA	08/08/2017
* Payment method Check			USD	4,472,462.99		

Total of all entries

Check Register
July 2017 Disbursements

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User: CCAMPBEL
Page: 11

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	4,472,462.99		

Attachment 2

Workers' Comp Checks

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register
 July 2017 Workers Comp Disbursements

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 User: CCAMPBEL
 Page: 1

Bank	CBB	CITIZENS BUSINESS BANK		ONTARIO CA 917610000			
Bank Key	122234149						
Acct number	WCMP	231159290					
Checks created manually							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
04804	2200084493	07/12/2017	USD	12.20	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	07/24/2017	
04805	2200084494	07/12/2017	USD	57.02	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	07/19/2017	
04806	2200084495	07/19/2017	USD	5,220.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	07/25/2017	
04807	2200084496	07/19/2017	USD	1,700.80	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	07/24/2017	
04808	2200084497	07/19/2017	USD	746.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	07/24/2017	
04809	2200084797	07/26/2017	USD	47.73	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	07/31/2017	
04810	2200084798	07/26/2017	USD	13.81	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA		
* Payment method Checks created manually			USD	7,797.56			

Total of all entries

Check Register
July 2017 Workers Comp Disbursements

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User: CCAMPBRL
Page: 2

Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	7,797.56		

Attachment 3

Vendor ACHs

Check Payee / Description	Amount
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ACH	ICMA RETIREMENT TRUST 457 P/R 14 7/7/17 Deferred Comp Ded	HR	0056500	15,693.23
	ICMA RETIREMENT TRUST 457		\$	15,693.23
ACH	LINCOLN NATIONAL LIFE INS CO P/R 14 7/7/17 Deferred Comp Ded	HR	0056500	22,429.88
	P/R 14 7/7/17 Adjustment	P/R 14 7/7 AD		50.00
	LINCOLN NATIONAL LIFE INS CO		\$	22,479.88
ACH	ICMA RETIREMENT TRUST 401 P/R 14 7/7/17 Exec Deferred Comp	HR	0056500	8,567.17
	ICMA RETIREMENT TRUST 401		\$	8,567.17
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Polymer 748E	35949		4,064.33
	RP1-16,100 Lbs Polymer 750A	35950		21,608.36
	AQUA BEN CORPORATION		\$	25,672.69
ACH	SANTA ANA WATERSHED Install #20-1.5 MGD SARI Loan 17/18	19058		267,187.50
	SANTA ANA WATERSHED		\$	267,187.50
ACH	MCMASTER-CARR SUPPLY CO PVC Inline Pipe Mixer	37089673		184.61
	4 Stackable Bin Shelving	34937915		818.31
	100' Flexible Conduit	35092320		172.38
	4 Spray Nozzles	36112161		255.55
	2 Spray Nozzles	36253142		160.08
	Wood Splitting Wedge	35770224		41.36
	Cobalt Steel Screw Countersink	37058699		176.98
	MCMASTER-CARR SUPPLY CO		\$	1,809.27
ACH	BENTLY NEVADA LLC Replace Vibration System	1010318315		4,628.00
	BENTLY NEVADA LLC		\$	4,628.00
ACH	OLIN CORP RP5-4,958 Gals Sodium Hypochlorite	2347395		2,826.06
	TP1-4,964 Gals Sodium Hypochlorite	2346750		2,829.48
	CCWRP-2,986 Gals Sodium Hypochlorite	2346749		1,702.02
	TP1-4,986 Gals Sodium Hypochlorite	2349149		2,842.02
	TP1-4,912 Gals Sodium Hypochlorite	2348996		2,799.84
	RP4-2,992 Gals Sodium Hypochlorite	2348699		1,705.44
	RP5-4,892 Gals Sodium Hypochlorite	2348698		2,788.44
	CCWRP-4,032 Gals Sodium Hypochlorite	2348697		2,298.24
	TP1-4,886 Gals Sodium Hypochlorite	2348696		2,785.02
	TP1-4,694 Gals Sodium Hypochlorite	2348089		2,675.58
	RP4-2,598 Gals Sodium Hypochlorite	2346751		1,480.86
	OLIN CORP		\$	26,733.00

Check	Payee / Description		Amount
ACH	AMAZON BUSINESS		
	Wireless Mobile Mouse	03DQ-2501-RTX	43.10
	Six Minute Solution Mechanical PE Exam P	03HS-H5YF-KRK	62.48
	Hasler Red Ink Cartridge	OPMD-YT40-8LK	54.95
	Oversized Canvas Duffle Bag	OJSY-1KNF-2H4	36.37
	Return 3 Telephone Headsets	0P5C-6YV3-BH9	47.97-
	3 Telephone Headsets	0HOX-NS32-3L5	47.97
			- - - - -
	AMAZON BUSINESS	\$	196.90
ACH	IEUA EMPLOYEES' ASSOCIATION		
	P/R 14 7/7/17 Employee Ded	HR 0056500	186.00
			- - - - -
	IEUA EMPLOYEES' ASSOCIATION	\$	186.00
ACH	IEUA SUPERVISORS UNION ASSOCIA		
	P/R 14 7/7/17 Employee Ded	HR 0056500	270.00
			- - - - -
	IEUA SUPERVISORS UNION ASSOCIA	\$	270.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA		
	P/R 14 7/7/17 Adjustment	P/R 14 7/7 AD	12.50
			- - - - -
	IEUA GENERAL EMPLOYEES ASSOCIA	\$	12.50
ACH	IEUA GENERAL EMPLOYEES ASSOCIA		
	P/R 14 7/7/17 Employee Ded	HR 0056500	1,137.85
			- - - - -
	IEUA GENERAL EMPLOYEES ASSOCIA	\$	1,137.85
ACH	IEUA PROFESSIONAL EMPLOYEES AS		
	P/R 14 7/7/17 Employee Ded	HR 0056500	630.00
			- - - - -
	IEUA PROFESSIONAL EMPLOYEES AS	\$	630.00
ACH	DISCOVERY BENEFITS INC		
	P/R 14 7/7/17 Cafeteria Plan	HR 0056500	3,178.93
			- - - - -
	DISCOVERY BENEFITS INC	\$	3,178.93
ACH	AQUA BEN CORPORATION		
	RP2-23,8000 Lbs Polymer 748E	35969	20,321.65
	DAFT-4,600 Lbs Polymer 748E	35966	4,064.33
	RP1-18,400 Lbs Polymer 750A	35967	24,695.27
			- - - - -
	AQUA BEN CORPORATION	\$	49,081.25
ACH	HASCO OIL COMPANY, INC.		
	RP5-Mobil SHC 630	0211494-IN	4,052.63
			- - - - -
	HASCO OIL COMPANY, INC.	\$	4,052.63
ACH	SANTA ANA WATERSHED		
	May 2017 Service	9069	142,352.31
	May 2017 Truck Discharge	9063	3,069.55
			- - - - -
	SANTA ANA WATERSHED	\$	145,421.86
ACH	UNIVAR USA INC		

Check	Payee / Description	Amount
	RP5-12,822 Lbs Sodium Bisulfite LA550766	2,768.65
	UNIVAR USA INC \$	2,768.65
ACH	SCHNEIDER ELECTRIC SYSTEMS INC	
	ph Sensors 93591439	1,730.53
	Magentic Flow Transmitter 93591440	1,985.50
	SCHNEIDER ELECTRIC SYSTEMS INC\$	3,716.03
ACH	OLIN CORP	
	TP1-4,970 Gals Sodium Hypochlorite 2354026	2,832.90
	TP1-4,948 Gals Sodium Hypochlorite 2350359	2,820.36
	CCWRP-4,912 Gals Sodium Hypochlorite 2350360	2,799.84
	RP4-3,484 Gals Sodium Hypochlorite 2350361	1,985.88
	RP5-4,946 Gals Sodium Hypochlorite 2351017	2,819.22
	TP1-4,892 Gals Sodium Hypochlorite 2351591	2,788.44
	TP1-4,988 Gals Sodium Hypochlorite 2352218	2,843.16
	CCWRP-4,880 Gals Sodium Hypochlorite 2352219	2,781.60
	RP4-3,492 Gals Sodium Hypochlorite 2352220	1,990.44
	TP1-4,966 Gals Sodium Hypochlorite 2352578	2,830.62
	TP1-4,894 Gals Sodium Hypochlorite 2353302	2,789.58
	OLIN CORP \$	29,282.04
ACH	GK & ASSOCIATES INC	
	46-2054-5/17 Prof Svcs 17-037	22,936.00
	46-2054-5/17 Prof Svcs 17-034	21,472.00
	GK & ASSOCIATES INC \$	44,408.00
ACH	DAVE'S PLUMBING	
	2 Water Softener Removal 6/2017 5153	490.00
	DAVE'S PLUMBING \$	490.00
ACH	KAMBRIAN CORPORATION	
	ISS-Microsoft Visio for Office365 Subscr 14951	585.10
	KAMBRIAN CORPORATION \$	585.10
ACH	OMNIEARTH INC	
	1/17-1/18 Water Management Subscription 2707	8,000.00
	1/17-1/18 Water Management Subscription 2709	22,199.00
	OMNIEARTH INC \$	30,199.00
ACH	US BANK - PAYMENT PLUS	
	100319 MISSION REPROGRAPHICS 2200083249	1,935.62
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200083248	3,119.94
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200083393	688.86
	101945 FLORENCE FILTER CORP 2200083394	552.52
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200083549	142.69
	100163 J G TUCKER & SON INC 2200083550	136.04
	101706 CALOLYMPIC SAFETY 2200083551	126.06
	101945 FLORENCE FILTER CORP 2200083277	170.62
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200083810	2,810.83
	101706 CALOLYMPIC SAFETY 2200083811	215.88
	100319 MISSION REPROGRAPHICS 2200083276	9.70

Check	Payee / Description	Amount
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200083275	1,277.69
	101706 CALOLYMPIC SAFETY 2200083250	334.62
	US BANK - PAYMENT PLUS \$	11,521.07
ACH	AMAZON BUSINESS	
	1 Box White Ledger Sheets OJSY-1KNF-YXJ	45.58
	2 - 2.5 Gallon Glass Barrel Jars OJN5-QP80-Q7N	56.66
	Compact Light Meter OVNV-F4Q3-HSD	87.27
	AMAZON BUSINESS \$	189.51
ACH	SOLAR STAR CALIFORNIA V LLC	
	RP1-5/1-5/31 2450 Phila St M0616-1260286	4,069.91
	RP1-5/1-5/31 2450 Phila St M0615-1260285	17,012.18
	CCWRP/TP/RWPS-5/1-5/31 14950 Telephone A M0613-1260283	13,392.11
	SOLAR STAR CALIFORNIA V LLC \$	34,474.20
ACH	IEUA EMPLOYEES' ASSOCIATION	
	HR 0056900	12.00
	IEUA EMPLOYEES' ASSOCIATION \$	12.00
ACH	AQUA BEN CORPORATION	
	DAFT-4,600 Lbs Polymer 748E 35993	4,064.33
	AQUA BEN CORPORATION \$	4,064.33
ACH	MCMASTER-CARR SUPPLY CO	
	Adjustable Flow Pump 37452177	502.17
	MCMASTER-CARR SUPPLY CO \$	502.17
ACH	ALFA LAVAL INC	
	6 Filter Elements 277033888	1,275.10
	ALFA LAVAL INC \$	1,275.10
ACH	SCHNEIDER ELECTRIC SYSTEMS INC	
	Cell Transmitter 93595082	1,842.43
	SCHNEIDER ELECTRIC SYSTEMS INC \$	1,842.43
ACH	PEST OPTIONS INC	
	June 2017 Weed Abatement Services 279135	2,911.12
	PEST OPTIONS INC \$	2,911.12
ACH	OLIN CORP	
	CCWRP-3,010 Gals Sodium Hypochlorite 2354027	1,715.70
	RP4-2,998 Gals Sodium Hypochlorite 2354028	1,708.86
	RP5-4,952 Gals Sodium Hypochlorite 2354763	2,822.64
	RP4-4,780 Gals Sodium Hypochlorite 2354764	2,724.60
	TP1-4,990 Gals Sodium Hypochlorite 2354765	2,844.30
	TP1-4,940 Gals Sodium Hypochlorite 2355392	2,815.80
	TP1-4,914 Gals Sodium Hypochlorite 2356080	2,800.98
	CCWRP-4,950 Gals Sodium Hypochlorite 2356081	2,821.50
	TP1-4,978 Gals Sodium Hypochlorite 2356395	2,837.46

Check	Payee / Description	Amount
	RP4-1,952 Gals Sodium Hypochlorite 2356576	1,112.64
	TP1-4,952 Gals Sodium Hypochlorite 2357117	2,822.64
	OLIN CORP \$	27,027.12
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 15 7/21/17 Employee Ded HR 0058300	186.00
	IEUA EMPLOYEES' ASSOCIATION \$	186.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 15 7/21/17 Employee Ded HR 0058300	315.00
	IEUA SUPERVISORS UNION ASSOCIA\$	315.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 15 7/21/17 Employee Ded HR 0058300	1,137.85
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,137.85
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 15 7/21/17 Employee Ded HR 0058300	510.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	510.00
ACH	DISCOVERY BENEFITS INC P/R 15 7/21/17 Cafeteria Plan HR 0058300	3,072.68
	DISCOVERY BENEFITS INC \$	3,072.68
ACH	ICMA RETIREMENT TRUST 457 P/R 15 7/21/17 Deferred Comp Ded HR 0058300	15,988.27
	ICMA RETIREMENT TRUST 457 \$	15,988.27
ACH	LINCOLN NATIONAL LIFE INS CO P/R 15 7/21/17 Adj Deferred Comp P/R 5 7/21 AD P/R 15 7/21/17 Deferred Comp Ded HR 0058300	1,010.00 21,655.04
	LINCOLN NATIONAL LIFE INS CO \$	22,665.04
ACH	ICMA RETIREMENT TRUST 401 P/R 15 7/21/17 Exec Deferred Comp HR 0058300	8,683.55
	ICMA RETIREMENT TRUST 401 \$	8,683.55
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Polymer 748E 36021	4,064.33
	AQUA BEN CORPORATION \$	4,064.33
ACH	NAPA GENUINE PARTS COMPANY Purple Power Cleaner, Connector Kits 3973-850484	258.41
	NAPA GENUINE PARTS COMPANY \$	258.41
ACH	LA OPINION PI-Water Conservation Ads-6/12-6/25 107290617	1,650.00

Check	Payee / Description	Amount
	LA OPINION	\$ 1,650.00
ACH	OLIN CORP	
	TP1-4,962 Gals Sodium Hypochlorite 2357835	2,828.34
	TP1-4,938 Gals Sodium Hypochlorite 2359196	2,814.66
	TP1-4,996 Gals Sodium Hypochlorite 2359197	2,847.72
	CCWRP-4,894 Gals Sodium Hypochlorite 2359863	2,789.58
	RP5-4,854 Gals Sodium Hypochlorite 2359864	2,766.78
	RP4-2,030 Gals Sodium Hypochlorite 2358499	1,157.10
	RP5-4,946 Gals Sodium Hypochlorite 2358498	2,819.22
	RP4-1,988 Gals Sodium Hypochlorite 2357837	1,133.16
	CCWRP-4,946 Gals Sodium Hypochlorite 2357836	2,819.22
	OLIN CORP	\$ 21,975.78
ACH	OMNIEARTH INC	
	1/17-1/18 Water Management Subscription 2712	31,676.00
	OMNIEARTH INC	\$ 31,676.00
ACH	AMAZON BUSINESS	
	4 Ethernet Patch Cables 05YB-RVJ8-3S6	137.88
	Ergotron WorkFit-S Dual with Worksurface 02XJ-MQTY-9WK	549.53
	3 Gallon Glass Carboy 0JSY-1KNF-KON	30.04
	3 Gallon Glass Carboy 0VPK-9L4J-JT9	30.04
	Ergotron WorkFit-S Dual with Worksurface 0SNG-3KL5-HPC	549.53
	3 Gallon Glass Carboy 0VBB-Y6LF-GH4	30.04
	3 Gallon Glass Carboy 0P5C-6YV3-GFM	30.04
	9 Macroreer Transceiver Module 0P5C-6YV3-947	203.31
	72 AAA Batteries,1 Roll Dymo Labels 0VBB-Y6LF-5GT	74.67
	9 Boxes White Ledger Sheets 02C5-38L9-2V4	341.91
	2 Handicap Parking Signs 0M61-9MH3-1J6	43.05
	Standing Desk, Anti Fatigue Floor Mat 0P5C-6YV3-2S2	598.01
	1 Macroreer Transceiver Module 05YB-RVJ8-9J7	22.59
	Anti Fatigue Mat 0P5C-6YV3-344	57.97
	100 Ethernet Patch Cables 0VBB-Y6LF-1JV	353.12
	6 Label Maker Tapes 02XJ-MQTY-23L	104.72
	10 Macroreer Transceiver Module 0RRK-R4SD-7WS	225.90
	AMAZON BUSINESS	\$ 2,163.13
ACH	SHELL ENERGY NORTH AMERICA LP	
	RP1-6/1-6/30 2450 Phila St 3/1-3/31 Adj 2042 6/17	123,467.75
	RP2/RP5-6/1-6/30 16400 El Prado Rd 3/1-3 2044 6/17	7,572.73
	CCWRP/TP/RWPS-6/1-6/30 14950 Tlphn 3/1-3 2046 6/17	44,455.28
	SHELL ENERGY NORTH AMERICA LP	\$ 175,495.76
ACH	SOLAR STAR CALIFORNIA V LLC	
	CCWRP/TP/RWPS-6/1-6/30 14950 Telephone A M0613-1301079	15,242.43
	SOLAR STAR CALIFORNIA V LLC	\$ 15,242.43
ACH	PREFERRED BENEFIT INSURANCE	
	7/17 Agency Dental Plan EIA21377	16,288.10
	PREFERRED BENEFIT INSURANCE	\$ 16,288.10
ACH	DISCOVERY BENEFITS INC	

Check	Payee / Description	Amount
	June 2017 Admin Fees	0000774558-IN 161.50
	DISCOVERY BENEFITS INC	\$ 161.50
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem	HEALTH PREM 472.96
	ESTRADA, JIMMIE J	\$ 472.96
ACH	LICHTI, ALICE Reim Monthly Health Prem	HEALTH PREM 172.48
	LICHTI, ALICE	\$ 172.48
ACH	MORASSE, EDNA Reim Monthly Health Prem	HEALTH PREM 172.48
	MORASSE, EDNA	\$ 172.48
ACH	NOWAK, THEO T Reim Monthly Health Prem	HEALTH PREM 472.96
	NOWAK, THEO T	\$ 472.96
ACH	SONNENBURG, ILSE Reim Monthly Health Prem	HEALTH PREM 172.48
	SONNENBURG, ILSE	\$ 172.48
ACH	DYKSTRA, BETTY Reim Monthly Health Prem	HEALTH PREM 172.48
	DYKSTRA, BETTY	\$ 172.48
ACH	TORRES, ROBERT G Reim Monthly Health Prem	HEALTH PREM 172.48
	TORRES, ROBERT G	\$ 172.48
ACH	MUELLER, CAROLYN Reim Monthly Health Prem	HEALTH PREM 172.48
	MUELLER, CAROLYN	\$ 172.48
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	HEALTH PREM 172.48
	GRIFFIN, GEORGE	\$ 172.48
ACH	CANADA, ANGELA Reim Monthly Health Prem	HEALTH PREM 172.48
	CANADA, ANGELA	\$ 172.48
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM 172.48
	CUPERSMITH, LEIZAR	\$ 172.48

Check	Payee / Description	Amount
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM 300.48
	DELGADO-ORAMAS JR, JOSE	\$ 300.48
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM 150.24
	GRANGER, BRANDON	\$ 150.24
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 150.24
	GADDY, CHARLES L	\$ 150.24
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 22.24
	BAKER, CHRIS	\$ 22.24
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 128.00
	WEBB, DANNY C	\$ 128.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 150.24
	HUMPHREYS, DEBORAH E	\$ 150.24
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 150.24
	MOUAT, FREDERICK W	\$ 150.24
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 128.00
	MORGAN, GARTH W	\$ 128.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 22.24
	ALLINGHAM, JACK	\$ 22.24
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 437.19
	MAZUR, JOHN	\$ 437.19
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 22.24
	RUDDER, LARRY	\$ 22.24
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 128.00
	HAMILTON, MARIA	\$ 128.00

Check	Payee / Description	Amount
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM 172.48
	PICENO, TONY	\$ 172.48
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 22.24
	RAMOS, CAROL	\$ 22.24
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 128.00
	FISHER, JAY	\$ 128.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 22.24
	KING, PATRICK	\$ 22.24
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 22.24
	HOWARD, ROBERT JAMES	\$ 22.24
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM 128.00
	DIETZ, JUDY	\$ 128.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM 150.24
	DAVIS, GEORGE	\$ 150.24
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM 22.24
	MONZAVI, TAGHI	\$ 22.24
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 172.48
	PETERSEN, KENNETH	\$ 172.48
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 172.48
	TRAUTERMAN, HELEN	\$ 172.48
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 874.37
	TIEGS, KATHLEEN	\$ 874.37
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 772.02

Check	Payee / Description	Amount
	DIGGS, GEORGE	\$ 772.02
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 472.96
	HAYES, KENNETH	\$ 472.96
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 150.24
	HUNTON, STEVE	\$ 150.24
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 150.24
	RODRIGUEZ, LOUIS	\$ 150.24
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 573.89
	VARBEL, VAN	\$ 573.89
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 445.89
	CLIFTON, NEIL	\$ 445.89
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 128.00
	DELGADO, FRANCOIS	\$ 128.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 573.89
	WELLMAN, JOHN THOMAS	\$ 573.89
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 20.62
	SPEARS, SUSAN	\$ 20.62
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 172.48
	TROXEL, WYATT	\$ 172.48
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 437.19
	CORLEY, WILLIAM	\$ 437.19
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 342.34
	CALLAHAN, CHARLES	\$ 342.34
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 172.48

Check	Payee / Description	Amount
	LESNIAKOWSKI, NORBERT	\$ 172.48
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 470.34
	VER STEEG, ALLEN J	\$ 470.34
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 437.19
	HACKNEY, GARY	\$ 437.19
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 22.24
	CAREL, LARRY	\$ 22.24
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 309.19
	TOL, HAROLD	\$ 309.19
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 471.54
	BANKSTON, GARY	\$ 471.54
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 128.00
	ATWATER, RICHARD	\$ 128.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 450.01
	FIESTA, PATRICIA	\$ 450.01
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 900.02
	DIGGS, JANET	\$ 900.02
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM 158.95
	CARAZA, TERESA	\$ 158.95
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM 472.96
	ANDERSON, JOHN	\$ 472.96
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM 779.40
	SANTA CRUZ, JACQUELYN	\$ 779.40
ACH	HECK, ROSELYN	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	22.24
	HECK, ROSELYN	\$	22.24
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM	300.48
	SOPICKI, LEO	\$	300.48
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	HEALTH PREM	322.01
	HERNANDEZ, BENJAMIN	\$	322.01
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM	128.00
	GOSE, ROSEMARY	\$	128.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM	128.00
	KEHL, BARRETT	\$	128.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM	128.00
	RITCHIE, JANN	\$	128.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM	445.89
	LONG, ROCKWELL DEE	\$	445.89
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM	128.00
	FATTAHI, MIR	\$	128.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM	300.48
	VERGARA, FLORENTINO	\$	300.48
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM	172.48
	WARMAN, RALPH	\$	172.48
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM	172.48
	ROGERS, SHIRLEY	\$	172.48
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM	286.95
	WALL, DAVID	\$	286.95

Check	Payee / Description	Amount
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 150.24
	CHUNG, MICHAEL	\$ 150.24
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 172.48
	ADAMS, PAMELA	\$ 172.48
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 1,019.78
	BLASINGAME, MARY	\$ 1,019.78
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 22.24
	ANDERSON, KENNETH	\$ 22.24
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 22.24
	MOE, JAMES	\$ 22.24
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 746.06
	POLACEK, KEVIN	\$ 746.06
ACH	ELROD, SONDRAL Reim Monthly Health Prem	HEALTH PREM 286.95
	ELROD, SONDRAL	\$ 286.95
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 171.77
	FRAZIER, JACK	\$ 171.77
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 128.00
	HOAK, JAMES	\$ 128.00
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 171.77
	DEZHAM, PARIVASH	\$ 171.77
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 158.95
	FOLEY III, DANIEL J.	\$ 158.95
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 128.00
	CLEVELAND, JAMES	\$ 128.00

Check	Payee / Description	Amount
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 1,210.78
	LANGNER, CAMERON	\$ 1,210.78
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 158.95
	HAMILTON, LEANNE	\$ 158.95
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 128.00
	HOOSHMAND, RAY	\$ 128.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 128.00
	SCHLAPKOHL, JACK	\$ 128.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 171.77
	POOLE, PHILLIP	\$ 171.77
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 150.24
	ADAMS, BARBARA	\$ 150.24
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 481.35
	RUESCH, GENECE	\$ 481.35
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 471.54
	VANDERPOOL, LARRY	\$ 471.54
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 573.89
	AMBROSE, JEFFREY	\$ 573.89
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 286.95
	MERRILL, DIANE	\$ 286.95
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 620.58
	HOUSER, ROD	\$ 620.58
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 158.95

Check: Payee / Description		Amount
	RUSSO, VICKI	\$ 158.95
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 445.89
	HUSS, KERRY	\$ 445.89
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 618.06
	BINGHAM, GREGG	\$ 618.06
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 128.00
	CHARLES, DAVID	\$ 128.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 128.00
	YEBOAH, ERNEST	\$ 128.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 309.19
	ALVARADO, ROSEMARY	\$ 309.19
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 128.00
	BARELA, GEORGE	\$ 128.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 746.06
	FETZER, ROBERT	\$ 746.06
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 158.95
	SPAETH, ERIC	\$ 158.95
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 158.95
	DAVIS, MARTHA	\$ 158.95
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 158.95
	BRULE, CHRISTOPHER	\$ 158.95
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 445.89
	ROOS, JAMES	\$ 445.89
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 286.95

Check	Payee / Description	Amount
	MULLANEY, JOHN	\$ 286.95
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 445.89
	VALENZUELA, DANIEL	\$ 445.89
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 445.89
	PACE, BRIAN	\$ 445.89
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 128.00
	KING, JOSEPH	\$ 128.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 158.95
	VILLALOBOS, HECTOR	\$ 158.95

Grand Total Payment Amount: \$ 1,124,073.15

Attachment 4

Vendor Wires
(excludes Payroll)

Check	Payee / Description	Amount
Wire	COUNTY SANITATION DISTRICTS OF Past 4R's -SRF Note #4 of 6 INSTALL 4 OF	737,600.00 ----- COUNTY SANITATION DISTRICTS OF\$ 737,600.00
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 14 7/7/17 Adjustment P/R 14 7/7 AD	67.66 ----- EMPLOYMENT DEVELOPMENT DEPARTM\$ 67.66
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 14 7/7/17 Taxes P/R 14 7/7/17 Taxes HR 0056500 HR 0056500	53,964.74 10,176.85 ----- EMPLOYMENT DEVELOPMENT DEPARTM\$ 64,141.59
Wire	INTERNAL REVENUE SERVICE P/R 14 7/7/17 Adjustment P/R 14 7/7 AD	695.84 ----- INTERNAL REVENUE SERVICE \$ 695.84
Wire	INTERNAL REVENUE SERVICE P/R 14 7/7/17 Taxes HR 0056500	323,023.49 ----- INTERNAL REVENUE SERVICE \$ 323,023.49
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 14 7/7/17 Employee Deferred Comp HR 0056500	25,121.71 ----- PUBLIC EMPLOYEE'S RETIREMENT S\$ 25,121.71
Wire	STATE DISBURSEMENT UNIT P/R 14 7/7/17 P/R 14 7/7/17 HR 0056500 HR 0056500	1,145.06 198.00 ----- STATE DISBURSEMENT UNIT \$ 1,343.06
Wire	PUBLIC EMPLOYEES' RETIREMENT S 7/17 Health Ins-Retirees, Employees 7/17 Health Ins-Board 14974569 7/17 14974573 7/17	252,513.50 5,413.88 ----- PUBLIC EMPLOYEES' RETIREMENT S\$ 257,927.38
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R DIR 07 7/14/17 Taxes HR 0056900	377.29 ----- EMPLOYMENT DEVELOPMENT DEPARTM\$ 377.29
Wire	INTERNAL REVENUE SERVICE P/R DIR 07 7/14/17 Taxes HR 0056900	2,329.87 ----- INTERNAL REVENUE SERVICE \$ 2,329.87
Wire	STATE BOARD OF EQUALIZATION 6/17 Sales Tax Deposit 23784561 6/17	11,191.00 ----- STATE BOARD OF EQUALIZATION \$ 11,191.00

Check	Payee / Description		Amount
Wire	METROPOLITAN WATER DISTRICT May 2017 Water Purchase	9034	2,805,260.68
	METROPOLITAN WATER DISTRICT	\$	2,805,260.68
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 15 7/21/17 Taxes Adjustment	7/21/17 ADJ	739.90
	P/R 15 7/21/17 Taxes	HR 0058300	10,380.95
	P/R 15 7/21/17 Taxes	HR 0058300	54,844.87
	EMPLOYMENT DEVELOPMENT DEPARTM\$		65,965.72
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 15 7/21/17 Employee Deferred Comp	HR 0058300	25,428.71
	PUBLIC EMPLOYEE'S RETIREMENT S\$		25,428.71
Wire	INTERNAL REVENUE SERVICE P/R 15 7/21/17 Taxes	HR 0058300	323,701.47
	P/R 15 7/21/17 Taxes Adjustment	7/21/17 ADJ	3,260.91
	INTERNAL REVENUE SERVICE	\$	326,962.38
Wire	STATE DISBURSEMENT UNIT P/R 15 7/21/17	HR 0058300	1,145.06
		HR 0058300	198.00
	STATE DISBURSEMENT UNIT	\$	1,343.06
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R Off Cycle 6/12/17 Taxes	HR 0056300	19.77
	P/R Off Cycle 6/12/17 Taxes	HR 0056300	209.18
	EMPLOYMENT DEVELOPMENT DEPARTM\$		228.95
Wire	INTERNAL REVENUE SERVICE P/R Off Cycle 6/12/17 Taxes	HR 0056300	739.34
	INTERNAL REVENUE SERVICE	\$	739.34
Wire	CALPERS CalPERS Retirement Unfunded Liability FY 1000000149932		2,575,558.00
	CALPERS	\$	2,575,558.00
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 14 7/7/17 Adjustment	HR0056500000A	105,703.73-
	P/R 14 7/7/17 Adjustment	P/R 14 7/7 AD	188.72
	P/R 14 7/7/17 PERS	HR 0056500	272,412.67
	P/R 14 7/7/17 Adjustment	P/R 14 ADJ 7/	535.60
	PUBLIC EMPLOYEES RETIREMENT SY\$		167,433.26
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 15 7/21/17 PERS ADJ-Incorrect Rate i	HR 0058300000	108,049.47-
	P/R 15 7/21/17 PERS	HR 0058300	284,000.62
	PUBLIC EMPLOYEES RETIREMENT SY\$		175,951.15

Report: ZFIR TREASURER Inland Empire Utilities Agency
For 07/01/2017 ~ 07/31/2017 Treasurer Report

Page 3
Date 08/24/2017

Check Payee / Description

Amount

Grand Total Payment Amount: \$ 7,568,690.14

Attachment 5

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR JULY 7, 2017
PRESENTED AT BOARD MEETING on SEPTEMBER 20, 2017

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
JASMIN HALL	\$2,474.92	\$1,494.82
KATHERINE PARKER	\$2,834.29	\$1,085.12
MICHAEL CAMACHO	\$3,931.54	\$1,371.87
STEVEN J. ELIE	\$4,300.72	\$1,340.29
PAUL HOFER	\$0.00	\$0.00
TOTALS	\$13,541.47	\$5,292.10

TOTAL EFTS PROCESSED	2	\$ 2,579.94
TOTAL CHECKS PROCESSED	2	\$ 2,712.16
CHECK NUMBERS USED	110004 - 110005	

IEUA DIRECTOR PAYSHEET

PAUL HOFER
 EMPLOYEE NO. 1349
 ACCOUNT NO. 10200 110100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-07-17	IEUA Board Meeting	Yes	\$-0-
06-14-17	Finance & Administration Committee Meeting	Yes	\$-0-
06-21-17	IEUA Board Meeting	Yes	\$-0-
06-23-17	CBWM Prado Adaptive Mgmt. Plan	Yes	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$-0-
Total No. of Meetings Attended			4
Total No. of Meetings Paid			0

DIRECTOR SIGNATURE

for Dir Hofer

Approved by:

 Steven J. Elie
 President, Board of Directors

Director Hofer has waived all stipend payments.

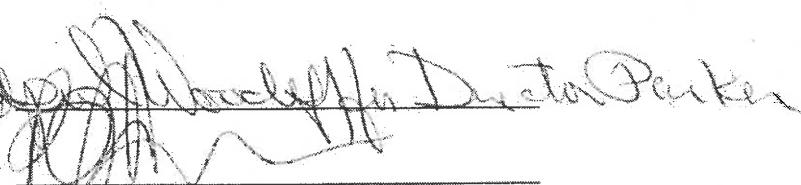
IEUA DIRECTOR PAYSHEET

KATI PARKER
 EMPLOYEE NO. 1362
 ACCOUNT NO. 10200 1100100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-07-17	IEUA Board Meeting	Yes	\$225.00
06-12-17	Audit Committee	Yes	\$225.00
06-12-17	Meeting w/External Auditor Deborah Harper	Yes (same day)	\$-0-
06-14-17	Engineering, Operations & Water Resources Committee	Yes	\$225.00
06-21-17	IEUA Board Meeting	Yes	\$225.00
TOTAL REIMBURSEMENT			\$900.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$27.18 – difference between SAWPA (\$197.82 (eff. 2/16/16) and Agency meetings \$225.00 including Agency meetings			
Total No. of Meetings Attended			5
Total No. of Meetings Paid			4

DIRECTOR
 SIGNATURE



Approved by:

Steven J. Elie
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE**

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10900 110100 500000 501215

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-01-17	Regional Policy Committee Meeting	Yes	\$225.00
TOTAL REIMBURSEMENT			
Up to 10 days of service per month per Ordinance No. 105 (total amount of \$225.00, should reflect on timesheet)			\$225.00
Total No. of Meetings Attended			1
Total No. of Meetings Paid			1

**DIRECTOR
SIGNATURE**

Opal Woodruff
Kati Parker

Approved by:

[Signature]

Steven J. Elie
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION (ALTERNATE)**

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10500 110100 165000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-06-17	SAWPA Commission Workshop	Yes	\$25.00
06-20-17	SAWPA Regular Commission Meeting	Yes	\$25.00
TOTAL REIMBURSEMENT			\$50.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$25.00 – difference between SAWPA (\$200.00 <i>eff. 5/01/17</i>) and Agency meetings \$225.00), including Agency meetings			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE

Approved by:
Steven J. Elie
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON WATERMASTER BOARD (ALTERNATE)**

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10200 110100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-22-17	CBWM Board Meeting (Alt.)	No	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$100.00 – difference between Watermaster \$125.00 and Agency meetings \$225.00), including Agency meetings			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			\$-0-

DIRECTOR
SIGNATURE

April Woodruff
Kati Parker

Approved by:

Steven J. Elie
President, Board of Directors

- * Chino Basin Watermaster does not compensate an alternate Director unless the alternate Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 98, Section 1, (i) Attendance at any meeting provided for under Sections 1.b, c, e, and f, shall also include payment to both the primary representative and the alternate representative to said body if they both attend said meeting.


IEUA DIRECTOR PAYSHEET

MICHAEL CAMACHO
 EMPLOYEE NO. 1140
 ACCOUNT NO. 10200 110100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-02-17	Telecon meeting with O Gonzales, CVWD, to discuss CVWD-IEUA Water issues	Yes	\$225.00
06-07-17	IEUA Board Meeting	Yes	\$225.00
06-08-17	Southern Coalition/Inland Caucus Meeting	Yes	\$225.00
06-09-17	Telecon meeting with O Gonzales, CVWD, to discuss CVWD-IEUA Water issues	Yes	\$225.00
06-14-17	Community and Legislative Affairs Committee	Yes	\$225.00
06-14-17	Engineering, Operations and Water Resources Committee	Yes (same day)	\$-0-
06-16-17	Telecon meeting with O Gonzales, CVWD, to discuss CVWD-IEUA Water issues	Yes	\$225.00
06-21-17	IEUA Board Meeting (telecon)	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings)			\$1,575.00
Total No. of Meetings Attended			8
Total No. of Meetings Paid			7

DIRECTOR SIGNATURE 

Approved by: 
 Steven J. Elie
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON MWD BOARD**

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10700 110115 110000 511010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-01-17	Telecon meeting w/F. Mares to discuss MWD business	Yes	\$225.00
06-06-17	Telecon meeting w/F. Mares to discuss MWD business	Yes	\$225.00
06-12-17	MWD Standing Committee	Yes	\$225.00
06-13-17	MWD Standing Committee Meetings and Board Meeting	Yes (10 mtg. max)	\$-0-
06-27-17	MWD other Committee Meetings	No	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings)			\$675.00
Total No. of Meetings Attended			4
Total No. of Meetings Paid			3

DIRECTOR
SIGNATURE

Michael Camacho

Director Camacho

Approved by:

Steven J. Elie

Steven J. Elie
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10900 110100 500000 501215

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-01-17	Regional Policy Committee Meeting.	No	\$-0-
TOTAL REIMBURSEMENT			
Up to 10 days of service per month per Ordinance No. 105, (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00), including Agency meetings			\$-0-
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR
SIGNATURE**

Paul Woodruff Jr
Michael Camacho

Approved by:

[Signature]

Steven J. Elie
President, Board of Directors

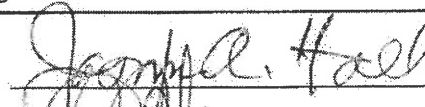
IEUA DIRECTOR PAYSHEET

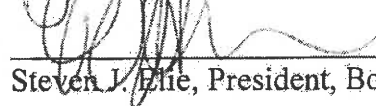
JASMIN A. HALL
 EMPLOYEE NO. 1256
 ACCOUNT NO. 10200 110100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-03-17	Annual Fontana Parade	Yes	\$225.00
06-07-17	IEUA Board Meeting	Yes	\$225.00
06-12-17	CASA Board of Director's Meeting telecon	Yes	\$225.00
06-14-17	Engineering, Operations, & Water Resources Committee	Yes (not rep)	\$-0-
06-14-17	Finance & Administration Committee	Yes	\$225.00
06-19-17	ASBCD Dinner meeting	Yes	\$225.00
06-20-17	CASA Federal Legislative Committee telecon	Yes	\$225.00
06-21-17	IEUA Board meeting	Yes	\$225.00
06-21-17	Meeting w/ GM Grindstaff to discuss Agency business	Yes (staff)	\$-0-
06-22-17	Celete Cantu's Retirement Event	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105)			\$1,800.00
Total No. of Meetings Attended			10
Total No. of Meetings Paid			8

DIRECTOR
SIGNATURE





 Steven J. Elie, President, Board of Directors


Approved by:


**DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION**

JASMIN A. HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10500 110100 165000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-06-17	SAWPA PA 23 meeting	Yes (same day)	\$-0-
06-06-17	SAWPA Commission Workshop	Yes	\$25.00
06-13-17	SAWPA Reach #2 Site Installation visit	Yes	\$25.00
06-14-00	SAWPA Ad Hoc Committee telecon	Yes (same day)	\$-0-
06-20-17	SAWPA Reg. Commission Meeting	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$50.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$25.00 – difference between SAWPA (\$200.00 (eff. 5/01/17) and Agency meetings \$225.00), including Agency meetings			
Total No. of SAWPA Meetings Attended			5
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE 

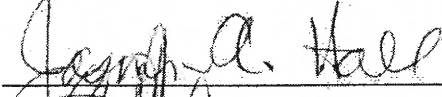
Approved by: 
Steven J. Elie
President, Board of Directors


**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY**

JASMIN A. HALL
 EMPLOYEE NO. 1256
 ACCOUNT NO. 10200 110100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-08-17	CDA Board Meeting	Yes (10 mtg. Max)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$75.00 – difference between CDA (\$150.00 And Agency meetings \$225.00 excludes alternate) including Agency meetings			
Total No. of CDA Meetings Attended			1
Total No. of CDA Meetings Paid			\$-0-

DIRECTOR SIGNATURE 

Approved by: 
 Steven J. Elie
 President, Board of Directors

*Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency.

IEUA DIRECTOR PAYSHEET

STEVEN J. ELIE
 EMPLOYEE NO. 1175
 ACCOUNT NO. 10200 110100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-05-17	So Cal Water Committee Leg. Telecon	Yes	\$225.00
06-07-17	IEUA Board Meeting	Yes	\$225.00
06-08-17	SB 623 Coalition Letter Telecon	Yes	\$225.00
06-12-17	Meeting w/External Auditor Deborah Harper	Yes (same day)	\$-0-
06-12-17	Audit Committee Meeting Committee	Yes	\$225.00
06-13-17	GASB WaterNow Alliance Telecon	Yes	\$225.00
06-14-17	IEUA Community & Leg. Affairs Committee	Yes	\$225.00
06-15-17	Council Member Glenn Duncan Retirement Luncheon & Presentation	Yes	\$225.00
06-16-17	Board Agenda Review Meeting w/JC & C Berch	Yes (same day)	\$-0-
06-16-17	Tour w/ Assembly Member Freddie Rodriguez	Yes	\$225.00
06-19-17	So Cal Water Committee Leg. Telecon	Yes	\$225.00
06-21-17	Board Meeting	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105)			\$2,250.00
Total No. of Meetings Attended			12
Total No. of Meetings Paid			10

DIRECTOR
SIGNATURE

Steven J. Elie

 Steven J. Elie

Approved by:

Jasmin Hall

 Jasmin Hall
 Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA
ON WATERMASTER BOARD**

STEVEN J. ELIE
EMPLOYEE NO. 1175
ACCOUNT NO. 10200 110100 100000 501010

JUNE 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
06-22-17	CBWM Board Meeting	Yes*	\$-0-

TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105 (i.e., \$100.00 – difference between Watermaster \$125.00 and Agency meetings \$225.00), including District meetings	\$-0-
Total No. of Watermaster Meetings Attended	1
Total No. of Watermaster Meetings Paid	0

***Decline IEUA portion**

DIRECTOR
SIGNATURE

Steven J. Elie

for President Elie

Approved by:

Jasmin Hall

Secretary/Treasurer

Attachment 6

Payroll-Net Pay-Employees

Non-Board Members	PPE 14 Checks	PP 14 EFTs	PP 15 Checks	PP 15 EFTs	July
NET PAY to Employees	\$0.00	\$707,552.55	\$0.00	\$728,910.46	\$1,436,463.01

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR JULY 7, 2017

PRESENTED AT BOARD MEETING ON SEPTEMBER 20, 2017

GROSS PAYROLL COSTS	\$1,297,076.48
DEDUCTIONS	(\$589,523.93)
NET PAYROLL	<u>\$707,552.55</u>

CHECKS USED	
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	<u>362</u>
TOTAL PAYROLL PROCESSED	362

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR JULY 21, 2017

PRESENTED AT BOARD MEETING ON SEPTEMBER 20, 2017

GROSS PAYROLL COSTS	\$1,330,897.77
DEDUCTIONS	(\$601,987.31)
NET PAYROLL	<u>\$728,910.46</u>

CHECKS USED	
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	<u>363</u>
TOTAL PAYROLL PROCESSED	363

**CONSENT
CALENDAR
ITEM**

3C

Date: September 20, 2017

To: The Honorable Board of Directors

Chris Berch for JB
From: P. Joseph Grindstaff, General Manager

Committee: Engineering, Operations & Water Resources

09/13/17

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: IEUA & CBWM Master Cost Sharing Agreement and Basin Plan Amendment

Executive Summary:

Pursuant to the Peace II Agreement, Optimum Basin Management Program, and Basin Plan, IEUA and Chino Basin Watermaster (CBWM) seek to develop a Master Agreement for joint management and cost sharing of projects in the Chino Basin. Projects may include engineering studies, management plans, modeling, permitting, CEQA, and other joint efforts.

The Master Agreement establishes a framework for both parties' responsibilities on jointly managed projects in terms of cost sharing, project management, indemnity, and other provisions. As task orders are approved by both parties for joint projects, they will detail each party's commitments regarding scope, schedule, budget, financing, environmental, responsibilities, and other pertinent details. The Master Agreement is scheduled for CBWM Board approval in September 2017.

Task Order No. 1 will update the groundwater modeling for the Chino Basin to include future salinity projects, source water forecast, groundwater conditions, and climate impacts. Water quality analysis will be prepared for total dissolved solids and nitrogen concentrations. The effort will support obtaining approval for a Basin Plan Amendment and permit modifications.

Staff's Recommendation:

1. Approve the Master Cost Sharing Agreement between IEUA and Chino Basin Watermaster;
2. Approve Task Order No. 1 for the Basin Plan Amendment for a not-to-exceed total project cost of \$723,000, under the Master Cost Sharing Agreement; and
3. Authorize the General Manager to execute the Master Cost Sharing Agreement and Task Order No. 1, subject to non-substantive changes.

Budget Impact *Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:*

Account/Project Name:

- Task Order No. 1 will be funded by two projects (WC fund) and spread over FY17/18-FY19/20:
- Basin Plan Amendment, Project No. PL18002 (\$550,000) per TYCIP, and
 - Recycled Water (WC) Planning Documents, Project No. EN16035 (\$2,416,523) per TYCIP

Fiscal Impact *(explain if not budgeted):*

Project cost is within the annual and total project budgets of the Basin Plan Amendment, Project No. PL18002 (\$550,000) and Recycled Water (WC) Planning Documents, Project No. EN16035 (\$2,416,523), and will be spread over FY17/18 - FY19/20 in the WC Fund, per TYCIP.

Prior Board Action:

None.

Environmental Determination:

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This project qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. This effort will result in the development of a Basin Plan Amendment, which will be subject to future environmental evaluation.

Business Goal:

The Master Cost Sharing Agreement and Task Order No. 1 are consistent with IEUA's Business Goal of Water Reliability by maximizing the beneficial reuse of recycled water as a source of groundwater recharge.

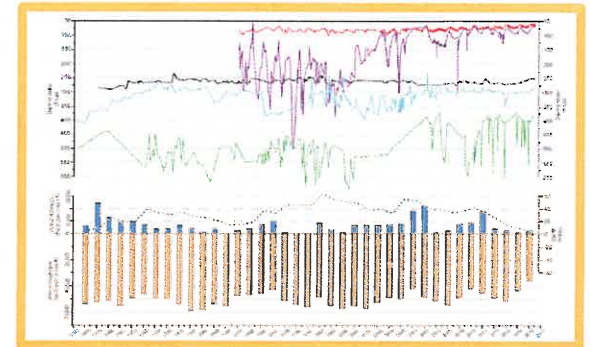
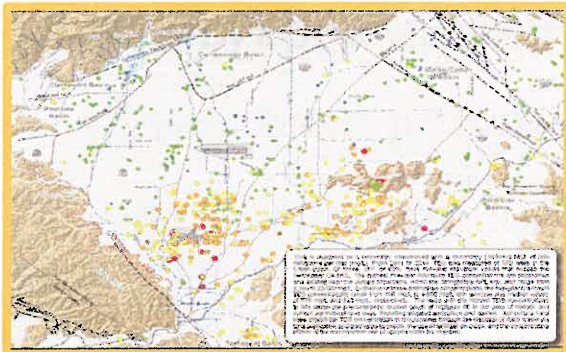
Attachments:

Attachment 1 - PowerPoint

Attachment 2 - IEUA & CBWM Master Cost Sharing Agreement

Attachment 3 - Task Order No. 1 - Basin Plan Amendment

IEUA & CBWM Master Agreement and Basin Plan Amendment



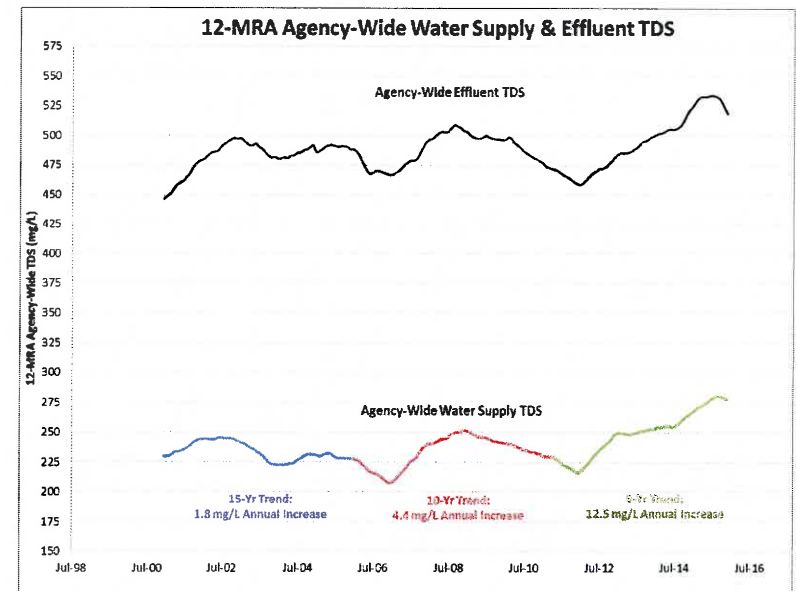
IEUA and Chino Basin Watermaster Master Agreement

- Master Cost Sharing Agreement needed to facilitate joint projects
- Establishes framework of responsibilities and obligations
- Establishes procedures for reimbursement of costs
- Project details will be covered with individual Task Orders
- Projects may include engineering studies, management plans, modeling, permitting, CEQA, and other joint efforts
- Scheduled for CBWM Board approval in September 2017



Salinity Management

- Maximum Benefit Plan enables use of recycled water (irrigation & GWR)
- Commitment to implement regional programs to manage/reduce TDS
- Region has been working for past 15+ years to meet this commitment
 - Chino Basin Desalters
 - Self-generating water softener use ordinance
 - Brine line discharge requirements
 - Chemical use optimization in the WWTP
 - Securing high quality supplemental water
- Long-term trends show increasing TDS



Task Order No. 1: Basin Plan Amendment Scope

- Update Chino groundwater basin modeling
- Analyze projects, source water, groundwater, and climate impacts
- Support for Basin Plan Amendment and permit modifications with Regional Water Quality Control Board (RWQCB)

Description	Sub-Total	IEUA Share	CBWM Share
Salinity Modeling, Evaluation, and Basin Plan Amendment	\$408,000	\$204,000	\$204,000
Nitrogen Modeling & Evaluation	\$229,000	\$229,000	TBD
Environmental Evaluation	\$20,000	\$10,000	\$10,000
Contingency	\$66,000	\$44,000	\$22,000
Total	\$723,000	\$487,000	\$236,000

Task Order No. 1: Basin Plan Amendment Schedule

Description	Schedule
Develop Groundwater Model	May 2018
Groundwater Modeling & Evaluation	February 2019
Basin Plan Amendment Proposal to RWQCB	April 2019
Updated Basin Plan Amendment	August 2019
Environmental Evaluation	November 2019
Final Basin Plan Amendment	December 2019



Recommendation

- Approve the Master Cost Sharing Agreement between IEUA and Chino Basin Watermaster;
- Approve Task Order No. 1 for the Basin Plan Amendment for a not-to-exceed total project cost of \$723,000, under the Master Cost Sharing Agreement; and
- Authorize the General Manager to execute the Master Cost Sharing Agreement and Task Order No. 1, subject to non-substantive changes.

The Master Cost Sharing Agreement and Task Order No. 1 are consistent with *IEUA's Business Goal of Water Reliability* by maximizing the beneficial reuse of recycled water as a source of groundwater recharge.



**MASTER AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND
INLAND EMPIRE UTILITIES AGENCY REGARDING THE
MANAGEMENT OF COLLABORATIVE PROJECTS**

WHEREAS, the Inland Empire Utilities Agency (“IEUA”) and the Chino Basin Watermaster (“Watermaster”) (each individually “Party” and collectively “the Parties”) share common goals and objectives regarding the reasonable and beneficial use of water within the Chino Basin;

WHEREAS, both Parties share responsibility for meeting certain monitoring and reporting requirements detailed in the Basin Plan Amendment approved by the Santa Ana Regional Water Quality Control Board (“RWQCB”) in 2004 (R8-2004-0001, R8-2012-0002);

WHEREAS, both Parties have made commitments to the RWQCB to obtain Maximum Benefit Groundwater Quality Objectives (Quarterly Surface Water and Hydraulic Control monitoring and reporting);

WHEREAS, the Parties are co-permittees for the Recycled Water Groundwater Recharge Program and share responsibility for meeting certain monitoring and reporting requirements of the RWQCB, Santa Ana Region Order No. R8-2007-0039 and the Monitoring and Reporting Program No. R8-2007-0039;

WHEREAS, the Peace II Agreement, Section 2.2 acknowledges that IEUA has been properly designated as the Lead Agency for the purposes of completing the environmental assessment and review of the “proposed project” as that term is defined in the Peace II Agreement;

WHEREAS, the Master Agreement Between Chino Basin Watermaster and Inland Empire Utilities Agency Regarding the Management of Collaborative Recharge Projects, dated July 24, 2014, defines the cost sharing arrangement for Recharge Master Plan Update (RMPU) projects between IEUA and Watermaster. The RMPU projects are not included within the scope of this Master Agreement;

WHEREAS, the Parties will separately enter into contracts for services on a project specific basis, as described in written proposals including the nature of the services to be performed, fees and rates to be charged, location, time schedule, financing and any special conditions of performance and other information deemed necessary by the Parties (“Task Orders”); and,

WHEREAS, the Parties seek to develop a Master Agreement for joint management, cost sharing and financing for projects in the Basin, and as individual Task Orders are approved by the Parties, such projects will be incorporated as part of the Master Agreement as individual tasks. Projects may include, but are not limited to: CEQA support, engineering studies, management plans, modeling evaluation & analysis, permitting, and other associated tasks.

ARTICLE 1

PROJECT MANAGEMENT

1.1 Approval of Task Orders. Each Task Order shall be approved by Watermaster and IEUA as an individual task in accordance with each Party’s policies and procedures, with a specified “maximum allowable cost” amount for each individual Task Order. The costs to be borne by each Party shall not exceed the “maximum allowable cost” amount specified in each Task Order.

1.2 Changes in Scope of Task Orders. Should either Party determine that a change in scope requiring a budget increase of any Task Order is necessary for a project, to be effective, the change in scope must be approved by each Party pursuant to the procedures described in Section 1.1.

1.3 Amendment to Task Order Budgets. If any project undertaken pursuant to a Task Order subject to this Agreement will exceed the budget allocated for such Task Order, Watermaster and IEUA shall amend the Task Order authorizing the project. Similarly, if grant funding is obtained for any project undertaken pursuant to a Task Order subject to this Master Agreement, Watermaster and IEUA shall amend the Task Order authorizing the project to reduce the Task Order cost share accordingly. All amendments must be approved by each Party pursuant to the procedures described in Section 1.1. The Parties shall reasonably and diligently process any necessary amendments of the Task Order authorizing the project to prevent unnecessary delays in the projects.

1.4 Quarterly Progress Reports. IEUA, pursuant to its policies and procedures, shall provide quarterly progress reports to Watermaster's General Manager by the eighth calendar day of each quarter for each Task Order that is subject to this Master Agreement. Each monthly progress report shall include a summary of the current status of the Task Orders, including reports on cost schedules and any potential for cost overruns, schedule status, and any changes or potential need for changes in the scope of the Task Order.

ARTICLE 2

COST SHARING

2.1 Watermaster Approval. Under no circumstances shall Watermaster be obliged to enter into any Task Order reimbursement or repayment obligation, absent approval of the Task Order by Watermaster's Board of Directors.

2.2 Cost Sharing Allocation. From and after the Effective Date of this Master Agreement, the Parties agree that they shall apportion the costs of each Task Order for projects to be completed under each Task Order, in accordance with the applicable funding allocation, as described in each Task Order.

2.3 Fiscal-Year Basis Funding. While each Task Order may include a projected budget for the project over the anticipated lifespan of the project, funding for Task Orders and change orders or amendments under this Master Agreement will be made available on a fiscal-year basis. However, funding may be carried forward to complete projects that span fiscal years in order for payment to be made in a timely manner.

2.4 Debt Financing. The Parties may agree to secure debt to finance projects approved under this Master Agreement. IEUA will seek the lowest cost financing, including but not limited to low interest State Revolving Funds loans issued by the State Water Resources Control Board. The Parties acknowledge that changes to the projects and/or project costs may occur from time-to-time. Whenever possible, IEUA will make every effort to modify debt financing accordingly.

2.5 No Partnership or Joint Venture. Neither this Master Agreement, nor any Task Order or project hereunder, nor any other conduct engaged in by either Party pursuant to this Master Agreement or any Task Order hereunder shall create any partnership or joint venture between the Parties, or between each Party and any of the other Party's contractors.

2.6 Project Litigation. In the event that litigation arises in regard to any project that is the subject of a Task Order, the litigation costs shall be shared between the Parties according to the Parties' cost allocation for the project.

ARTICLE 3

REIMBURSEMENT OF COSTS

3.1 Reimbursement Schedule. Reimbursement shall be made as follows: IEUA shall transmit to Watermaster's General Manager a single invoice, with supporting documentation, itemizing Watermaster's share of costs paid by IEUA, or debt financing, in the preceding monthly billing period that are applicable to each Task Order. Invoicing may be one time, quarterly or monthly depending on the scope and specific to each Task Order. Invoices for costs paid by IEUA shall be due and payable in full no later than 30 days from the date of receipt. Watermaster will exercise its best efforts to complete payment within 30 days, recognizing that Watermaster may be subject to a requirement of reimbursement to IEUA for additional expenses, such as loss of interest earnings incurred as a result of a delay in reimbursement. The loss of interest earnings will be calculated by IEUA based on the investment earning rate.

3.2 Transmittal of Reimbursement Payments. Remittance for all payments shall identify the applicable IEUA/Watermaster invoice number, and shall be made to the following:

IEUA
Accounts Receivable
P.O. Box 9020
Chino Hills, CA 91709

Chino Basin Watermaster
Attn: Peter Kavounas
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

3.3 Disputed Invoices. If Watermaster disputes any portion of an invoice, Watermaster shall furnish prompt notice of the basis for the dispute and shall pay the undisputed portion. The due date for payment of the disputed portion shall be extended 30 days to allow the Parties to resolve the disputed issue.

3.4 Reimbursement Limitations. Neither Party shall be obligated to reimburse the other for any administrative time or overhead expenses incurred by the other Party that is unrelated to the Task Orders issued under this Master Agreement. However, each Party is obligated to reimburse the other for capital cost and administrative time and overhead expenses as part of each Party's responsibilities as stated within each Task Order. All legal and technical consultants, contractors, or other personnel retained by either Party for work eligible for reimbursement under this Agreement shall be under contract to or employed by that individual retaining Party alone and shall look solely to that retaining Party for payment. Each Party assumes absolutely no liability or obligation to the other Party's consultants, contractors, or personnel retained outside this Master Agreement and its respective Task Orders.

ARTICLE 4

TERM

4.1 Effective Date. The effective date of this Master Agreement is September ____, 2017 (“Effective Date”).

4.2 Termination. Upon 60-days written notice, this Master Agreement shall be mutually terminable at any time in accordance with each Party’s policies and procedures, within each Party’s sole discretion. Termination shall not relieve the terminating Party from its obligations accruing prior to termination, including the payment of monies due for work performed prior to the date of termination and project settlement costs thereof, shall be paid after receipt of an invoice as provided in Section 3.1 above.

ARTICLE 5

INDEMNITY

5.1 IEUA. IEUA shall indemnify Watermaster against and hold Watermaster harmless from any and all claims, suits, losses, damages, and liability for damages of every name, kind and description, including attorneys’ fees and other costs of defense incurred, brought for, or on account of, injuries to or death of any person, including, but not limited to, workers, the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with IEUA’s activities pursuant to this Master Agreement, any Task Order thereunder, regardless of the existence or degree of fault or negligence on the part of the Parties, a third-party contractor, the subcontractor(s) and employee(s) of any of these, except for the active negligence or willful misconduct of employees or agents of the Parties, or as expressly prohibited by statute. The provisions of this Section 5.1 will survive termination of this Agreement.

5.2 Watermaster. Watermaster shall indemnify IEUA against and hold IEUA harmless from any and all claims, suits, losses, damages, and liability for damages of every name, kind and description, including attorneys’ fees and other costs of defense incurred, brought for, or on account of, injuries to or death of any person, including, but not limited to, workers, the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with Watermaster’s activities pursuant to this Master Agreement, any Task Order thereunder, regardless of the existence or degree of fault or negligence on the part of the Parties, a third-party contractor, the subcontractor(s) and employee(s) of any of these, except for the active negligence or willful misconduct of employees or agents of the Parties, or as expressly prohibited by statute. The provisions of this Section 5.2 will survive termination of this Agreement.

ARTICLE 6

GENERAL PROVISIONS

6.1 Notices. Any notice under this Agreement shall be deemed sufficient if given by one Party to the other in writing and: delivered in person; transmitted by electronic mail or facsimile (with acknowledgement of receipt provided by the receiving Party); or, by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by Federal Express or other similar overnight delivery service; to the Party to whom the notice is directed at the address of such Party as follows:

If to Watermaster:

Chino Basin Watermaster
Attn: Peter Kavounas
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

If to IEUA:

Inland Empire Utilities Agency
Attn: Executive Manager of Engineering/Assistant General Manager
PO Box 9020
Chino Hills, CA 9170

Any communication given by mail shall be deemed delivered two (2) business days after such mailing date, and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either Party may change its address by giving the other Party notice of its new address.

6.2 Assignability. The Parties may not assign all or any part of this Master Agreement or any Task Order without advance written consent of each Party's Board of Directors.

6.3 Waiver. No waiver by any Party of any of the provisions shall be effective unless explicitly stated in writing and executed by the Party so waiving. Except as provided in the preceding sentence, no action taken pursuant to this Master Agreement, including, without limitation, any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representations, warranties, covenants, or agreements contained in this Master Agreement and in any documents delivered or to be delivered pursuant to this Master Agreement. The waiver by any Party of a breach of any provision of this Master Agreement shall not operate or be construed as a waiver of any subsequent breach. No waiver of any of the provisions of this Master Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

6.4 Headings. The section headings contained in this Master Agreement are for convenience and reference only and shall not affect the meaning or interpretation of this Master Agreement.

6.5 Severability. If any term, provision, covenant or condition of this Master Agreement shall be or become illegal, null, void or unenforceable, the remaining provisions of this Master Agreement shall remain in full force and effect, and shall not be affected, impaired or invalidated. The term, provision, covenant or condition that is so invalidated, voided or held to be unenforceable, shall be modified or changed by the Parties to the extent possible to carry out the intentions and directives set forth in this Master Agreement.

6.6 Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of California. This Agreement shall be specifically enforceable in the Court maintaining jurisdiction over the case Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010.

6.7 Parties in Interest. Nothing in this Master Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Master Agreement on any persons

other than the Parties to it and their respective successors and assigns, nor is anything in this Master Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Master Agreement, nor shall any provision give any third persons any right of subrogation or action against any party to this Master Agreement.

6.8 Attorney Fees. In any dispute under this Master Agreement between the Parties, each Party shall bear its own legal costs and expenses.

6.9 Good Faith. The Parties agree to exercise their best efforts and utmost good faith to effectuate all the terms and conditions of this Master Agreement and to execute such further instruments or documents as are necessary or appropriate to effectuate all of the terms and conditions of this Master Agreement.

6.10 Construction. The provisions of this Master Agreement should be liberally construed to effectuate its purposes. The language of all parts of this Master Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either Party, as each Party has participated in the drafting of this document and had the opportunity to have their counsel review it. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

6.11 Entire Agreement. This Master Agreement contains, the entire understanding and agreement of the Parties, and supersedes all prior agreements and understandings, oral and written, between the Parties concerning the subject matter of this Master Agreement. There have been no binding promises, representations, agreements, warranties or undertakings by any of the Parties, either oral or written, of any character or nature, except as stated in this Master Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the Parties to this Master Agreement and by no other means. Each Party waives its future right to claim, contest or assert that this Master Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppels.

6.12 Counterparts. This Master Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year and at the place first written above.

Inland Empire Utilities Agency

Chino Basin Watermaster

P. Joseph Grindstaff
General Manager

Peter Kavounas
General Manager

**MASTER AGREEMENT BETWEEN
CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY
REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS**

**TASK ORDER NO. 1
BASIN PLAN AMENDMENT**

This Task Order is made and entered into as of the ____ day of September, 2017 by and between the Chino Basin Watermaster, hereinafter referred to as “Watermaster,” and the Inland Empire Utilities Agency, hereinafter referred to as “IEUA” (each a “Party” and collectively, the “Parties”).

In consideration of the mutual promises, covenants, and conditions as addressed in the Master Agreement dated September ____, 2017 and as specifically hereinafter set forth, the Parties do hereby agree as follows:

1. **PURPOSE**

The purpose of this Task Order is to govern the development of an amendment to the current Basin Plan for the Chino Groundwater Basin (“Basin”) in coordination with the Santa Ana Regional Water Quality Control Board (“Regional Board”). This effort will include support for updating the Recycled Water Discharge and Reuse Permit, Groundwater Recharge Permit, and Maximum Benefit Salinity Management Plan for the Basin, with regards to the total dissolved solids (“TDS”) limit.

The IEUA owns and operates four treatment facilities that treat wastewater to tertiary standards for recharge in the Basin for groundwater supply augmentation, direct reuse for irrigation or discharge to streams and channels that are tributary to the Prado Basin Reservoir on the Santa Ana River. These actions are regulated under two permits held with the Regional Board. Regional Board Order R8-2007-00392 (as amended by R8-2009-00573) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by the IEUA and Watermaster. And Regional Board Order R8-2015-0036 (NPDES No. CA 8000409) regulates the discharge and direct reuse of recycled water. Additionally, the reuse of recycled water is regulated by the Basin Plan as part of the IEUA and Watermaster maximum benefit commitments for the Basin and is impacted by both the TDS and nitrogen (“N”) limits.

2. **SCOPE**

To obtain approval from the Regional Board for permit and Basin Plan modifications, the IEUA and Watermaster must perform a detailed evaluation of the TDS concentration impacts to Basin groundwater. Such an evaluation is referred to by the Regional Board as an Antidegradation Analysis. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance

strategies.

The scope of work encompassed by this Task Order is attached hereto as **Exhibit A** as well as any environmental review that is necessary to complete the projects contemplated by the Task Order.

The following is a projected schedule and budget for the project:

Description	Start	Finish	Projected Cost
Salinity Basin Plan Amendment	09/28/17	12/31/19	\$408,000
Nitrogen Modeling & Evaluation*	09/28/17	12/31/19	\$229,000
Environmental Review	08/01/18	12/31/19	\$20,000
Contingency			\$66,000
		Total	\$723,000

*Budget associated with the nitrogen effort will initially be carried by IEUA to initiate this effort. This item will continue to be considered to determine the appropriate cost share.

3. IEUA RESPONSIBILITIES

IEUA agrees to provide project management and contract administration services that include, but are not limited to:

- Engagement and management of consulting services as needed;
- Coordination and communication with the Regional Board;
- Payment of consultant invoices

IEUA will supply all personnel and equipment required to perform the assigned services.

4. WATERMASTER RESPONSIBILITIES

Watermaster agrees that it and its employees and consultants will cooperate with IEUA and the project consultants in the performance of services under this Task Order and will provide any necessary documentation and information in Watermaster's possession.

5. BUDGET AND COST ALLOCATION

Unless the scope of work is changed and an increase is authorized by the Parties, the total projected cost for the activities to be undertaken pursuant to this Task Order is seven hundred twenty-three thousand dollars (\$723,000) ("Budget"). The Parties agree that the Budget is shared as shown in the table below. The Budget shown below is shared equally, except for the portion specific to nitrogen and the associated portion of contingency. IEUA will initially carry the Budget for the nitrogen portion of the scope of work. The potential cost share for the nitrogen portion of the Budget will be further considered as the effort is initiated and potential impacts, benefits and responsibilities are investigated by the

Parties. The cost share and associated budgets for the nitrogen effort will be determined by the budgeting cycle for Fiscal Year 2018/19. The Parties shall budget, pursuant to their own budget mechanism, such that each is able to expend the amounts shown in the Fiscal Years shown in the table below, or as amended to this Task Order.

Description	Fiscal Year 2017/18	Fiscal Year 2018/19	Fiscal Year 2019/2020	Total
Salinity Basin Plan Amendment	\$241,000	\$110,000	\$57,000	\$408,000
Nitrogen Modeling & Evaluation	\$156,000	\$70,000	\$3,000	\$229,000
Environmental	\$0	\$10,000	\$10,000	\$20,000
Contingency	\$40,000	\$19,000	\$7,000	\$66,000
Total	\$437,000	\$209,000	\$77,000	\$723,000

Entity	Fiscal Year 2017/18	Fiscal Year* 2018/19	Fiscal Year* 2019/2020	Total
Watermaster	\$134,000	\$66,000	\$36,000	\$236,000
IEUA	\$303,000	\$143,000	\$41,000	\$487,000
Total	\$437,000	\$209,000	\$77,000	\$723,000

*Budget associated with the nitrogen effort will initially be carried by IEUA to initiate the Scope of Work. This item will continue to be considered to determine the appropriate cost share.

6. TOTAL BUDGETED COST

The Parties agree to pay their respective portion of the total costs. The Parties shall not be required to pay more than \$723,000 ("Total Budgeted Cost").

7. MAXIMUM COSTS TO WATERMASTER

The costs to be required of Watermaster under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or \$236,000.

8. MAXIMUM COSTS TO IEUA

The costs to be required of IEUA under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or \$487,000.

9. TERM

Work to be undertaken pursuant to this Task Order shall be initiated upon the Effective Date, as described in Section 11, below. The terms of this Task Order shall remain effective until IEUA's receipt of Watermaster's share of costs expended pursuant to the Budget shown above, so that IEUA may close out the activities.

10. REIMBURSEMENT

Watermaster's reimbursement of IEUA for work performed under this Task Order shall be as provided in Article 3 of the September 2017 Master Agreement.

11. EFFECTIVE DATE

This Task Order No. 1 will become effective upon execution by both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year and at the place first above written.

CHINO BASIN WATERMASTER

By _____
PETER KAVOUNAS
General Manager

INLAND EMPIRE UTILITIES AGENCY

By _____
P. JOSEPH GRINDSTAFF
General Manager



March 6, 2017
Revised June 26, 2017

Inland Empire Utilities Agency
Attn: Sylvie Lee
PO Box 9020
Chino Hills, CA 91709

Chino Basin Watermaster
Attn: Peter Kavounas
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

Subject: *Scope of Work and Cost Estimate to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin*

Dear Ms. Lee and Mr. Kavounas,

Pursuant to your request, WEI has prepared this proposal to support the update of the (1) Inland Empire Utilities Agency's (IEUA) recycled water discharge and reuse permit, (2) the joint IEUA and Watermaster groundwater recharge permit and (3) the joint IEUA and Watermaster Maximum Benefit Salinity Management Plan for the Chino Basin (e.g. the maximum benefit commitments) contained in the Water Quality Control Plan for the Santa Ana River Basin (Basin Plan). This proposal provides a brief overview of the regulatory framework and project objectives, and details the scope of work, fee estimate, schedule, and key staff resources assigned to the project.

Background and Project Objectives

The IEUA owns and operates four treatment facilities that treat wastewater to tertiary standards prior to being recharged in the Chino Basin to support groundwater supply augmentation, directly reused for irrigation or discharged to streams and channels that are tributary to the Prado Basin Reservoir on the Santa Ana River. The discharge, reuse, and recharge of recycled water by the IEUA are regulated under two permits held with the Santa Ana Regional Water Quality Control Board (Regional Board). Regional Board Order R8-2015-0036 (NPDES No. CA 8000409)¹ regulates the discharge and direct reuse of recycled water. Order R8-2007-0039² (as amended by R8-2009-0057³) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by the IEUA and Watermaster. Additionally,

¹ Order No. R8-2015-0036 and NPDES No. CA 8000409 - WASTE DISCHARGE REQUIREMENTS AND MASTER RECLAMATION PERMIT FOR INLAND EMPIRE UTILITIES AGENCY REGIONAL WATER RECYCLING FACILITIES – SURFACE WATER DISCHARGES AND RECYCLED WATER USE.

² Order No. R8-2007-0039 – Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

³ Order No. R8-2009-0057 Amending Order No. R8-2007-0039, Water Recycling Requirements for Inland Empire Utilities Agency and Chino Basin Watermaster – Chino Basin Recycled Water Groundwater Recharge Program – Phase I and Phase II Projects in San Bernardino County

the reuse of recycled water is regulated by the Basin Plan as part of the maximum benefit commitments for the Chino Basin⁴.

The permits specify limitations for total dissolved solids (TDS) and nitrogen concentrations, along with limitations for many other chemical constituents. The TDS limitation of recycled water is characterized as follows in these permits:

“The 12-month flow weighted running average TDS constituent concentration and mass emission rates shall not exceed 550 mg/L ... This limitation may be met on an agency-wide basis using flow weighted averages of the discharges from the Discharger’s RP-1, RP-4, RP-5, and CCWRF...”

The Basin Plan, specifically maximum benefit commitment number 9, specifies that:

“Within 60 days after the IEUA 12-month running average effluent concentration (measured as an average for all IEUA wastewater treatment facilities) for TDS exceeds 545 mg/L for 3 consecutive months, or the 12-month running average total inorganic nitrogen (TIN) concentration (measured as an average for all IEUA wastewater treatment facilities) exceeds 8 mg/L in any month, the IEUA shall submit to the Regional Board a plan and time schedule for implementation of measures to insure that the 12-month running average agency wastewater effluent quality does not exceed 550 mg/L and 8 mg/L for TDS and TIN, respectively. The Plan and schedule are to be implemented upon Regional Board approval.”

In 2015, the 12-month running average TDS concentration in recycled water produced by the IEUA approached the 545 mg/L metric that would require the IEUA and Watermaster to submit a plan and schedule to manage recycled water TDS concentrations. Research performed by the IEUA found that the primary driver for the increasing TDS concentration in its recycled water was an increase in the TDS concentration of the water supplies used by its member agencies. The increase may also be, in part, due to an increase of the TDS waste increment resulting from indoor water conservation.

Although the 12-month running average TDS concentration declined from the 2015 peak before the three-consecutive-month trigger, it was an important indicator that the TDS concentration of recycled water is likely to approach or exceed the discharge limitation and trigger the planning for recycled water quality improvements during the next prolonged dry period, or even sooner. Given the potential cost of implementing recycled water quality improvements for what might only be short-term exceedances of the 12-months running average limitation, the IEUA and Watermaster are interested in modifying the recycled water permits and the Basin Plan to allow for a longer-term averaging period for TDS concentrations.

To obtain approval from the Regional Board for these permit and Basin Plan modifications, the IEUA and Watermaster must perform a detailed evaluation of the TDS concentration impacts to Chino Basin groundwater. Such an evaluation is termed by the Regional Board as an Antidegradation Analysis. The objective of the analysis is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance strategies. The IEUA and Watermaster last performed an

⁴ See Table 5-8a and pages 5-49 in the Basin Plan located here:

http://www.waterboards.ca.gov/rwqcb8/water_issues/programs/basin_plan/docs/2016/Chapter_5_February_2016.pdf

antidegradation analysis in June 2009, to support R8-2009-057, which amended R8-2007-039 to change the recycled water contribution averaging period from a 60-month to a 120-month period.

The IEUA has already engaged with Regional Board staff to discuss the requested modifications to the TDS concentration limitations contained in the recycled water permits and the Basin Plan. The Regional Board is supportive of the concept and has indicated that the IEUA and Watermaster should proceed with the required demonstrations.

On May 30, 2017 Watermaster, IEUA and WEI met to discuss adding the analysis of nitrate concentrations in the Chino Basin to the salinity management scope of work. The rationales for adding nitrate to the scope of work include: (1) as a condition of updating the IEUA permits and the Basin Plan, the Regional Board has requested that Watermaster and the IEUA commit to developing TDS and nitrate concentration projections for the Chino Basin every six years, similar to the requirements of the Cooperative Agreement and (2) the IEUA has indicated interest in addressing recycled water compliance for the groundwater recharge program as it relates to nitrate impacts at specific recharge sites and on a basin-scale to support their planning efforts. The TDS and nitrate (TDS/N) concentration projections can either be performed concurrently or the nitrate concentration projections can be performed in the year following the completion of the TDS projections. Performing the TDS/N concentration projections concurrently will reduce the overall cost of the work, provide more timely information for IEUA's recycled water planning activities related to nitrate compliance, and ensure that all recommended changes to the IEUA permits and Basin Plan based on the results of the work can be made all at once.

The objectives of the following scope of work to support the permit and Basin Plan modifications are: to develop and use updated modeling tools to evaluate the TDS/N concentrations of the Chino Basin, to define planning scenarios and perform an antidegradation analysis, to use the results to develop a regulatory compliance strategy that includes a longer-term average period for recycled water TDS concentrations, to develop a regulatory compliance strategy for nitrate, to support the negotiation of a final compliance strategies with the Regional Board, and to provide required assistance to the Regional Board to prepare a Basin Plan amendment. IEUA and Watermaster can also use the TDS/N projections to develop an understanding of how current and planned basin management activities will impact TDS and nitrate concentrations in the Basin, to plan for future water supply and wastewater treatment plant improvements, and to periodically inform the Regional Board of projected changes in TDS and nitrate concentrations and efforts to manage them.

Scope of Work

The scope of work to support the update of the IEUA NPDES Permit and the Maximum Benefit Salinity Management Plan for the Chino Basin is broken down into nine tasks, as follows. The tasks and subtasks are also listed in the attached Table 1, which details the labor effort, in person-days, required to perform each subtask.

Task 1 Develop Planning Data

The objective of this task is to collect, process, and analyze the planning data required to prepare a range of plausible water management scenarios for the Chino Basin that can be evaluated to assess their relative impacts to TDS/N concentrations in the basin. This data includes agency water supply sources, the associated TDS/N concentrations of each supply source, and their supply plans based on wet, dry, and normal conditions. The data will be collected from IEUA staff and Watermaster databases and compiled into tables and charts that characterize the individual and collective water supply plans and the range of existing and potential future TDS/N concentrations for each supply source. The planning data will be verified with the Chino Basin water supply agencies to ensure accuracy. The planning data,

once verified, will be documented in a task memorandum and submitted to the IEUA and Watermaster. The subtasks are:

- 1.1. Collect Water Supply, TDS/N, and Waste Increment Data from IEUA, and Others as Necessary
- 1.2. Develop Water Supply Plans for Dry, Wet and Other Conditions and Confirm Accuracy with Agencies
- 1.3. Estimate TDS/N Concentrations in Local Supplies
- 1.4. Estimate the TDS/N Concentrations for SWP Water Based on Historical TDS/N and associated SWP Allocations and Most Recent SWP Delivery Reliability Report
- 1.5. Evaluate TDS/N Waste Increment and Develop Future Projection of It
- 1.6. Collect, Compile and Validate Projected Surface Water Discharge and TDS/N data for Discharges in the Model Domain (Riverside Narrows, Temescal Wash, other SAR Tributaries, POTWs, and Recharge) for the Planning Period
- 1.7. Document Planning Data in a Tech Memo

Task 2 Develop Planning Scenarios

The objectives of this task are to clearly articulate the TDS/N management challenge; describe the factors that can impact the TDS/N concentration in the water supply, groundwater, and wastewater; and develop a range of plausible water management planning scenarios based on historical hydrologic conditions. A total of four scenarios will be developed (baseline and three planning variants) and a series of performance metrics will be defined to evaluate the scenarios. The work performed for this task will be documented in a task memorandum and submitted to the IEUA and Watermaster. The subtasks are:

- 2.1. Articulate the TDS/N Management Challenge and the Drivers of TDS/N Concentration Changes Over Time
- 2.2. Develop Four Plausible Planning Scenarios Based on Historical Dry Periods that Can Be Identified in Local Data and in the Planning Hydrology in the SWP Delivery Reliability Report
- 2.3. Develop Performance Metrics for Scenario Evaluation
- 2.4. Document Planning Scenarios in a Tech Memo

Task 3 Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario

The objective of this task is to develop a water quality modeling projection tool that will enable the development of TDS/N concentrations projections for the Chino Basin and to apply the tool to develop a TDS/N concentration projection for the baseline planning scenario. WEI proposes to develop an MT3D-based numerical solute transport model⁵ that is based on the 2017 Chino Basin Watermaster Model (this is the latest version). WEI proposes to build this model for forward projections only and defer a formal calibration of it to a later time. A properly constructed uncalibrated TDS/N model can be used to test the impacts of different TDS/N management strategies on the relative rate of future TDS/N concentration changes. For example, an uncalibrated model can be used to reasonably compare the rate of TDS/N concentration degradation in the basin from a range of permit discharge limitations, as proposed in this scope of work.

This task will produce TDS/N concentration projections for the baseline scenario, which will be summarized in tabular and graphical formats for review and discussion with the IEUA and Watermaster.

⁵ Zheng, C. 1990. MT3D, A Modular Three-Dimensional Transport Model for Simulation of Advection, Dispersion and Chemical Reactions of Contaminants in Groundwater Systems, Report to the U.S. Environmental Protection Agency Robert S. Kerr Environmental Research Laboratory, Ada, Oklahoma.

After review, all the work performed for this task will be documented in a task memorandum and submitted to the IEUA and Watermaster. The following are the subtasks. Table 1 provides a breakdown of each step within these subtasks.

- 3.1. Develop 2017 Initial Conditions in the Saturated and Vadose Zones
- 3.2. Develop TDS/N Concentrations for Each Recharge and Discharge Component for the Planning Period
- 3.3. Run Baseline Scenario Simulations and Sensitivity Analysis
- 3.4. Document Evaluation Tool in a Tech Memo

This task could be expanded to include calibration of the model, but at substantially more cost. A calibrated model would improve confidence in the result and could then be used for more precise planning of future facilities required for salinity management.

Task 4 Evaluate Planning Scenarios

The objectives of this task are to use the water quality model developed in Task 3 to evaluate the planning scenarios defined in Task 2. This task will produce a series of projected TDS/N concentration time-histories for the Chino Basin groundwater management zones for the Chino Basin that can be compared to the results of the baseline scenario evaluated Task 3.⁶ And, this information will be used to support the antidegradation analysis required by the Regional Board. If during Tasks 2 or 3, it is identified that no regulatory compliance strategies need to be modified for nitrate compliance, then no planning scenarios will need to be developed for nitrate.

This task will be performed in a step-wise process as the results of each planning scenario will inform how the subsequent scenario is run and evaluated. The process will be to run one planning scenario, summarize the results in charts and tables, evaluate it based on the performance metrics defined in Task 2, and review it with the IEUA and Watermaster. Based on the review of the results, the next planning scenario will be modified as appropriate and simulated. The work performed in this task will be documented in a task memorandum and submitted to the IEUA and Watermaster. The subtasks are:

- 4.1. Simulate First Planning Scenario with the Transport Model
- 4.2. Summarize Results of the Scenario Based on Performance Metrics
- 4.3. Review Scenario Results with IEUA/Watermaster Staff
- 4.4. Repeat Tasks 4.1 Through 4.3 for Remaining Planning Scenarios
- 4.5. Document Evaluation of Planning Scenarios in a Tech Memo

Task 5 Develop Salinity Management Proposal

The objective of this task is to prepare and document a salinity management proposal to the Regional Board that will enable the IEUA to modify its TDS discharge limitation to include a long-term averaging period and any necessary modifications to the nitrate management plan based on the results of the work performed in Tasks 3 and 4. The proposal will describe the salinity management challenges, the antidegradation analysis to characterize the TDS/N concentration projections for a series of planning

⁶ Other interesting issues could be explored since the water quality model will produce estimates of groundwater flow and associated TDS concentrations at the model cell level and surface water discharge and its associated TDS concentrations at discrete points in the Santa Ana River and its lowland tributaries. For example, how does a change in the TDS concentration averaging period affect the TDS concentration in the rising groundwater to the Santa Ana River and the Santa Ana River discharge at Prado dam?

scenarios, the recommended TDS discharge limitation, and any revisions to the maximum-benefit salinity management program (e.g. the maximum benefit commitments).

A draft proposal will be prepared and submitted to the IEUA and Watermaster for review and comment. An updated draft will be prepared based on comments received for submittal to the Regional Board. The subtasks are:

- 5.1. Develop Draft Salinity Management Proposal and Update Maximum Benefit Commitments
- 5.2. Review Draft Proposal with IEUA/Watermaster Staff
- 5.3. Finalize Proposal for Formal Submittal to Regional Board

Task 6 Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders

The objectives of this task are to prepare a summary presentation to document the salinity management proposal and attend meetings to assist IEUA and Watermaster Staff in communicating the proposal to their stakeholders. This could include Watermaster process meetings, IEUA Board meetings, and Basin Monitoring Program Task Force Meetings. The subtasks are:

- 6.1. Summarize Salinity Management Proposal in a Microsoft PowerPoint Presentation
- 6.2. Attend up to Four Meetings to Present the Proposal to Stakeholders

Task 7 Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board

The objective of this task is to attend meetings with the Regional Board to present the Salinity Management Proposal, and its associated technical demonstrations, in support of the IEUA's permit negotiation process. Based on experience, we estimate that up to four meetings may be necessary to complete the negotiation. Based on input from the Regional Board, the Salinity Management Proposal will need to be updated to address their comments and concerns. Performing such updates is included as part of this task. Once a final strategy is agreed upon between the IEUA, Watermaster and the Regional Board, the Salinity Management Proposal will be finalized. The subtasks are:

- 7.1. Attend up to Four Meetings with Regional Board Staff
- 7.2. Prepare Updates to the Salinity Management Proposal Based on Regional Board Feedback
- 7.3. Finalize Salinity Management Proposal

Task 8 Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal

The objective of this task is to support the Regional Board staff's efforts to prepare a Basin Plan amendment to incorporate any updates to the Maximum Benefit Salinity Management Plan. This work includes performing the Substitute Environmental Document (SED), writing a staff report, preparing the amendment language, documenting the administrative record, and other miscellaneous support tasks. WEI will work with Tom Dodson and Associates to prepare the SED checklist in support of the amendment. The subtasks are:

- 8.1. Prepare SED Checklist
- 8.2. Prepare Staff Report and Other Supporting Documentation for the Basin Plan Amendment at the Request of Regional Board Staff

Task 9 Meetings and Project Management

The objective of this task is to perform project management functions, including participating in bi-weekly conference calls on project status with the IEUA and Watermaster, maintaining a project ftp site, scheduling staff resources, managing the project schedule and budget, and working with the IEUA and Watermaster staff to resolve any challenges that arise.

Fee Estimate and Schedule

Table 1 is a detailed work breakdown structure (WBS) and fee estimate to perform the scope of work described herein. The WBS shows the labor and other direct charges at the task and subtask level. The total estimated cost to perform the work is \$636,624 based on the rate schedule contained in the 2016 Contract between Watermaster and WEI. Based on the labor effort and the time required for reviewing work products and negotiating with the Regional Board, it is estimated that the project duration will be about 24 months.

If during Tasks 2 or 3, it is identified that no changes to permitting or compliance strategies for nitrogen are necessary, then the only nitrate concentration projection required for the scope of work will be the baseline projection. In this case, the total cost of performing Task 4 would be reduced by about \$58,000, thus reducing the total cost to about \$578,635. This would also reduce the project schedule by about three months.

WEI is ready to begin work immediately and we would be pleased to work through and fine-tune the scope, schedule and deliverables of the project with you at your earliest convenience. Please call me at 949.600.7527 if you have any questions regarding this proposal. We look forward to working with you on this important and timely project.

Very truly yours,

Wildermuth Environmental, Inc.



Samantha Adams
Vice President, Principal Scientist



Mark Wildermuth, PE
President, Principal Engineer

Enclosures: Table 1

cc:

Joshua Aguilar and Bonita Fan/IEUA
Edgar Tellez Foster/Watermaster

Table 1
Work Breakdown Structure and Line-Item Cost Estimate
to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin

Description	Labor (person days)										Other Direct Costs					Total Project Costs							
	Staff								Task Repetition Multiplier	Person Days	Total Labor		Travel	Printing	CEQA Consultant	Total ODCs		Sub-Task	Task				
	Principal Engineer III	Principal Scientist I	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/Engineer II	Tech Editor/Admin	Cost			Sub-Task	Task				Sub-Task	Task						
																				Sub-Task	Task		
Task 1 - Develop Planning Data																		\$60,722		\$0		\$60,722	
1.1	Collect Water Supply, TDS/N, and Waste Increment Data from IEUA, and Others as Necessary										1	2	\$3,748					\$0		\$3,748			
1.2	Develop Water Supply Plans for Dry, Wet and Other Conditions and Confirm Accuracy with Agencies										1	6	\$9,256					\$0		\$9,256			
1.3	Estimate the TDS/N Concentrations for SWP Water Based on Historical TDS/N and Associated SWP Allocations and Most Recent SWP Delivery Reliability Report										1	2	\$3,462					\$0		\$3,462			
1.4	Estimate TDS/N Concentrations in Local Supplies										1	7	\$9,616					\$0		\$9,616			
1.5	Evaluate TDS Waste Increment of Recycled Water and Develop Future Projection of It										1	4	\$5,828					\$0		\$5,828			
1.6	Collect, Compile and Validate Projected Surface Water Discharge and TDS/N data for Discharges in the Model Domain (Riverside Narrows, Temescal Wash, other SAR Tributaries, POTWs, and Recharge) for the Planning Period										1	14	\$21,288					\$0		\$21,288			
1.7	Document Planning Data in a Tech Memo										1	5	\$7,524					\$0		\$7,524			
Task 2 Develop Planning Scenarios																		\$16,818		\$0		\$16,818	
2.1	Articulate the TDS/N Management Challenge and the Drivers of TDS/N Concentration Changes Over Time										1	5	\$8,744					\$0		\$8,744			
2.2	Develop Four Plausible Planning Scenarios Based on Historical Dry Periods that Can Be Identified in Local Data and in the Planning Hydrology in the SWP Delivery Reliability Report										1	1	\$1,940					\$0		\$1,940			
2.3	Develop Performance Metrics for Scenario Evaluation										1	0.3	\$506					\$0		\$506			
2.4	Document Planning Scenarios in a Tech Memo										1	4	\$5,628					\$0		\$5,628			
Task 3 Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario																		\$303,441		\$744		\$304,185	
3.1	Develop 2017 Initial Conditions in the Saturated and Vadose Zones																						
3.1.1	Assemble well construction, groundwater level and TDS/N data for wells in model domain										1	4	\$6,576					\$0		\$6,576			
3.1.2	Construct groundwater level and TDS/N maps for each model layer										1	18	\$22,640					\$0		\$22,640			
3.1.3	Rasterize groundwater level and TDS/N concentration by model layer										1	4	\$7,508					\$0		\$7,508			
3.1.4	Develop model input files for initial groundwater level and TDS/N										1	1	\$1,856					\$0		\$1,856			
3.1.5	Collect and compile volumes of water served by water agencies and their associated TDS/N time histories for 1986 through 2016										1	21	\$28,292					\$0		\$28,292			
3.1.6	Develop TDS/N loads from fertilizer application and dairies waste disposal										1	6	\$11,976					\$0		\$11,976			
3.1.7	Develop R4 input files and test										1	4	\$7,424					\$0		\$7,424			
3.1.8	Develop DIPAW and associated TDS/N concentrations for 1986 through 2016										1	12	\$21,428					\$0		\$21,428			
3.1.9	Develop model input files for DIPAW										1	4	\$7,592					\$0		\$7,592			

Table 1
Work Breakdown Structure and Line-Item Cost Estimate
to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin

Description	Labor (person days)										Other Direct Costs					Total Project Costs				
	Staff								Task Repetition Multiplier	Total Labor		Travel	Printing	CEQA Consultant	Total ODCs		Sub-Task	Task		
	Principal Engineer III	Principal Scientist I	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/Engineer II	Tech Editor/Admin	Person Days		Cost					Sub-Task	Task			Sub-Task	Task
										Sub-Task	Task									
3.2 Develop TDS/N Concentrations for Each Recharge and Discharge Component for the Planning Period																				
3.2.1 Develop R4 input files for planning period and test				7.5				1	8	\$13,920							\$0	\$13,920		
3.2.2 Develop DIPAW and associated TDS/N concentrations for planning period				3.0				1	3	\$5,568							\$0	\$5,568		
3.2.3 Develop storm, imported and recycled water recharge flows and associated TDS/N concentrations	0.1	0.5						1	4	\$4,781							\$0	\$4,781		
3.2.4 Develop time histories of flow and associated TDS/N concentrations for subsurface boundary inflows		0.5	1.0					1	2	\$2,784							\$0	\$2,784		
3.2.5 Develop model input files for recharge and discharge components			3.0					1	3	\$5,568							\$0	\$5,568		
3.2.6 Summarize initial conditions and projected hydrologic components and associated TDS/N concentrations for the planning period	1.5	3.0						1	12	\$17,604							\$0	\$17,604		
3.2.7 Review 3.2.6 with IEUA and Watermaster	0.5	0.5	0.5					1	2	\$2,868	\$61						\$61	\$2,929		
3.2.8 Review 3.2.6 with IEUA, Watermaster, and the Regional Board	0.5	0.5	0.5					1	2	\$2,868	\$61						\$61	\$2,929		
3.3 Run Baseline Scenario Simulations and Sensitivity Analysis																				
3.3.1 Run the flow and water quality models for the baseline scenario	2.0	1.0	10.0					1	19	\$31,664							\$0	\$31,664		
3.3.2 Run sensitivity analysis to identify most sensitive parameters and assumptions	3.0	1.0	10.0					1	14	\$26,488							\$0	\$26,488		
3.3.3 Summarize model results for the baseline scenario in tables and charts	3.0	1.0	5.0					1	19	\$29,208							\$0	\$29,208		
3.2.4 Review 3.3.3 with IEUA and Watermaster	0.5	0.5	0.5					1	2	\$2,868	\$61						\$61	\$2,929		
3.2.5 Review 3.3.3 with IEUA, Watermaster, and the Regional Board	0.5	0.5	0.5					1	2	\$2,868	\$61						\$61	\$2,929		
3.4 Document Evaluation Tool in a Tech Memo	3.0	4.0	4.0	2.0		10.0	2.5	1	26	\$39,092		\$500					\$500	\$39,592		
Task 4 Evaluate Planning Scenarios (Antidegradation Analysis)																		\$139,556		
4.1 Simulate First Planning Scenario with the Transport Model																				
4.1.1 Update baseline scenario to incorporate features of the planning scenario	0.3	0.3	2.0	2.0				1	5	\$8,394							\$0	\$8,394		
4.1.2 Run scenario			4.0	1.0				1	5	\$9,280							\$0	\$9,280		
4.1.3 Review results	0.8	0.5	1.3	0.5		3.0		1	6	\$9,294							\$0	\$9,294		
4.2 Summarize Results of the Scenario Based on Performance Metrics	0.3	0.8	1.0	0.5		3.5		1	6	\$8,882							\$0	\$8,882		
4.3 Review Scenario with IEUA/Watermaster Staff	0.5	0.5	0.5					1	2	\$2,868	\$61						\$61	\$2,929		
4.4 Repeat Tasks 4.1 Through 4.3 for Remaining Two Planning Scenarios	1.8	2.0	8.8	4.0		6.0		2	45	\$76,236	\$122						\$122	\$76,358		
4.5 Document Evaluation of Planning Scenarios in a Tech Memo	3.0	4.0	2.0	1.0		4.0	0.8	1	15	\$24,602		\$500					\$500	\$25,102		
Task 5 Develop Salinity Management Proposal																		\$17,123		
5.1 Develop Draft Salinity Management Proposal and Update Maximum Benefit Commitments	1.5	3.0			2.0	1.0	0.5	1	8	\$13,256							\$0	\$13,256		
5.2 Review Draft Proposal with IEUA/Watermaster Staff	0.5	0.5						1	1	\$1,940	\$61						\$61	\$2,001		
5.3 Finalize Proposal for Formal Submittal to Regional Board	0.3	0.5			0.3		0.1	1	1	\$1,927							\$0	\$1,927		

Table 1
Work Breakdown Structure and Line-Item Cost Estimate
to Support the Update of the IEUA's Recycled Water Permits and the Maximum Benefit Salinity Management Plan for the Chino Basin

Description	Labor (person days)										Other Direct Costs					Total Project Costs			
	Staff								Task Repetition Multiplier	Person Days	Total Labor		Travel	Printing	CEQA Consultant	Total ODCs		Sub-Task	Task
	Principal Engineer III	Principal Scientist I	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/Engineer II	Tech Editor/Admin	Cost			Sub-Task	Task				Sub-Task	Task		
Task 6 Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders											\$8,576					\$244		\$8,820	
6.1 Summarize Salinity Management Proposal in a Microsoft PowerPoint Presentation		0.5						0.5	1	1	\$1,528					\$0		\$1,528	
6.2 Attend up to Four Meetings to Present the Proposal to Stakeholders		0.8						0.3	4	4	\$7,048	\$244			\$244		\$7,292		
Task 7 Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board											\$28,622				\$220		\$28,842		
7.1 Attend up to Four Meetings with Regional Board Staff	0.3	1.0							4	5	\$9,448	\$220			\$220		\$9,668		
7.2 Prepare Updates to the Salinity Management Proposal Based on Regional Board Feedback	1.0	3.0	3.0		1.0	1.0	1.0		1	10	\$16,824				\$0		\$16,824		
7.3 Finalize Salinity Management Proposal	0.3	0.5			0.3	0.3	0.3		1	2	\$2,350				\$0		\$2,350		
Task 8 Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal											\$16,800				\$5,000		\$21,800		
8.1 Prepare SED Checklist		1.0							1	1	\$1,856			\$5,000	\$5,000		\$6,856		
8.2 Prepare Staff Report and Other Supporting Documentation for the Basin Plan Amendment at the Request of Regional Board Staff	0.5	5.0			2.0	1.0	0.5		1	9	\$14,944				\$0		\$14,944		
Task 9 Project Management											\$38,016				\$0		\$38,016		
9.1 Biweekly Conference Calls with IEUA/Watermaster	0.13	0.13							48	12	\$23,280				\$0		\$23,280		
9.2 Maintain Project ftp Site							0.13		24	3	\$3,600				\$0		\$3,600		
9.3 Monthly Project Management Activities		0.3							24	6	\$11,136				\$0		\$11,136		
Total Tasks 1 through 9	47	74	77	47	22	109	7			381	\$629,674	\$629,674	\$950	\$1,000	\$5,000	\$6,950	\$6,950	\$636,624	\$636,624

Notes:

CONSENT
CALENDAR
ITEM

3D

Date: September 20, 2017

To: The Honorable Board of Directors

Chris Berch for GM
From: P. Joseph Grindstaff, General Manager

Committee: Engineering, Operations & Water Resources

09/13/17

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: San Sevaine Basin Monitoring Wells Construction Contract Award

Executive Summary:

The San Sevaine Basin Monitoring Wells is a project component to the San Sevaine Basin Improvements Project which is a part of the enhancement improvements under the Recharge Master Plan Update (RMPU). The overall basin improvements will provide an additional 600 acre-feet of storm water and 4,100 acre-feet of recycled water to the region's groundwater system. This project component will support the basin improvements project by providing the required regulatory wells to monitor and report the groundwater quality at near-by drinking wells. The new monitoring wells will be installed downgradient of the improvements within the San Bernardino County Flood Control District and Rancho Cucamonga properties. Since this is an RMPU project, 50-percent of the cost is shared with Chino Basin Watermaster. The project will also share a portion for available grant funds from California Department of Water Resources and United States Department of the Interior's Bureau of Reclamation.

On April 12, 2017, IEUA posted an invitation for bids on PlanetBids to drilling contractors. On June 1, 2017, IEUA received two bids. Yellow Jacket Drilling was determined the lowest responsive and responsible bidder in the amount of \$607,470.

Staff's Recommendation:

1. Award a construction contract for the San Sevaine Basin Monitoring Wells, Project No. EN13001, to Yellow Jacket Drilling in the amount of \$607,470; and
2. Authorize the General Manager to execute the construction contract.

Budget Impact *Budgeted (Y/N):* Y *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

EN13001/San Sevaine Basin Improvements

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On May 20, 2015, the Board of Directors approved the consulting engineering services contract to Dudek.

Environmental Determination:

Categorical Exemption

CEQA identifies certain categories of projects as exempt from more detailed environmental review because these categories have been deemed to have no potential for significant impact on the environment. This project qualifies for a Categorical Exemption Class 6 as defined in Section 15306 of the State CEQA Guidelines.

Business Goal:

The San Sevaine Basin Monitoring Wells Project is consistent with the IEUA's Business Goal of Water Reliability specifically the Groundwater Recharge objective that IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships, and development.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Construction Contract

Background

Subject: San Sevaine Basin Monitoring Wells Construction Contract Award

The San Sevaine Basin Monitoring Wells is a project component to the San Sevaine Basin Improvements Project which is a part of the enhancement improvements under the Recharge Master Plan Update. The overall basin improvements will provide approximately an additional volume of 600 acre-feet of storm water and 4,100 acre-feet of recycled water to the region's groundwater system. This project component will support the main project by providing the required regulatory wells to monitor and report the groundwater quality. The new monitoring wells will be installed within San Bernardino County Flood Control District and Rancho Cucamonga properties. The wells will be constructed at depths of 420 to 520 feet. Dudek prepared the construction plans and will provide engineering support during construction.

On April 12, 2017, IEUA posted an invitation for bids on PlanetBids. On June 1, 2017, the following bids were received:

Bidder's Name	Total Price
Yellow Jacket Drilling	\$ 607,470
Cascade Drilling	\$ 609,200
Engineer's Estimate	\$600,000

Yellow Jacket Drilling was the lowest responsive and responsible bidder with a bid price of \$607,470. Yellow Jacket has performed similar projects with other utilities and cities with good workmanship and responsiveness. The following table is the anticipated project cost:

Description	Estimated Cost
Design Services	\$82,522
Design Contract (actual cost)	\$62,522
IEUA Design Services	\$20,000
Construction Services	\$106,000
Design Consultant Construction Services	\$45,000
IEUA Construction Services	\$61,000
Construction	\$668,470
Construction Contract	\$607,470
Contingency (~10%)	\$61,000
Total Project Cost	\$856,992
Basin Improvements (Separate Action)	\$5,438,008
Total Project Budget	\$6,460,000
Remaining Budget	\$165,000

The total project budget supports both the basin improvement and monitoring wells. The monitoring wells construction is awarded separately from the basin improvements construction to seek more competitive bids from specialized drilling contractors.

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	September 2017
Construction Completion	March 2018

Fiscal Impact:

If approved, the construction contract for the San Sevaine Basin Monitoring Wells, Project No. EN13001, in the amount of \$607,470, will be within the total project budget of \$6,460,000 in the Recycled Water (WC) Fund.

This project is 50-percent cost shared with Chino Basin Watermaster as stipulated within Task Order Agreement No. 8 of the Master Agreement of 2014 between IEUA and Watermaster.

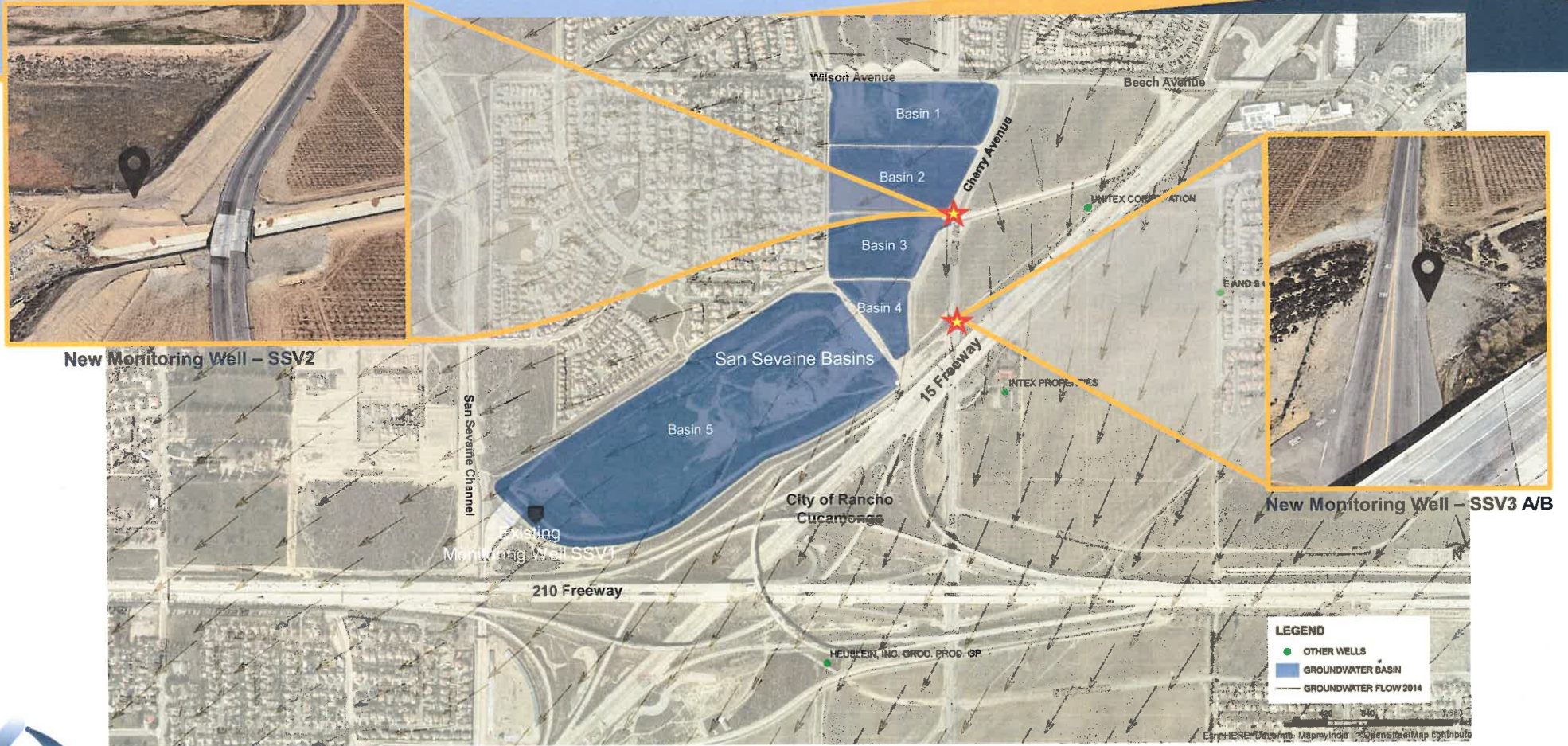
Additionally, the project is funded by the following:

- \$750,000 grant from the California Department of Water Resources and Santa Ana Watershed Project Authority through the Proposition 84 Integrated Regional Water Management Program
- \$375,000 grant from the United States Department of the Interior's Bureau of Reclamation through the Water Use Efficiency Program.
- Low interest loans from the Clean Water State Revolving Funds.

San Sevaine Basin Monitoring Wells Construction Contract Award Project No. EN13001



Project Location



Project Background

- Monitoring wells are a regulatory component to the Basin Improvements Project
 - Recharge Master Plan Update Projects
- Project Benefits – Basin Improvements
 - 600 acre-feet of storm water
 - 4,100 acre-feet of recycled water
- Monitor water quality at nearby drinking wells
 - A requirement due to recharge of recycled water



Past Construction of a Monitoring Well for San Sevaine Basin
South End of Basin 5

Contractor Selection

- Bids received on July 11, 2017:

Bidder's Name	Total
Yellow Jacket Drilling	\$607,470
Cascade Drilling	\$609,200
Engineer's Estimate	\$600,000

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Design Services	\$82,522	Construction Contract Award	September 2017
Design Contract (actual cost)	\$62,522	Construction Completion	March 2018
IEUA Design Services	\$20,000		
Construction Services	\$106,000		
Design Consultant Construction Services	\$45,000		
IEUA Construction Services	\$61,000		
Construction	\$668,470		
Construction Contract	\$607,470		
Contingency (10%)	\$61,000		
Total Project Cost	\$856,992		
Basin Improvements	\$5,438,008		
Total Project Budget	\$6,460,000		
Remaining Budget	\$165,000		

The basin improvements to be awarded and constructed separately

Recommendation

- Award a construction contract for the San Sevaine Basin Monitoring Wells, Project No. EN13001, to Yellow Jacket Drilling, in the amount of \$607,470; and
- Authorize the General Manager to execute the construction contract.

The San Sevaine Monitoring Wells Project is consistent with the **IEUA's Business Goal of Water Reliability** specifically the Groundwater Recharge objective that IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships, and development.

SAN SEVAINE MONITORING WELLS CONTRACT

THIS CONTRACT, made and entered into this ____ day of _____, 20__, by and between, Yellow Jacket Drilling, hereinafter referred to as "Contractor," and The Inland Empire Utilities Agency, a Municipal Water District, located in San Bernardino County, California, hereinafter referred to as "Agency".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Agency and the Contractor agree as follows:

1. Contractor agrees to perform and complete in a workmanlike manner, all work required under the bidding schedule of said Agency's specifications entitled SPECIFICATIONS FOR San Sevaime Basin - Monitoring Wells Project No. EN13001, in accordance with the specifications and drawings, and to furnish at their own expense, all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said specifications to be furnished by said Agency, and to do everything required by this Contract and the said specifications and drawings.
2. For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and said specifications and drawings; also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the work until its acceptance by said Agency, and for all risks of every description connected with the work; also for all expenses resulting from the suspension or discontinuance of work, except as in the said specifications are expressly stipulated to be borne by said Agency; and for completing the work in accordance with the requirements of said specifications and drawings, said Agency will pay and said Contractor shall receive, in full compensation therefore, the price(s) set forth in this Contract.
3. That the Agency will pay the Contractor progress payments and the final payment, in accordance with the provisions of the contract documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bidding and Contract Requirements, Section C - Bid Forms and accepted by the Agency, and set forth in this below.

Total Bid Price \$ 607,470 _____ Dollars

Total Bid Price \$ Six hundred seven thousand, four hundred seventy Dollars

If this is not a lump sum bid and the contract price is dependent upon the quantities constructed, the Agency will pay and said Contractor shall receive, in full compensation

for the work the prices named in the Bidding and Contract Requirements, Section C - Bid Forms.

4. The Agency hereby employs the Contractor to perform the work according to the terms of this Contract for the above-mentioned price(s), and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said specifications; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.
5. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractors License Declaration, Specifications, Drawings, all General Conditions and all Special Conditions, and all addenda issued by the Agency with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.
6. The Contractor agrees to commence work under this Contract on or before the date to be specified in a written "Notice To Proceed" and to complete said work to the satisfaction of the Agency one hundred and eighty (180) calendar days after award of the Contract. All work shall be completed before final payment is made.
7. Time is of the essence on this Contract.
8. Contractor agrees that in case the work is not completed before or upon the expiration of the contract time, damage will be sustained by the Agency, and that it is and will be impracticable to determine the actual damage which the Agency will sustain in the event and by reason of such delay, and it is therefore agreed that the Contractor shall pay to the Agency the amount of four thousand (\$4,000) dollars for each day of delay, which shall be the period between the expiration of the contract time and the date of final acceptance by the Agency, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by the Agency, and the Contractor agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the Contractor agrees that the Agency may deduct the amount thereof from any money due or that may become due to the Contractor by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.

In addition to the liquidated damages, which may be imposed if the Contractor fails to complete the work within the time agreed upon, the Agency may also deduct from any sums due or to become due the Contractor, liquidated damages in accordance with the Bidding and Contract Requirements, Section B - Instruction to Bidders, Part 5.0 "Liquidated Damages", for any violation of the General Conditions, Section D - Contractor's Responsibilities, Part 8, "Law and Regulations"; Bidding and Contract Requirements Contract Section D - Contract and Relevant Documents, Part 1.0, Paragraphs 9 through 11; General Conditions, Section D - Contractor's Responsibilities, Part 4.0, "Labor, Materials and Equipment"; General Conditions Section D - Contractor's Responsibilities, Part 12.0, "Safety and Protection" or General Conditions Section H - Legal Responsibilities, Part 8.0, "Disturbance of the Peace".

9. That the Contractor will pay, and will require subcontractors to pay, employees on the work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, contained in or referenced in the contract documents.
10. That, in accordance with Section 1775 of the California Labor Code, Contractor shall forfeit to the Agency, as a penalty, not more than Fifty (\$50.00) Dollars for each day, or portion thereof, for each worker paid, either by the Contractor or any subcontractor, less than the prevailing rates as determined by the Director of the California Department of Industrial Relations for the work.
11. That, except as provided in Section 1815 of the California Labor Code, in the performance of the work not more than eight (8) hours shall constitute a day's work, and not more than forty (40) hours shall constitute a week's work; that the Contractor shall not require more than eight (8) hours of labor in a day nor more than forty hours of labor in a week from any person employed by the Contractor or any subcontractor; that the Contractor shall conform to Division 2, Part 7, Chapter 1, Article 3 (Section 1810, et seq.) of the California Labor Code; and that the Contractor shall forfeit to the Agency, as a penalty, the sum of Twenty-Five (\$25.00) Dollars for each worker employed in the execution of the work by Contractor or any subcontractor for each day during which any worker is required or permitted to labor more than eight (8) hours in violation of said Article 3.
12. That the Contractor shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
13. That the Contractor shall have furnished, prior to execution of the Contract, two bonds approved by the Agency, one in the amount of one hundred (100) percent of the contract price, to guarantee the faithful performance of the work, and one in the amount of one hundred (100) percent of the contract price to guarantee payment of all claims for labor and materials furnished.
14. The Contractor hereby agrees to protect, defend, indemnify and hold the Agency and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Agency and the Contractor) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the Contractor, its employees agents, representatives or subcontractors under or in connection with this Contract.

The Contractor further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Contractor.

IN WITNESS WHEREOF, The Contractor and the General Manager of Inland Empire Utilities Agency*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

Inland Empire Utilities Agency,*
San Bernardino County, California.

By _____
General Manager

Contractor
Yellow Jacket Drilling

By Richard LeBlanc Richard LeBlanc
Title: Operations Manager

*Municipal Water District

CONSENT
CALENDAR
ITEM

3E

Date: September 20, 2017

To: The Honorable Board of Directors

Chris Berch for JG
From: P. Joseph Grindstaff, General Manager

Committee: Engineering, Operations & Water Resources

09/13/17

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: Chino I Desalter Structure Coating Construction Contract Award

Executive Summary:

The Chino I Desalter, located in Chino, began operation in 2000, and is operated by IEUA staff. Chino I produces an average of 11.1 million gallons per day of drinking water. The treatment processes at the Chino I Desalter include Reverse Osmosis (RO) and Ion-Exchange (IX) for removal of nitrate and total dissolved solids. The Chino I Desalter also includes air stripping for removal of some volatile organic chemicals.

The project is scoped to address the deterioration of surface coating as a result of weathering and exposure to sunlight. The existing process equipment and vessels are showing signs of surface deterioration and corrosion. The stenciled labels on the process vessels are fading. It is the goal of this project to recoat all surfaces and apply new in-kind stenciled labels to the process equipment and vessels to extend their useful life and provide clear identification of the system.

At the request of the Chino Basin Desalter Authority (CDA), IEUA advertised an invitation for bids to the contractors on PlanetBids on June 22, 2017. On July 12, 2017, IEUA received four bids with Industrial Coating and Restoration determined to be the lowest responsive and responsible bidder in the amount of \$169,950.16.

Staff's Recommendation:

1. Award a construction contract for the CDA Chino I Desalter Structure Coating, Project No. DL37141, to Industrial Coating & Restoration in the amount of \$169,950.16; and
2. Authorize the General Manager to execute the construction contract.

Budget Impact *Budgeted (Y/N): Y* *Amendment (Y/N): N* *Amount for Requested Approval:*

Account/Project Name:

DL37141/CDA Chino I Desalter Structure Coating Project

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

None.

Environmental Determination:

Categorical Exemption

CEQA identifies certain categories of projects as exempt from more detailed environmental review because these categories have been deemed to have no potential for significant impact on the environment. This project qualifies for a Categorical Exemption Class 1 as defined in Section 15301(b) of the State CEQA Guidelines.

Business Goal:

The CDA Chino I Desalter Structure Coating Project is consistent with IEUA's Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Attachments:

- Attachment 1 - Background
- Attachment 2 - PowerPoint
- Attachment 3 - Construction Contract



Background

Subject: Chino I Desalter Structure Coating Construction Contract Award

The Chino I Desalter, located in Chino, began operation in 2000, and is operated by IEUA staff. Chino I produces an average of 11.1 million gallons per day of drinking water. The treatment processes at the Chino I include Reverse Osmosis (RO) and Ion-Exchange (IX) for removal of nitrate and total dissolved solids. The Chino I Desalter also includes air stripping for removal of some volatile organic chemicals. The project is scoped to address the deterioration of surface coating as a result of weathering and exposure to sunlight. The existing process vessels, towers, light poles, electrical cabinets, discharge pipelines, and pumps are showing signs of surface deterioration and corrosion. The stenciled labels on the process vessels are fading, which is detrimental to identifying the process system. It is the goal of this project to recoat all surfaces and apply new in-kind stenciled labels to the process equipment and vessels in order to extend their useful life and provide clear identification of the process system.

At the request of the Chino Basin Desalter Authority (CDA), IEUA advertised an invitation for bids to the contractors on PlanetBids on June 22, 2017. Fourteen contractors participated in the job walk on June 29, 2017. On July 12, 2017, the following four bids were received:

Bidder's Name	Total Price
Industrial Coating & Restoration	\$169,950
Olympos Painting	\$197,895
Blastco Inc	\$203,965
Techno Coating	non-responsive
Engineer's Estimate	\$145,000

Industrial Coating & Restoration was the lowest responsive and responsible bidder with a bid price of \$169,950.16. Industrial Coating & Restoration has performed several successful coating projects for other utilities and cities in the past, showing good workmanship and responsiveness. The following table is the anticipated project cost:

Description	Estimated Cost
Construction Services	\$15,000
IEUA Construction Services	\$15,000
Construction	\$179,950
Construction Contract	\$169,950
Contingency (~5%)	\$10,000
Total Project Cost:	\$194,950
Total Project Budget:	\$195,000*

*The project is fully funded by CDA.

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	September 2017
Construction Completion	December 2017

This item has been reviewed and approved by the CDA Technical Advisory Committee on September 12, 2017.

Fiscal Impact:

If approved, the construction contract for the CDA Chino I Desalter Structure Coating, Project No. DL37141, in the amount of \$169,950.16, will be within the total project budget of \$195,000 in the Desalter Capital (DM) Fund and is fully funded by the Chino Basin Desalter Authority.

Chino I Desalter Structure Coating Project Construction Contract Award Project No. DL37141



Project Location



Project Background

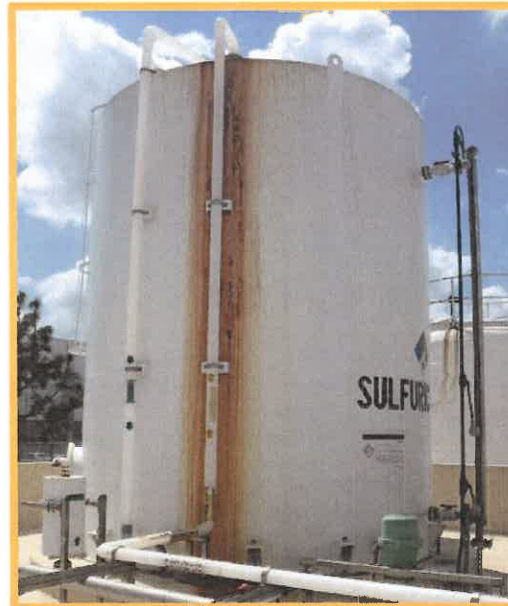
- O&M project support
- Deterioration of surface coating on process vessels and pipelines
 - Aging
 - Weathering
 - Long term sunlight exposure
- Corrosion due to previous pipe leakage



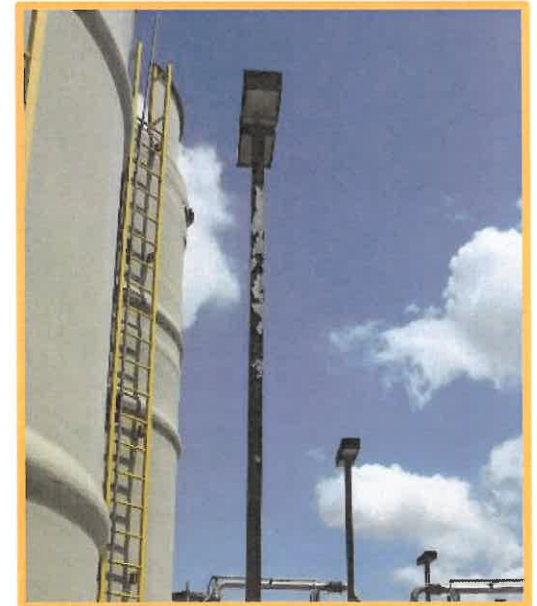
Deterioration of Surface Coating on Process Vessel

Project Scope

- Recoat all equipment with surface corrosion and deterioration
 - Process vessels
 - Pumps and pipelines
 - Electrical cabinets/boxes
 - Chemical towers
 - Doors
 - Light poles



Corroded Vessel Surface



Faded Paint on Light Poles

Contractor Selection

- Bid advertisement on June 19th, 2017
- Fourteen bidders participated in the job walk on June 29th, 2017
- Bids received on July 12, 2017:

Bidder's Name	Total
Industrial Coating & Restoration	\$169,950
Olympos Painting	\$197,895
Blastco Inc	\$203,965
Techno Coating	non-responsive
Engineer's Estimate	\$145,000

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Construction Services	\$15,000	Construction Contract Award	September 2017
IEUA Construction Services	\$15,000	Construction Completion	December 2017
Construction	\$179,950		
Construction Contract	\$169,950		
Contingency (5%)	\$10,000		
Total Project Cost:	\$194,950		
Total Project Budget:	\$195,000*		

*The project is fully funded by CDA.

Recommendation

- Award a construction contract for the CDA Chino I Desalter Structure Coating, Project No. DL37141, to Industrial Coating & Restoration in the amount of \$169,950.16; and
- Authorize the General Manager to execute the construction contract.

The CDA Chino I Desalter Structure Coating Project is consistent with the *IEUA's Asset Management Objective* that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.



CONTRACT NUMBER: 4600002414
FOR CONTRACTOR SERVICES
CHINO BASIN DESALTER / IEUA (JPA)
STRUCTURE COATING PROJECT DL37141

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "IEUA" and "Agency"), and Industrial Coating & Restoration Inc., of Oceanside, California (hereinafter referred to as "Contractor"), for the Chino Desalter Structure Coating Project DL37141.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. IEUA PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the IEUA's assignment are listed below.

Project Manager: John Scherck, CCM
Address: 6075 Kimball Avenue, Building "B"
Chino, CA 91708
Telephone: (909) 993-1547
Facsimile: (909) 993-1982
Email: jscherck@ieua.org
Cell: (909) 936-3126

2. CONTRACTOR ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Contractor: Mahmoud Merzi
President
Address: 2534 Oceanside Blvd.
Oceanside, CA 92054
Telephone: (760) 717-4629
Facsimile: (760) 966-0602
Email: mmerzi@yahoo.com

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions the governing order of precedence shall be as follows:

1. Amendments to Contract Number 4600002414.
2. Contract Number 4600002414 General Terms and Conditions.
3. IEUA's Invitation for Bid (IFB) IFB MB-17-040 dated June 22, 2017 (**Attachment 1**).
4. Contractor's Bid Proposal dated July 11, 2017 (**Attachment 2**).

4. SCOPE OF WORK AND SERVICES: Contractor services and responsibilities shall include and be in accordance with IEUA's Invitation for Bid (IFB) IFB MB-17-040 dated June 22, 2017, which is attached hereto as **Attachment 1** (hereinafter referred to as "Work"), attached hereto, incorporated herein, and made a part hereof. Germane Addenda are incorporated herein by reference.

Contractor may be requested to provide IEUA with a Schedule of Work and Services, documenting the anticipated completion of the work within the time-frame set forth in the IFB documents. The Schedule of Work and Services will be prepared and submitted to the Project Manager for review and approval.

The IEUA may, at any time, make changes to this Contract's Scope of Work; including additions, reductions; and other alterations to any or all of the Work. However, such changes shall only be made via written amendment to this Contract. The Contract compensation and Schedule of Work and Services shall be equitably adjusted, if required, to account for such changes and shall be set forth within the mutually approved Contract Amendment.

5. TERM: The term of this Contract shall extend from the date of the Notice to Proceed, and terminate upon completion of the Work to the written satisfaction of the cognizant Project Manager, or June 30, 2018, whichever occurs first, unless agreed upon by both parties, reduced to writing, and amended to this Contract.

6. PAYMENT, INVOICING, AND COMPENSATION:

A. The Contractor may submit an invoice not more than once per month during the term of this Contract to the IEUA's Accounts Payable Department. IEUA shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice.

B. As compensation for the Work performed under this Contract, IEUA shall pay Contractor's monthly invoice, for a total **NOT-TO-EXCEED MAXIMUM OF \$169,950.16** for all services satisfactorily provided during the term of this Contract in accordance with Contractor's bid proposal, referenced herein, attached hereto, and made a part hereof as **Attachment 2**.

- C. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:
1. The Contract Number – 4600002414, and;
 2. The Contract Release Purchase Order Number – To be provided by the cognizant Project Manager.

All invoices shall be submitted electronically with all required back-up to apgroup@ieua.org.

- D. Concurrent with the submittal of the original invoice to the CDA's Finance Department, the Contractor shall forward (mail, fax, or email) a copy of the invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.
- E. No Additional Compensation: Nothing set forth in this Contract shall be interpreted to require payment by IEUA to Contractor of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract, as approved by the Project Manager.
- F. Contractor may request taking advantage of the IEUA's practice of offering an expedited payment protocol to a Contractor who has proposed accepting an invoice amount reduction in exchange for early payment.
- G. Contractor shall provide with their invoice certified payroll verifying that Contractor has paid prevailing wage requirements as stipulated in SB-854 (<https://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html>).
7. CONTROL OF THE WORK: The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.
8. INSURANCE: During the term of this Contract, the Contractor shall maintain, at Contractor's sole expense, the following insurance.
- A. Minimum Scope of Insurance: Coverage shall be at least as broad as:
1. Commercial General Liability ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall

apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the IEUA. At the option of the IEUA, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the IEUA, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. Commercial General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The IEUA, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment supplied in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85; or **by either** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 **and** CG 20 37 forms if later revisions are used).
 - b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the IEUA, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract with the IEUA shall be excess of the Contractor's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the IEUA, its officers, officials, employees or volunteers.

- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to IEUA a waiver of any right to subrogation which any insurer of the Contractor may acquire against the IEUA by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the IEUA has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the IEUA pursuant to Section 14, page 12 of this Contract.

- D. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall provide the IEUA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the IEUA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The IEUA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District
Attn: Angela Witte, Risk Specialist
P.O. Box 9020
Chino Hills, CA 91709
Email: AWitte@ieua.org

9. FITNESS FOR DUTY:

A. Fitness: Contractor and its Subcontractor personnel on the Jobsite:

1. Shall report to work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the IEUA.

B. Confined Space Work:

Precautions and Programs:

1. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work or the activities of subcontractors, suppliers, and others at the work site.
2. The Contractors and subcontractors shall comply with the provisions of the Safety and Health Regulations for Construction, promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act," as set forth in Title 29 C.F.R. If the Agency is notified of an alleged violation of the Occupational Safety and Health Standards referred to in this Section and it is established that there is a violation, the Contractor shall be subject to liquidated damages as provided in the Contract.
3. The Contractor and all subcontractors shall comply with the provisions of the Occupational Safety and Health Standards, promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970," as set forth in Title 29, C.F.R. Where an individual State act on occupational safety and health standards has been approved by federal IEUA, then the provisions of said state act shall control.
4. The Contractor shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control, and direction to prevent damage, injury, or loss to:
 - a) All employees on the work or work site and other persons and organizations who may be affected thereby;
 - b) All the work and materials and equipment to be incorporated

therein, whether in storage or on or off the work site; and

c) All other property at the site.

5. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to the start of the project:

a) *Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157.* This regulation also requires the following to be submitted to IEUA for approval prior to the entry of a confined space:

b) *A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for permit-required and non-permit required spaces, and a rescue plan.*

c) The Contractor must also submit a copy of their Safety Program or IIPP prior to the start of the project for approval by the Safety & Risk Department.

C. **Compliance:** Contractor shall advise all personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. IEUA may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

D. **Effective July 1, 2014, all Contractors must be registered with the California Dept. of Industrial Relations as required by law SB-854 for public works construction projects:**

<https://www.dir.ca.gov/Public-Works/PublicWorks.html>

1. **SB854 Requirements:**

a) No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

b) No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

- c) This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. A PWC-100 must be generated for any work determined to be Public Works with valuation in excess of \$1,000.00.

10. LEGAL RELATIONS AND RESPONSIBILITIES:

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of providing the services described herein, and is not an employee of the IEUA.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or IEUA over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the IEUA, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor, its employees, or subcontractors.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager and shall comply with State of California, Department of Industrial Relations, SB 854 requirements.
- E. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1815 relating to working hours. The Contractor shall, as a penalty to the IEUA, forfeit \$25.00 for each worker employed in the completion of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.
- F. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining agreements with the worker.
- G. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment provided to Contractor on account of said services to be rendered or said materials to be provided under this Contract and that may be

secured by any lien against the IEUA. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

- H. Indemnification: Contractor shall indemnify the IEUA, its directors, employees, and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of, or are related to, the negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents, and assigns, in the performance of work under this contract.
- I. Conflict of Interest: No official of the IEUA, who is authorized in such capacity and on behalf of the IEUA to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- J. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The IEUA is committed to creating and maintaining an environment free from harassment and discrimination.
- K. Disputes:
1. All disputes arising out of or in relation to this Contract shall be resolved in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the IEUA's Project Manager notwithstanding the existence of a dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et seq., or their successor.
 2. Any and all disputes prior to the work starting shall be subject to resolution by the CDA's Project Manager; and the Contractor shall comply, with the CDA Project Manager's instructions. If the Contractor is not satisfied with the resolution directed by the CDA Project Manager, they may file a written protest with the CDA Project Manager within seven (7) calendar days after receiving written directive of the Project Manager's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Project Manager's resolution. The Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of the protest-related documents. The General Manager shall make his or her determination with respect to each protest filed with the

Project Manager within ten (10) calendar days after receipt of the protest-related documents. If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties to this contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The IEUA shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Contractor are acceptable to IEUA, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the IEUA shall submit to Contractor a list of five names of persons acceptable to IEUA for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.
4. Association in Mediation/Arbitration: The IEUA may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such association shall be initiated by written notice from the IEUA's representative to the Contractor.
- L. Workers' Legal Status: For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.
- M. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work

contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.

Contractor shall provide with their invoice certified payroll verifying that Contractor has paid prevailing wage requirements as stipulated in SB-854 (<https://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html>).

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The IEUA retains ownership of any, and all, partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the IEUA from the moment of their preparation, and the Contractor shall deliver them to the IEUA whenever requested to do so by the Project Manager and/or IEUA representative. The Contractor agrees that all documents shall not be made available to any individual or organization, private or public, without the prior written consent of an IEUA representative.

12. TITLE AND RISK OF LOSS:

A. Documentation: Title to the Documentation shall pass to the IEUA when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display, or disclose the contents of the Documentation to others without the prior written authorization of the IEUA or for the performance of Work related to the Scope of Work described in this Contract.

B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to the IEUA when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or IEUA-owned equipment of which it has custody.

C. Disposition: Contractor shall dispose of items to which the IEUA has title as directed, in writing, by the Project Manager and/or an IEUA representative.

13. PROPRIETARY RIGHTS:

A. Rights and Ownership: IEUA's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of IEUA, and Contractor shall cooperate with all appropriate requests to assign and transfer same to IEUA.
 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work, or are necessary for IEUA to have complete control of the Work, Contractor shall grant to IEUA a non-exclusive, irrevocable, royalty-free license, as may be required by IEUA for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.
 3. If the Work includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to IEUA, all necessary licenses regarding such Proprietary Rights so as to allow IEUA the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy, or dispose of any or all of the Work; and to grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to IEUA.
14. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

IEUA: Mr. Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities IEUA, a Municipal Water District
P.O. Box 9020
Chino Hills, CA 91709

Contractor: Ms. Michele Lisi-Merzi
Vice President
Industrial Coating & Restoration, Inc.
2534 Oceanside Blvd.
Oceanside, CA 92054

Any notice given pursuant to this section shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission through the United States Postal Service.

15. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the IEUA, the Contractor, and their respective successors and assigns. No assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred, or otherwise disposed of,

without the prior written consent of the IEUA; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the IEUA shall be null, void, and of no legal effect whatsoever.

16. **PUBLIC RECORDS POLICY**: Information made available to the IEUA may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The IEUA's use and disclosure of its records are governed by this Act. The IEUA shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work. In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) IEUA shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If IEUA is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify IEUA from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.
17. **RIGHT TO AUDIT**: The IEUA reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to the Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the IEUA.
18. **INTEGRATION**: The Contract Documents represent the entire Contract made and entered into by and between the IEUA and the Contractor as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the IEUA and the Contractor.
19. **GOVERNING LAW**: This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
20. **TERMINATION FOR CONVENIENCE**: The IEUA reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the IEUA shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination, as approved by the Project Manager.
21. **FORCE MAJEURE**: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
22. **NOTICE TO PROCEED**: No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a notice to proceed has been issued to the Contractor by the Project Manager.

23. IEUA TO EXECUTE CONTRACT: The Signatories, below, each represent, warrant, and covenant that they have the full IEUA and right to enter into this Contract on behalf of the separate entities shown below.
24. DELIVERY OF DOCUMENTS: The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant agreement to be bound by such electronic versions.

The parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:
(A MUNICIPAL WATER DISTRICT)**

INDUSTRIAL COATING & RESTORATION, INC:

P. Joseph Grindstaff
General Manager

(Date)



Mahmoud A. Merzi
President

9.12.17

(Date)

(Sic: Nadia Merzi, secretary)

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**ACTION
ITEM**

4A

Date: September 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration

Chris B. for JB
From: P. Joseph Grindstaff, General Manager

09/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Budget Amendment for Fiscal Year 2016/17 Carry Forward of Open Encumbrances and Non-Encumbered Commitment Related Budget

Executive Summary:

Based on the Agency's practice, authorization to spend appropriated budget lapses at the end of the fiscal year. Budget for open encumbrances and commitments to be honored in the following fiscal year and which are not supported by the current fiscal year budget needs to be carried forward, following policy A-81.

Open encumbrances and non-encumbered commitments to be carried forward from FY 2016/17 to FY 2017/18 total \$13,969,575 and is comprised of \$1,969,462 for operations and maintenance expenses, \$6,946,002 for non-capital projects and \$5,054,111 for capital projects. Partially offsetting the carried forward amount are revenues from anticipated grants and reimbursements in the amount of \$1,294,043, resulting in a net carry forward amount of \$12,675,532.

Future expenditures against these carried forward commitments, net of related revenues, will reduce the reserve balances in the respective funds as summarized in Attachment 1, Table 3.

Staff's Recommendation:

1. Approve the carry forward of open encumbrances and non-encumbered commitment related budgets from FY 2016/17 to FY 2017/18 and amend the budget in the amount of \$13,969,575; and
2. Approve amendments to the adopted FY 2017/18 budget for grant and reimbursement revenues in the amount of \$1,294,043.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): Y Amount for Requested Approval: \$ 12,675,532

Account/Project Name:

Fiscal Impact (explain if not budgeted):

If approved, the FY 2017/18 budget will be augmented by the carry forward amount of \$13,969,575 in the respective funds and major account categories (capital and operations & maintenance), and related grant and reimbursement revenue budgets will be increased by \$1,294,043 in the respective funds as detailed in Attachment 1, Tables 2 and 3.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

On June 21, 2017, the Board adopted the Agency's Biennial Budget for FYs 2017/18 and 2018/19.

On September 21, 2016 the Board approved the carry forward of \$12,511,488 from FY 2015/16 to FY 2016/17.

Environmental Determination:

Not Applicable

Business Goal:

The carry forward of encumbrances at fiscal year end is consistent with the Agency's business goal of fiscal responsibility and maintaining prudent budgetary controls.

Attachments:

Attachment 1 - Background
Attachment 2 - PowerPoint

Background

Subject: Budget Amendment for Fiscal Year 2016/17 Carry Forward of Open Encumbrances and Non-Encumbered Commitment Related Budget

An encumbrance is a reservation or earmark of budgeted funds for obligations arising from purchase orders, contracts, leases, or approved non-purchase order commitments. Encumbrances improves budgetary control by treating commitments as expenditures and reducing the budget amount available for spending. Encumbrances are not actual expenditures until goods and services are received, therefore, a special treatment is required for open encumbrances if appropriations (budget) lapse at the end of the fiscal year. In this case, encumbrances to be honored in the following fiscal year, along with corresponding budget, need to be carried forward. Non-encumbered requests refer to remaining unexpended balance after subtracting year-to-date expenditures from the budgeted amount that is free and clear of any commitments or obligations.

The proposed carry forward amount of \$13,969,575 is comprised of \$1,969,462 for operations & maintenance expenses, \$6,946,002 for non-capital (special) projects, and \$5,054,111 for capital projects. Some key projects and corresponding carry forward amounts are listed in Table 1 below:

Table 1
Key Projects and Requested Carry Forward Amount

Project No.	Project Name	Fund	Total Carry Forward
PA17006	Agency-Wide Aeration	Regional Operations	\$828,511
EN11031	RP-5 Flow Equalization	Regional Capital	599,579
EP17004	Agency Wide Vehicle Replacement	General Administrative	558,904
WR16020	Water Use Efficiency Tools	Water Resources	450,000
WR17023	Chino Basin Drought	Water Resources	394,631
EN12014	East Ave. 1630 E. Recycled Water Pump Relocation	Recycled Water	371,112
WR16017	Regional Residential	Water Resources	346,701
EN17053	Agency-wide Recycled Water	Recycled Water	327,541
WR17019	Residential Small Site	Water Resources	300,000
	Total		\$4,176,979

A summary of all carry forward requests by fund is provided in Table 3.

Some of the requested encumbered and non-encumbered requests are eligible for grant and reimbursements. Depending on actual project expenditures a total of \$349,373 of grant funding may be received from the Department Water Resources and Santa Ana Watershed Project Authority. Additionally, up to a \$944,670 is estimated for project cost reimbursements through agreements with Chino Basin Watermaster and Metropolitan Water District of Southern California. Total revenues of \$1,294,043 in grant and reimbursements are anticipated to offset a portion of the carry forward requests. Grant funding and project cost reimbursements supporting carry forward projects are listed by fund in Table 2 below.

Table 2
Grant Funding and Project Cost Reimbursements by Fund

Fund	Grant Funding	Project Reimbursements	Total Reimbursement
Water Resources	\$349,373	\$665,903	\$1,015,276
Recharge Water		243,767	243,767
Recycled Water		35,000	35,000
Total	\$349,373	\$944,670	\$1,294,043

Dedicated “drought” reserves (June 30, 2017 drought reserve balance was \$1,173,037) will also be used to fund estimated drought and conservation project expenditures of \$891,796. “Drought” reserves were previously collected through a portion of the imported water acre foot surcharge and water meter services charges. These funds are held in the Water Resources fund as part of the overall fund balance.

In accordance with the Agency’s Policy A-81, (Fiscal Year-End Carry Forward of Encumbrances and Non-Encumbered Related Budget), budget carried forward and not expended by December 31st will be subject to cancellation, unless otherwise approved by Executive Management.

In FY 2016/17, the Board approved to carry forward \$12.5 million from FY 2015/16; \$4.5 million for capital projects and \$8.0 million of operating (O&M) expenses, including special and reimbursable projects. At the end of December 2016, unspent carry forward was \$8,422,198, of which \$7,642,397 was extended and \$779,800 was returned.

The Agency’s accounting treatment of budget carry forward for open encumbrance and non-encumbered commitments at fiscal year-end is consistent with the accounting standards prescribed by the National Council on Government Accounting Statement #1, and the Governmental Accounting Standards Board, and affirmed by the Agency’s external auditors.

Table 3
FY 2016/17 Carry Forward (Encumbrances and Non-Encumbered) to FY 2017/18
Operations & Maintenance, Special and Capital Project by Fund Summary

CAPITAL PROJECTS					
Fund	FY 2017/18 Adopted Budget	FY 2016/17 Carry Forward Encumbrances	FY 2016/17 Carry Forward Non-Encumbered	FY 2016/17 Total Carry Forward Budget	FY 2017/18 Amended Budget
General Administrative	2,475,625	361,291	770,728	1,132,019	3,607,644
Recharge Water	1,728,855	137,520	176,919	314,439	2,043,294
Non-Reclaimable Wastewater	1,094,000	161,491	73,561	235,052	1,329,052
Recycled Water	12,133,610	438,889	852,402	1,291,291	13,424,901
Water Resources	-	-	-	-	-
Regional Wastewater Oper. & Maint.	24,063,109	437,386	762,583	1,199,969	25,263,078
Regional Wastewater Capital	26,450,190	620,535	260,806	881,341	27,331,531
Total Capital Projects	67,945,389	2,157,112	2,896,999	5,054,111	72,999,500

SPECIAL PROJECTS					
Fund	FY 2017/18 Adopted Budget	FY 2016/17 Carry Forward Encumbrances	FY 2016/17 Carry Forward Non-Encumbered	FY 2016/17 Total Carry Forward Budget	FY 2017/18 Amended Budget
General Administrative	1,407,000	114,110	400,180	514,290	1,921,290
Recharge Water	325,000	24,212	-	24,212	349,212
Non-Reclaimable Wastewater	125,000	-	12,500	12,500	137,500
Recycled Water	2,150,800	29,968	315,000	344,968	2,495,768
Water Resources	5,829,000	1,096,377	2,916,188	4,012,565	9,841,565
Regional Wastewater Oper. & Maint.	5,970,763	863,830	678,129	1,541,959	7,512,722
Regional Wastewater Capital	900,000	278,738	216,770	495,508	1,395,508
Total Special Projects	16,707,563	2,407,235	4,538,767	6,946,002	23,653,565

Total Capital & Special Projects	84,652,952	4,564,347	7,435,766	12,000,113	96,653,065
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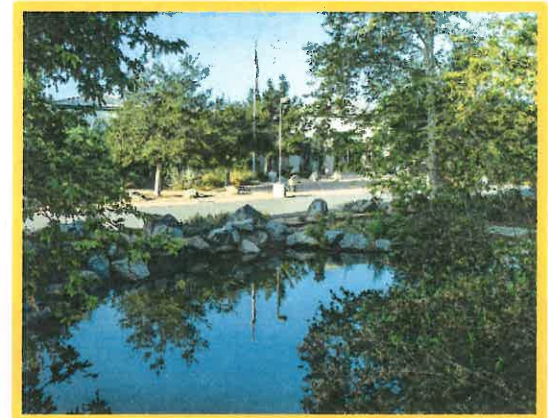
OPERATIONS & MAINTENANCE (O&M)					
Fund	FY 2017/18 Adopted Budget	FY 2016/17 Carry Forward Encumbrances	FY 2016/17 Carry Forward Non-Encumbered	FY 2016/17 Total Carry Forward Budget	FY 2017/18 Amended Budget
General Administrative	9,910,073	363,086	425,876	788,962	10,699,035
Recharge Water	1,039,636	-	-	-	1,039,636
Non-Reclaimable Wastewater	7,098,508	15,351	25,000	40,351	7,138,859
Recycled Water	3,099,220	108,161	124,000	232,161	3,331,381
Water Resources	302,000	-	50,000	50,000	352,000
Regional Wastewater Oper. & Maint.	23,700,407	609,683	150,800	760,483	24,460,890
Regional Wastewater Capital	610,276	505	97,000	97,505	707,781
Total Operations & Maintenance	45,760,120	1,096,786	872,676	1,969,462	47,729,582

Grand Total (Projects and O&M)	130,413,072	5,661,133	8,308,442	13,969,575	144,382,647
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Breakdown of Operations & Maintenance Carry Forward								
Fund	Professional Fees	Materials & Supplies	Office & Admin.	Biosolids Recycling	Lease/Rental	Chemicals	Utilities	Total O&M
General Administrative	697,490	60,338	31,134	-	-	-	-	788,962
Recharge Water	-	-	-	-	-	-	-	-
Non-Reclaimable Wastewater	-	4,156	-	25,000	-	11,195	-	40,351
Recycled Water	219,371	12,790	-	-	-	-	-	232,161
Water Resources	-	-	50,000	-	-	-	-	50,000
Regional Wastewater Oper. & Maint.	408,230	137,823	-	57,856	20	96,554	60,000	760,483
Regional Wastewater Capital	97,505	-	-	-	-	-	-	97,505
Total	1,422,596	215,107	81,134	82,856	20	107,749	60,000	1,969,462

FY 2016/17 Carry Forward (Encumbrances & Non-Encumbered)

Board Meeting



Agency Policy 81

- Fiscal Year End:
 - Departments requests for open encumbrances and non-encumbered commitments to be carried forward
- Calendar Year End:
 - Carried forward amounts not expended by December 31, 2017 are subject to cancellation unless extended
 - FY 2015/16 Carried Forward to FY 2016/17 was \$12.5 million
 - \$8.4 million Unspent (\$7.6 million extended & \$0.8 returned)

FY 2016/17 Carry Forward to FY 2017/18 By Type

Type of Expenditure	Requested Amount
Operations and Maintenance (O&M)	\$1,969,462
Special (Non-capital) Projects	6,496,002
Capital Projects	5,054,111
Total Carry Forward Amount	\$13,969,575

Key Requested Projects Carry Forward

Project No.	Project Name	Fund	Total Carry Forward
PA17006	Agency-Wide Aeration	Regional Operations	\$828,511
EN11031	RP-5 Flow Equalization	Regional Capital	599,579
EP17004	Agency-Wide Vehicle Replacement	General Administrative	558,904
WR16020	Water Use Efficiency Data	Water Resources	450,000
WR17023	Chino Basin Drought Contingency Plan	Water Resources	394,631
EN12014	East Avenue 1630 E. Recycled Water Pump Relocation	Recycled Water	371,112
WR16017	Regional Residential Water Use Efficiency	Water Resources	346,701
EN17053	Agency-Wide Recycled Water Pumps Overhaul	Recycled Water	327,541
WR17019	Residential Small Site Controller Upgrade	Water Resources	300,000
	Total		\$4,176,979

Key Carry Forward Project Grant and Cost Reimbursements

Project No.	Project Name	Fund	Grant Funds	Project Cost Reimbursement	Total Project Reimburse
WR16017	Regional Residential Water Use Efficiency	Water Resources		\$225,356	\$225,356
WR17023	Chino Basin Drought Contingency Plan	Water Resources	197,315		197,315
WR17017	Residential Pressure Regulation Program	Water Resources		162,435	162,435
RW15003	Recharge Master Plan	Recharge Water		134,425	134,425
WR17006	Residential Landscape Retrofit Program	Water Resources	76,127	45,676	121,803
WR13022	Prado Basin Habitat Well Monitoring	Recharge Water		92,887	92,887
	All Other Projects		75,931	286,891	362,822
	Total Grant & Project Reimbursements		\$349,373	\$944,670	\$1,294,043



Questions?

The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility

**ACTION
ITEM**

4B

Date: September 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration

Chris [unclear] for JB
From: P. Joseph Grindstaff, General Manager

09/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: City of Rialto Compensation Agreements

Executive Summary:

Pursuant to redevelopment agency dissolution legislation per Health and Safety Code Sections 34180(f) and 34191.5 and the Long Range Property Management Plan prepared by the Successor Agency to the former City of Rialto Redevelopment Agency and approved by the California Department of Finance, the City of Rialto requests approval of compensation agreements with each affected taxing entity for the proposed future use of the following three (3) properties: (1) Public Park Property in Renaissance Specific Plan area (governmental use), (2) Fire Station #205 Property (governmental use), and (3) Area A Property (non-governmental use) - sold to Lewis-Hillwood Rialto Company, LLC on January 10, 2017 for \$1,251,827.56.

No compensation is deemed to be due and payable to affected taxing entities for proposed governmental use properties #1 and #2. Compensation on property #3 will be based on appraised fair market value and distributed amongst affected taxing entities based on the allocation percentages detailed on Exhibit B of Area A Compensation Agreement. The Agency's estimated portion is \$6,800.00.

Staff's Recommendation:

1. Approve the Compensation Agreements, substantially in its final form, between the City of Rialto (City), IEUA, and other affected taxing entities for the transfer of property commonly known as "Area A" for future development (non-governmental use), and "Fire Station #205" and "Public Park" to be retained for governmental use; and
2. Authorize the General Manager or his designee, to execute the final Compensation Agreements subject to non-substantive changes.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Proceeds received from disposition of property "Project A" for future development will increase Agency fund reserves.

Prior Board Action:

On May 19, 2016 the Board approved Compensation Agreements between San Bernardino County Successor Agency, IEUA, and other affected taking entities for the transfer of property to the County of San Bernardino for governmental use (Fire Station) and future development (Rosemary and Iris site and Cherry and Randall site).

Environmental Determination:

Not Applicable

Business Goal:

Supports IEUA Business Practices goal to collaborate with local businesses and agencies to promote economic development in the region.

Attachments:

Attachment 1 - Background

Attachment 2 - City of Rialto Letter to IEUA

Attachment 3 - Compensation Agreement for Area A Property (non-governmental use)

Attachment 4 - Compensation Agreement for Public Park Property in Renaissance Specific Plan area (governmental use)

Attachment 5 - Compensation Agreement for Fire Station #205 Property (governmental use)

Background

Subject: City of Rialto Compensation Agreements

Effective February 1, 2012 redevelopment agencies were dissolved following the State Supreme Court upholding of AB X1 26. Successor agencies were established to implement the dissolution of their respective redevelopment agencies, including payment of enforceable obligations and disposal of non-housing property and assets. Successor agencies were required to submit a Long-Range Property Management Plan (LRPMP) to the Department of Finance (DOF) and respective Oversight Board for approval by January 1, 2016. The LRPMP is intended to address the disposition and use of the real properties of the former redevelopment agency. On March 10, 2015, the DOF approved the City of Rialto's Successor Agency's LRPMP.

All three properties are being transferred to the City of Rialto (City). As summarized in the table below, the City is designating the Public Park and Fire Station properties for governmental use and Area A property is being sold to Lewis-Hillwood Rialto Company, LLC (the "First LHR Transfer") pursuant to a contract sale dated January 10, 2017.

Proposed Property Disposal

Property	Acres	Valuation	Proposed Disposal	IEUA Estimated Share
Public Park-- *LRPMP #9 Ayala/Baseline Industrial Park	~10.38	\$3,166,289	Governmental Use	N/A
Fire Station #205- LRPMP #5	.76	\$224,000	Governmental Use	N/A
Area A - LRPMP #14 210 Freeway Frontage	~58.02	\$1,251,828 (Sale Amount)	Future Development	~\$6,800 based on allocation percentage of 0.005428826

*Long Range Property Management Plan

In accordance with Health and Safety Code Section 34171(k), the City is required to enter into compensation agreements with each affected taxing entity. Any proceeds from the disposal of property for non-governmental use are to be distributed to affected taxing entities based on their respective tax allocation rate as calculated by the County Tax/Assessor (Exhibit B). The Agency's share of the proceeds from the sale of Area A property are estimated at \$6,800.00.

The Compensation Agreements were reviewed by the Agency's special counsel, Mark Austin of Rutan and Tucker, LLP. Attached are copies of the Compensation Agreements substantially to its final form and excerpts from the LRPMP for the three properties.

Attachment 2

City of Rialto Letter to IEUA



CITY OF RIALTO

August 7, 2017

Joe Grindstaff, General Manager
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, CA 91709

**RE: Taxing Entity Compensation Agreements for Properties of the Former
Redevelopment Agency of the City of Rialto**

Dear Mr. Grindstaff:

Attached for your consideration are three (3) taxing entity compensation agreements corresponding to three (3) properties of the Former Redevelopment Agency of the City of Rialto ("Former Agency"):

1. Public Park Property in Renaissance Specific Plan area (governmental use)
2. Fire Station #205 Property (governmental use)
3. Area A Property (non-governmental use).

In accordance with redevelopment agency dissolution legislation per Health and Safety Code ("HSC") Sections 34180(f) and 34191.5 and pursuant to the Long Range Property Management Plan prepared by the Successor Agency to the Former Agency and approved by the Department of Finance, it is the intention of the City of Rialto ("City") to enter into compensation agreements with each affected taxing entity corresponding to the proposed future use of each of the three (3) properties.

Given the proposed governmental use of Properties #1 (Public Park) and #2 (Fire Station #205) consistent with HSC Section 34181(a)(1), no compensation is deemed to be due and payable to affected taxing entities. Given the proposed non-governmental use of Property #3 (Area A), compensation is deemed to be due and payable to affected taxing entities based on appraised fair market value as detailed in the Area A Compensation Agreement enclosed herein.

Development Services Department
150 South Palm Avenue, Rialto, California 92376
(909) 820-8014

Please contact me (909-820-8014 or jdutrey@rialto.ca.gov) or Joseph Dieguez at Kosmont Companies, our economic development advisor (347-731-5307 or jdieguez@kosmont.com) at your convenience with any questions.

The City requests execution of compensation agreements by **September 15, 2017**. You can send the executed agreements to me at:

City of Rialto
Development Services Department
Attn. John Dutrey
150 S. Palm Avenue
Rialto, CA 92376

Sincerely,



John Dutrey
Project Manager

Attachments:

- Compensation Agreement (Public Park in Renaissance Specific Plan area)
- Compensation Agreement (Fire Station 205)
- Compensation Agreement (Area A Property)

Attachment 3

Compensation Agreement for Area A Property (non-governmental use)

**COMPENSATION AGREEMENT
(AREA A)**

This **COMPENSATION AGREEMENT (AREA A)** (this “Compensation Agreement”), dated as of **September 1, 2017**, is entered into by and between the CITY OF RIALTO (the “City”) on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, San Bernardino Community College, Rialto Unified School District, Inland Empire Joint Resource Conservation District, San Bernardino Valley Municipal Water, Chaffey Community College, Fontana Unified School District, West Valley Water District, Inland Empire Utilities Agency, and the City of Rialto, as a taxing entity, on the other hand (each a “Taxing Entity” and collectively, the “Taxing Entities”). The Taxing Entities and the “City” are the “Parties,” with each being a “Party”.

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), as modified by the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011) (*Matosantos*), the Redevelopment Agency of the City of Rialto (the “Former Agency”) was dissolved as of February 1, 2012, the Successor Agency was established, and an oversight board to the Successor Agency (the “Oversight Board”) was established.

B. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court’s decision in *Matosantos*, on February 1, 2012, properties of the Former Agency transferred to the control of the Successor Agency to the Redevelopment Agency of the City of Rialto (the “Successor Agency”) by operation of law, including the property described in **Exhibit A-1** attached hereto and incorporated herein by reference (the “Area A Property”).

C. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency prepared an amended long-range property management plan (the “LRPMP”) which addresses the disposition and use of the properties of the Former Agency, and by letter dated March 10, 2015, the Department of Finance (the “DOF”) approved the Successor Agency’s use or disposition of the properties listed in the LRPMP. The Area A Property, identified as Project 14 in the LRPMP, is designated as a City Disposition Property, as described in Recital D, below.

D. As a property that was initially subject to an enforceable obligation but which, pursuant to Section III.C of the LRPMP, became a City Disposition Property, the Area A Property was transferred by the Successor Agency from the Community Redevelopment Property Trust Fund (“Trust Fund”) to the City. The LRPMP also provides that the City will enter into a compensation agreement with respect to all of the City Disposition Properties, including the Area A Property with all of the affected taxing entities, as defined in Health and Safety Code Section 34171(k). The County and other parties to this Agreement are affected taxing entities. The complete list of the Taxing Entities, including the address of each is shown on **Exhibit C** and the Applicable Tax Rate of each is shown on **Exhibit B**, each of which is attached hereto and incorporated herein by reference.

E. By grant deed dated March 13, 2017, the City transferred a portion of the Area A Property as described in Exhibit A-1 as Area A-3 and Area A-4 to Lewis-Hillwood Rialto Company, LLC (the “First LHR Transfer”) pursuant to that certain Area A Contract of Sale dated January 10, 2017 (“Area A Contract”). The LHR Transfer occurred pursuant to an escrow with First American Title Company (“Escrow Agent”) in accordance with the LRPMP. The purchase price for the First LHR Transfer under the Area A Contract was One Million Two Hundred Fifty-One Thousand Eight Hundred Twenty-Seven Dollars Fifty-Six Cents (\$1,251,827.56) of which constitute the Applicable Net Purchase Price (defined in Section 2.A below) and are being held by the Escrow Agent for distribution pursuant to this Agreement.

F. The parties intend that this Agreement govern each subsequent transfer of the Area A Property retained by the City and identified herein as the “Remainder Property”, as described in **Exhibit A-1** as Area A-1 and Area A-2 attached hereto and incorporated herein by reference, which shall be conveyed pursuant to the terms of the Area A Contract.

G. To promote the public interest, the Taxing Entities and the City are entering into this Compensation Agreement to provide for the City to compensate the Taxing Entities with respect to the Area A Property in accordance with the terms of this Compensation Agreement.

NOW THEREFORE, IN CONSIDERATION OF THE COMPENSATION, BOTH MONETARY AND NONMONETARY, AND THE COVENANTS PROVIDED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and are a substantive part of this Compensation Agreement.

Section 2. Transfer; Compensation. The Successor Agency has conveyed all of its interest in and to the Area A Property to the City and the City conveyed a portion of its interest in the Area A Property through the First LHR Transfer pursuant to the Area A Contract and continues to hold a fee interest in the Remainder Property. In accordance with Health and Safety Code Sections 34179(h)(1)(D) and (E), and Section 34191.5(f), no further approval of the Oversight Board or the DOF are necessary. Each subsequent transfer of any portion of the Remainder Property pursuant to the Area Contract shall be subject to the terms of this Agreement.

The City has transferred a portion of the Area A Property to LHR and will transfer the Remainder Property to LHR, all pursuant to the Area A Contract, subject to the following agreement of the Parties as to compensation to be paid by the City with respect to the Area A Property:

- A. The Parties acknowledge that the Purchase Price for the Remainder Property has been established pursuant to the Area A Contract, based on an appraisal that identifies the value of the separate component properties comprising the Remainder Property. The “Applicable Purchase Price” shall mean the applicable fair market value of the portion of the Remainder Property being transferred under the Area Contract, based on the value identified in the Area A Contract. Notwithstanding anything to the contrary, the City may in its discretion, transfer the Property for the

then current fair market value as determined by a third party appraisal performed in accordance with the Uniform Standards of Professional Appraisal Practice.

- B. The compensation to be paid by the City to each Taxing Entity with respect to the Area A Property is established by multiplying the Applicable Tax Rate by the Applicable Net Purchase Price for each parcel within Area A Property (the "Compensation Amount"). The Applicable Tax Rate" is the tax rate for each of the Taxing Entities as provided by the County Auditor-Controller. "Project Area" means the project area created by the Former Agency. Notwithstanding anything to the contrary herein, the City shall be allowed to retain 31.5269244% of the Applicable Net Purchase Price representing the share of Applicable Net Purchase Price proceeds payable to Rialto Unified School District, which funds shall be used by the City for eligible capital improvements within the City.

ERAF is entitled to a distribution of Applicable Net Purchase Price proceeds under this Agreement. Pursuant to instruction and direction from the DOF and the Auditor-Controller, there is no need for a separate signatory to execute this Agreement on behalf of ERAF because the ultimate beneficiaries of any distribution of Disposition Proceeds to ERAF are themselves Taxing Entities that are signatories to this Agreement.

- C. Within five (5) business days following the approval of the Taxing Entities of the Compensation Amount, the Escrow Agent, on behalf of the City, shall remit the Compensation Amount to the Taxing Entities in accordance with **Exhibit C** (the "Payment Date"). The City hereby represents that it did not receive Temporary Rental Income prior to the City's First LHR Transfer. City will represent to the Taxing Entities whether it received Temporary Rental Income in connection with the closing of any of the Remainder Property. For the purposes of this Agreement, the term "Temporary Rental Income" means any lease rental income, use fee income or other income, if any, that may be received by the City with respect to the Property minus the documented costs to the City of improvement, operation and maintenance of such Property for the temporary use prior to the transfer of such property pursuant to the Area A Contract or other conveyance agreement with regards to all or any portion of Area A Property.
- D. Accounting Requirements. Prior to the distribution pursuant to subsection C, the City shall provide the Escrow Agent and the Taxing Entities an itemized statement of the Area A Costs of Sale (the "Initial Disposition Proceeds Statement"), along with evidence, reasonably satisfactory to the Taxing Entities, as to the Area A Costs of Sale and the City's calculation of the Net City Proceeds and the Applicable Net Purchase Price. For a period of not less than fourteen (14) business days from receipt of the Initial Disposition Proceeds Statement, each of the Taxing Entities shall have the right to request, in writing delivered to the City, the Escrow Agent, and the other Taxing Entities, a review of such books, records and documents and other relevant items in the possession of City, but only to the extent necessary for

a proper determination of Applicable Net Purchase Price and Area A Costs of Sale in the Initial Disposition Proceeds Statement. If no written requests for review of the Initial Disposition Proceeds Statement are received by the City, the Initial Disposition Proceeds Statement shall become final (the "Final Disposition Proceeds Statement"). In the event that a disagreement exists as to the amount of the Applicable Net Purchase Price and/or Area A Costs of Sale ("Disputed Amount"), any revisions agreed to by the parties shall be set forth in a revised Disposition Proceeds Statement ("Revised Disposition Statement"), which shall thereafter be deemed the Final Disposition Proceeds Statement. If, however, the parties are unable to reach agreement as to a Disputed Amount, the following procedure ("Dispute Procedure") shall apply:

1. If the Disputed Amount is less than 15% of the Applicable Net Purchase Price, the Initial Disposition Proceeds Statement, without any revisions, shall be deemed approved and become the Final Disposition Proceeds Statement, unless timely challenged.
2. If the Disputed Amount is greater than 15% of the Applicable Net Purchase Price, the City shall forthwith prepare a revised Disposition Proceeds Statement reflecting that (i) the undisputed Applicable Net Purchase Price (defined to exclude only the Disputed Amount) shall be distributed to all of the Taxing Entities in their proportional shares in accordance with Exhibit C in the manner described in Subsection (C) above; and (ii) that fifty percent (50%) of the Disputed Amount shall be distributed to the City and the remaining fifty percent (50%) of the Disputed Amount shall be distributed to all of the Taxing Entities in their proportional shares in accordance with Exhibit C. The Revised Disposition Proceeds Statement shall be deemed approved and become the Final Disposition Proceeds Statement, unless timely challenged.

Within seven (7) business days of receipt of the Final Disposition Proceeds Statement from the City, the Escrow Agent shall provide to the Taxing Entities and the Auditor-Controller a draft closing settlement statement reflecting the Applicable Purchase Price, the Net City Proceeds from the Final Disposition Proceeds Statement and setting forth the amounts to be distributed to each Taxing Entity (as applicable) (the "Closing Statement"). Notwithstanding anything herein to the contrary, if following the application of a Dispute Procedure, the Parties cannot reach agreement as to the existence or amount of an alleged error or discrepancy of the Disputed Amount and desire to challenge the Dispute Procedure, the aggrieved party may within sixty (60) days pursue all rights available to it at law or in equity. Notwithstanding anything to the contrary, if litigation is filed to challenge the Dispute Procedure, the Escrow Agent shall distribute undisputed Applicable Net Purchase Price (defined to exclude only the Disputed Amount) to all of the Taxing Entities in their proportional shares in accordance with Exhibit C in the manner described in Subsection (C) above, and shall retain in escrow only the Disputed Amount. Neither the Escrow Agent or the County Auditor-Controller shall have any liability for any distributions made pursuant to the Closing Statement or this Agreement.

Section 3. Effective Date. The effective date of this Compensation Agreement (the “Effective Date”) shall be the date that each of the Taxing Entities governing boards have approved this Agreement and directed each of the Taxing Entities (respectively) to execute this Agreement Promptly following the effectiveness of this Agreement, the City shall transmit notice to all the other Parties that the Agreement is effective and specifying the date the Agreement became effective (the “Effective Date”), along with a fully executed copy of the Agreement.

Section 4. Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as otherwise provided in this Agreement, shall expire upon the distribution by the Escrow Holder of all amounts payable to the Taxing Entities under this Agreement, if any. Notwithstanding anything to the contrary, if the events necessary to cause the Effective Date to occur have not all occurred within sixty (60) months from the date this Compensation Agreement is entered into, then, at the conclusion of that sixty (60) month period, this Compensation Agreement shall be terminated in its entirety, and shall be of no further force or effect whatsoever.

Section 5. Authorization. Each Party warrants that the individuals who have signed this Compensation Agreement have the legal power, right, and authority to make this Compensation Agreement and to bind each respective Party.

Section 6. No Personal Liability. No official, agent, or employee of any Party shall be individually or personally liable for any amount which may become due under this Compensation Agreement or on any obligations under the terms of this Compensation Agreement.

Section 7. Assignment. This Compensation Agreement shall not be assignable by any Party without the prior written consent of the other Party.

Section 8. Counterparts. This Compensation Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Compensation Agreement. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Agreement may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

Section 9. Further Assurances. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Compensation Agreement.

Section 10. Notices. All notices and other communications shall be given or made in writing by certified mail, postage prepaid, return receipt requested, or by personal delivery. Notices shall be considered given upon (i) personal delivery, (ii) one business day following timely deposit with a nationally recognized overnight courier service, charges prepaid, or (iii) three business days after deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. Notices shall be addressed as provided in the attached **Exhibit C** for the

respective Party; provided that if a Party gives notice of a change of name or address, notices to such Party shall thereafter be given as specified in that notice.

Section 11. Amendment. This Compensation Agreement may be amended at any time, and from time to time, in writing by the Parties.

Section 12. Severability. If one or more of the covenants or agreements provided in this Compensation Agreement on the part of the County or the City to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Compensation Agreement.

Section 13. Construction. The Parties agree that each Party and its counsel have reviewed this Compensation Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Compensation Agreement or any amendments or exhibits thereto. This Compensation Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties.

Section 14. Binding on Successors and Assigns. All the covenants, promises and agreements in this Compensation Agreement contained by or on behalf of the County or the City shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 15. No Third Party Beneficiaries. This Compensation Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Compensation Agreement.

(a) Governing Law. This Compensation Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Bernardino County, California or in the Federal District Court for the Central District of California.

Section 16. Third Party Litigation Regarding Agreement. In the event litigation is initiated by any third party attacking the validity of this Agreement or its implementation, each Party shall in good faith defend and seek to uphold the Agreement and; except as provided in Section 17, each shall bear its own costs in connection with any such litigation.

Section 17. Indemnification. The City hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Taxing Entities) each Taxing Entity, its council members, governing board members, directors, officers, agents, employees, consultants, contractors, and representatives (collectively, including Seller, the “**Indemnitees**”) from all suits, actions, claims, causes of action, costs, demands, judgments and liens brought by a third party and arising out of or relating to distribution of the Compensation Amount pursuant to this Agreement to any Taxing Entity other than itself, except as caused or arising out of the willful misconduct or gross negligence of any Indemnitees. The provisions of this Section shall survive

expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

Section 18. Attorneys' Fees. In any action which a Party brings to enforce its rights hereunder, the unsuccessful Party or Parties shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees.

Section 19. Entire Agreement; Amendment. This Agreement constitutes the entire and integrated agreement of the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral, relating to the subject matter of this Agreement. This Agreement may be modified only in writing and only if approved and signed by all of the Parties.

Section 20. Non-Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the waiving Parties.

Section 21. No Partnership. Nothing contained in this Agreement shall be construed to constitute any Party as a partner, employee, joint venturer, or agent of any other Party.

Section 22. Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

Section 23. Action or Approval. Whenever action and/or approval by the City is required under this Agreement, the City Administrator or the City Administrator's designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Administrator determines in the City Administrator's discretion that such action or approval requires referral to the City Council for consideration.

Section 24. County Taxing Entities. The County of San Bernardino administers funds for the following special districts and funds, and, in addition to entering into this Agreement for itself, is authorized to, and has entered into this Agreement on behalf of the following:

- (1) San Bernardino County Free Library;
- (2) Flood Control District;
- (3) Flood Control Zone 2; and
- (4) Flood Control Administration 1 & 2.

Section 25. Notice of Compensation Agreement Related to Real Property and Release. No later than fourteen (14) business days after the Effective date of this Agreement, the City shall record in the Official Records of the County of San Bernardino a Notice of Compensation Agreement Related to Real Property, in the form attached hereto as **Exhibit D** and incorporated herein by reference (the "Notice of Compensation Agreement"). The Notice of Compensation Agreement shall be recorded by the City against the Remainder Property. The City shall mail or transmit electronic copies of the recorded Notice of Compensation Agreement within a reasonable time of the City's receipt of the recorded Notice of Compensation Agreement.

Concurrently with the close of escrow on the transfer of any portion of the Remainder Property pursuant to the Area A Contract, the City shall have the right to record a complete or partial "Release of the Notice of Compensation Agreement" substantially in the form attached hereto as **Exhibit E** and incorporated herein by reference with respect only to the portion of the Remainder Property being sold and such release shall have no effect on any portion of the Remainder Property not included in said closing (and subject to a future transfer pursuant to the Area A Contract).

This **AGREEMENT** shall inure to the benefit of and be binding upon the successors and assigns of all **PARTIES**.

IN WITNESS WHEREOF, this **AGREEMENT** has been fully executed on behalf of the **COUNTY** by its duly authorized representative and the **CITY** has caused the same to be executed in its name and on its behalf by its duly authorized representative.

COUNTY OF SAN BERNARDINO

CITY OF RIALTO

► _____

By: ► _____
(Authorized signature - sign in blue ink)

Dated: _____

Title _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

Dated: _____, 2017

Bob Dutton, Clerk

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

By: ► _____

Address: Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376
Attn: Robb Steel

Approved as to Legal Form

► _____
Thomas P. Clark, Jr. of Stradling Yocca
Carlson & Rauth, Special Counsel to
City of Rialto

Date: _____

Attested by City Clerk

► _____
City Clerk

Date: _____

SUPERINTENDENT OF SCHOOLS

By: _____

Its: _____

SAN BERNARDINO COMMUNITY COLLEGE

By: _____

Its: _____

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

Its: _____

INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT

By: _____

Its: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER

By: _____

Its: _____

CHAFFEY COMMUNITY COLLEGE

By: _____

Its: _____

FONTANA UNIFIED SCHOOL DISTRICT

By: _____

Its: _____

WEST VALLEY WATER DISTRICT

By: _____

Its: _____

INLAND EMPIRE UTILITIES AGENCY

By: _____

Its: _____

EXHIBIT A-1

LEGAL DESCRIPTION OF AREA A PROPERTY

SHEET 1 OF 2

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-1

THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN GRANT DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 2008 AS DOCUMENT NO. 2008-0268512 OF OFFICIAL RECORDS, ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND LYING SOUTHERLY OF THE SOUTHERLY LINE AND EASTERLY OF THE EASTERLY LINE OF SAID GRANT DEED.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS PARCEL 15469-2 OF FINAL ORDER OF CONDEMNATION, RECORDED NOVEMBER 7, 2008 AS DOCUMENT NO. 2008-0489887 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM PARCEL 1 AND THAT PORTION OF LOCUST AVENUE LYING WEST OF SAID PARCEL 1 AS SHOWN ON RECORD OF SURVEY, IN SAID CITY, COUNTY AND STATE, AS PER MAP FILED IN BOOK 18, PAGE 85 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID NORTHEAST ONE-QUARTER LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID NORTHEAST ONE-QUARTER, DISTANT THEREON SOUTH 00° 20' 18" EAST 30.00 FEET;

THENCE EASTERLY ALONG A LINE PARALLEL WITH AND DISTANT SOUTHERLY 30.00 FEET MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID SECTION 33, NORTH 89° 41' 38" EAST 63.49 FEET TO A POINT IN THE SOUTHERLY RIGHT OF WAY OF HIGHWAY 210, AS SHOWN ON RECORD OF SURVEY 08-088, AS PER MAP FILED IN BOOK 140, PAGES 35 THROUGH 51 INCLUSIVE OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY AND ITS EASTERLY PROLONGATION TO THE EASTERLY LINE OF SAID SECTION 33, THE FOLLOWING THREE (3) COURSES:

1. NORTH 00° 05' 27" WEST 0.81 FEET;
2. NORTH 59° 46' 25" EAST 31.81 FEET;
3. SOUTH 88° 37' 47" WEST 2553.35 FEET;

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-1

CONTAINING: 13.413 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,
EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16
DATE

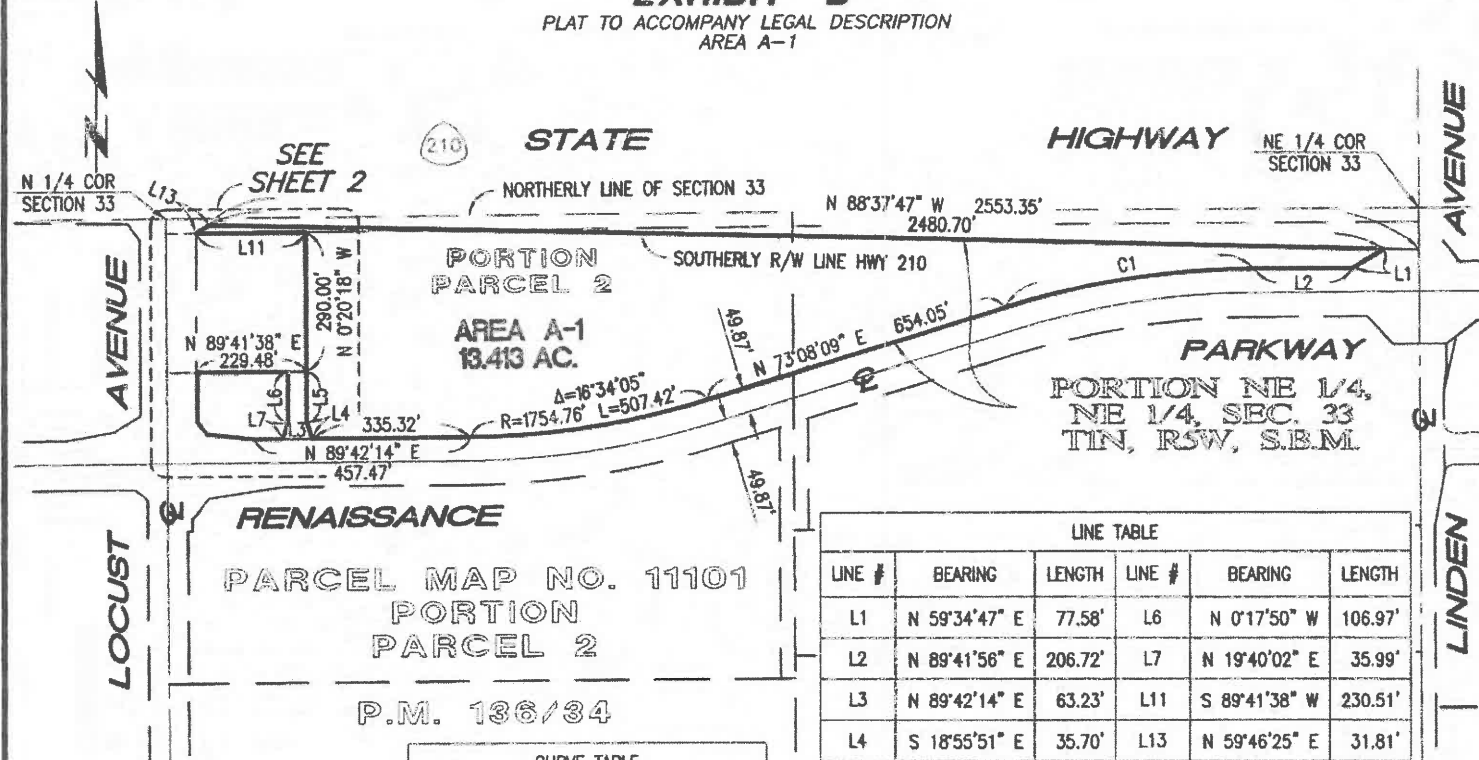


SCALE: 1" = 300'

EXHIBIT "B"

SHEET 1 OF 2

PLAT TO ACCOMPANY LEGAL DESCRIPTION
AREA A-1



PORTION PARCEL 2
AREA A-1
13.413 AC.

PARKWAY
PORTION NE 1/4,
NE 1/4, SEC. 33
T1N, R5W, S.B.M.

PARCEL MAP NO. 11101
PORTION
PARCEL 2

P.M. 136/34

LINE TABLE					
LINE #	BEARING	LENGTH	LINE #	BEARING	LENGTH
L1	N 59°34'47" E	77.58'	L6	N 0°17'50" W	106.97'
L2	N 89°41'56" E	206.72'	L7	N 19°40'02" E	35.99'
L3	N 89°42'14" E	63.23'	L11	S 89°41'38" W	230.51'
L4	S 18°55'51" E	35.70'	L13	N 59°46'25" E	31.81'
L5	N 0°17'50" W	106.98'			

CURVE TABLE			
CURVE #	DELTA	RADIUS	LENGTH
C1	16°33'47"	1854.50'	536.10'


LEGEND:

 INDICATES AREA DESCRIBED
IN LEGAL DESCRIPTION
CONTAINS: 13.413 ACRES ±

Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:


BRIAN L. THIENES
P.L.S. NO. 5750
REG. EXP. DEC. 31, 2017

12/5/16
DATE

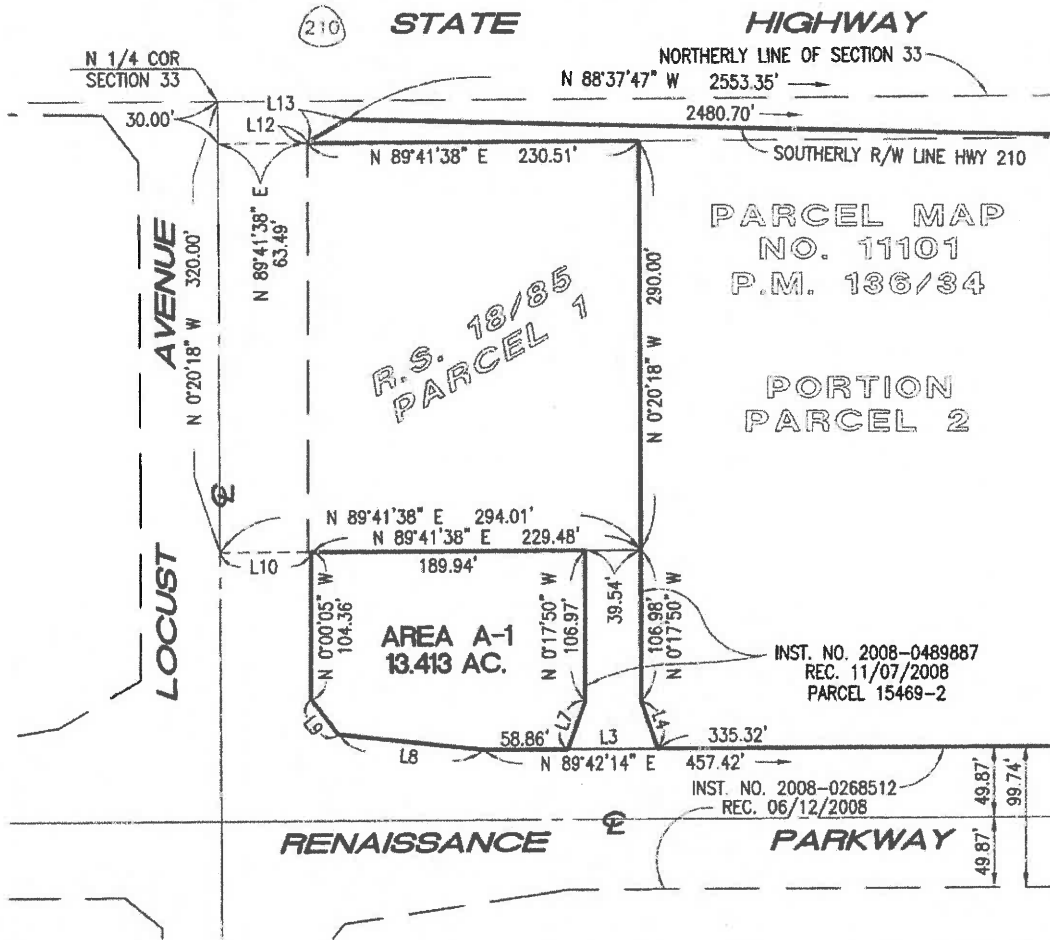


Area A-1
Page 3 of 4

SCALE: 1" = 100'

SHEET 2 OF 2

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 AREA A-1



LEGEND:



INDICATES AREA DESCRIBED
 IN LEGAL DESCRIPTION
 CONTAINS: 13.413 ACRES ±

LINE TABLE					
LINE #	BEARING	LENGTH	LINE #	BEARING	LENGTH
L3	N 89°42'14" E	63.23'	L9	S 37°41'57" E	31.39'
L4	S 18°55'51" E	35.70'	L10	S 89°41'38" W	64.53'
L7	N 19°40'02" E	35.99'	L12	N 0°05'27" W	0.81'
L8	S 83°46'03" E	100.92'	L13	N 59°46'25" E	31.81'

Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH. (714) 521-4811 FAX (714) 521-4173

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-2

THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN GRANT DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 2008 AS DOCUMENT NO. 2008-0268512 OF OFFICIAL RECORDS, ALSO EXCEPTING THEREFROM THAT PORTION OF SAID DESCRIBED LAND LYING NORTHERLY OF THE SOUTHERLY LINE AND ITS EASTERLY PROLONGATION TO THE EASTERLY LINE OF SAID SECTION 33.

EXCEPTING THEREFROM THAT PORTION LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE NORTH 263.79 FEET OF THE SOUTH HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM PARCEL 1 OF PARCEL MAP NO. 111101, IN SAID CITY, COUNTY AND STATE, AS PER MAP FILED IN BOOK 136, PAGE 34 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING: 32.252 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

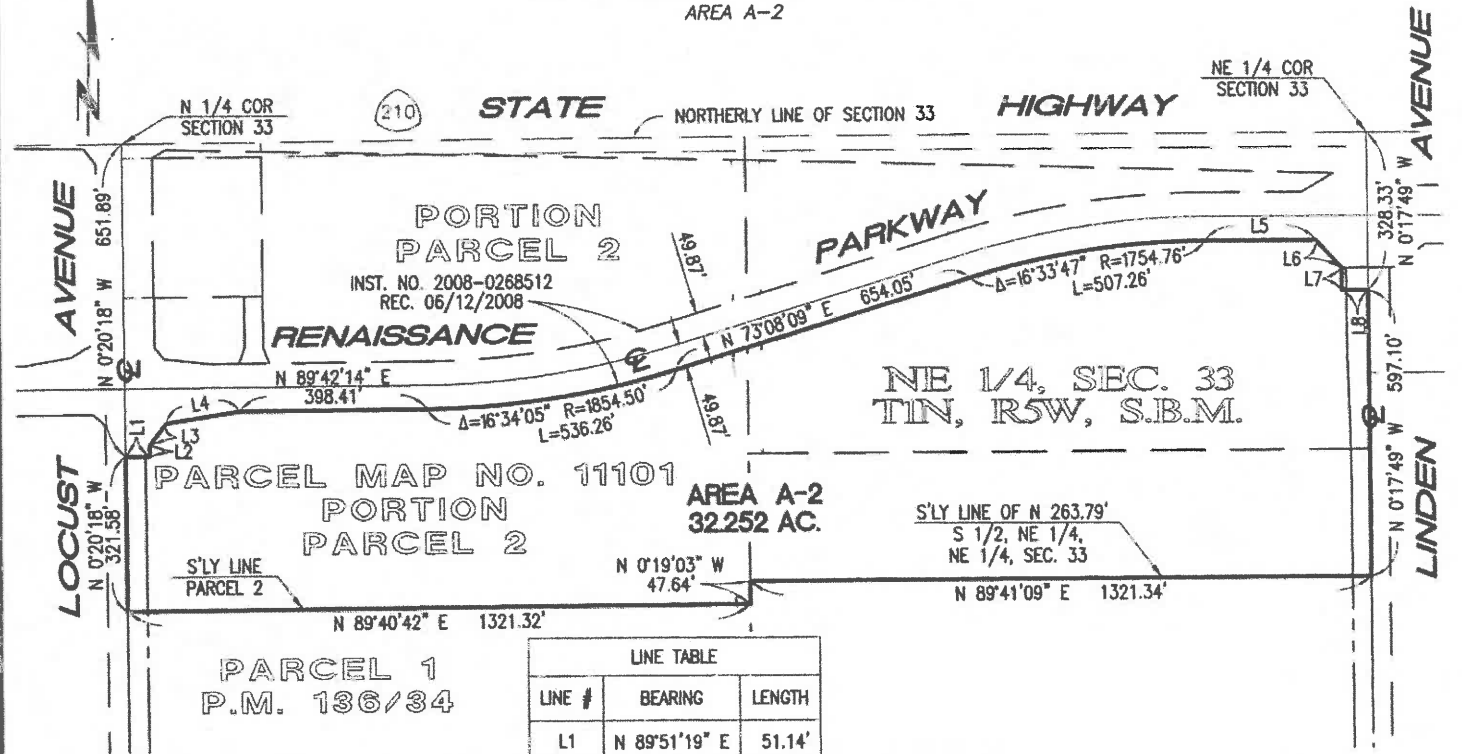
12/5/16
DATE



SCALE: 1" = 300'

SHEET 1 OF 1

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 AREA A-2



PARCEL MAP NO. 11101
 PORTION
 PARCEL 2

AREA A-2
 32.252 AC.

PARCEL 1
 P.M. 136/34

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N 89°51'19" E	51.14'
L2	N 0°08'33" W	22.72'
L3	N 37°15'45" E	57.40'
L4	N 81°12'06" E	157.63'
L5	N 89°41'56" E	236.47'
L6	S 43°44'24" E	79.65'
L7	S 0°17'49" E	45.92'
L8	N 89°42'11" E	55.18'

LEGEND:

 INDICATES AREA DESCRIBED
 IN LEGAL DESCRIPTION
 CONTAINS: 32.252 ACRES ±

Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:


 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. DEC. 31, 2017

12/5/16
 DATE



EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-3

THE NORTHWEST ONE-QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID SECTION 34, DISTANT THEREON SOUTH 00° 17' 49" EAST 282.15 FEET;

THENCE NORTH 89° 26' 12" EAST 56.59 FEET TO A POINT IN THE SOUTHERLY LINE OF RENAISSANCE PARKWAY, FORMERLY (IMPROVEMENT) EASTON STREET, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE EASTERLY ALONG SAID SOUTHERLY LINE THE FOLLOWING FOUR COURSES:

1. THENCE NORTH 53°10'31" EAST 80.85 FEET;
2. THENCE NORTH 89°42'07" EAST 657.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 794.03 FEET;
3. THENCE EASTERLY ALONG SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 27°18'52", AN ARC LENGTH OF 378.54 FEET;
4. THENCE SOUTH 62°59'01" EAST 455.12 FEET TO A POINT IN THE SOUTHERLY LINE OF EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON SAID RECORD OF SURVEY 08-088.


THENCE ALONG SAID SOUTHERLY LINE OF EASTON STREET (EXISTING), SOUTH 89° 33' 24" WEST 1547.32 FEET TO SAID WESTERLY LINE OF SAID SECTION 34;

THENCE NORTHERLY ALONG SAID WESTERLY LINE, NORTH 00° 17' 49" WEST 252.92 FEET TO THE **POINT OF BEGINNING**.

CONTAINING: 8.502 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16

DATE

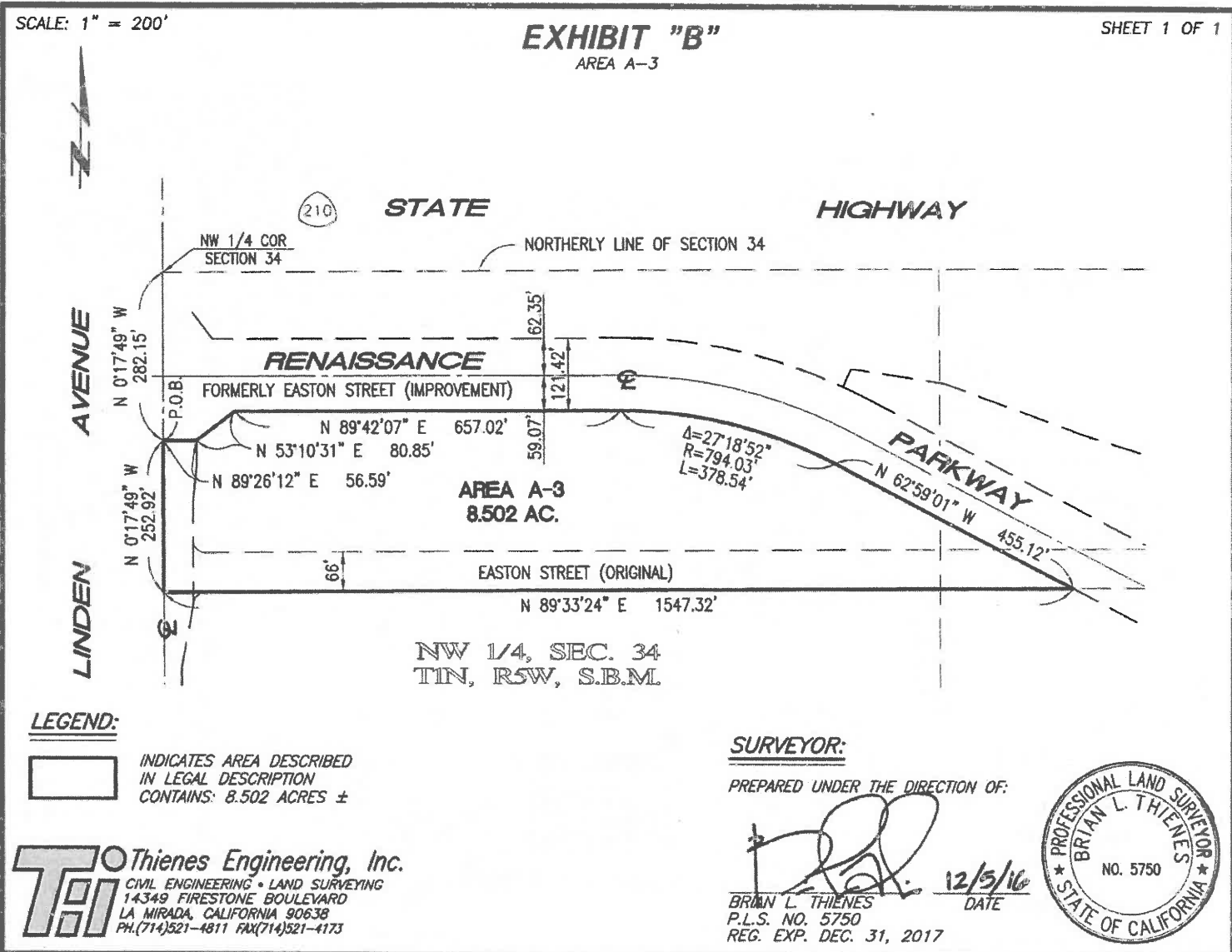


SCALE: 1" = 200'

EXHIBIT "B"

AREA A-3

SHEET 1 OF 1



LEGEND:



INDICATES AREA DESCRIBED
IN LEGAL DESCRIPTION
CONTAINS: 8.502 ACRES ±

Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH. (714) 521-4811 FAX (714) 521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

[Signature]
 BRIAN L. THIENES
 P.L.S. NO. 5750

12/5/16
DATE

REG. EXP. DEC. 31, 2017



Area A-3
Page 2 of 2

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-4

THAT PORTION OF THE NORTHWEST ONE-QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT;

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON RECORD OF SURVEY 08-088, AS PER MAP FILLED IN BOOK 140, PAGES 35 THROUGH 51 INCLUSIVE OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THE NORTHERLY LINE OF RENAISSANCE PARKWAY, FORMERLY (IMPROVEMENT) EASTON STREET, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE NORTHWESTERLY ALONG SAID NORTHERLY LINE, NORTH 62°59'01" WEST 688.76 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 915.45 FEET;

THENCE NORTHWESTERLY ALONG SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 02°52'44", AN ARC LENGTH OF 46.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 210, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE LEAVING SAID NORTHERLY LINE OF RENAISSANCE PARKWAY AND ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 210, THE FOLLOWING NINE (9) COURSES:

1. NORTH 24°08'05" EAST 32.85 FEET;
2. SOUTH 81°30'48" EAST 160.50 FEET;
3. SOUTH 70°19'11" EAST 248.96 FEET;
4. SOUTH 72°49'43" EAST 380.00 FEET;
5. SOUTH 79°14'58" EAST 210.23 FEET;
6. NORTH 88°51'35" EAST 155.39 FEET;
7. NORTH 80°45'34" EAST 207.98 FEET;
8. SOUTH 68°14'18" EAST 62.25 FEET;
9. SOUTH 36°43'58" EAST 45.09 FEET;

THENCE SOUTH 01°34'48" WEST 75.16 FEET TO THE INTERSECTION OF SOUTHERLY LINE OF SAID EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE WESTERLY ALONG SAID LAST MENTIONED SOUTHERLY LINE, SOUTH 89°33'24" WEST 764.48 FEET TO THE **POINT OF BEGINNING**.

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-4

CONTAINING: 3.854 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,
EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

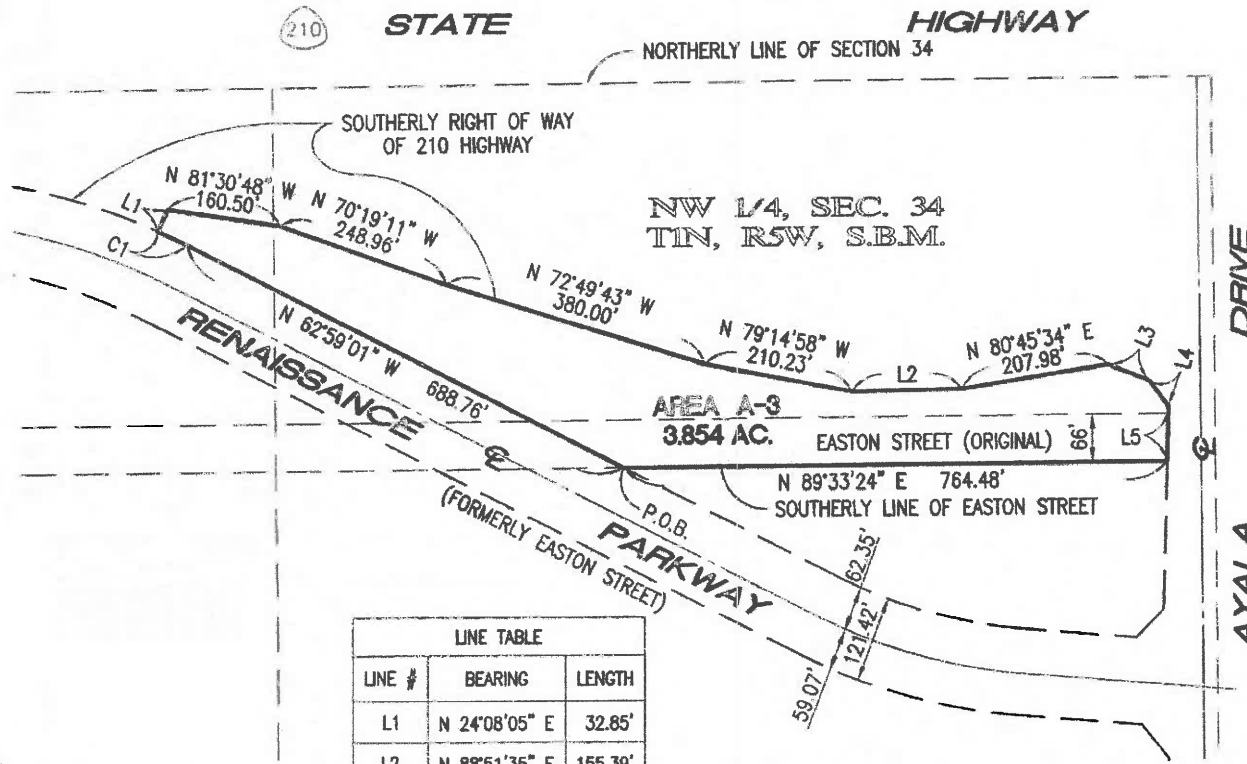
12/5/16
DATE



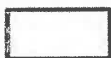
SCALE: 1" = 200'

EXHIBIT "B"
AREA A-4

SHEET 1 OF 1



LEGEND:



INDICATES AREA DESCRIBED
IN LEGAL DESCRIPTION
CONTAINS: 3.854 ACRES ±

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N 24°08'05" E	32.85'
L2	N 88°51'35" E	155.39'
L3	S 68°14'18" E	62.25'
L4	S 36°43'58" E	45.09'
L5	S 1°34'48" W	75.16'

CURVE TABLE			
CURVE #	DELTA	RADIUS	LENGTH
C1	2°52'44"	915.45'	46.00'

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

[Signature]

BRIAN L. THIENES
P.L.S. NO. 5750
REG. EXP. DEC. 31, 2017

12/5/16
DATE



Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

EXHIBIT B

CITY OF RIALTO COMPENSATION AGREEMENT APPLICABLE TAX RATES

Taxing Entity	Allocation Percentages
COUNTY GENERAL FUND	0.153626218
EDUCATION REVENUE AUGMENTATION FUND	0.232627033
FLOOD CONTROL ZONE 2	0.027267749
FLOOD CONTROL ADMIN 1 & 2	0.001917218
COUNTY FREE LIBRARY	0.014875094
SUPERINTENDENT OF SCHOOLS	0.005271598
SUPERINTENDENT OF SCHOOLS	0.000903736
SUPERINTENDENT OF SCHOOLS	0.002073474
SUPERINTENDENT OF SCHOOLS	0.001664781
SUPERINTENDENT OF SCHOOLS	0.000506881
CITY OF RIALTO	0.140798743
CHAFFEY COMMUNITY COLLEGE	0.002997262
SAN BERNARDINO COMMUNITY COLLEGE	0.050343035
FONTANA UNIFIED SCHOOL DISTRICT	0.019249671
RIALTO UNIFIED SCHOOL DISTRICT	0.315269244
BLOOMINGTON PARK & REC DISTRICT	
INLAND EMPIRE JT RESOURCE CONS DIST	0.001374434
INLAND EMPIRE UTILITIES AGENCY	0.005428826
INLAND EMPIRE UTILITIES AGENCY	
SAN BERNARDINO VALLEY MUNI WATER	0.019136947
WEST VALLEY WATER DISTRICT	0.004668057
Grand Total ALL Taxing Entities	1.00000000

EXHIBIT C

LIST OF ADDRESSES FOR NOTICE PURPOSES

[Note- Insert addresses of all taxing entities that are parties to this agreement.]

TAXING ENTITY	Addresses
COUNTY GENERAL FUND	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
EDUCATION REVENUE AUGMENTATION FUND	
FLOOD CONTROL ZONE 2	
FLOOD CONTROL ADMIN 1 & 2	
COUNTY FREE LIBRARY	
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
SAN BERNARDINO COMMUNITY COLLEGE	Mr. Bruce Baron, Chancellor San Bernardino Community College 114 S. Del Rosa Drive San Bernardino, CA 92408
RIALTO UNIFIED SCHOOL DISTRICT	Dr. Cuauhtemoc Avila, Superintendent Rialto Unified School District 182 S. Walnut Avenue Rialto, CA 92376

TAXING ENTITY**Addresses**

INLAND EMPIRE JT RESOURCE CONS DIST	Mr. Jon Grindstaff, General Manager Inland Empire Utilities Agency P.O. Box 9020 Chino Hills, CA 91709
SAN BERNARDINO VALLEY MUNI WATER	Mr. Doug Headrick, General Manager San Bernardino Valley Municipal Water 380 E. Vanderbilt Way San Bernardino, CA 92408
CHAFFEY COMMUNITY COLLEGE	Mr. Henry Shannon Superintendent/President Chaffey College 5885 Haven Avenue Rancho Cucamonga, CA 91737
FONTANA UNIFIED SCHOOL DISTRICT	Mr. Randal S. Bassett Superintendent Fontana Unified School District 9680 Citrus Avenue Fontana, CA 92335
WEST VALLEY WATER DISTRICT	Mr. Matthew Litchfield General Manager West Valley Water District P.O. Box 920 Rialto, CA 92377
INLAND EMPIRE UTILITIES AGENCY	Ms. Mandy Parkes, District Manager Inland Empire Joint Resource Correction District 25864-K Business Center Drive Redlands, CA 92374
CITY OF RIALTO	Mr. Michael Story, City Administrator City of Rialto 150 S. Palm Avenue Rialto, CA 92376

EXHIBIT D

**FORM OF NOTICE OF COMPENSATION AGREEMENT
RELATED TO REAL PROPERTY**

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTIONS 6103 AND 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

NOTICE OF COMPENSATION AGREEMENT

RELATED TO REAL PROPERTY

(AREA A PROPERTY)

NOTICE IS HEREBY GIVEN, that the CITY OF RIALTO (the "City" and "Owner") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, San Bernardino Community College, Rialto Unified School District, Inland Empire Joint Resource Conservation District, San Bernardino Valley Municipal Water, Chaffey Community College, Fontana Unified School District, West Valley Water District, Inland Empire Utilities Agency and the City of Rialto, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") entered into that certain Compensation Agreement, dated _____, 2017 (the "Compensation Agreement"), with reference to that certain real property located in the City located at _____, at _____, assessor's parcel number(s) _____, and further described in Exhibit A incorporated herein by reference (the "Property").

Among other requirements, the LRPMP requires the City to execute a compensation agreement with the Taxing Entities providing for a contingent payment of Disposition Proceeds (as defined in the Compensation Agreement) upon the City's disposition of the Property, under specified conditions.

The Compensation Agreement includes certain obligations related to the Property, including without limitation and as further described in the Compensation Agreement:

A requirement that the Owner provide the Taxing Entities and the County Auditor-Controller a Disposition Proceeds Statement including the information required under Section 2.D of the Compensation Agreement.

A requirement for the Owner remit the Compensation Amount to the Escrow Agent for distribution to the Taxing Entities in proportion to their Property Tax Percentage Shares base property tax as determined by the City using data from the County's Auditor-Controller and require the Escrow Agent to distribute the funds pursuant to Health and Safety Code Section 34188 and subject to Section 2 of the Compensation Agreement.

A complete copy of the Compensation Agreement is maintained in the Office of the City Clerk, and is available to review at 150 S. Palm Avenue, Rialto, CA 92376 between 9 a.m. and 5 p.m.

In the event of any conflict between this Notice of Compensation Agreement Related to Property (the "Notice") and the Compensation Agreement, the terms of the Compensation Agreement shall prevail.

Upon the satisfaction of the requirements of Section 25 of the Compensation Agreement, the City shall release this Notice (the "Release"), by the execution and recordation of a release in substantially the form attached hereto as Exhibit B, incorporated herein by reference.

This Notice is being recorded and filed by the Owner of the Property, and shall be indexed against the Owner's interest in the Property.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

CITY

CITY OF RIALTO, a California general law city

Date: _____

By: _____
City Administrator

ATTEST:

By: _____
Barbara McGee, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
City Special Counsel

Fred Galante, City Attorney

Date: _____

[ALL SIGNATURES MUST BE NOTARIZED]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
CITY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A
LEGAL DESCRIPTION

SHEET 1 OF 2

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-1

THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN GRANT DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 2008 AS DOCUMENT NO. 2008-0268512 OF OFFICIAL RECORDS, ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND LYING SOUTHERLY OF THE SOUTHERLY LINE AND EASTERLY OF THE EASTERLY LINE OF SAID GRANT DEED.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS PARCEL 15469-2 OF FINAL ORDER OF CONDEMNATION, RECORDED NOVEMBER 7, 2008 AS DOCUMENT NO. 2008-0489887 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM PARCEL 1 AND THAT PORTION OF LOCUST AVENUE LYING WEST OF SAID PARCEL 1 AS SHOWN ON RECORD OF SURVEY, IN SAID CITY, COUNTY AND STATE, AS PER MAP FILED IN BOOK 18, PAGE 85 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID NORTHEAST ONE-QUARTER LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID NORTHEAST ONE-QUARTER, DISTANT THEREON SOUTH 00° 20' 18" EAST 30.00 FEET;

THENCE EASTERLY ALONG A LINE PARALLEL WITH AND DISTANT SOUTHERLY 30.00 FEET MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID SECTION 33, NORTH 89° 41' 38" EAST 63.49 FEET TO A POINT IN THE SOUTHERLY RIGHT OF WAY OF HIGHWAY 210, AS SHOWN ON RECORD OF SURVEY 08-088, AS PER MAP FILED IN BOOK 140, PAGES 35 THROUGH 51 INCLUSIVE OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY AND ITS EASTERLY PROLONGATION TO THE EASTERLY LINE OF SAID SECTION 33, THE FOLLOWING THREE (3) COURSES:

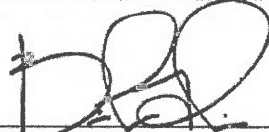
1. NORTH 00° 05' 27" WEST 0.81 FEET;
2. NORTH 59° 46' 25" EAST 31.81 FEET;
3. SOUTH 88° 37' 47" WEST 2553.35 FEET;

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-1

CONTAINING: 13.413 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,
EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

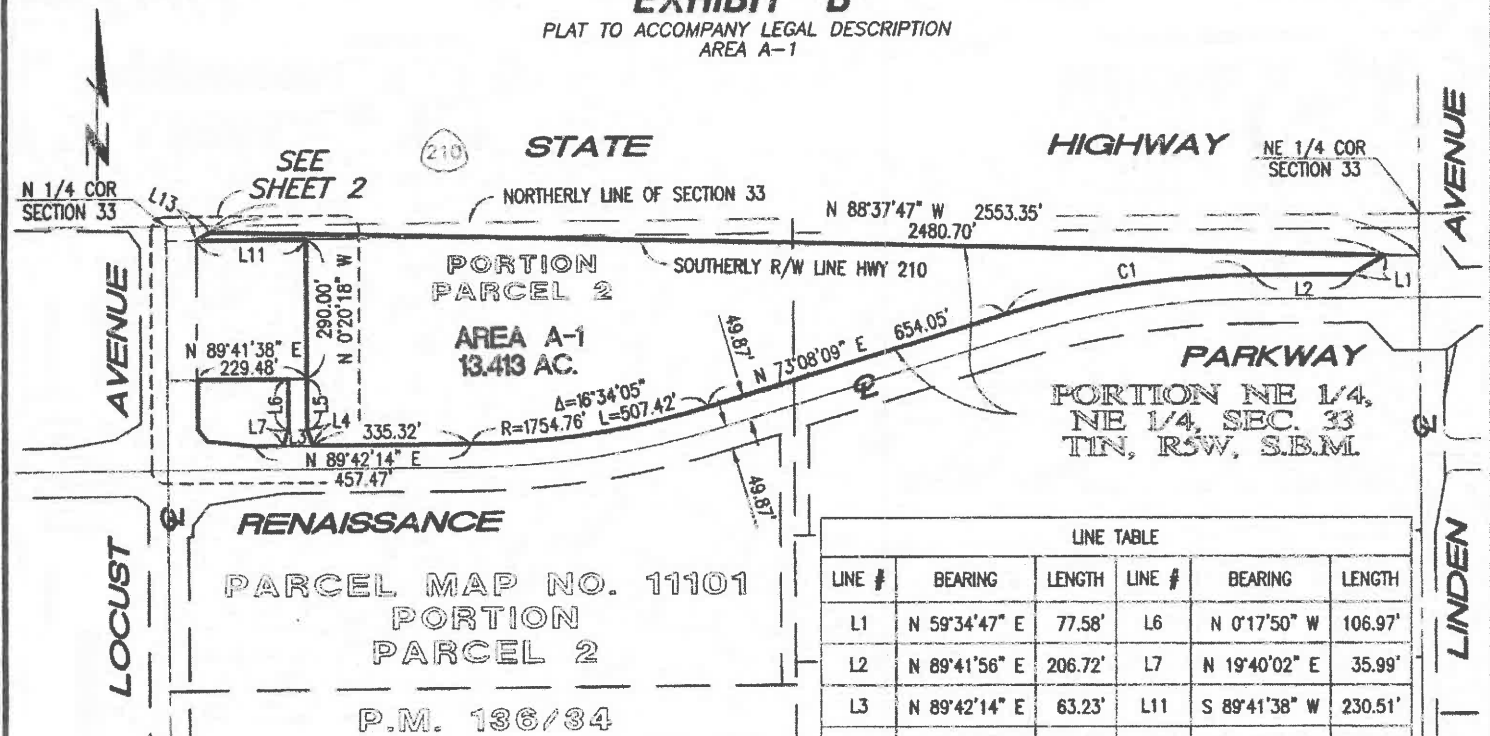
12/5/16
DATE



SCALE: 1" = 300'

SHEET 1 OF 2

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 AREA A-1

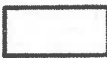


RENAISSANCE
 PARCEL MAP NO. 11101
 PORTION
 PARCEL 2
 P.M. 136/34

LINE TABLE					
LINE #	BEARING	LENGTH	LINE #	BEARING	LENGTH
L1	N 59°34'47" E	77.58'	L6	N 0°17'50" W	106.97'
L2	N 89°41'56" E	206.72'	L7	N 19°40'02" E	35.99'
L3	N 89°42'14" E	63.23'	L11	S 89°41'38" W	230.51'
L4	S 18°55'51" E	35.70'	L13	N 59°46'25" E	31.81'
L5	N 0°17'50" W	106.98'			

CURVE TABLE			
CURVE #	DELTA	RADIUS	LENGTH
C1	16°33'47"	1854.50'	536.10'


LEGEND:

 INDICATES AREA DESCRIBED
 IN LEGAL DESCRIPTION
 CONTAINS: 13.413 ACRES ±

Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

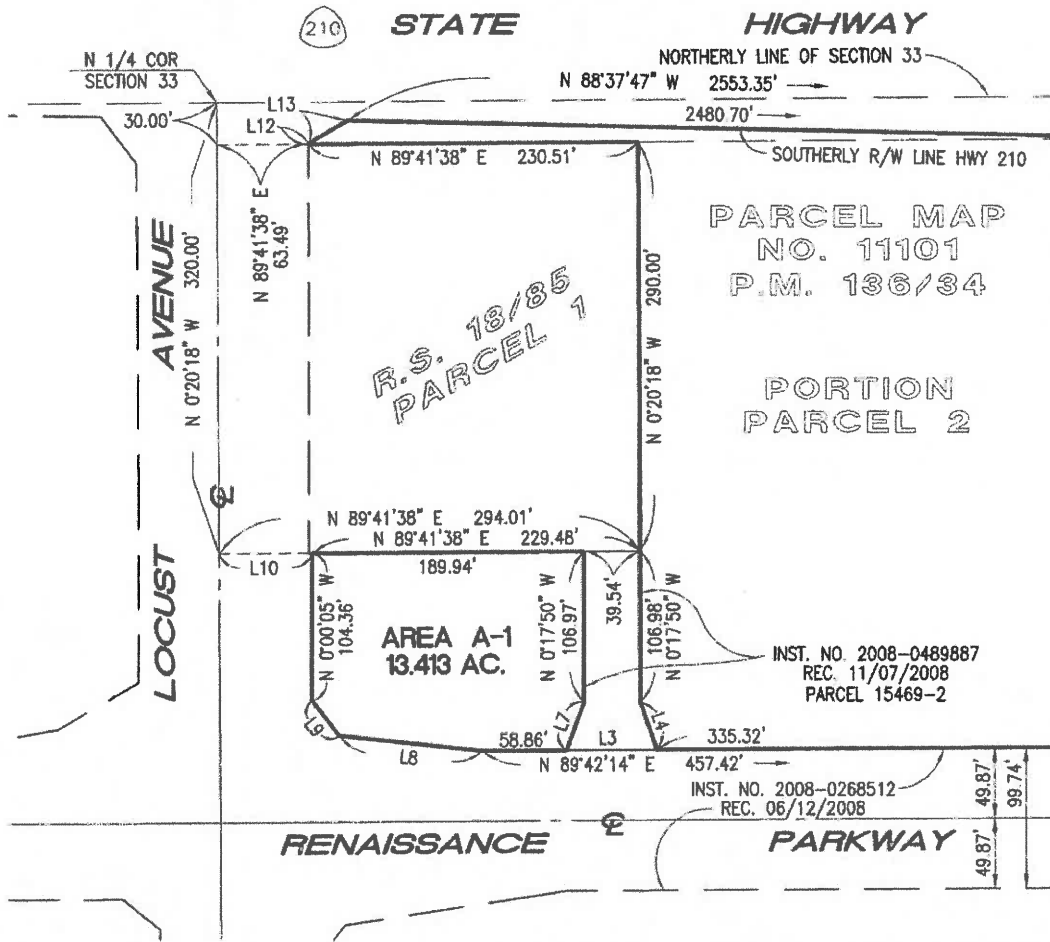

 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. DEC. 31, 2017
 12/5/16
 DATE



SCALE: 1" = 100'

SHEET 2 OF 2

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 AREA A-1



LEGEND:



INDICATES AREA DESCRIBED
 IN LEGAL DESCRIPTION
 CONTAINS: 13.413 ACRES ±

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 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH. (714) 521-4811 FAX (714) 521-4173

LINE TABLE					
LINE #	BEARING	LENGTH	LINE #	BEARING	LENGTH
L3	N 89°42'14" E	63.23'	L9	S 37°41'57" E	31.39'
L4	S 18°55'51" E	35.70'	L10	S 89°41'38" W	64.53'
L7	N 19°40'02" E	35.99'	L12	N 0°05'27" W	0.81'
L8	S 83°46'03" E	100.92'	L13	N 59°46'25" E	31.81'

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-2

THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN GRANT DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 2008 AS DOCUMENT NO. 2008-0268512 OF OFFICIAL RECORDS, ALSO EXCEPTING THEREFROM THAT PORTION OF SAID DESCRIBED LAND LYING NORTHERLY OF THE SOUTHERLY LINE AND ITS EASTERLY PROLONGATION TO THE EASTERLY LINE OF SAID SECTION 33.

EXCEPTING THEREFROM THAT PORTION LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE NORTH 263.79 FEET OF THE SOUTH HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM PARCEL 1 OF PARCEL MAP NO. 111101, IN SAID CITY, COUNTY AND STATE, AS PER MAP FILED IN BOOK 136, PAGE 34 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING: 32.252 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

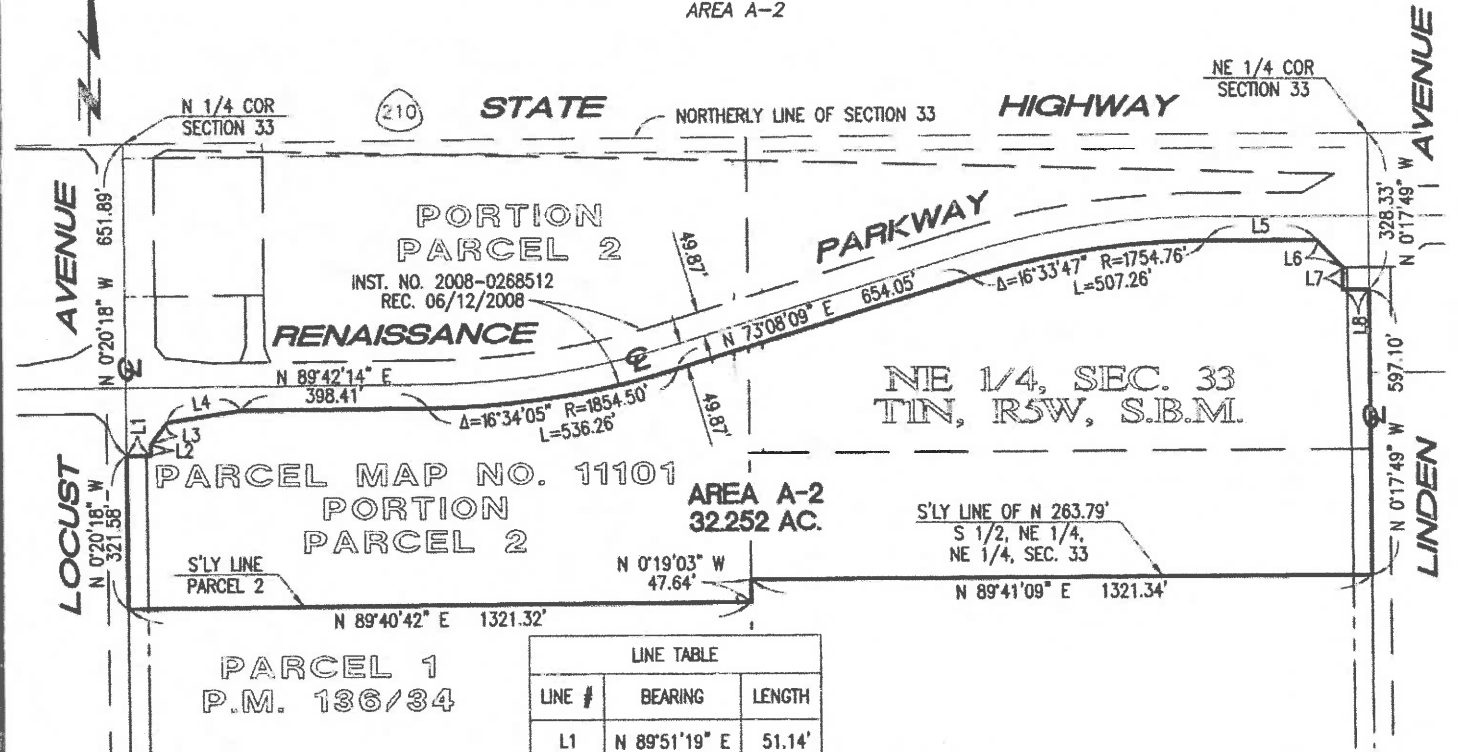
12/5/16
DATE



SCALE: 1" = 300'

SHEET 1 OF 1

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 AREA A-2



PORTION
 PARCEL 2
 INST. NO. 2008-0268512
 REC. 06/12/2008

RENAISSANCE

NE 1/4, SEC. 33
 T1N, R5W, S.B.M.

PARCEL MAP NO. 11101
 PORTION
 PARCEL 2

AREA A-2
 32.252 AC.

PARCEL 1
 P.M. 136/34

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N 89°51'19" E	51.14'
L2	N 0°08'33" W	22.72'
L3	N 37°15'45" E	57.40'
L4	N 81°12'06" E	157.63'
L5	N 89°41'56" E	236.47'
L6	S 43°44'24" E	79.65'
L7	S 0°17'49" E	45.92'
L8	N 89°42'11" E	55.18'

LEGEND:

 INDICATES AREA DESCRIBED
 IN LEGAL DESCRIPTION
 CONTAINS: 32.252 ACRES ±

Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH. (714) 521-4811 FAX (714) 521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:


 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. DEC. 31, 2017

12/5/16
 DATE



EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-3

THE NORTHWEST ONE-QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID SECTION 34, DISTANT THEREON SOUTH 00° 17' 49" EAST 282.15 FEET;

THENCE NORTH 89° 26' 12" EAST 56.59 FEET TO A POINT IN THE SOUTHERLY LINE OF RENAISSANCE PARKWAY, FORMERLY (IMPROVEMENT) EASTON STREET, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE EASTERLY ALONG SAID SOUTHERLY LINE THE FOLLOWING FOUR COURSES:

1. THENCE NORTH 53°10'31" EAST 80.85 FEET;
2. THENCE NORTH 89°42'07" EAST 657.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 794.03 FEET;
3. THENCE EASTERLY ALONG SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 27°18'52", AN ARC LENGTH OF 378.54 FEET;
4. THENCE SOUTH 62°59'01" EAST 455.12 FEET TO A POINT IN THE SOUTHERLY LINE OF EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON SAID RECORD OF SURVEY 08-088.

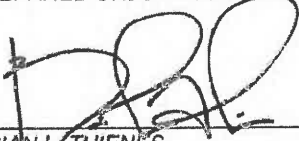
THENCE ALONG SAID SOUTHERLY LINE OF EASTON STREET (EXISTING), SOUTH 89° 33' 24" WEST 1547.32 FEET TO SAID WESTERLY LINE OF SAID SECTION 34;

THENCE NORTHERLY ALONG SAID WESTERLY LINE, NORTH 00° 17' 49" WEST 252.92 FEET TO THE **POINT OF BEGINNING**.

CONTAINING: 8.502 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16

DATE

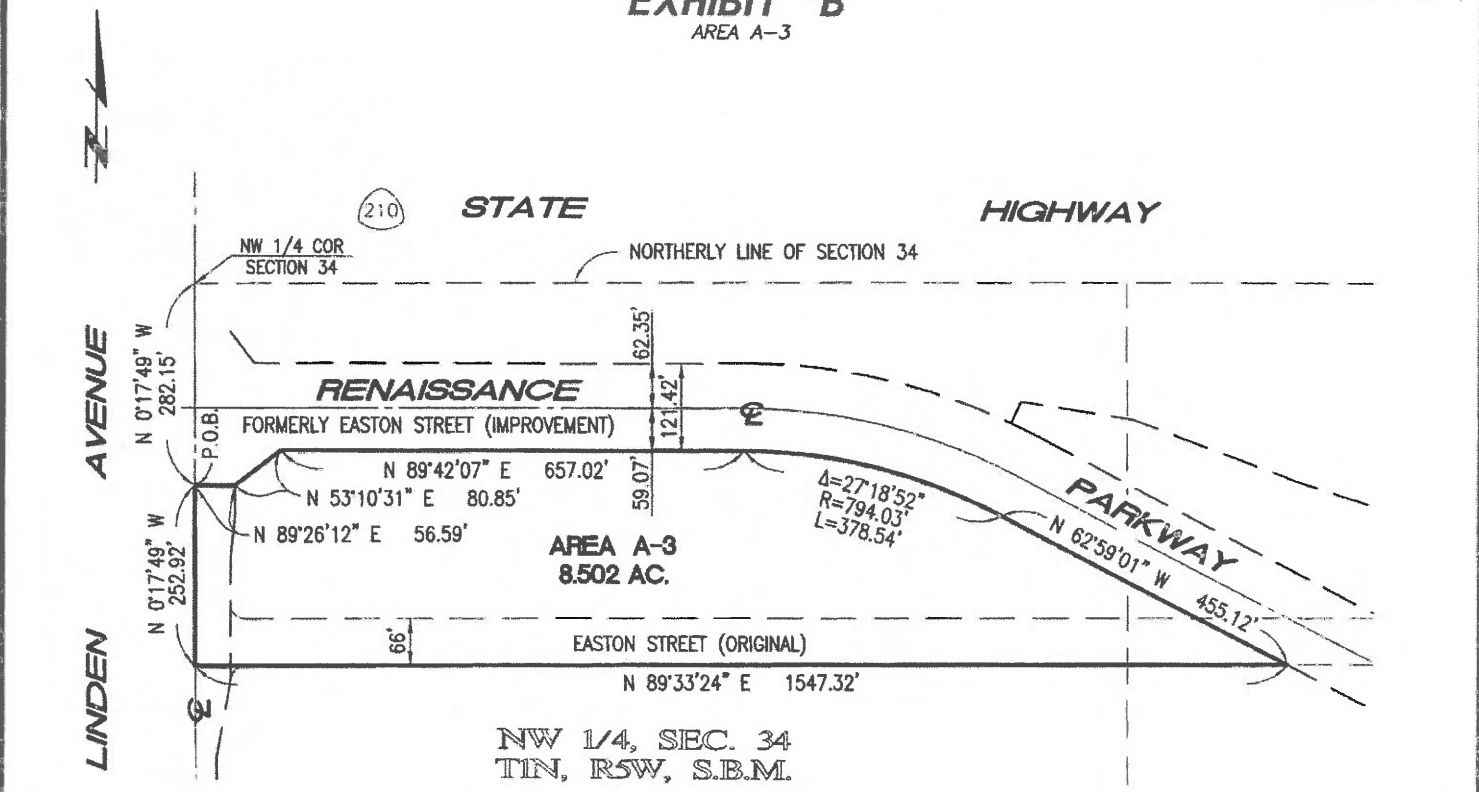


SCALE: 1" = 200'

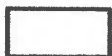
EXHIBIT "B"

AREA A-3

SHEET 1 OF 1



LEGEND:



INDICATES AREA DESCRIBED
IN LEGAL DESCRIPTION
CONTAINS: 8.502 ACRES ±

Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

[Signature]
 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. DEC. 31, 2017

12/5/16
DATE



EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-4

THAT PORTION OF THE NORTHWEST ONE-QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT;

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON RECORD OF SURVEY 08-088, AS PER MAP FILLED IN BOOK 140, PAGES 35 THROUGH 51 INCLUSIVE OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THE NORTHERLY LINE OF RENAISSANCE PARKWAY, FORMERLY (IMPROVEMENT) EASTON STREET, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE NORTHWESTERLY ALONG SAID NORTHERLY LINE, NORTH 62°59'01" WEST 688.76 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 915.45 FEET;

THENCE NORTHWESTERLY ALONG SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 02°52'44", AN ARC LENGTH OF 46.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 210, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE LEAVING SAID NORTHERLY LINE OF RENAISSANCE PARKWAY AND ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 210, THE FOLLOWING NINE (9) COURSES:

1. NORTH 24°08'05" EAST 32.85 FEET;
2. SOUTH 81°30'48" EAST 160.50 FEET;
3. SOUTH 70°19'11" EAST 248.96 FEET;
4. SOUTH 72°49'43" EAST 380.00 FEET;
5. SOUTH 79°14'58" EAST 210.23 FEET;
6. NORTH 88°51'35" EAST 155.39 FEET;
7. NORTH 80°45'34" EAST 207.98 FEET;
8. SOUTH 68°14'18" EAST 62.25 FEET;
9. SOUTH 36°43'58" EAST 45.09 FEET;

THENCE SOUTH 01°34'48" WEST 75.16 FEET TO THE INTERSECTION OF SOUTHERLY LINE OF SAID EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE WESTERLY ALONG SAID LAST MENTIONED SOUTHERLY LINE, SOUTH 89°33'24" WEST 764.48 FEET TO THE **POINT OF BEGINNING**.

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-4

CONTAINING: 3.854 ACRES MORE OR LESS.

**SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,
EASEMENTS, AND RIGHTS-OF-WAY, IF ANY**

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16
DATE

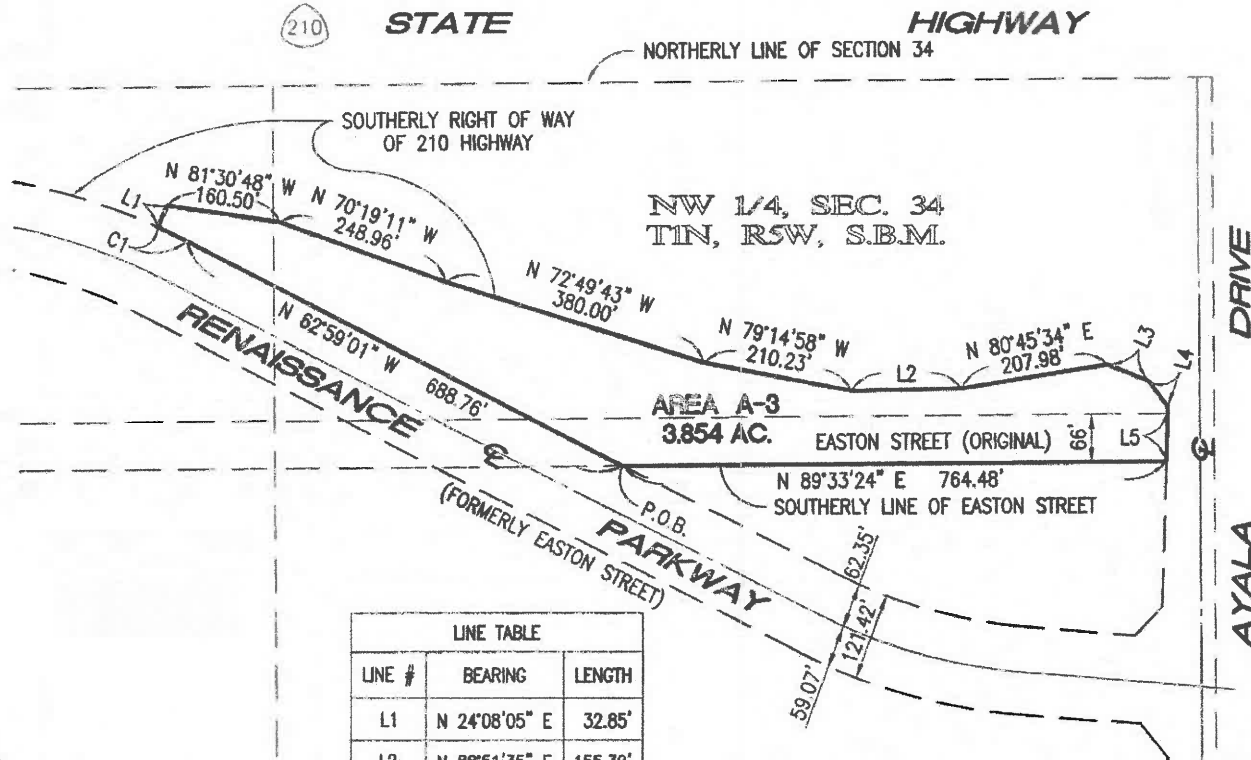


SCALE: 1" = 200'

EXHIBIT "B"

SHEET 1 OF 1

AREA A-4



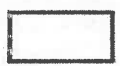
NW 1/4, SEC. 34
T1N, R5W, S.B.M.

AREA A-3
3.854 AC.
EASTON STREET (ORIGINAL) 68'
SOUTHERLY LINE OF EASTON STREET

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N 24°08'05" E	32.85'
L2	N 88°51'35" E	155.39'
L3	S 68°14'18" E	62.25'
L4	S 36°43'58" E	45.09'
L5	S 1°34'48" W	75.16'

CURVE TABLE			
CURVE #	DELTA	RADIUS	LENGTH
C1	2°52'44"	915.45'	46.00'

LEGEND:



INDICATES AREA DESCRIBED
IN LEGAL DESCRIPTION
CONTAINS: 3.854 ACRES ±

Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH. (714) 521-4811 FAX (714) 521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

[Signature] 12/5/16
DATE
BRIAN L. THIENES
P.L.S. NO. 5750
REG. EXP. DEC. 31, 2017



Area A-4
Page 3 of 3

EXHIBIT E

FORM OF RELEASE AGREEMENT

**RELEASE OF NOTICE OF COMPENSATION AGREEMENT
RELATED TO REAL PROPERTY**

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTIONS 6103 AND 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

FORM OF RELEASE AGREEMENT

**RELEASE OF NOTICE OF COMPENSATION AGREEMENT
RELATED TO REAL PROPERTY**

(AREA A PROPERTY)

This Release of Notice of Compensation Agreement Related to Real Property is made as of [INSERT DATE] (the "Notice"), by the CITY OF RIALTO, in its capacity as a taxing entity (the "City") and in its capacity as the Owner of that certain real located ADDRESS, in the City of Rialto, and further described in Exhibit A incorporated herein by reference (the "Property").

RECITALS

A. The CITY OF RIALTO (the "City") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, , San Bernardino Community College, Rialto Unified School District, Inland Empire Joint Resource Conservation District, San Bernardino Valley Municipal Water, Chaffey Community College, Fontana Unified School District, West Valley Water District, Inland Empire Utilities Agency and the City of Rialto, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") have entered into that certain Compensation Agreement, dated [INSERT DATE] (the "Compensation Agreement"), with reference to the Property.

B. In connection with the Compensation Agreement, the City executed the Notice, which was recorded against the Property in the Official Records of the County of San Bernardino as Instrument No. [INSERT RECORDING NUMBER] on [INSERT DATE].

C. The City, in its capacity as a Taxing Entity, has determined that the Owner has fulfilled its obligations under Section 2 of the Compensation Agreement with respect to the Property and the City desires to release the Notice as a lien or claim on the interest in the Property conveyed and described in Exhibit A.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

The City, in its capacity as a Taxing Entity, hereby releases the Property from any and all obligations under the Notice.

This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it.

This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

This Agreement may be signed by the different parties hereto in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

CITY
CITY OF RIALTO, a California general law city

Date: _____

By: _____
City Administrator

ATTEST:

By: _____
Barbara McGee, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
City Special Counsel

Fred Galante, City Attorney

Date: _____

[ALL SIGNATURES MUST BE NOTARIZED]

EXHIBIT A
LEGAL DESCRIPTION

SHEET 1 OF 2

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-1

THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN GRANT DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 2008 AS DOCUMENT NO. 2008-0268512 OF OFFICIAL RECORDS, ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND LYING SOUTHERLY OF THE SOUTHERLY LINE AND EASTERLY OF THE EASTERLY LINE OF SAID GRANT DEED.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS PARCEL 15469-2 OF FINAL ORDER OF CONDEMNATION, RECORDED NOVEMBER 7, 2008 AS DOCUMENT NO. 2008-0489887 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM PARCEL 1 AND THAT PORTION OF LOCUST AVENUE LYING WEST OF SAID PARCEL 1 AS SHOWN ON RECORD OF SURVEY, IN SAID CITY, COUNTY AND STATE, AS PER MAP FILED IN BOOK 18, PAGE 85 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID NORTHEAST ONE-QUARTER LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID NORTHEAST ONE-QUARTER, DISTANT THEREON SOUTH 00° 20' 18" EAST 30.00 FEET;

THENCE EASTERLY ALONG A LINE PARALLEL WITH AND DISTANT SOUTHERLY 30.00 FEET MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID SECTION 33, NORTH 89° 41' 38" EAST 63.49 FEET TO A POINT IN THE SOUTHERLY RIGHT OF WAY OF HIGHWAY 210, AS SHOWN ON RECORD OF SURVEY 08-088, AS PER MAP FILED IN BOOK 140, PAGES 35 THROUGH 51 INCLUSIVE OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY AND ITS EASTERLY PROLONGATION TO THE EASTERLY LINE OF SAID SECTION 33, THE FOLLOWING THREE (3) COURSES:

1. NORTH 00° 05' 27" WEST 0.81 FEET;
2. NORTH 59° 46' 25" EAST 31.81 FEET;
3. SOUTH 88° 37' 47" WEST 2553.35 FEET;

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-1

CONTAINING: 13.413 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,
EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16

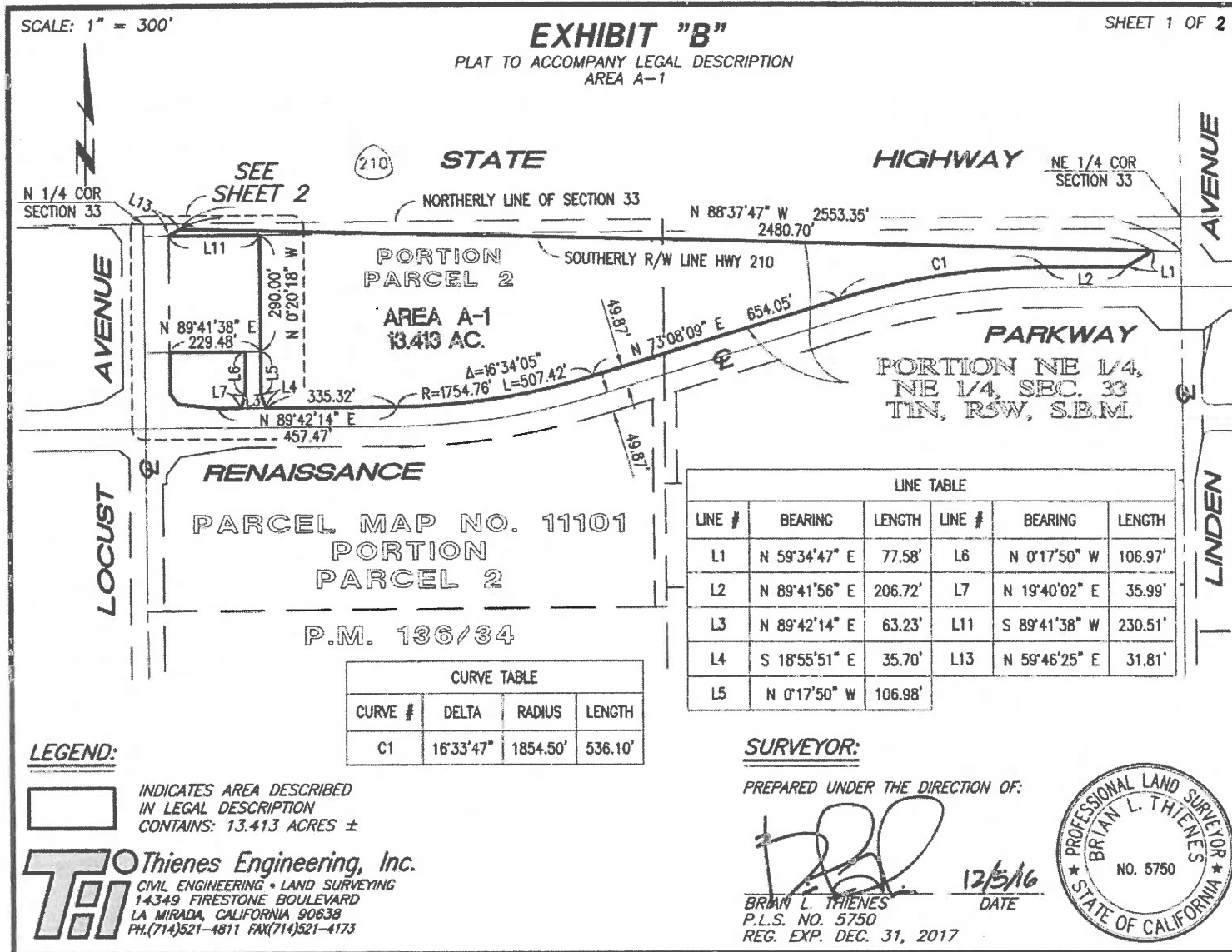
DATE



SCALE: 1" = 300'

SHEET 1 OF 2

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 AREA A-1



LINE TABLE

LINE #	BEARING	LENGTH	LINE #	BEARING	LENGTH
L1	N 59°34'47" E	77.58'	L6	N 0°17'50" W	106.97'
L2	N 89°41'56" E	206.72'	L7	N 19°40'02" E	35.99'
L3	N 89°42'14" E	63.23'	L11	S 89°41'38" W	230.51'
L4	S 18°55'51" E	35.70'	L13	N 59°46'25" E	31.81'
L5	N 0°17'50" W	106.98'			

CURVE TABLE

CURVE #	DELTA	RADIUS	LENGTH
C1	16°33'47"	1854.50'	536.10'

LEGEND:



INDICATES AREA DESCRIBED
 IN LEGAL DESCRIPTION
 CONTAINS: 13.413 ACRES ±

Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

[Signature]
 BRIAN L. THIENES
 P.L.S. NO. 5750
 REG. EXP. DEC. 31, 2017

12/5/16
 DATE

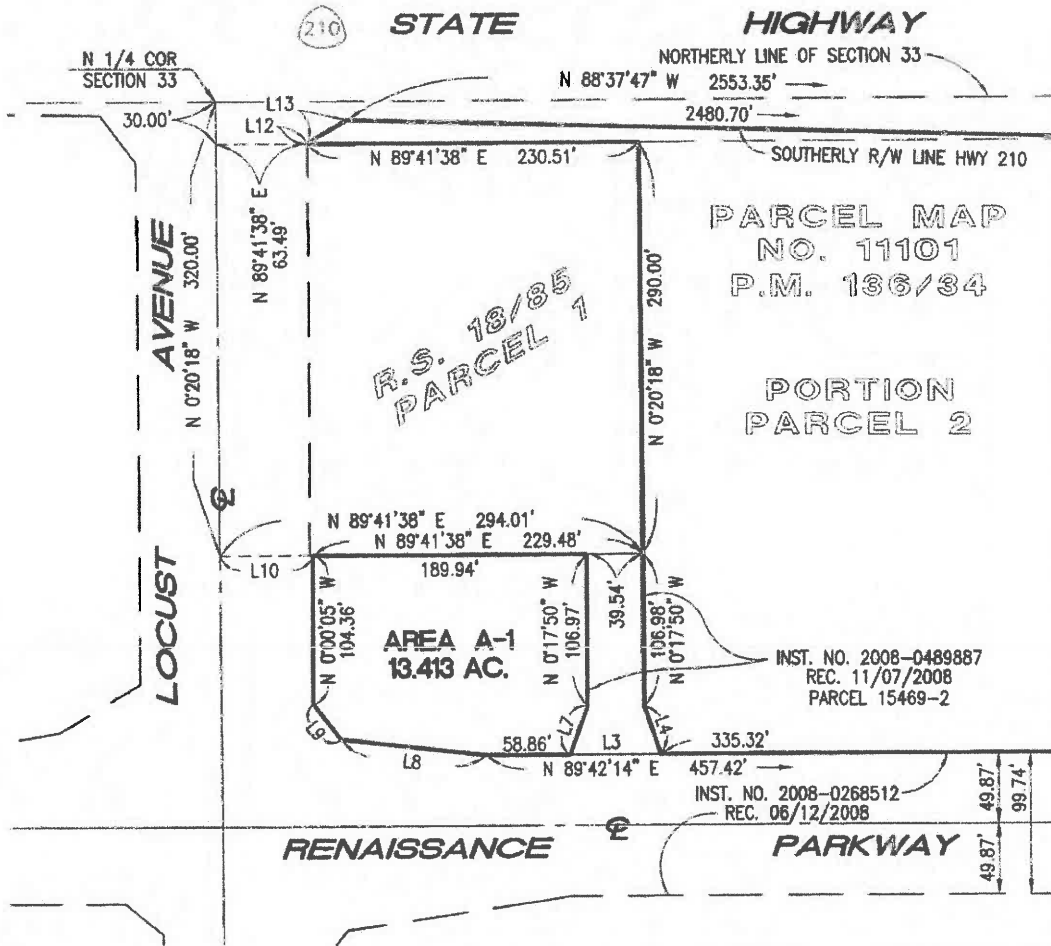


Area A-1
 Page 3 of 4

SCALE: 1" = 100'

SHEET 2 OF 2

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION
 AREA A-1



LEGEND:

 INDICATES AREA DESCRIBED
 IN LEGAL DESCRIPTION
 CONTAINS: 13.413 ACRES ±

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 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH. (714) 521-4811 FAX (714) 521-4173

LINE TABLE					
LINE #	BEARING	LENGTH	LINE #	BEARING	LENGTH
L3	N 89°42'14" E	63.23'	L9	S 37°41'57" E	31.39'
L4	S 18°55'51" E	35.70'	L10	S 89°41'38" W	64.53'
L7	N 19°40'02" E	35.99'	L12	N 0°05'27" W	0.81'
L8	S 83°46'03" E	100.92'	L13	N 59°46'25" E	31.81'

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-2

THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN GRANT DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 12, 2008 AS DOCUMENT NO. 2008-0268512 OF OFFICIAL RECORDS, ALSO EXCEPTING THEREFROM THAT PORTION OF SAID DESCRIBED LAND LYING NORTHERLY OF THE SOUTHERLY LINE AND ITS EASTERLY PROLONGATION TO THE EASTERLY LINE OF SAID SECTION 33.

EXCEPTING THEREFROM THAT PORTION LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE NORTH 263.79 FEET OF THE SOUTH HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO GOVERNMENT TOWNSHIP PLAT.

EXCEPTING THEREFROM PARCEL 1 OF PARCEL MAP NO. 111101, IN SAID CITY, COUNTY AND STATE, AS PER MAP FILED IN BOOK 136, PAGE 34 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING: 32.252 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16

DATE

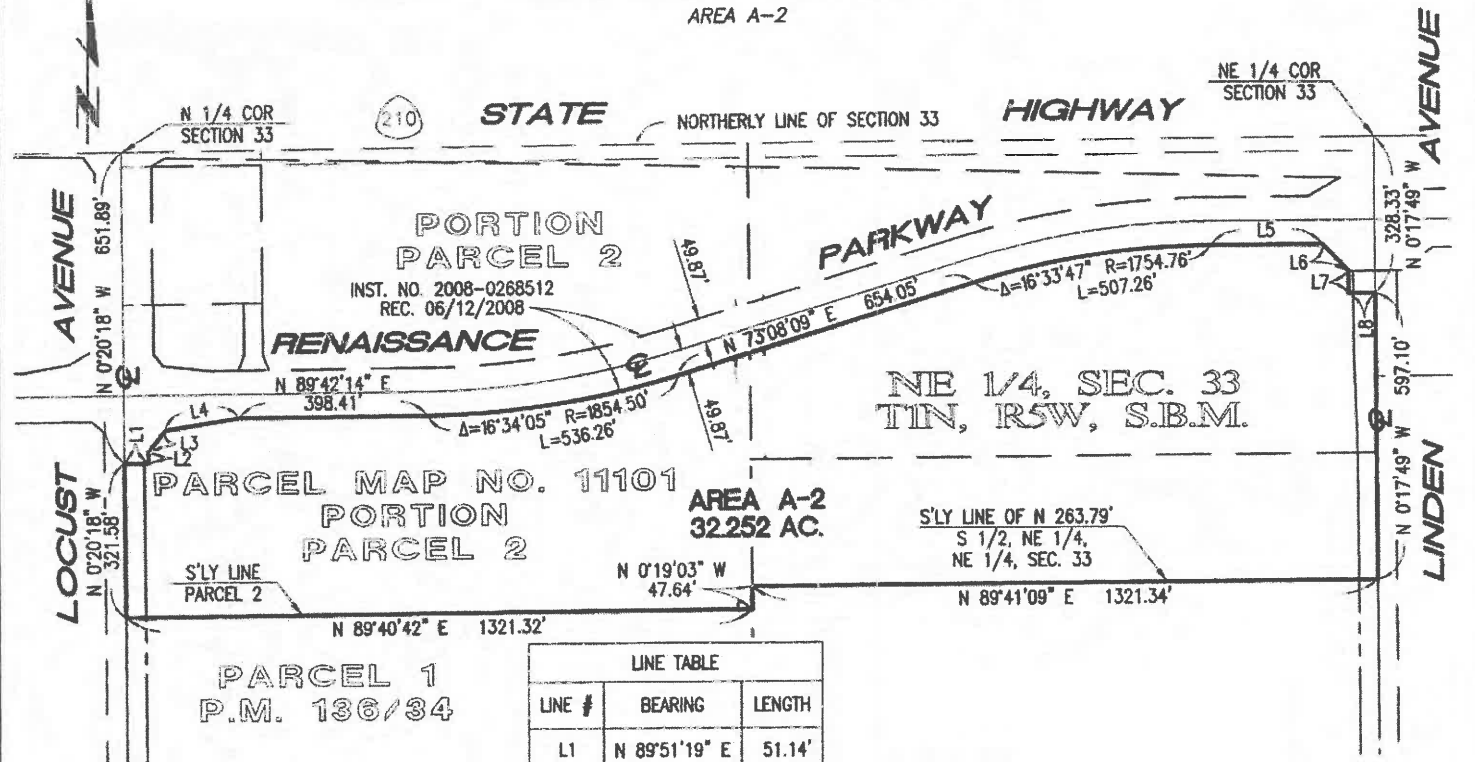


SCALE: 1" = 300'

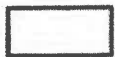
EXHIBIT "B"

SHEET 1 OF 1

PLAT TO ACCOMPANY LEGAL DESCRIPTION
AREA A-2



LEGEND:



INDICATES AREA DESCRIBED
IN LEGAL DESCRIPTION
CONTAINS: 32.252 ACRES ±

Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

[Signature]

BRIAN L. THIENES
P.L.S. NO. 5750
REG. EXP. DEC. 31, 2017

12/5/16
DATE



EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-3

THE NORTHWEST ONE-QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID SECTION 34, DISTANT THEREON SOUTH 00° 17' 49" EAST 282.15 FEET;

THENCE NORTH 89° 26' 12" EAST 56.59 FEET TO A POINT IN THE SOUTHERLY LINE OF RENAISSANCE PARKWAY, FORMERLY (IMPROVEMENT) EASTON STREET, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE EASTERLY ALONG SAID SOUTHERLY LINE THE FOLLOWING FOUR COURSES:

1. THENCE NORTH 53°10'31" EAST 80.85 FEET;
2. THENCE NORTH 89°42'07" EAST 657.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 794.03 FEET;
3. THENCE EASTERLY ALONG SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 27°18'52", AN ARC LENGTH OF 378.54 FEET;
4. THENCE SOUTH 62°59'01" EAST 455.12 FEET TO A POINT IN THE SOUTHERLY LINE OF EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON SAID RECORD OF SURVEY 08-088.


THENCE ALONG SAID SOUTHERLY LINE OF EASTON STREET (EXISTING), SOUTH 89° 33' 24" WEST 1547.32 FEET TO SAID WESTERLY LINE OF SAID SECTION 34;

THENCE NORTHERLY ALONG SAID WESTERLY LINE, NORTH 00° 17' 49" WEST 252.92 FEET TO THE POINT OF BEGINNING.

CONTAINING: 8.502 ACRES MORE OR LESS.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY, IF ANY

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16

DATE



EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-4

THAT PORTION OF THE NORTHWEST ONE-QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT TOWNSHIP PLAT;

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY LINE OF EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON RECORD OF SURVEY 08-088, AS PER MAP FILLED IN BOOK 140, PAGES 35 THROUGH 51 INCLUSIVE OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THE NORTHERLY LINE OF RENAISSANCE PARKWAY, FORMERLY (IMPROVEMENT) EASTON STREET, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE NORTHWESTERLY ALONG SAID NORTHERLY LINE, NORTH 62°59'01" WEST 688.76 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 915.45 FEET;

THENCE NORTHWESTERLY ALONG SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 02°52'44", AN ARC LENGTH OF 46.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 210, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE LEAVING SAID NORTHERLY LINE OF RENAISSANCE PARKWAY AND ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 210, THE FOLLOWING NINE (9) COURSES:

1. NORTH 24°08'05" EAST 32.85 FEET;
2. SOUTH 81°30'48" EAST 160.50 FEET;
3. SOUTH 70°19'11" EAST 248.96 FEET;
4. SOUTH 72°49'43" EAST 380.00 FEET;
5. SOUTH 79°14'58" EAST 210.23 FEET;
6. NORTH 88°51'35" EAST 155.39 FEET;
7. NORTH 80°45'34" EAST 207.98 FEET;
8. SOUTH 68°14'18" EAST 62.25 FEET;
9. SOUTH 36°43'58" EAST 45.09 FEET;

THENCE SOUTH 01°34'48" WEST 75.16 FEET TO THE INTERSECTION OF SOUTHERLY LINE OF SAID EASTON STREET (EXISTING), 66.00 IN WIDTH, AS SHOWN ON SAID RECORD OF SURVEY 08-088;

THENCE WESTERLY ALONG SAID LAST MENTIONED SOUTHERLY LINE, SOUTH 89°33'24" WEST 764.48 FEET TO THE **POINT OF BEGINNING**.

EXHIBIT "A"
LEGAL DESCRIPTION
AREA A-4

CONTAINING: 3.854 ACRES MORE OR LESS.

**SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,
EASEMENTS, AND RIGHTS-OF-WAY, IF ANY**

PREPARED UNDER THE DIRECTION OF:



BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/17

12/5/16
DATE



SCALE: 1" = 200'

EXHIBIT "B"

SHEET 1 OF 1

AREA A-4



210

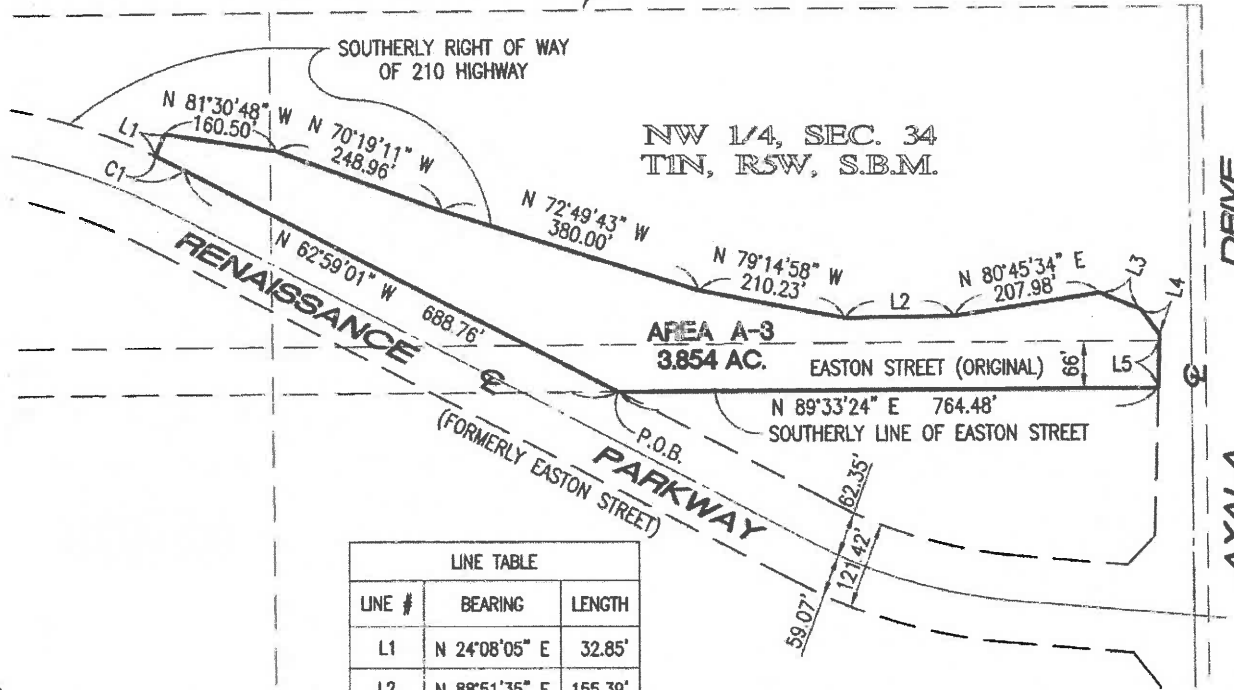
STATE

HIGHWAY

NORTHERLY LINE OF SECTION 34

SOUTHERLY RIGHT OF WAY
OF 210 HIGHWAY

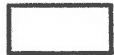
NW 1/4, SEC. 34
T1N, R5W, S.B.M.



LINE TABLE		
LINE #	BEARING	LENGTH
L1	N 24°08'05" E	32.85'
L2	N 88°51'35" E	155.39'
L3	S 68°14'18" E	62.25'
L4	S 36°43'58" E	45.09'
L5	S 1°34'48" W	75.16'

CURVE TABLE			
CURVE #	DELTA	RADIUS	LENGTH
C1	2°52'44"	915.45'	46.00'

LEGEND:



INDICATES AREA DESCRIBED
IN LEGAL DESCRIPTION
CONTAINS: 3.854 ACRES ±

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SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

[Signature]
BRIAN L. THIENES
P.L.S. NO. 5750

12/5/16
DATE

REG. EXP. DEC. 31, 2017



Project 14 – 210 FREEWAY FRONTAGE

Location/Address:	Between Ayala Ave. and Laurel Ave., South of 210 Freeway
Total Properties:	7 Parcels– all vacant lots
Land Use:	Renaissance Specific Plan – Town Center/Low Density Residential/Corporate Center
Disposition of Parcels:	Satisfy Enforceable Obligation – SEE ATTACHMENT "A" FOR ADDITIONAL INFORMATION

1. The date of the former Agency's acquisition of the property; the value of the property when it was acquired; the purpose for which the property was acquired; and parcel data:

The Redevelopment Agency of the City of Rialto ("Agency") assembled these properties over a period of time for consolidation and future development as part of the Airport Redevelopment Project situated within the Renaissance Rialto Specific Plan. The 57-acre site consists of properties on the northerly edge of the Rialto Municipal Airport, and immediately south of the 210 Freeway. The Agency acquired the parcels from various private sellers and CalTrans.

Parcels Data:

Assessor Parcel Number(s)	Purchase Date	Original Purchase Price/Market Value	Parcel SF	Building SF	Parcel Leased	Estimate Current Market Value
0240-251-14	12-30-98	\$ 475,570 (a)	625,421	N/A	No	\$4,065,237
0240-251-29 (g)	12-30-98	\$ 744,124 (a) (e)	978,140	N/A	No	\$ 6,179,368 (f)
0240-251-30	12-30-98	\$ 30,306 (a)	39,837	N/A	No	\$ 258,941
0240-251-33	10-13-04	\$2,790,720 (b)	348,840	N/A	No	\$ 2,267,460
0264-151-45	09-27-05	\$1,528,000	238,709	N/A	No	\$ 1,551,609
0264-151-76	08-26-08	\$1,163,000 (c)	97,957	N/A	No	\$ 632,821
0264-151-78	08-28-05	\$2,009,000 (c)	167,013	N/A	No	\$ 1,085,585
TOTAL:		\$8,740,720 (d)	2,495,917 (57.28 acres)			\$16,041,021

- (a) Purchase price reflects multiple properties acquired in a single transaction for a total amount of \$1,250,000.
- (b) The City conveyed the property to the Agency. The market value for the property at the time of the conveyance was estimated at \$8 per square foot, or \$2,790,720.
- (c) The Agency retained the properties as part of settlement agreement with CalTrans.
- (d) In 2008, a settlement agreement with CalTrans reduced total acres of site to 60.3 acres or 2,627,126 SF. Purchase prices are based on time of acquisition prior to settlement agreement.
- (e) On January 15, 2013, Oversight Board approved about 27,468 SF for right-of-way dedication.
- (f) Estimate based on 950,672 SF, after deducting right-of-way dedication.
- (g) In 2013, Southern California Edison filed litigation for easement use for portions of the parcel.

2. An estimate of the current value of the parcel including, if available, any appraisal information:

The estimated market value is based on a study conducted by Keyser Marston and Associates dated February 8, 2013. The study determined that the estimated market value in Rialto for land in a commercial area is \$6.50 per square foot. SEE ATTACHMENT "B" FOR A COPY OF THE STUDY.

3. An estimate of any revenues generated by the property, and a description of the contractual requirements for the disposition of those revenues:

None of the properties generate any revenue.

4. The history of environmental contamination affecting the property, including designation as a brownfield site, any environmental studies, and history of any remediation efforts:

None.

5. Previous development activity; potential for transit-oriented development ("TOD"):

No potential for TOD activity. Since 2004, the site has been the subject of a Contract of Sale between the Agency and Lewis Hillwood Rialto LLC, which granted LHR the option to acquire the property (known as "A" Property) from the Agency for development purposes. During this period the City has adopted a specific plan, and the Agency and LHR have approved an agreement and amendments for a proposed development of retail, residential and industrial uses as part of the Renaissance Rialto Specific Plan (SEE ATTACHMENT "J"). In 2013, Southern California Edison Company filed litigation for eminent domain for utility easement for Agency parcel known as APN 0240-251-29.

Earlier in 2013, the Oversight Board and the Department of Finance approved utilization of a portion of the property as right of way for extension for government purpose. About 27,468 SF of APN 0240-251-29 was included for right of way improvements. The remaining 950,672 SF is available for future development.

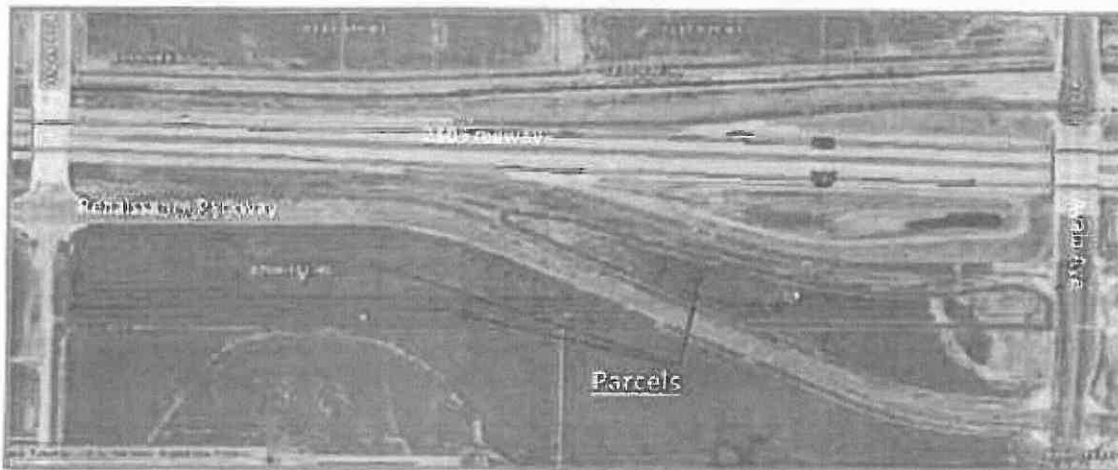
6. Potential use to advance the planning objectives of the Successor Agency:

The properties and project are also included in the adopted 2010-2014 Redevelopment Implementation Plan (SEE ATTACHMENT "D"), as follows:

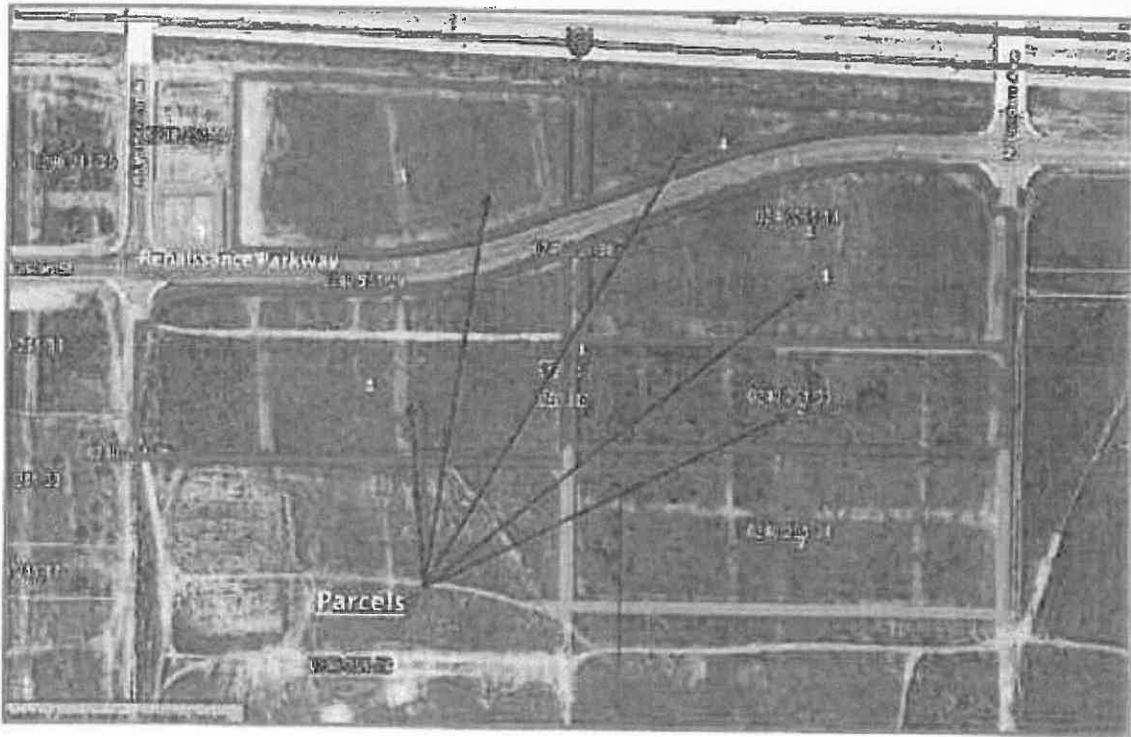
(Renaissance Rialto) "As a component of the revitalization of the Rialto Airport, Lewis Hillwood Rialto, LLC (LHR), prepared a specific plan named the Renaissance Rialto Specific Plan. The Renaissance Rialto Specific Plan envisions a mixed use development consisting of approximately 1,700 dwelling units, over one million square feet of freeway oriented commercial/retail and over 15 million square feet of light industrial business park land uses. A major element of the land use plan includes a 600,000 square foot sub-regional community shopping center on approximately 60 acres of land along I-210 between Linden Avenue and Ayala Drive. The development of this retail center will provide the City with additional sales tax revenues and provide additional goods and services to the community." (Page 36)

SITE MAP

Parcels 0240-151-45, 76, 78
(Between Ayala Ave and Linden Avenue)



SITE MAP
Parcels 0240-251-14, 29, 30, 83
(Between Locost Ave and Linden Avenue)



Attachment 4

Compensation Agreement for Public Park Property in Renaissance Specific Plan Area (governmental use)

**COMPENSATION AGREEMENT
(PUBLIC PARK)**

This **COMPENSATION AGREEMENT (PUBLIC PARK)** (this “Compensation Agreement”), dated as of September 1, 2017, is entered into by and between the CITY OF RIALTO (the “City”) on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, Chaffey Community College, San Bernardino Community College, Colton Joint Unified School District, Fontana Unified School District, Rialto Unified School District, Inland Empire Joint Resource Conservation District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water, West Valley Water District, and the City of Rialto, as a taxing entity, on the other hand (each a “Taxing Entity” and collectively, the “Taxing Entities”). The Taxing Entities and the “City” are the “Parties,” with each being a “Party”.

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), as modified by the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011) (*Matosantos*), the Redevelopment Agency of the City of Rialto (the “Former Agency”) was dissolved as of February 1, 2012, the Successor Agency was established, and an oversight board to the Successor Agency (the “Oversight Board”) was established.

B. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court’s decision in *Matosantos*, on February 1, 2012, properties of the Former Agency transferred to the control of the Successor Agency to the Redevelopment Agency of the City of Rialto (the “Successor Agency”) by operation of law, including the property generally described in **Exhibit A** attached hereto and incorporated herein by reference (the “Property”). A legal description consistent with Exhibit A will be prepared prior to the time that the City dedicates the Property for public park purposes, as hereinafter described.

C. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency prepared an amended long-range property management plan (the “LRPMP”) which addresses the disposition and use of the properties of the Former Agency, and by letter dated March 10, 2015, the Department of Finance (the “DOF”) approved the Successor Agency’s use or disposition of the properties listed in the LRPMP. The Property herein is identified as LRPMP #9 Site designated for “future development” in the LRPMP, and as described in Recital D, below.

D. As a future development, the Property was or will be transferred by the Successor Agency from the Community Redevelopment Property Trust Fund (“Trust Fund”) to the City. The LRPMP also provides that the City will enter into a compensation agreement with respect to all of the City Disposition Properties, including the Property with all of the affected taxing entities, as defined in Health and Safety Code Section 34171(k). The County and other parties to this Agreement are affected taxing entities. The complete list of the Taxing Entities, including the address of each is shown on **Exhibit C** and the Applicable Tax Rate of each is shown on **Exhibit B**, each of which is attached hereto and incorporated herein by reference.

E. In accordance with the LRPMP, the City intends to develop and use the Property as a public park.

F. To promote the public interest, the Taxing Entities and the City are entering into this Compensation Agreement to provide for the City to compensate the Taxing Entities with respect to the Property in accordance with the terms of this Compensation Agreement but only in the event that the Property is sold, leased, or otherwise transferred by the City to a third party for non-governmental purposes, defined as use not contemplated as governmental purpose use consistent with Health and Safety Code Section 34181(a)(1) as such may be amended (a "Non-Governmental Transfer").

NOW THEREFORE, IN CONSIDERATION OF THE COMPENSATION, BOTH MONETARY AND NONMONETARY, AND THE COVENANTS PROVIDED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and are a substantive part of this Compensation Agreement.

Section 2. Development and Use of the Property as a Public Park. The City intends to develop and use Property as a public park. As long as Property is being developed and used for a public park, or other governmental or public use consistent with Health and Safety Code Section 34181(a)(1) as such may be amended, no compensation will be due and payable to the Taxing Entities in accordance with Section 3.A., below. If, however, the City fails to develop the Property for public park purposes or once dedicated terminates the use of Property as a public park and causes a Non-Governmental Transfer, the compensation provisions contained in Section 3.C. shall be applicable.

Section 3. Consent to Transfer; Compensation. The Taxing Entities hereby irrevocably consents to the transfer of the Property by the Successor Agency to the City for the Public Park, subject to the following agreement of the Parties as to compensation to be paid by the City for the Property.

- A. The compensation to be paid by the City to the Taxing Entities for the Property is \$1.00 (one dollar) (the "Initial Compensation Amount"). The Taxing Entities acknowledge that the Initial Compensation Amount represents a negotiated consideration for the City's ability to retain the Property pursuant to Health and Safety Code Section 34180(f)(1) and the Taxing Entities hereby waive their respective rights to seek additional or alternative compensation for the value of the Property pursuant to that provision for the transfer to the City.
- B. The City shall pay the Initial Compensation Amount to the Taxing Entities by warrant or check of the City delivered to the Taxing Entities at the address set forth in Exhibit C within five (5) business days after the Effective Date, defined below, of this Compensation Agreement.
- C. If, after the Effective Date, the City wishes to cause a Non-Governmental Transfer, the City shall provide notice of such Non-Governmental Transfer to the Taxing Entities at

least 45 days prior to the Non-Governmental Transfer. In such event, additional compensation shall be determined and paid, as follows:

1. The Parties acknowledge that a valuation of the Property will be established, by formal appraisal and the appraised value, as so determined, will be used as the purchase price for the Property (the "Purchase Price"). The "Net Purchase Price" is the Purchase Price received by the City ("Net City Proceeds") less the City's actual and reasonable costs to pay third party vendors for appraisal, legal, real estate consultant and marketing, title company, title insurance, escrow, closing and, to the extent applicable, any other costs related to the preparation approval and/or implementation of the Non-Governmental Transfer of the Property ("Costs of Sale"). The City shall keep complete, accurate and appropriate books and records of the Costs of Sale and its calculation of the Net Purchase Price.
2. The additional compensation to be paid by the City to each Taxing Entity with respect to the Property in such event is established by multiplying the Applicable Tax Rate by the Net Purchase Price for the Property (the "Additional Compensation Amount"). The Applicable Tax Rate" is the tax rate for each of the Taxing Entities as provided by the County Auditor-Controller. "Project Area" means the project area created by the Former Agency.

ERAF is entitled to a distribution of Net Purchase Price proceeds under this Agreement. Pursuant to instruction and direction from the DOF and the Auditor-Controller, there is no need for a separate signatory to execute this Agreement on behalf of ERAF because the ultimate beneficiaries of any distribution of Disposition Proceeds to ERAF are themselves Taxing Entities that are signatories to this Agreement.

3. Within five (5) business days following the approval of the Taxing Entities of the Additional Compensation Amount, the Escrow Agent, on behalf of the City, shall remit the Additional Compensation Amount to the Taxing Entities in accordance with **Exhibit C** (the "Payment Date"). City will represent to the Taxing Entities whether or not it received Temporary Rental Income in connection with the Property. For the purposes of this Agreement, the term "Temporary Rental Income" means any lease rental income, use fee income or other income, if any, that may be received by the City with respect to the Property for a non-governmental purposes minus the documented costs to the City of improvement, operation and maintenance of such Property for the use prior to the Non-Governmental Transfer.
4. Accounting Requirements. Prior to the distribution pursuant to subsection C, the City shall provide the Escrow Agent and the Taxing Entities an itemized statement of the Costs of Sale (the "Initial Disposition Proceeds Statement"), along with evidence, reasonably satisfactory to the Taxing Entities, as to the Costs of Sale and the City's calculation of the Net City Proceeds and the Net Purchase Price. For a period of not less than fourteen (14) business days from receipt of the Initial Disposition Proceeds Statement, each of the Taxing

Entities shall have the right to request, in writing delivered to the City, the Escrow Agent, and the other Taxing Entities, a review of such books, records and documents and other relevant items in the possession of City, but only to the extent necessary for a proper determination of Net Purchase Price and Costs of Sale in the Initial Disposition Proceeds Statement. If no written requests for review of the Initial Disposition Proceed Statement are received by the City, the Initial Disposition Proceeds Statement shall become final (the "Final Disposition Proceeds Statement"). In the event that a disagreement exists as to the amount of the Net Purchase Price and/or Costs of Sale ("Disputed Amount"), any revisions agreed to by the parties shall be set forth in a revised Disposition Proceeds Statement ("Revised Disposition Statement"), which shall thereafter be deemed the Final Disposition Proceeds Statement. If, however, the parties are unable to reach agreement as to a Disputed Amount, the following procedure ("Dispute Procedure") shall apply:

- a. If the Disputed Amount is less than 15% of the Net Purchase Price, the Initial Disposition Proceeds Statement, without any revisions, shall be deemed approved and become the Final Disposition Proceeds Statement, unless timely challenged.
- b. If the Disputed Amount is greater than 15% of the Net Purchase Price, the City shall forthwith prepare a revised Disposition Proceeds Statement reflecting that (i) the undisputed Net Purchase Price (defined to exclude only the Disputed Amount) shall be distributed to all of the Taxing Entities in their proportional shares in accordance with Exhibit C in the manner described in Section 3.C.3 above; and (ii) that fifty percent (50%) of the Disputed Amount shall be distributed to the City and the remaining fifty percent (50%) of the Disputed Amount shall be distributed to all of the Taxing Entities in their proportional shares in accordance with Exhibit C. The Revised Disposition Proceeds Statement shall be deemed approved and become the Final Disposition Proceeds Statement, unless timely challenged.

Within seven (7) business days of receipt of the Final Disposition Proceeds Statement from the City, the Escrow Agent shall provide to the Taxing Entities and the Auditor-Controller a draft closing settlement statement reflecting the Purchase Price, the Net City Proceeds from the Final Disposition Proceeds Statement and setting forth the amounts to be distributed to each Taxing Entity (as applicable) (the "Closing Statement"). Notwithstanding anything herein to the contrary, if following the application of a Dispute Procedure, the Parties cannot reach agreement as to the existence or amount of an alleged error or discrepancy of the Disputed Amount and desire to challenge the Dispute Procedure, the aggrieved party may within sixty (60) days pursue all rights available to it at law or in equity. Notwithstanding anything to the contrary, if litigation is filed to challenge the Dispute Procedure, the Escrow Agent shall distribute undisputed Net Purchase Price (defined to exclude only the Disputed Amount) to all of the Taxing Entities in their proportional shares in accordance with Exhibit C in the manner described in Subsection (C) above, and shall retain in escrow only the Disputed Amount. Neither the Escrow Agent or the County Auditor-Controller shall have any liability for any distributions made pursuant to the Closing Statement or this Agreement.

Section 4. Effective Date. The effective date of this Compensation Agreement (the “Effective Date”) shall be the date that each of the Taxing Entities governing boards have approved this Agreement and directed each of the Taxing Entities (respectively) to execute this Agreement Promptly following the effectiveness of this Agreement, the City shall transmit notice to all the other Parties that the Agreement is effective and specifying the date the Agreement became effective (the “Effective Date”), along with a fully executed copy of the Agreement.

Section 5. Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as otherwise provided in this Agreement, shall expire upon the distribution by the Escrow Holder of all amounts payable to the Taxing Entities under Section 3.C. of this Agreement, if any. Notwithstanding anything to the contrary, if the events necessary to cause the Effective Date to occur have not all occurred within six (6) months from the date this Compensation Agreement is entered into, then, at the conclusion of that six (6) month period, this Compensation Agreement shall be terminated in its entirety, and shall be of no further force or effect whatsoever.

Section 6. Authorization. Each Party warrants that the individuals who have signed this Compensation Agreement have the legal power, right, and authority to make this Compensation Agreement and to bind each respective Party.

Section 7. No Personal Liability. No official, agent, or employee of any Party shall be individually or personally liable for any amount which may become due under this Compensation Agreement or on any obligations under the terms of this Compensation Agreement.

Section 8. Assignment. This Compensation Agreement shall not be assignable by any Party without the prior written consent of the other Party.

Section 9. Counterparts. This Compensation Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Compensation Agreement. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Agreement may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

Section 10. Further Assurances. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Compensation Agreement.

Section 11. Notices. All notices and other communications shall be given or made in writing by certified mail, postage prepaid, return receipt requested, or by personal delivery. Notices shall be considered given upon (i) personal delivery, (ii) one business day following timely deposit with a nationally recognized overnight courier service, charges prepaid, or (iii) three business days after deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. Notices shall be addressed as provided in the attached **Exhibit C** for the

respective Party; provided that if a Party gives notice of a change of name or address, notices to such Party shall thereafter be given as specified in that notice.

Section 12. Amendment. This Compensation Agreement may be amended at any time, and from time to time, in writing by the Parties.

Section 13. Severability. If one or more of the covenants or agreements provided in this Compensation Agreement on the part of the County or the City to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Compensation Agreement.

Section 14. Construction. The Parties agree that each Party and its counsel have reviewed this Compensation Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Compensation Agreement or any amendments or exhibits thereto. This Compensation Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties.

Section 15. Binding on Successors and Assigns. All the covenants, promises and agreements in this Compensation Agreement contained by or on behalf of the County or the City shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 16. No Third Party Beneficiaries. This Compensation Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Compensation Agreement.

(a) Governing Law. This Compensation Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Bernardino County, California or in the Federal District Court for the Central District of California.

Section 17. Third Party Litigation Regarding Agreement. In the event litigation is initiated by any third party attacking the validity of this Agreement or its implementation, the City shall in good faith defend and seek to uphold the Agreement and shall bear all costs in connection with any such litigation.

Section 18. Indemnification. The City hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Taxing Entities) each Taxing Entity, its council members, governing board members, directors, officers, agents, employees, consultants, contractors, and representatives (collectively, including Seller, the “**Indemnitees**”) from all suits, actions, claims, causes of action, costs, demands, judgments and liens brought by a third party and arising out of or relating to distribution of the Additional Compensation Amount pursuant to this Agreement to any Taxing Entity other than itself, except as caused or arising out

of the willful misconduct or gross negligence of any Indemnitees. The provisions of this Section shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

Section 19. Attorneys' Fees. In any action which a Party brings to enforce its rights hereunder, the unsuccessful Party or Parties shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees.

Section 20. Entire Agreement; Amendment. This Agreement constitutes the entire and integrated agreement of the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral, relating to the subject matter of this Agreement. This Agreement may be modified only in writing and only if approved and signed by all of the Parties.

Section 21. Non-Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the waiving Parties.

Section 22. No Partnership. Nothing contained in this Agreement shall be construed to constitute any Party as a partner, employee, joint venturer, or agent of any other Party.

Section 23. Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

Section 24. Action or Approval. Whenever action and/or approval by the City is required under this Agreement, the City Administrator or the City Administrator's designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Administrator determines in the City Administrator's discretion that such action or approval requires referral to the City Council for consideration.

Section 25. County Taxing Entities. The County of San Bernardino administers funds for the following special districts and funds, and, in addition to entering into this Agreement for itself, is authorized to, and has entered into this Agreement on behalf of the following:

- (1) San Bernardino County Free Library;
- (2) Flood Control District;
- (3) Flood Control Zone 2; and
- (4) Flood Control Administration 1 & 2.

Section 26. Notice of Compensation Agreement Related to Real Property and Release. No later than fourteen (14) business days after the Effective date of this Agreement, the City shall record in the Official Records of the County of San Bernardino a Notice of Compensation Agreement Related to Real Property, in the form attached hereto as **Exhibit D** and incorporated herein by reference (the "Notice of Compensation Agreement"). The Notice of Compensation Agreement shall be recorded by the City against the Property. The City shall mail or transmit

electronic copies of the recorded Notice of Compensation Agreement within a reasonable time of the City's receipt of the recorded Notice of Compensation Agreement. .

Concurrently with the dedication of any portion of the Property for public park purposes, the City shall have the right to record a complete or partial "Release of the Notice of Compensation Agreement" substantially in the form attached hereto as **Exhibit E** and incorporated herein by reference with respect only to the portion of the Property being sold and such release shall have no effect on any portion of the Property not included in said closing.

This **AGREEMENT** shall inure to the benefit of and be binding upon the successors and assigns of all **PARTIES**.

IN WITNESS WHEREOF, this **AGREEMENT** has been fully executed on behalf of the **COUNTY** by its duly authorized representative and the **CITY** has caused the same to be executed in its name and on its behalf by its duly authorized representative.

COUNTY OF SAN BERNARDINO

CITY OF RIALTO

► _____

By: ► _____
(Authorized signature - sign in blue ink)

Dated: _____

Title _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

Dated: _____, 2017

Bob Dutton, Clerk

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

By: ► _____

Address: Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376
Attn: Robb Steel

Approved as to Legal Form

► _____
Thomas P. Clark, Jr. of Stradling Yocca
Carlson & Rauth, Special Counsel to
City of Rialto

Date: _____

Attested by City Clerk

► _____
City Clerk

Date: _____

SUPERINTENDENT OF SCHOOLS

CHAFFEY COMMUNITY COLLEGE

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO COMMUNITY COLLEGE

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

FONTANA UNIFIED SCHOOL DISTRICT

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT

INLAND EMPIRE UTILITIES AGENCY

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

WEST VALLEY WATER DISTRICT

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT A
THE PROPERTY



APN:

0264-212-45 (most) 317,562 SF

0264-212-44 (all) 87,420 SF

0264-212-46 (all) 300 SF

0264-212-54 (most) 47,045 SF

Total: 452,327 SF (about); 10.38 acres (about)

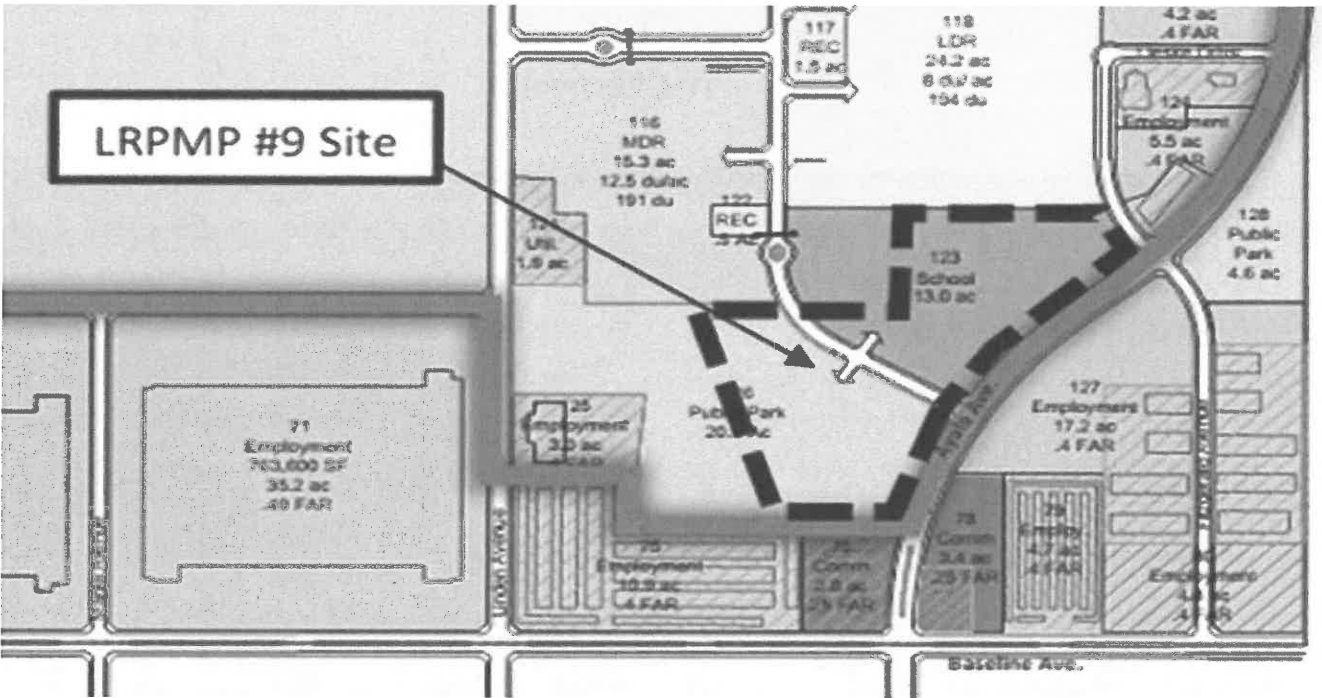


EXHIBIT A-2

EXHIBIT B

CITY OF RIALTO COMPENSATION AGREEMENT APPLICABLE TAX RATES

AGENCY/ ACCOUNT CODE	AGENCY NAME	RR64-RG01	
		RIALTO RDA MERGED PROJECT	
		TRA INCREMENT	% OF SHARE
AB01-GA01	COUNTY GENERAL FUND	1,967,511	0.152667270
AB02-GA01	EDUCATION REVENUE AUGMENTATION FUND	2,979,277	0.231174417
BF02-GA01	FLOOD CONTROL ZONE 2	349,274	0.027101617
BF07-GA01	FLOOD CONTROL ADMIN 1 & 2	24,560	0.001905705
BL01-GA01	COUNTY FREE LIBRARY	190,523	0.014783435
BS01-GA01	SUPERINTENDENT OF SCHOOLS	67,511	0.005238487
BS01-GA02	SUPERINTENDENT OF SCHOOLS	9,917	0.000769522
BS01-GA03	SUPERINTENDENT OF SCHOOLS	26,556	0.002060597
BS01-GA04	SUPERINTENDENT OF SCHOOLS	18,270	0.001417653
BS01-GA05	SUPERINTENDENT OF SCHOOLS	6,017	0.000466911
CC28-GA01	CITY OF RIALTO	1,803,531	0.139943396
SC16-GA01	CHAFFEY COMMUNITY COLLEGE	77,191	0.005989558
SC54-GA01	SAN BERNARDINO COMMUNITY COLLEGE	597,696	0.046377687
SU20-GA01	COLTON JOINT UNIFIED SCHOOL DIST	587,640	0.045597440
SU26-GA01	FONTANA UNIFIED SCHOOL DISTRICT	495,734	0.038466065
SU50-GA01	RIALTO UNIFIED SCHOOL DISTRICT	3,123,175	0.242340020
WR04-GL01	INLAND EMPIRE JT RESOURCE CONS DIST	25,445	0.001974358
WU08-GA01	INLAND EMPIRE UTILITIES AGENCY	63,696	0.004942417
WU08-GA05	INLAND EMPIRE UTILITIES AGENCY	62,003	0.004811080
WU23-GA01	SAN BERNARDINO VALLEY MUNI WATER	254,432	0.019742450
WW28-GA01	WEST VALLEY WATER DISTRICT	157,614	0.012229915
	Grand Total	12,887,574	1.00000000

EXHIBIT C

LIST OF ADDRESSES FOR NOTICE PURPOSES

[Note- Insert addresses of all taxing entities that are parties to this agreement.]

TAXING ENTITY	Addresses
COUNTY GENERAL FUND	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
FLOOD CONTROL ZONE 2	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
FLOOD CONTROL ADMIN 1 & 2	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
COUNTY FREE LIBRARY	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
EDUCATION REVENUE AUGMENTATION FUND	
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandro, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
CITY OF RIALTO	Mr. Michael Story, City Administrator City of Rialto 150 S. Palm Avenue Rialto, CA 92376
CHAFFEY COMMUNITY COLLEGE	Mr. Henry Shannon Superintendent/President Chaffey College 5885 Haven Avenue Rancho Cucamonga, CA 91737
SAN BERNARDINO COMMUNITY COLLEGE	Mr. Bruce Baron, Chancellor San Bernardino Community College 114 S. Del Rosa Drive San Bernardino, CA 92408

TAXING ENTITY**Addresses**

COLTON JOINT UNIFIED SCHOOL DISTRICT	Mr. Jerry Almendarez, Superintendent Colton Joint Unified School District 1212 Valencia Drive Colton, CA 92324
FONTANA UNIFIED SCHOOL DISTRICT	Mr. Randal S. Bassett Superintendent Fontana Unified School District 9680 Citrus Avenue Fontana, CA 92335
RIALTO UNIFIED SCHOOL DISTRICT	Dr. Cuauhtemoc Avila, Superintendent Rialto Unified School District 182 S. Walnut Avenue Rialto, CA 92376
INLAND EMPIRE JT. RESOURCE CONS. DISTRICT	Ms. Mandy Parkes, District Manager Inland Empire Joint Resource Correction District 25864-K Business Center Drive Redlands, CA 92374
INLAND EMPIRE UTILITIES AGENCY	Mr. Jon Grindstaff, General Manager Inland Empire Utilities Agency P.O. Box 9020 Chino Hills, CA 91709
SAN BERNARDINO VALLEY MUNI WATER	Mr. Doug Headrick, General Manager San Bernardino Valley Municipal Water 380 E. Vanderbilt Way San Bernardino, CA 92408
WEST VALLEY WATER DISTRICT	Mr. Matthew Litchfield General Manager West Valley Water District P.O. Box 920 Rialto, CA 92377

EXHIBIT D

**FORM OF NOTICE OF COMPENSATION AGREEMENT
RELATED TO REAL PROPERTY**

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTIONS 6103 AND 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

NOTICE OF COMPENSATION AGREEMENT

RELATED TO REAL PROPERTY

(AREA A PROPERTY)

NOTICE IS HEREBY GIVEN, that the CITY OF RIALTO (the "City" and "Owner") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, Chaffey Community College, San Bernardino Community College, Colton Joint Unified School District, Fontana Unified School District, Rialto Unified School District, Inland Empire Joint Resource Conservation District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water, and West Valley Water District, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") entered into that certain Compensation Agreement, dated _____, 2017 (the "Compensation Agreement"), with reference to that certain real property located in the City located at , at _____, assessor's parcel number(s) _____, and further described in Exhibit A incorporated herein by reference (the "Property").

Among other requirements, the LRPMP requires the City to execute a compensation agreement with the Taxing Entities providing for a contingent payment of Disposition Proceeds (as defined in the Compensation Agreement) upon the City's disposition of the Property, under specified conditions.

The Compensation Agreement includes certain obligations related to the Property, including without limitation and as further described in the Compensation Agreement:

A requirement that the Owner provide the Taxing Entities and the County Auditor-Controller a Disposition Proceeds Statement including the information required under Section 3.C.4. of the Compensation Agreement.

A requirement for the Owner, under certain circumstances, to remit the Additional Compensation Amount to the Escrow Agent for distribution to the Taxing Entities in proportion to their Property Tax Percentage Shares base property tax as determined by the City using data from the County's Auditor-Controller and require the Escrow Agent to distribute the funds pursuant to Health and Safety Code Section 34188 and subject to Section 2 of the Compensation Agreement.

A complete copy of the Compensation Agreement is maintained in the Office of the City Clerk, and is available to review at 150 S. Palm Avenue, Rialto, CA 92376 between 9 a.m. and 5 p.m.

In the event of any conflict between this Notice of Compensation Agreement Related to Property (the "Notice") and the Compensation Agreement, the terms of the Compensation Agreement shall prevail.

Upon the satisfaction of the requirements of Section 25 of the Compensation Agreement, the City shall release this Notice (the "Release"), by the execution and recordation of a release in substantially the form attached hereto as Exhibit B, incorporated herein by reference.

This Notice is being recorded and filed by the Owner of the Property, and shall be indexed against the Owner's interest in the Property.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

CITY
CITY OF RIALTO, a California general law city

Date: _____

By: _____
City Administrator

ATTEST:

By: _____
Barbara McGee, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
City Special Counsel

Fred Galante, City Attorney

Date: _____

[ALL SIGNATURES MUST BE NOTARIZED]

SUPERINTENDENT OF SCHOOLS

CHAFFEY COMMUNITY COLLEGE

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO COMMUNITY COLLEGE

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

FONTANA UNIFIED SCHOOL DISTRICT

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT

INLAND EMPIRE UTILITIES AGENCY

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

WEST VALLEY WATER DISTRICT

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT A
THE PROPERTY



APN:

0264-212-45 (most) 317,562 SF

0264-212-44 (all) 87,420 SF

0264-212-46 (all) 300 SF

0264-212-54 (most) 47,045 SF

Total: 452,327 SF (about); 10.38 acres (about)

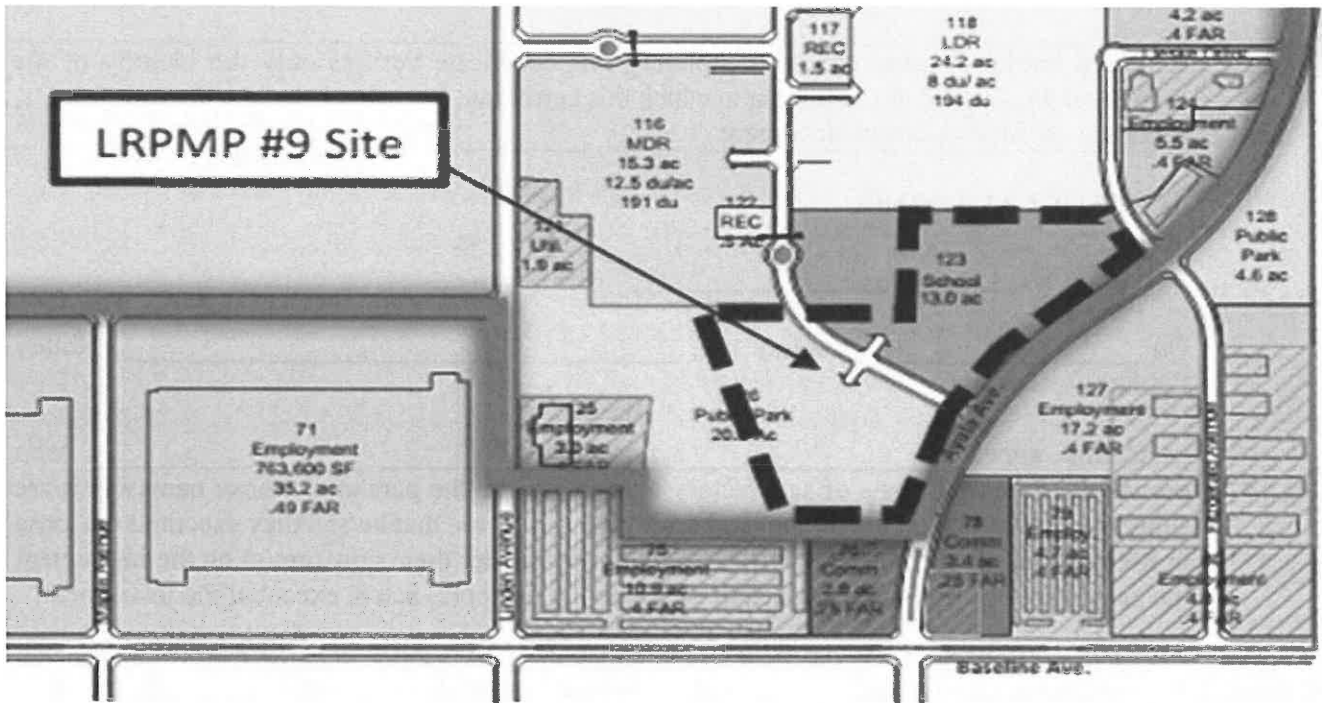


EXHIBIT A-2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT E

FORM OF RELEASE AGREEMENT

**RELEASE OF NOTICE OF COMPENSATION AGREEMENT
RELATED TO REAL PROPERTY**

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTIONS 6103 AND 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

FORM OF RELEASE AGREEMENT

RELEASE OF NOTICE OF COMPENSATION AGREEMENT

RELATED TO REAL PROPERTY

(AREA A PROPERTY)

This Release of Notice of Compensation Agreement Related to Real Property is made as of [INSERT DATE] (the "Notice"), by the CITY OF RIALTO, in its capacity as a taxing entity (the "City") and in its capacity as the Owner of that certain real located ADDRESS, in the City of Rialto, and further described in Exhibit A incorporated herein by reference (the "Property").

RECITALS

A. The CITY OF RIALTO (the "City") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, Chaffey Community College, San Bernardino Community College, Colton Joint Unified School District, Fontana Unified School District, Rialto Unified School District, Inland Empire Joint Resource Conservation District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water, and West Valley Water District, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") have entered into that certain Compensation Agreement, dated [INSERT DATE] (the "Compensation Agreement"), with reference to the Property.

B. In connection with the Compensation Agreement, the City executed the Notice, which was recorded against the Property in the Official Records of the County of San Bernardino as Instrument No. [INSERT RECORDING NUMBER] on [INSERT DATE].

C. The City, in its capacity as a Taxing Entity, has determined that the Owner has fulfilled its obligations under Section 2 of the Compensation Agreement with respect to the Property and the City desires to release the Notice as a lien or claim on the interest in the Property conveyed and described in Exhibit A.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

The City, in its capacity as a Taxing Entity, hereby releases the Property from any and all obligations under the Notice.

This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it.

This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

This Agreement may be signed by the different parties hereto in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

CITY

CITY OF RIALTO, a California general law city

Date: _____

By: _____

City Administrator

ATTEST:

By: _____

Barbara McGee, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
City Special Counsel

Fred Galante, City Attorney

Date: _____

[ALL SIGNATURES MUST BE NOTARIZED]

SUPERINTENDENT OF SCHOOLS

CHAFFEY COMMUNITY COLLEGE

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO COMMUNITY COLLEGE

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

FONTANA UNIFIED SCHOOL DISTRICT

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT

INLAND EMPIRE UTILITIES AGENCY

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

WEST VALLEY WATER DISTRICT

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT A
THE PROPERTY



APN:

0264-212-45 (most) 317,562 SF

0264-212-44 (all) 87,420 SF

0264-212-46 (all) 300 SF

0264-212-54 (most) 47,045 SF

Total: 452,327 SF (about); 10.38 acres (about)

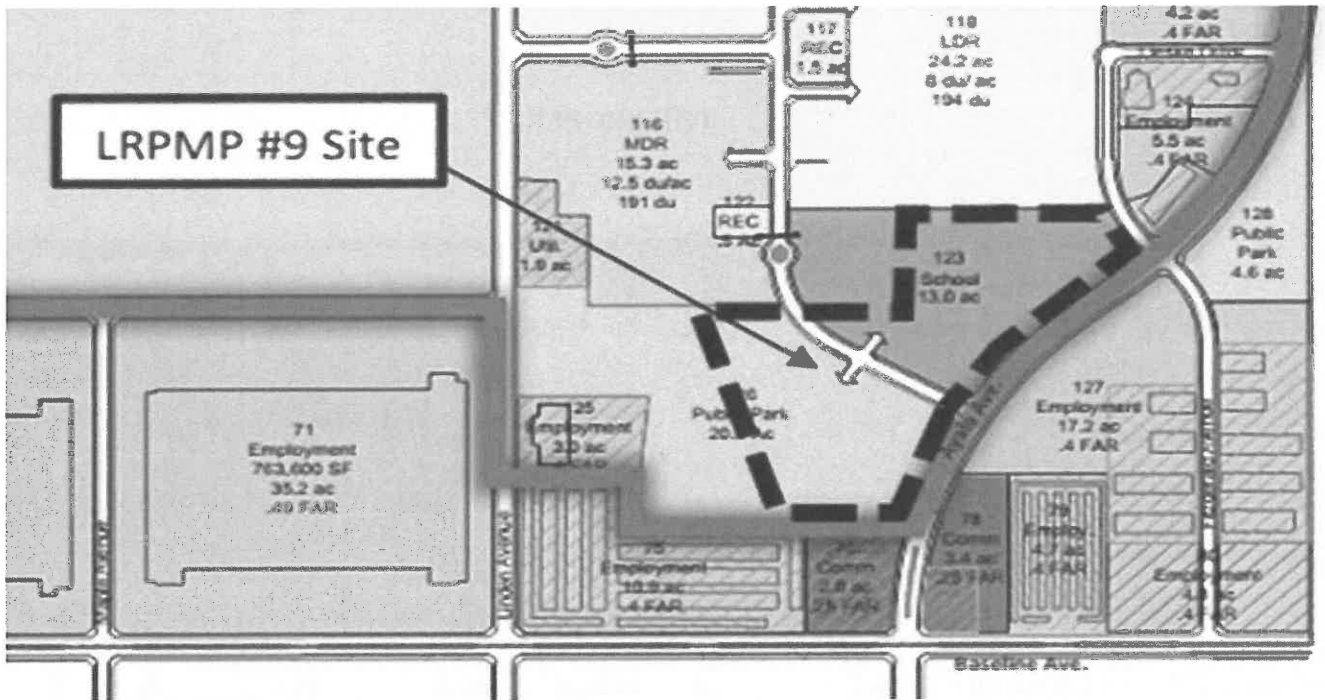


EXHIBIT A-2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____) ss.

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

Project #9 – AYALA/BASELINE INDUSTRIAL PARK

Location/Address:	North of Baseline Ave. and West of Ayala Ave.
Total Properties:	7 Parcels – all vacant lots
Land Use:	Renaissance Specific Plan – Employment
Disposition of Parcels:	Transfer to the City of Rialto for future development – SEE ATTACHMENT "A" FOR ADDITIONAL INFORMATION

1. The date of the former Agency's acquisition of the property; the value of the property when it was acquired; the purpose for which the property was acquired; and parcel data:

The Redevelopment Agency of the City of Rialto ("Agency") acquired several parcels for future development. In 2006, the Agency entered into an Exclusive Right to Negotiate Agreement ("ERN") with Thrifty Oil Company ("Thrifty") which contemplated the development of an industrial park on approximately 18.81 acres. Ultimately, the Agency and Thrifty failed to enter into an agreement for the development of this site.

Parcels Data:

Assessor Parcel Number(s)	Purchase Date	Original Purchase Price/Market Value	Parcel SF	Building SF	Parcel Leased	Estimate Current Market Value
0264-212-12	06-29-05	\$1,246,448	215,622 (b)	N/A	No	\$1,400,378 (c)
0264-212-17	06-22-09	\$1,945,000	134,165 (b)	N/A	No	\$ 907,928 (d)
0264-212-30	06-30-07	\$ 132,000	16,000	N/A	No	\$ 112,000
0264-212-45	10-04-99	(e)	317,562	N/A	No	\$2,222,934
0264-212-44	03-08-07	\$1,150,835 (e)	87,420	N/A	No	\$ 611,940
0264-212-46	03-08-07	\$ 3,949 (e)	300	N/A	No	\$ 2,100
0264-212-54	10-22-10	\$ 340,460	47,045	N/A	No	\$ 329,315
TOTAL:			618,114 (18.77 acres)			\$5,586,595

- (a) Purchase price reflects multiple properties acquired as a single transaction for a total amount of \$1,154,784.
- (b) On January 15, 2013, Oversight Board approved about 15,588 SF of Parcel # 12 and 4,461 SF of Parcel 17 for right-of-way dedication.
- (c) Estimate based on 200,054 SF, after deducting right-of-way dedication.
- (d) Estimate based on 129,704 SF, after deducting right-of-way dedication.
- (e) Unable to determine purchase cost or market value due to inadequate or unavailable information from the County Assessor and from the agency documents/files.

2. An estimate of the current value of the parcel including, if available, any appraisal information:

The estimated market value is based on a study conducted by Keyser Marston and Associates dated February 8, 2013. The study determined that the estimated market value in Rialto for land in an industrial area is \$7.00 per square feet. SEE ATTACHMENT "B" FOR A COPY OF THE STUDY.

3. An estimate of any revenues generated by the property, and a description of the contractual requirements for the disposition of those revenues:

The properties do not generate any revenue.

4. The history of environmental contamination affecting the property, including designation as a brownfield site, any environmental studies, and history of any remediation efforts:

None.

5. Previous development activity; potential for transit-oriented development ("TOD"):

No potential for TOD activity. At this time, there is no interest to acquire the properties for development, however the properties are part of the Renaissance Rialto Specific Plan (SEE ATTACHMENT "I") that specifies future development of residential, commercial and industrial uses in overall master plan area. It is anticipated that such project for a proposed development may occur in the near future.

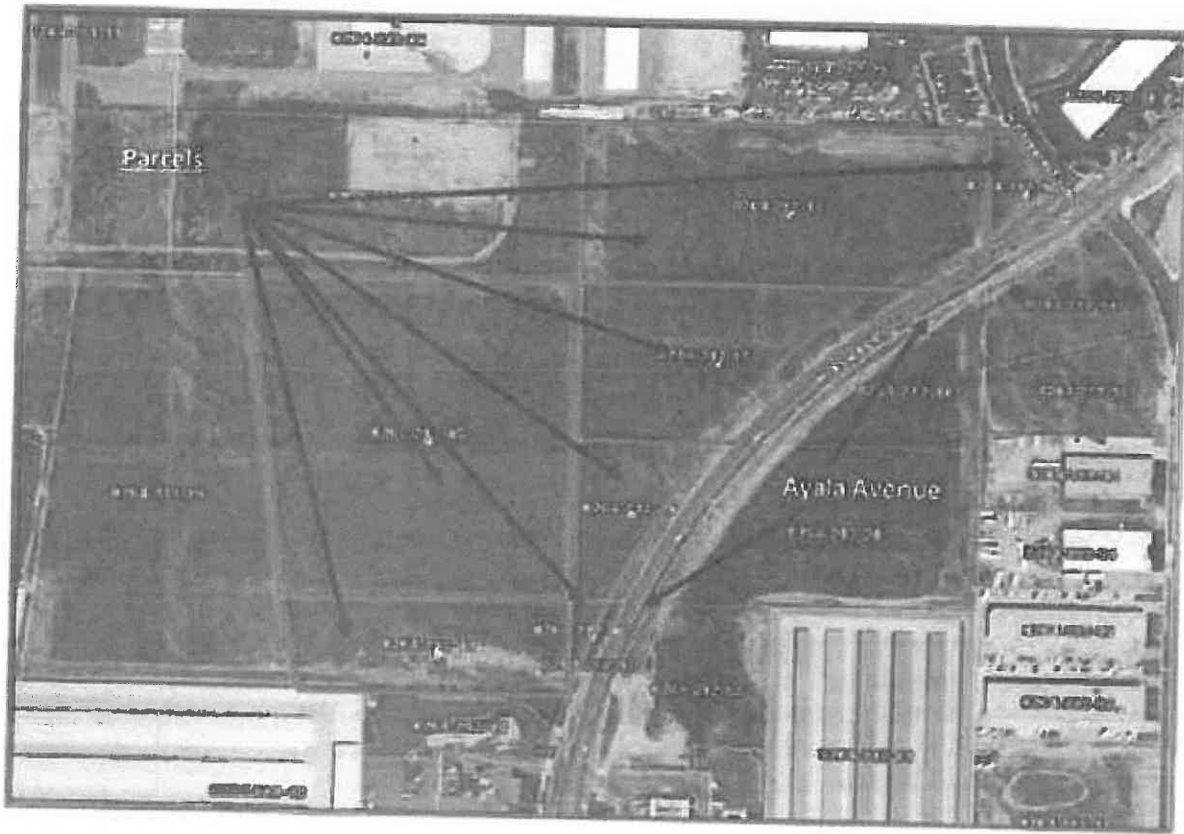
Earlier this year, the Oversight Board and the Department of Finance approved utilization of a portion of two parcels as right of way extension for government purpose. About 15,568 SF of APN 0264-212-12 and about 4,461 SF of APN 0264-212-17 were restricted to use for right of way improvements.

6. Potential use to advance the planning objectives of the Successor Agency:

The properties and project are also included in the adopted 2010-2014 Redevelopment Implementation Plan (SEE ATTACHMENT "D"), as follows:

(Ayala Industrial Park) "The Agency recently acquired title to the last parcel of a 19-acre land assemblage located on the west side of Ayala Drive, north of Baseline Road. The Agency plans to work with local industrial brokers and solicit proposals from qualified industrial park developers for the design and phased construction of an industrial park on the site. The Agency will commence the site planning and entitlement process in the first quarter of 2011. Development of this high quality business park includes the construction of Mikro Way that will improve circulation for the Renaissance Rialto project. At build out, development of the this business park is anticipated to consist of more than 250,000 square feet of new business space, and will provide for the creation of 250 new job opportunities for the community." (Page 28)

SITE MAP



Attachment 5

Compensation Agreement for Fire Station #205 Property (governmental use)

**COMPENSATION AGREEMENT
(FIRE STATION #205)**

This **COMPENSATION AGREEMENT (FIRE STATION #205)** (this “Compensation Agreement”), dated as of September 1, 2017, is entered into by and between the CITY OF RIALTO (the “City”) on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, Chaffey Community College, San Bernardino Community College, Colton Joint Unified School District, Fontana Unified School District, Rialto Unified School District, Inland Empire Joint Resource Conservation District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water, West Valley Water District, and the City of Rialto, as a taxing entity, on the other hand (each a “Taxing Entity” and collectively, the “Taxing Entities”). The Taxing Entities and the “City” are the “Parties,” with each being a “Party”.

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), as modified by the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011) (*Matosantos*), the Redevelopment Agency of the City of Rialto (the “Former Agency”) was dissolved as of February 1, 2012, the Successor Agency was established, and an oversight board to the Successor Agency (the “Oversight Board”) was established.

B. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court’s decision in *Matosantos*, on February 1, 2012, properties of the Former Agency transferred to the control of the Successor Agency to the Redevelopment Agency of the City of Rialto (the “Successor Agency”) by operation of law, including the property described in **Exhibit A-1** attached hereto and incorporated herein by reference (the “Property”).

C. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency prepared an amended long-range property management plan (the “LRPMP”) which addresses the disposition and use of the properties of the Former Agency, and by letter dated March 10, 2015, the Department of Finance (the “DOF”) approved the Successor Agency’s use or disposition of the properties listed in the LRPMP. Fire Station #205 (the “Property”), identified in the LRPMP, is designated as a City Disposition Property, as described in Recital D, below.

D. As a City Disposition Property, the Property was or will be transferred by the Successor Agency from the Community Redevelopment Property Trust Fund (“Trust Fund”) to the City. The LRPMP also provides that the City will enter into a compensation agreement with respect to all of the City Disposition Properties, including the Property with all of the affected taxing entities, as defined in Health and Safety Code Section 34171(k). The County and other parties to this Agreement are affected taxing entities. The complete list of the Taxing Entities, including the address of each is shown on **Exhibit C** and the Applicable Tax Rate of each is shown on **Exhibit B**, each of which is attached hereto and incorporated herein by reference.

E. In accordance with the LRPMP, the City intends to develop and use the Property as a fire station.

F. To promote the public interest, the Taxing Entities and the City are entering into this Compensation Agreement to provide for the City to compensate the Taxing Entities with respect to the Property in accordance with the terms of this Compensation Agreement but only in the event that the Property is sold, leased, or otherwise transferred by the City to a third party for non-governmental purposes, defined as use not contemplated as governmental purpose use consistent with Health and Safety Code Section 34181(a)(1) as such may be amended (a “Non-Governmental Transfer”).

NOW THEREFORE, IN CONSIDERATION OF THE COMPENSATION, BOTH MONETARY AND NONMONETARY, AND THE COVENANTS PROVIDED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and are a substantive part of this Compensation Agreement.

Section 2. Development and Use of the Property as a Fire Station. The City intends to develop and use Property as a fire station. As long as Property is being developed and used for a fire station, or other governmental or public use consistent with Health and Safety Code Section 34181(a)(1) as such may be amended, no compensation will be due and payable to the Taxing Entities in accordance with Section 3.A., below. If, however, the City fails to develop the fire station on Property or once developed terminates the use of Property as a fire station and causes a Non-Governmental Transfer, the compensation provisions contained in Section 3.C. shall be applicable.

Section 3. Consent to Transfer; Compensation. The Taxing Entities hereby irrevocably consents to the transfer of the Property by the Successor Agency to the City for the fire station, subject to the following agreement of the Parties as to compensation to be paid by the City for the Property.

- A. The compensation to be paid by the City to the Taxing Entities for the Property is \$1.00 (one dollar) (the “Initial Compensation Amount”). The Taxing Entities acknowledge that the Initial Compensation Amount represents a negotiated consideration for the City’s ability to retain the Property pursuant to Health and Safety Code Section 34180(f)(1) and the Taxing Entities hereby waive their respective rights to seek additional or alternative compensation for the value of the Property pursuant to that provision for the transfer to the City.
- B. The City shall pay the Initial Compensation Amount to the Taxing Entities by warrant or check of the City delivered to the Taxing Entities at the address set forth in Exhibit C within five (5) business days after the Effective Date, defined below, of this Compensation Agreement.
- C. If, after the Effective Date, the City wishes to cause a Non-Governmental Transfer, the City shall provide notice of such Non-Governmental Transfer to the Taxing Entities at least 45 days prior to the Non-Governmental Transfer. In such event, additional compensation shall be determined and paid, as follows:

1. The Parties acknowledge that a valuation of the Property will be established, by formal appraisal and the appraised value, as so determined, will be used as the purchase price for the Property (the "Purchase Price"). The "Net Purchase Price" is the Purchase Price received by the City ("Net City Proceeds") less the City's actual and reasonable costs to pay third party vendors for appraisal, legal, real estate consultant and marketing, title company, title insurance, escrow, closing and, to the extent applicable, any other costs related to the preparation approval and/or implementation of the Non-Governmental Transfer of the Property ("Costs of Sale"). The City shall keep complete, accurate and appropriate books and records of the Costs of Sale and its calculation of the Net Purchase Price.
2. The additional compensation to be paid by the City to each Taxing Entity with respect to the Property in such event is established by multiplying the Applicable Tax Rate by the Net Purchase Price for the Property (the "Additional Compensation Amount"). The Applicable Tax Rate" is the tax rate for each of the Taxing Entities as provided by the County Auditor-Controller. "Project Area" means the project area created by the Former Agency.

ERAF is entitled to a distribution of Net Purchase Price proceeds under this Agreement. Pursuant to instruction and direction from the DOF and the Auditor-Controller, there is no need for a separate signatory to execute this Agreement on behalf of ERAF because the ultimate beneficiaries of any distribution of Disposition Proceeds to ERAF are themselves Taxing Entities that are signatories to this Agreement.

3. Within five (5) business days following the approval of the Taxing Entities of the Additional Compensation Amount, the Escrow Agent, on behalf of the City, shall remit the Additional Compensation Amount to the Taxing Entities in accordance with **Exhibit C** (the "Payment Date"). City will represent to the Taxing Entities whether or not it received Temporary Rental Income in connection with the Property. For the purposes of this Agreement, the term "Temporary Rental Income" means any lease rental income, use fee income or other income, if any, that may be received by the City with respect to the Property for a non-governmental purposes minus the documented costs to the City of improvement, operation and maintenance of such Property for the use prior to the Non-Governmental Transfer.
4. Accounting Requirements. Prior to the distribution pursuant to subsection C, the City shall provide the Escrow Agent and the Taxing Entities an itemized statement of the Costs of Sale (the "Initial Disposition Proceeds Statement"), along with evidence, reasonably satisfactory to the Taxing Entities, as to the Costs of Sale and the City's calculation of the Net City Proceeds and the Net Purchase Price. For a period of not less than fourteen (14) business days from receipt of the Initial Disposition Proceeds Statement, each of the Taxing Entities shall have the right to request, in writing delivered to the City, the Escrow Agent, and the other Taxing Entities, a review of such books, records and documents and other relevant items in the possession of City, but only to

the extent necessary for a proper determination of Net Purchase Price and Costs of Sale in the Initial Disposition Proceeds Statement. If no written requests for review of the Initial Disposition Proceed Statement are received by the City, the Initial Disposition Proceeds Statement shall become final (the "Final Disposition Proceeds Statement"). In the event that a disagreement exists as to the amount of the Net Purchase Price and/or Costs of Sale ("Disputed Amount"), any revisions agreed to by the parties shall be set forth in a revised Disposition Proceeds Statement ("Revised Disposition Statement"), which shall thereafter be deemed the Final Disposition Proceeds Statement. If, however, the parties are unable to reach agreement as to a Disputed Amount, the following procedure ("Dispute Procedure") shall apply:

- a. If the Disputed Amount is less than 15% of the Net Purchase Price, the Initial Disposition Proceeds Statement, without any revisions, shall be deemed approved and become the Final Disposition Proceeds Statement, unless timely challenged.
- b. If the Disputed Amount is greater than 15% of the Net Purchase Price, the City shall forthwith prepare a revised Disposition Proceeds Statement reflecting that (i) the undisputed Net Purchase Price (defined to exclude only the Disputed Amount) shall be distributed to all of the Taxing Entities in their proportional shares in accordance with Exhibit C in the manner described in Section 3.C.3 above; and (ii) that fifty percent (50%) of the Disputed Amount shall be distributed to the City and the remaining fifty percent (50%) of the Disputed Amount shall be distributed to all of the Taxing Entities in their proportional shares in accordance with Exhibit C. The Revised Disposition Proceeds Statement shall be deemed approved and become the Final Disposition Proceeds Statement, unless timely challenged.

Within seven (7) business days of receipt of the Final Disposition Proceeds Statement from the City, the Escrow Agent shall provide to the Taxing Entities and the Auditor-Controller a draft closing settlement statement reflecting the Purchase Price, the Net City Proceeds from the Final Disposition Proceeds Statement and setting forth the amounts to be distributed to each Taxing Entity (as applicable) (the "Closing Statement"). Notwithstanding anything herein to the contrary, if following the application of a Dispute Procedure, the Parties cannot reach agreement as to the existence or amount of an alleged error or discrepancy of the Disputed Amount and desire to challenge the Dispute Procedure, the aggrieved party may within sixty (60) days pursue all rights available to it at law or in equity. Notwithstanding anything to the contrary, if litigation is filed to challenge the Dispute Procedure, the Escrow Agent shall distribute undisputed Net Purchase Price (defined to exclude only the Disputed Amount) to all of the Taxing Entities in their proportional shares in accordance with Exhibit C in the manner described in Subsection (C) above, and shall retain in escrow only the Disputed Amount. Neither the Escrow Agent or the County Auditor-Controller shall have any liability for any distributions made pursuant to the Closing Statement or this Agreement.

Section 4. Effective Date. The effective date of this Compensation Agreement (the "Effective Date") shall be the date that each of the Taxing Entities governing boards have approved

this Agreement and directed each of the Taxing Entities (respectively) to execute this Agreement Promptly following the effectiveness of this Agreement, the City shall transmit notice to all the other Parties that the Agreement is effective and specifying the date the Agreement became effective (the "Effective Date"), along with a fully executed copy of the Agreement.

Section 5. Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as otherwise provided in this Agreement, shall expire upon the distribution by the Escrow Holder of all amounts payable to the Taxing Entities under Section 3.C. of this Agreement, if any. Notwithstanding anything to the contrary, if the events necessary to cause the Effective Date to occur have not all occurred within six (6) months from the date this Compensation Agreement is entered into, then, at the conclusion of that six (6) month period, this Compensation Agreement shall be terminated in its entirety, and shall be of no further force or effect whatsoever.

Section 6. Authorization. Each Party warrants that the individuals who have signed this Compensation Agreement have the legal power, right, and authority to make this Compensation Agreement and to bind each respective Party.

Section 7. No Personal Liability. No official, agent, or employee of any Party shall be individually or personally liable for any amount which may become due under this Compensation Agreement or on any obligations under the terms of this Compensation Agreement.

Section 8. Assignment. This Compensation Agreement shall not be assignable by any Party without the prior written consent of the other Party.

Section 9. Counterparts. This Compensation Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Compensation Agreement. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Agreement may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

Section 10. Further Assurances. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Compensation Agreement.

Section 11. Notices. All notices and other communications shall be given or made in writing by certified mail, postage prepaid, return receipt requested, or by personal delivery. Notices shall be considered given upon (i) personal delivery, (ii) one business day following timely deposit with a nationally recognized overnight courier service, charges prepaid, or (iii) three business days after deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. Notices shall be addressed as provided in the attached **Exhibit C** for the respective Party; provided that if a Party gives notice of a change of name or address, notices to such Party shall thereafter be given as specified in that notice.

Section 12. Amendment. This Compensation Agreement may be amended at any time, and from time to time, in writing by the Parties.

Section 13. Severability. If one or more of the covenants or agreements provided in this Compensation Agreement on the part of the County or the City to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Compensation Agreement.

Section 14. Construction. The Parties agree that each Party and its counsel have reviewed this Compensation Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Compensation Agreement or any amendments or exhibits thereto. This Compensation Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties.

Section 15. Binding on Successors and Assigns. All the covenants, promises and agreements in this Compensation Agreement contained by or on behalf of the County or the City shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 16. No Third Party Beneficiaries. This Compensation Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Compensation Agreement.

(a) Governing Law. This Compensation Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Bernardino County, California or in the Federal District Court for the Central District of California.

Section 17. Third Party Litigation Regarding Agreement. In the event litigation is initiated by any third party attacking the validity of this Agreement or its implementation, the City shall in good faith defend and seek to uphold the Agreement and shall bear all costs in connection with any such litigation.

Section 18. Indemnification. The City hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Taxing Entities) each Taxing Entity, its council members, governing board members, directors, officers, agents, employees, consultants, contractors, and representatives (collectively, including Seller, the “**Indemnitees**”) from all suits, actions, claims, causes of action, costs, demands, judgments and liens brought by a third party and arising out of or relating to distribution of the Additional Compensation Amount pursuant to this Agreement to any Taxing Entity other than itself, except as caused or arising out of the willful misconduct or gross negligence of any Indemnitees. The provisions of this Section

shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

Section 19. Attorneys' Fees. In any action which a Party brings to enforce its rights hereunder, the unsuccessful Party or Parties shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees.

Section 20. Entire Agreement; Amendment. This Agreement constitutes the entire and integrated agreement of the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral, relating to the subject matter of this Agreement. This Agreement may be modified only in writing and only if approved and signed by all of the Parties.

Section 21. Non-Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the waiving Parties.

Section 22. No Partnership. Nothing contained in this Agreement shall be construed to constitute any Party as a partner, employee, joint venturer, or agent of any other Party.

Section 23. Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

Section 24. Action or Approval. Whenever action and/or approval by the City is required under this Agreement, the City Administrator or the City Administrator's designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Administrator determines in the City Administrator's discretion that such action or approval requires referral to the City Council for consideration.

Section 25. County Taxing Entities. The County of San Bernardino administers funds for the following special districts and funds, and, in addition to entering into this Agreement for itself, is authorized to, and has entered into this Agreement on behalf of the following:

- (1) San Bernardino County Free Library;
- (2) Flood Control District;
- (3) Flood Control Zone 2; and
- (4) Flood Control Administration 1 & 2.

Section 26. Notice of Compensation Agreement Related to Real Property and Release. No later than fourteen (14) business days after the Effective date of this Agreement, the City shall record in the Official Records of the County of San Bernardino a Notice of Compensation Agreement Related to Real Property, in the form attached hereto as **Exhibit D** and incorporated herein by reference (the "Notice of Compensation Agreement"). The Notice of Compensation Agreement shall be recorded by the City against the Property. The City shall mail or transmit electronic copies of the recorded Notice of Compensation Agreement within a reasonable time of the City's receipt of the recorded Notice of Compensation Agreement. .

Concurrently with completion of construction of the fire station, as evidenced by a certificate of occupancy, the City shall have the right to record a complete or partial "Release of the Notice of Compensation Agreement" substantially in the form attached hereto as **Exhibit E** and incorporated herein by reference with respect only to the Property.

This **AGREEMENT** shall inure to the benefit of and be binding upon the successors and assigns of all **PARTIES**.

IN WITNESS WHEREOF, this **AGREEMENT** has been fully executed on behalf of the **COUNTY** by its duly authorized representative and the **CITY** has caused the same to be executed in its name and on its behalf by its duly authorized representative.

COUNTY OF SAN BERNARDINO

CITY OF RIALTO

► _____

By: ► _____
(Authorized signature - sign in blue ink)

Dated: _____

Title _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

Dated: _____, 2017

Bob Dutton, Clerk

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

By: ► _____

Address: Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376
Attn: Robb Steel

Approved as to Legal Form

► _____
Thomas P. Clark, Jr. of Stradling Yocca
Carlson & Rauth, Special Counsel to
City of Rialto

Date: _____

Attested by City Clerk

► _____
City Clerk

Date: _____

SUPERINTENDENT OF SCHOOLS

CHAFFEY COMMUNITY COLLEGE

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO COMMUNITY COLLEGE

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

FONTANA UNIFIED SCHOOL DISTRICT

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT

INLAND EMPIRE UTILITIES AGENCY

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

WEST VALLEY WATER DISTRICT

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT A-1

EXHIBIT "A"
CITY OF RIALTO
LEGAL DESCRIPTION
FIRE STATION 205 PARCEL

BEING A PORTION OF THE SOUTH HALF OF LOT 193 TOGETHER WITH A PORTION OF THE NORTH HALF OF LOT 204 BOTH OF THE SUBDIVISION OF THE LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY AS SHOWN BY MAP ON FILE IN BOOK 11, OF MAPS AT PAGE 12, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN THE NORTHEAST ONE-QUARTER OF SECTION 23, TOWNSHIP 1 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF WILLOW AVENUE (32 FEET IN HALF WIDTH) AS CONVEYED TO THE CITY OF RIALTO BY DEED RECORDED DECEMBER 16, 1961 IN BOOK 5618, PAGE 5, OFFICIAL RECORDS OF SAID COUNTY AND THE NORTH LINE OF SAID SOUTH HALF OF LOT 193;

THENCE NORTH 89°57'06" EAST 300.00 FEET ALONG THE NORTH LINE OF SAID SOUTH HALF OF LOT 193;

THENCE LEAVING SAID NORTH LINE, SOUTH 00°00'00" EAST 661.14 FEET TO THE SOUTH LINE OF SAID NORTH HALF OF LOT 204;

THENCE SOUTH 89°56'58" WEST 3.10 FEET ALONG SAID SOUTH LINE TO THE NORTHEASTERLY LINE OF THAT CERTAIN PARCEL CONVEYED TO SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT BY DEED RECORDED OCTOBER 31, 1977, IN BOOK 9550, PAGE 786, OFFICIAL RECORDS OF SAID COUNTY, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1050.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 60°05'58" EAST;

THENCE ALONG SAID NORTHEASTERLY LINE AND SAID CURVE, NORTHWESTERLY THROUGH A CENTRAL ANGLE OF 14°40'12", AN ARC LENGTH OF 268.84 FEET,

THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE, NORTH 44°34'14" WEST 191.31 FEET TO SAID EAST LINE OF WILLOW AVENUE;

THENCE NORTH 00°04'35" WEST 311.15 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

CONTAINING 3.25 ACRES OR 141,438 SQUARE FEET MORE OR LESS.

THIS DESCRIPTION ALSO BEING SHOWN ON THE ATTACHED EXHIBIT "B" AND THEREBY BEING MADE A PART HEREOF.

THIS LEGAL DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

ROBERT C. OLLERTON, PLS 7731

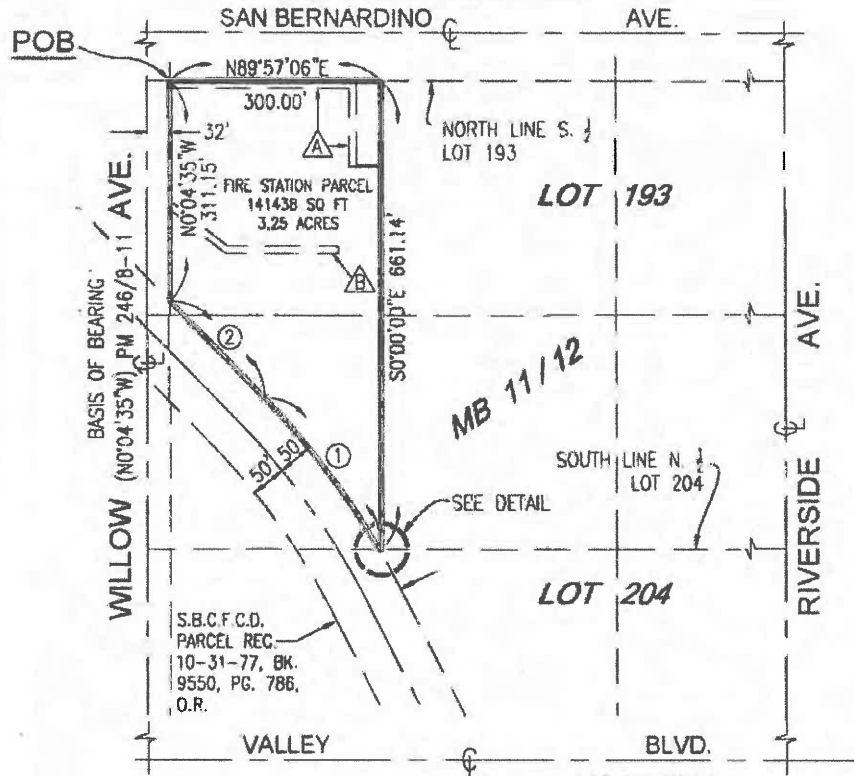
DATE

PAGE 2 OF 2

T:\Projects\74009019 Rialto FS 205\Lot Line Adjustment\Rialto FS 205 Legal Description.docx

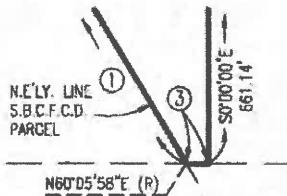
EXHIBIT A-2

EXHIBIT "B"



- EASEMENT NOTES**
- ▲ S.C.E. EASEMENT PER BK. 5675, PG. 838, REC. 4-4-1962, O.R.
 - ▲ S.C.E. EASEMENT PER DOC. #93562829, REC. 12-18-1993, O.R.
 - C R/W FOR WATER DISTRIBUTION IN FAVOR OF THE SEMI TROPIC LAND AND WATER CO. PER BK. 168, PG. 38, REC. 11-13-1892, O.R. NOT PLOTTABLE

CURVE/LINE DATA			
NO.	BEARING/DELTA	RADIUS	LENGTH
①	14°40'12"	1050.00'	268.84'
②	N44°34'14"W	---	191.31'
③	S89°56'58"W	---	3.10'



DETAIL NOT TO SCALE



0' 100' 200'
SCALE: 1"=200'



3550 E. Florida Avenue, Suite B
Hemet, California 92544
(951) 765-6622 Fax (951) 765-6621

INC.COM

Engineering Resources of Southern California

PREPARED UNDER THE SUPERVISION OF:

DATE: _____ ROBERT C. OLLERTON, P.L.S. NO. 7731

EXHIBIT "B" CITY OF RIALTO FIRE STATION 205 PARCEL

J.N. 74009019

SCALE: 1"=200'

FILE NO. I:\PROJECTS\74009019\LOT LINE ADJUSTMENT\74009019LLA.DWG

DATE: 04-04-2017

SHEET 1 OF 1

EXHIBIT B

CITY OF RIALTO COMPENSATION AGREEMENT APPLICABLE TAX RATES

AGENCY/ ACCOUNT CODE	AGENCY NAME	RR64-RG01	
		RIALTO RDA MERGED PROJECT	
		TRA INCREMENT	% OF SHARE
AB01-GA01	COUNTY GENERAL FUND	1,967,511	0.152667270
AB02-GA01	EDUCATION REVENUE AUGMENTATION FUND	2,979,277	0.231174417
BF02-GA01	FLOOD CONTROL ZONE 2	349,274	0.027101617
BF07-GA01	FLOOD CONTROL ADMIN 1 & 2	24,560	0.001905705
BL01-GA01	COUNTY FREE LIBRARY	190,523	0.014783435
BS01-GA01	SUPERINTENDENT OF SCHOOLS	67,511	0.005238487
BS01-GA02	SUPERINTENDENT OF SCHOOLS	9,917	0.000769522
BS01-GA03	SUPERINTENDENT OF SCHOOLS	26,556	0.002060597
BS01-GA04	SUPERINTENDENT OF SCHOOLS	18,270	0.001417653
BS01-GA05	SUPERINTENDENT OF SCHOOLS	6,017	0.000466911
CC28-GA01	CITY OF RIALTO	1,803,531	0.139943396
SC16-GA01	CHAFFEY COMMUNITY COLLEGE	77,191	0.005989558
SC54-GA01	SAN BERNARDINO COMMUNITY COLLEGE	597,696	0.046377687
SU20-GA01	COLTON JOINT UNIFIED SCHOOL DIST	587,640	0.045597440
SU26-GA01	FONTANA UNIFIED SCHOOL DISTRICT	495,734	0.038466065
SU50-GA01	RIALTO UNIFIED SCHOOL DISTRICT	3,123,175	0.242340020
WR04-GL01	INLAND EMPIRE JT RESOURCE CONS DIST	25,445	0.001974358
WU08-GA01	INLAND EMPIRE UTILITIES AGENCY	63,696	0.004942417
WU08-GA05	INLAND EMPIRE UTILITIES AGENCY	62,003	0.004811080
WU23-GA01	SAN BERNARDINO VALLEY MUNI WATER	254,432	0.019742450
WW28-GA01	WEST VALLEY WATER DISTRICT	157,614	0.012229915
	Grand Total	12,887,574	1.00000000

EXHIBIT C

LIST OF ADDRESSES FOR NOTICE PURPOSES

[Note- Insert addresses of all taxing entities that are parties to this agreement.]

TAXING ENTITY	Addresses
COUNTY GENERAL FUND	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
FLOOD CONTROL ZONE 2	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
FLOOD CONTROL ADMIN 1 & 2	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
COUNTY FREE LIBRARY	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
EDUCATION REVENUE AUGMENTATION FUND	
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
CITY OF RIALTO	Mr. Michael Story, City Administrator City of Rialto 150 S. Palm Avenue Rialto, CA 92376
CHAFFEY COMMUNITY COLLEGE	Mr. Henry Shannon Superintendent/President Chaffey College 5885 Haven Avenue Rancho Cucamonga, CA 91737
SAN BERNARDINO COMMUNITY COLLEGE	Mr. Bruce Baron, Chancellor San Bernardino Community College 114 S. Del Rosa Drive San Bernardino, CA 92408

TAXING ENTITY	Addresses
COLTON JOINT UNIFIED SCHOOL DISTRICT	Mr. Jerry Almendarez, Superintendent Colton Joint Unified School District 1212 Valencia Drive Colton, CA 92324
FONTANA UNIFIED SCHOOL DISTRICT	Mr. Randal S. Bassett Superintendent Fontana Unified School District 9680 Citrus Avenue Fontana, CA 92335
RIALTO UNIFIED SCHOOL DISTRICT	Dr. Cuauhtemoc Avila, Superintendent Rialto Unified School District 182 S. Walnut Avenue Rialto, CA 92376
INLAND EMPIRE JT. RESOURCE CONS. DISTRICT	Ms. Mandy Parkes, District Manager Inland Empire Joint Resource Correction District 25864-K Business Center Drive Redlands, CA 92374
INLAND EMPIRE UTILITIES AGENCY	Mr. Jon Grindstaff, General Manager Inland Empire Utilities Agency P.O. Box 9020 Chino Hills, CA 91709
SAN BERNARDINO VALLEY MUNI WATER	Mr. Doug Headrick, General Manager San Bernardino Valley Municipal Water 380 E. Vanderbilt Way San Bernardino, CA 92408
WEST VALLEY WATER DISTRICT	Mr. Matthew Litchfield General Manager West Valley Water District P.O. Box 920 Rialto, CA 92377

EXHIBIT D

**FORM OF NOTICE OF COMPENSATION AGREEMENT
RELATED TO REAL PROPERTY**

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTIONS 6103 AND 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

NOTICE OF COMPENSATION AGREEMENT

RELATED TO REAL PROPERTY

(AREA A PROPERTY)

NOTICE IS HEREBY GIVEN, that the CITY OF RIALTO (the "City" and "Owner") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, Chaffey Community College, San Bernardino Community College, Colton Joint Unified School District, Fontana Unified School District, Rialto Unified School District, Inland Empire Joint Resource Conservation District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water, and West Valley Water District, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") entered into that certain Compensation Agreement, dated _____, 2017 (the "Compensation Agreement"), with reference to that certain real property located in the City located at _____, at _____, assessor's parcel number(s) _____, and further described in Exhibit A incorporated herein by reference (the "Property").

Among other requirements, the LRPMP requires the City to execute a compensation agreement with the Taxing Entities providing for a contingent payment of Disposition Proceeds (as defined in the Compensation Agreement) upon the City's disposition of the Property, under specified conditions.

The Compensation Agreement includes certain obligations related to the Property, including without limitation and as further described in the Compensation Agreement:

A requirement that the Owner provide the Taxing Entities and the County Auditor-Controller a Disposition Proceeds Statement including the information required under Section 3.C.4. of the Compensation Agreement.

A requirement for the Owner, under certain circumstances, to remit the Additional Compensation Amount to the Escrow Agent for distribution to the Taxing Entities in proportion to their Property Tax Percentage Shares base property tax as determined by the City using data from the County's Auditor-Controller and require the Escrow Agent to distribute the funds pursuant to Health and Safety Code Section 34188 and subject to Section 2 of the Compensation Agreement.

A complete copy of the Compensation Agreement is maintained in the Office of the City Clerk, and is available to review at 150 S. Palm Avenue, Rialto, CA 92376 between 9 a.m. and 5 p.m.

In the event of any conflict between this Notice of Compensation Agreement Related to Property (the "Notice") and the Compensation Agreement, the terms of the Compensation Agreement shall prevail.

Upon the satisfaction of the requirements of Section 25 of the Compensation Agreement, the City shall release this Notice (the "Release"), by the execution and recordation of a release in substantially the form attached hereto as Exhibit B, incorporated herein by reference.

This Notice is being recorded and filed by the Owner of the Property, and shall be indexed against the Owner's interest in the Property.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

CITY

CITY OF RIALTO, a California general law city

Date: _____

By: _____
City Administrator

ATTEST:

By: _____
Barbara McGee, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
City Special Counsel

Fred Galante, City Attorney

Date: _____

[ALL SIGNATURES MUST BE NOTARIZED]

SUPERINTENDENT OF SCHOOLS

CHAFFEY COMMUNITY COLLEGE

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO COMMUNITY COLLEGE

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

FONTANA UNIFIED SCHOOL DISTRICT

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT

INLAND EMPIRE UTILITIES AGENCY

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

WEST VALLEY WATER DISTRICT

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT "A"
CITY OF RIALTO
LEGAL DESCRIPTION
FIRE STATION 205 PARCEL

BEING A PORTION OF THE SOUTH HALF OF LOT 193 TOGETHER WITH A PORTION OF THE NORTH HALF OF LOT 204 BOTH OF THE SUBDIVISION OF THE LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY AS SHOWN BY MAP ON FILE IN BOOK 11, OF MAPS AT PAGE 12, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN THE NORTHEAST ONE-QUARTER OF SECTION 23, TOWNSHIP 1 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF WILLOW AVENUE (32 FEET IN HALF WIDTH) AS CONVEYED TO THE CITY OF RIALTO BY DEED RECORDED DECEMBER 16, 1961 IN BOOK 5618, PAGE 5, OFFICIAL RECORDS OF SAID COUNTY AND THE NORTH LINE OF SAID SOUTH HALF OF LOT 193;

THENCE NORTH 89°57'06" EAST 300.00 FEET ALONG THE NORTH LINE OF SAID SOUTH HALF OF LOT 193;

THENCE LEAVING SAID NORTH LINE, SOUTH 00°00'00" EAST 661.14 FEET TO THE SOUTH LINE OF SAID NORTH HALF OF LOT 204;

THENCE SOUTH 89°56'58" WEST 3.10 FEET ALONG SAID SOUTH LINE TO THE NORTHEASTERLY LINE OF THAT CERTAIN PARCEL CONVEYED TO SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT BY DEED RECORDED OCTOBER 31, 1977, IN BOOK 9550, PAGE 786, OFFICIAL RECORDS OF SAID COUNTY, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1050.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 60°05'58" EAST,

THENCE ALONG SAID NORTHEASTERLY LINE AND SAID CURVE, NORTHWESTERLY THROUGH A CENTRAL ANGLE OF 14°40'12", AN ARC LENGTH OF 268.84 FEET,

THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE, NORTH 44°34'14" WEST 191.31 FEET TO SAID EAST LINE OF WILLOW AVENUE,

THENCE NORTH 00°04'35" WEST 311.15 FEET ALONG SAID EAST LINE TO THE POINT
OF BEGINNING.

CONTAINING 3.25 ACRES OR 141,438 SQUARE FEET MORE OR LESS.

THIS DESCRIPTION ALSO BEING SHOWN ON THE ATTACHED EXHIBIT "B" AND
THEREBY BEING MADE A PART HEREOF.

THIS LEGAL DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN
CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

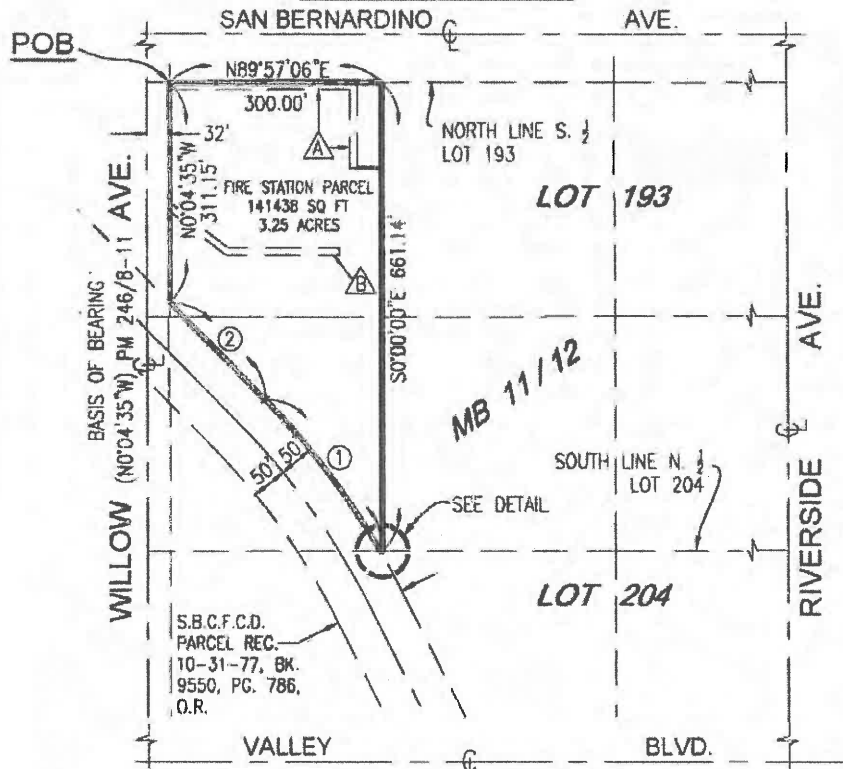
ROBERT C. OLLERTON, PLS 7731 DATE

PAGE 2 OF 2

T:\Projects\74009019 Rialto FS 205\Lot Line Adjustment\Rialto FS 205 Legal Description.docx

EXHIBIT D-6

EXHIBIT "B"



BASIS OF BEARING
(N0°04'35"W) PM 246/8-11 AVE.

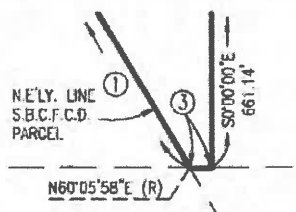
EASEMENT NOTES

- A S.C.E. EASEMENT PER BK. 5675, PG. 838, REC. 4-4-1962, O.R.
- B S.C.E. EASEMENT PER DOC. #93562829, REC. 12-18-1993, O.R.
- C R/W FOR WATER DISTRIBUTION IN FAVOR OF THE SEMI TROPIC LAND AND WATER CO. PER BK. 166, PG. 38, REC. 11-13-1892, O.R. NOT PLOTTABLE

CURVE/LINE DATA			
NO.	BEARING/DELTA	RADIUS	LENGTH
①	14°40'12"	1050.00'	268.84'
②	N44°34'14"W		181.31'
③	S89°56'58"W		3.10'



0' 100' 200'
SCALE: 1"=200'



DETAIL
NOT TO SCALE

ERSG 3550 E. Florida Avenue, Suite B
Hemet, California 92544
(951) 785-6622 Fax (951) 785-6621
Engineering Resources of Southern California

EXHIBIT "B"
CITY OF RIALTO
FIRE STATION 205
PARCEL

PREPARED UNDER THE SUPERVISION OF:
DATE: _____ ROBERT C. OLLERTON, P.L.S. NO. 7731

J.N. 74009019 SCALE: 1"=200'
FILE NO: F:\PROJECTS\74009019\LOT LINE ADJUSTMENT\74009019LLA.DWG
DATE: 04-04-2017 SHEET 1 OF 1

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT E

FORM OF RELEASE AGREEMENT

**RELEASE OF NOTICE OF COMPENSATION AGREEMENT
RELATED TO REAL PROPERTY**

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Rialto Civic Center
150 S. Palm Avenue
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTIONS 6103 AND 27383

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

FORM OF RELEASE AGREEMENT

RELEASE OF NOTICE OF COMPENSATION AGREEMENT

RELATED TO REAL PROPERTY

(AREA A PROPERTY)

This Release of Notice of Compensation Agreement Related to Real Property is made as of [INSERT DATE] (the "Notice"), by the CITY OF RIALTO, in its capacity as a taxing entity (the "City") and in its capacity as the Owner of that certain real located ADDRESS, in the City of Rialto, and further described in Exhibit A incorporated herein by reference (the "Property").

RECITALS

A. The CITY OF RIALTO (the "City") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, Chaffey Community College, San Bernardino Community College, Colton Joint Unified School District, Fontana Unified School District, Rialto Unified School District, Inland Empire Joint Resource Conservation District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water, and West Valley Water District, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") have entered into that certain Compensation Agreement, dated [INSERT DATE] (the "Compensation Agreement"), with reference to the Property.

B. In connection with the Compensation Agreement, the City executed the Notice, which was recorded against the Property in the Official Records of the County of San Bernardino as Instrument No. [INSERT RECORDING NUMBER] on [INSERT DATE].

C. The City, in its capacity as a Taxing Entity, has determined that the Owner has fulfilled its obligations under Section 2 of the Compensation Agreement with respect to the Property and the City desires to release the Notice as a lien or claim on the interest in the Property conveyed and described in Exhibit A.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

The City, in its capacity as a Taxing Entity, hereby releases the Property from any and all obligations under the Notice.

This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it.

This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

This Agreement may be signed by the different parties hereto in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

CITY

CITY OF RIALTO, a California general law city

Date: _____

By: _____
City Administrator

ATTEST:

By: _____
Barbara McGee, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
City Special Counsel

Fred Galante, City Attorney

Date: _____

[ALL SIGNATURES MUST BE NOTARIZED]

SUPERINTENDENT OF SCHOOLS

CHAFFEY COMMUNITY COLLEGE

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO COMMUNITY COLLEGE

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

FONTANA UNIFIED SCHOOL DISTRICT

RIALTO UNIFIED SCHOOL DISTRICT

By: _____

By: _____

Its: _____

Its: _____

INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT

INLAND EMPIRE UTILITIES AGENCY

By: _____

By: _____

Its: _____

Its: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

WEST VALLEY WATER DISTRICT

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT "A"
CITY OF RIALTO
LEGAL DESCRIPTION
FIRE STATION 205 PARCEL

BEING A PORTION OF THE SOUTH HALF OF LOT 193 TOGETHER WITH A PORTION OF THE NORTH HALF OF LOT 204 BOTH OF THE SUBDIVISION OF THE LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY AS SHOWN BY MAP ON FILE IN BOOK 11, OF MAPS AT PAGE 12, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN THE NORTHEAST ONE-QUARTER OF SECTION 23, TOWNSHIP 1 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF WILLOW AVENUE (32 FEET IN HALF WIDTH) AS CONVEYED TO THE CITY OF RIALTO BY DEED RECORDED DECEMBER 16, 1961 IN BOOK 5618, PAGE 5, OFFICIAL RECORDS OF SAID COUNTY AND THE NORTH LINE OF SAID SOUTH HALF OF LOT 193;

THENCE NORTH 89°57'06" EAST 300.00 FEET ALONG THE NORTH LINE OF SAID SOUTH HALF OF LOT 193;

THENCE LEAVING SAID NORTH LINE, SOUTH 00°00'00" EAST 661.14 FEET TO THE SOUTH LINE OF SAID NORTH HALF OF LOT 204;

THENCE SOUTH 89°56'58" WEST 3.10 FEET ALONG SAID SOUTH LINE TO THE NORTHEASTERLY LINE OF THAT CERTAIN PARCEL CONVEYED TO SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT BY DEED RECORDED OCTOBER 31, 1977, IN BOOK 9550, PAGE 786, OFFICIAL RECORDS OF SAID COUNTY, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1050.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 60°05'58" EAST;

THENCE ALONG SAID NORTHEASTERLY LINE AND SAID CURVE, NORTHWESTERLY THROUGH A CENTRAL ANGLE OF 14°40'12", AN ARC LENGTH OF 268.84 FEET;

THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE, NORTH 44°34'14" WEST 191.31 FEET TO SAID EAST LINE OF WILLOW AVENUE;

THENCE NORTH 00°04'35" WEST 311.15 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

CONTAINING 3.25 ACRES OR 141,438 SQUARE FEET MORE OR LESS.

THIS DESCRIPTION ALSO BEING SHOWN ON THE ATTACHED EXHIBIT "B" AND THEREBY BEING MADE A PART HEREOF.

THIS LEGAL DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS ACT.

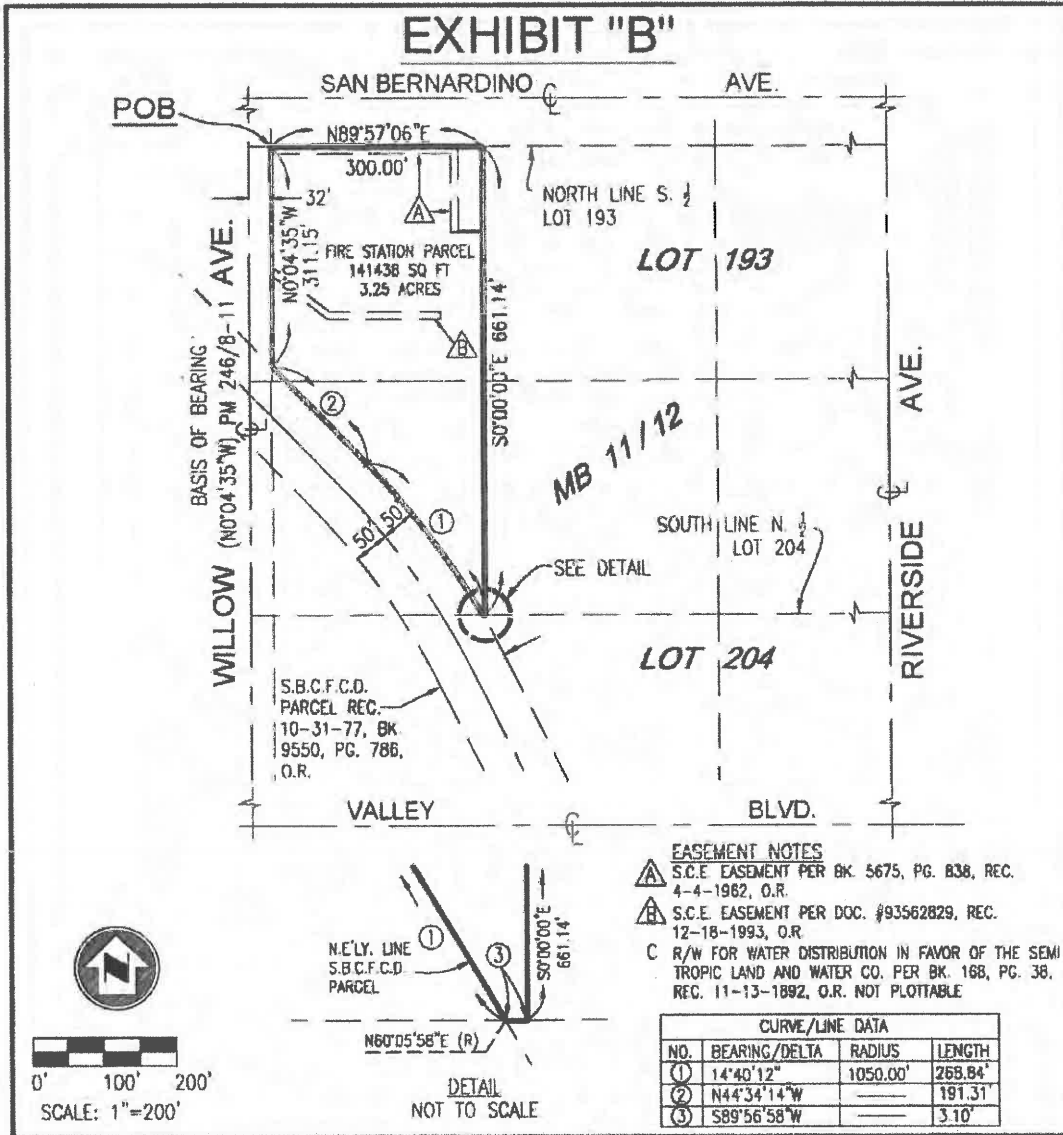
ROBERT C. OLLERTON, PLS 7731 DATE

PAGE 2 OF 2

T:\Projects\74009019 Rialto FS 205\Lot Line Adjustment\Rialto FS 205 Legal Description.docx

EXHIBIT E-6

EXHIBIT "B"



ERSG INC.COM
Engineering Resources of Southern California

3550 E. Florida Avenue, Suite B
Hemet, California 92544
(951) 765-6622 Fax (951) 765-6621

EXHIBIT "B"
CITY OF RIALTO
FIRE STATION 205
PARCEL

PREPARED UNDER THE SUPERVISION OF:
DATE: _____ ROBERT C. OLLERTON, P.L.S. NO. 7731

J.N. 74009019 SCALE: 1"=200'
FILE NO: T:\PROJECTS\74009019\LOT LINE ADJUSTMENT\74009019LLA.DWG
DATE: 04-04-2017 SHEET 1 OF 1

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

Project #5 – FIRE STATION 205

Location/Address:	2530 S. Lilac Avenue – South Rialto
Total Properties:	1 Parcel – with vacant home proposed to be demolished
Land Use:	Agua Mansa Specific Plan – M-Industrial
Disposition of Parcels:	Retained by the City of Rialto for government purpose – SEE ATTACHMENT "A" FOR ADDITIONAL INFORMATION

1. The date of the former Agency's acquisition of the property; the value of the property when it was acquired; the purpose for which the property was acquired; and parcel data:

In 2009, the Redevelopment Agency of the City of Rialto ("Agency") acquired the parcel for a proposed fire station. The parcel is part of three parcels to be used for the future fire station. The City owns the other two parcels. The Agency-owned lot includes a vacant single-family home, proposed to be demolished in calendar year 2013.

Parcel Data:

Assessor Parcel Number(s)	Purchase Date	Original Purchase Price/Market Value	Parcel SF	Building SF	Parcel Leased	Estimate Current Market Value
APN 0256-102-61	4-23-09	\$451,000	32,000 (0.76 acres)	1,859 (a)	No	\$224,000

(a) Building proposed for demolition in calendar year 2013.

2. An estimate of the current value of the parcel including, if available, any appraisal information:

The estimated market value is based on a study conducted by Keyser Marston and Associates dated February 8, 2013. The study determined that the estimated market value in Rialto for land in an industrial area is \$7.00 per square feet. The house is dilapidated, and consequently, has no value. SEE ATTACHMENT "B" FOR A COPY OF THE STUDY.

3. An estimate of any revenues generated by the property, and a description of the contractual requirements for the disposition of those revenues:

The property does not generate any revenue.

4. The history of environmental contamination affecting the property, including designation as a brownfield site, any environmental studies, and history of any remediation efforts:

None.

5. Previous development activity; potential for transit-oriented development ("TOD"):

No potential for TOD activity. No date has been set for construction. However, as development in southern Rialto begins to progress, the City will collect development funds and utilize other funds to commence the development of the fire station. A restrictive covenant for use of this parcel exists – SEE ATTACHMENT "E."

**ACTION
ITEM**

4C

Date: September 20, 2017

To: The Honorable Board of Directors

Chris Berch for JG
From: P. Joseph Grindstaff, General Manager

Committee: Engineering, Operations & Water Resources

09/13/17

Finance & Administration

09/13/17

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: San Sevaine Basin Improvements Construction Contract Award

Executive Summary:

The San Sevaine Basin Improvements, Project No. EN13001, part of the Recharge Master Plan Update Projects, will construct a pump station at the southern area of San Sevaine Basin 5 and install piping towards Basins 1, 2, and 3. This will allow captured stormwater to be moved to a more efficient basins for recharge. The project will also increase recycled water use for groundwater recharge during the dry seasons. This project will benefit the region's groundwater system by providing approximately an additional 600 acre-feet of storm water and 4,100 acre-feet of recycled water. The improvements are within San Bernardino County Flood Control District's property. Due to the recycled water component, this project is 50-percent cost shared with Chino Basin Watermaster. Additionally, \$1,125,000 of the total project is funded by grants from California Department of Water Resources and United States Department of the Interior's Bureau of Reclamation.

On February 6, 2017, IEUA pre-qualified 17 general contractors to bid on the project. On March 16, 2017, IEUA released an invitation for bids to the eligible contractors through PlanetBids. On July 13, 2017, seven bids were received. Gwinco Construction & Engineering was deemed the lowest responsive bidder with a bid price of \$3,873,029.

Staff's Recommendation:

1. Award a construction contract for the San Sevaine Basin Improvements, Project No. EN13001, to Gwinco Construction & Engineering, in the amount of \$ 3,873,029; and
2. Authorize the General Manager to execute the construction contract.

Budget Impact *Budgeted* (Y/N): Y *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

EN13001/San Sevaine Basin Improvements

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On January 20, 2016, the Board of Directors adopted the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring, and Reporting Program.

On May 20, 2015, the Board of Directors approved the consulting engineering services contract award to Dudek.

Environmental Determination:

Negative Declaration

IEUA processed a Mitigated Negative Declaration for this project. A copy of the Notice of Determination is attached.

Business Goal:

The San Sevaine Basin Improvements Project is consistent with the IEUA's Business Goal of Water Reliability specifically the Groundwater Recharge objective that IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships, and development.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Construction Contract

Attachment 4 - Negative Declaration

Background

Subject: San Sevaine Basin Improvements Construction Contract Award

In 2013, IEUA and Chino Basin Watermaster (Watermaster) approved a series of proposed recharge enhancement projects under the Recharge Master Plan Update (RMPU). The San Sevaine Basin Improvements project is a part of the RMPU. This project captures and recharges an additional 600 acre-feet of storm water and 4,100 acre-feet of recycled water for region's groundwater system. The San Sevaine project is 50-percent cost shared between Watermaster and IEUA. The improvements propose to install a pump station at the southern area of the Basin 5 and install piping to Basins 1, 2, and 3. The project will allow for the transfer of captured stormwater at Basin 5 to more efficient recharge basins and increase recycled water use for groundwater recharge during the dry seasons. The project will also allow for better management against midge fly nuisance by minimizing water levels at Basin 5 and effectively transferring the water to higher performing recharge basins. Dudek, the engineering consultant, prepared the construction plans and will provide engineering services during construction.

On February 6, 2017, IEUA pre-qualified 17 general contractors to bid on the project. On March 16, 2017, IEUA released an invitation for bids to the eligible contractors through PlanetBids. On July 13, 2017, the following seven bids were received:

Bidder's Name	Total Price
Gwinco Construction & Engineering, Inc.	\$ 3,873,029
Ferreira DBA Ferreira Coastal Construction Co.	\$ 4,232,282
H & H General Contractors, Inc.	\$ 4,269,200
Canyon Springs Enterprise DBA RSH Construction	\$ 4,528,356
Norstar Plumbing and Engineering, Inc.	\$ 4,979,000
Environment Construction, Inc.	\$ 5,318,848
CDM Constructors, Inc.	\$ 6,176,663
Engineer's Estimate	\$4,265,000

Gwinco Construction & Engineering, Inc. was the lowest responsible and responsive bidder with a bid price of \$3,873,029. Gwinco was pre-qualified by presenting the required experience on performing similar projects with other utilities and cities and showing good workmanship and responsiveness.

The following table is the anticipated project cost:

Description	Estimated Cost
Design Services	\$752,179
Preliminary Design Contract (actual cost)	\$256,000
Design Contract (actual cost)	\$320,028
IEUA Design Services (actual cost)	\$176,151
Construction Services	\$425,800
Design Consultant Construction Services (actual cost)	\$38,800
IEUA Construction Services	\$387,000
Construction	\$4,260,029
Construction Contract (actual cost)	\$3,873,029
Contingency (~10%)	\$ 387,000
Total Project Cost:	\$5,438,008
Basin Monitoring Wells (Separate Action)	\$856,992
Total Project Budget	\$6,460,000
Remaining Budget	\$165,000

The total project budget also supports the Monitoring Well project which will be awarded and constructed separately.

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	September 2017
Construction Completion	September 2018

Fiscal Impact:

If approved, the construction contract for the San Sevaime Basin Improvements, Project No. EN13001, in the amount of \$ 3,873,029, will be within the total project budget of \$ 6,460,000, in the Recycled Water (WC) Fund.

This project is 50-percent cost shared with Chino Basin Watermaster as stipulated within Task Order Agreement No. 8 of the Master Agreement of 2014 between IEUA and Watermaster.

Additionally, \$1,125,000 of the total project budget is funded by grants (from California Department of Water Resources, Santa Ana Watershed Project Authority, and the United States Department of Interior's Bureau of Reclamation) and the remaining by low interest loans from the Clean Water State Revolving Funds.

San Sevaine Basin Improvements Construction Contract Award Project No. EN13001



Project Location



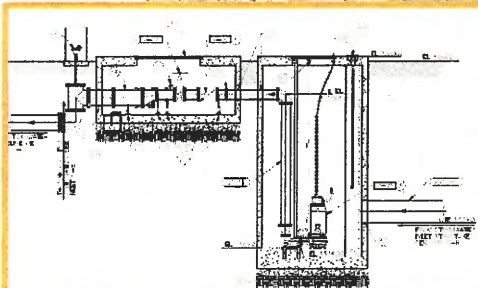
Project Scope

Basin Improvements:

- Pump Basin 5 water to upper Basins
 - Install pump station in Basin 5
 - Build conveyance piping to upper basins
- Connect to RW source
 - Uses new piping to recharge upper basins

Project Benefits:

- Increase storm water recharge to approx. 600 acre-feet per year
- Increase recycled water recharge 4,100 acre-feet per year
- Increase operational flexibility for midge fly control



BASIN 5 – PUMP STATION DESIGN



LOCATION OF NEW PIPING DISCHARGES TO BASINS 1, 2, & 3

Contractor Selection

- Pre-qualified 17 general contractors on February 6, 2017
- Bids received on July 13, 2017:

Bidder's Name	Total
Gwinco Construction & Engineering, Inc.	\$ 3,873,029
Ferreira DBA Ferreira Coastal Construction Co	\$ 4,232,282
H & H General Contractors, Inc.	\$ 4,269,200
Canyon Springs Enterprise DBA RSH Construction	\$ 4,528,356
Norstar Plumbing and Engineering, Inc	\$ 4,979,000
Environment Construction, Inc.	\$ 5,318,848
CDM Constructors, Inc.	\$ 6,176,663
Engineer's Estimate	\$4,265,000

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Design Services	\$752,179	Construction Contract Award	September 2017
Preliminary Design Contract (actual cost)	\$256,000	Construction Completion	September 2018
Design Contract (actual cost)	\$320,028		
IEUA Design Services	\$176,151		
Construction Services	\$425,800		
Design Consultant Construction Services (actual cost)	\$38,800		
IEUA Construction Services	\$387,000		
Construction	\$4,260,029		
Construction Contract	\$3,873,029		
Contingency (10%)	\$387,000		
Total Project Cost	\$5,438,008		
Basin Monitoring Wells	\$856,992		
Total Project Budget	\$6,460,000		
Remaining Budget	\$165,000		

The monitoring wells project to be awarded and constructed separately

Recommendation

- Authorize the construction contract for the San Sevaine Basin Improvements, Project No. EN13001, to Gwinco Construction & Engineering, in the amount of \$ 3,873,029; and
- Authorize the General Manager to execute the construction contract.

The San Sevaine Basin Improvements Project is consistent with the *IEUA's Business Goal of Water Reliability* specifically the Groundwater Recharge objective that IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships, and development.

SAN SEVAINE BASIN IMPROVEMENTS CONTRACT

THIS CONTRACT, made and entered into this ____ day of _____, 20____, by and between Gwinco Construction and Engineering, Inc., hereinafter referred to as "Contractor," and The Inland Empire Utilities Agency, a Municipal Water District, located in San Bernardino County, California, hereinafter referred to as "Agency".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Agency and the Contractor agree as follows:

1. Contractor agrees to perform and complete in a workmanlike manner, all work required under the bidding schedule of said Agency's specifications entitled SPECIFICATIONS FOR San Sevaime Basin Improvements Project No. EN13001, in accordance with the specifications and drawings, and to furnish at their own expense, all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said specifications to be furnished by said Agency, and to do everything required by this Contract and the said specifications and drawings.
2. For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and said specifications and drawings; also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the work until its acceptance by said Agency, and for all risks of every description connected with the work; also for all expenses resulting from the suspension or discontinuance of work, except as in the said specifications are expressly stipulated to be borne by said Agency; and for completing the work in accordance with the requirements of said specifications and drawings, said Agency will pay and said Contractor shall receive, in full compensation therefore, the price(s) set forth in this Contract.
3. That the Agency will pay the Contractor progress payments and the final payment, in accordance with the provisions of the contract documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bidding and Contract Requirements, Section C - Bid Forms and accepted by the Agency, and set forth in this below.

Total Bid Price \$ 3,873,029 _____ Dollars

Total Bid Price \$ Three million eight hundred seventy-three thousand twenty-nine Dollars

If this is not a lump sum bid and the contract price is dependent upon the quantities constructed, the Agency will pay and said Contractor shall receive, in full compensation for the work the prices named in the Bidding and Contract Requirements, Section C - Bid

Forms.

4. The Agency hereby employs the Contractor to perform the work according to the terms of this Contract for the above-mentioned price(s), and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said specifications; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.
5. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractors License Declaration, Specifications, Drawings, all General Conditions and all Special Conditions, and all addenda issued by the Agency with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.
6. The Contractor agrees to commence work under this Contract on or before the date to be specified in a written "Notice to Proceed" and to complete said work to the satisfaction of the Agency Three hundred sixty-five (365) calendar days after award of the Contract. All work shall be completed before final payment is made.
7. Time is of the essence on this Contract.
8. Contractor agrees that in case the work is not completed before or upon the expiration of the contract time, damage will be sustained by the Agency, and that it is and will be impracticable to determine the actual damage which the Agency will sustain in the event and by reason of such delay, and it is therefore agreed that the Contractor shall pay to the Agency the amount of Four thousand dollars (\$4,000) for each day of delay, which shall be the period between the expiration of the contract time and the date of final acceptance by the Agency, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by the Agency, and the Contractor agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the Contractor agrees that the Agency may deduct the amount thereof from any money due or that may become due to the Contractor by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.

In addition to the liquidated damages, which may be imposed if the Contractor fails to complete the work within the time agreed upon, the Agency may also deduct from any sums due or to become due the Contractor, liquidated damages in accordance with the Bidding and Contract Requirements, Section B - Instruction to Bidders, Part 5.0 "Liquidated Damages", for any violation of the General Conditions, Section D - Contractor's Responsibilities, Part 8, "Law and Regulations"; Bidding and Contract Requirements Contract Section D – Contract and Relevant Documents, Part 1.0, Paragraphs 9 through 11; General Conditions, Section D – Contractor's Responsibilities, Part 4.0, "Labor, Materials and Equipment"; General Conditions Section D – Contractor's Responsibilities, Part 12.0, "Safety and Protection" or General Conditions Section H – Legal Responsibilities, Part 8.0, "Disturbance of the Peace". That the Contractor will pay, and will require subcontractors to pay, employees on the work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, contained in or referenced in the contract documents.

9. That, in accordance with Section 1775 of the California Labor Code, Contractor shall forfeit to the Agency, as a penalty, not more than Fifty (\$50.00) Dollars for each day, or portion thereof, for each worker paid, either by the Contractor or any subcontractor, less than the prevailing rates as determined by the Director of the California Department of Industrial Relations for the work.
10. That, except as provided in Section 1815 of the California Labor Code, in the performance of the work not more than eight (8) hours shall constitute a day's work, and not more than forty (40) hours shall constitute a week's work; that the Contractor shall not require more than eight (8) hours of labor in a day nor more than forty hours of labor in a week from any person employed by the Contractor or any subcontractor; that the Contractor shall conform to Division 2, Part 7, Chapter 1, Article 3 (Section 1810, et seq.) of the California Labor Code; and that the Contractor shall forfeit to the Agency, as a penalty, the sum of Twenty-Five (\$25.00) Dollars for each worker employed in the execution of the work by Contractor or any subcontractor for each day during which any worker is required or permitted to labor more than eight (8) hours in violation of said Article 3.
11. That the Contractor shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
12. That the Contractor shall have furnished, prior to execution of the Contract, two bonds approved by the Agency, one in the amount of one hundred (100) percent of the contract price, to guarantee the faithful performance of the work, and one in the amount of one hundred (100) percent of the contract price to guarantee payment of all claims for labor and materials furnished.
13. The Contractor hereby agrees to protect, defend, indemnify and hold the Agency and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Agency and the Contractor) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the Contractor, its employees agents, representatives or subcontractors under or in connection with this Contract.

The Contractor further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Contractor.

IN WITNESS, WHEREOF, The Contractor and the General Manager of Inland Empire Utilities Agency*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

Inland Empire Utilities Agency, *
Contractor San Bernardino County, California.

By _____
General Manager

Gwinco Construction & Engineering, Inc.

By 
Title: President

*Municipal Water District



State of California - Department of Fish and Wildlife
2016 ENVIRONMENTAL FILING FEE CASH RECEIPT
 DFW 753.5a (Rev. 12/15/15) Previously DFG 753.5a

RECEIPT NUMBER:
 36 — 01212016 — 29
 STATE CLEARINGHOUSE NUMBER (if applicable)
 2015101054

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY Inland Empire Utilities Agency	LEAD AGENCY EMAIL N/A	DATE 01/21/2016
COUNTY/STATE AGENCY OF FILING San Bernardino	DOCUMENT NUMBER N/A	

PROJECT TITLE
 San Sevaine Basin Development Project

PROJECT APPLICANT NAME Inland Empire Utilities Agency	PROJECT APPLICANT EMAIL N/A	PHONE NUMBER (909) 993-1913
----------------------------------------------------------	--------------------------------	--------------------------------

PROJECT APPLICANT ADDRESS 6075 Kimball Ave	CITY Chino	STATE CA	ZIP CODE 91708
-----------------------------------------------	---------------	-------------	-------------------

PROJECT APPLICANT (Check appropriate box)

Local Public Agency
 School District
 Other Special District
 State Agency
 Private Entity

CHECK APPLICABLE FEES:

- Environmental Impact Report (EIR) \$3,070.00 \$ 0.00
- Mitigated/Negative Declaration (MND)(ND) \$2,210.25 \$ 2,210.25
- Certified Regulatory Program document (CRP) \$1,043.75 \$ 0.00
- Exempt from fee
 - Notice of Exemption (attach)
 - CDFW No Effect Determination (attach)
- Fee previously paid (attach previously issued cash receipt copy)
- Water Right Application or Petition Fee (State Water Resources Control Board only) \$850.00 \$ 0.00
- County documentary handling fee \$ 50.00
- Other \$

PAYMENT METHOD: #9382

Cash
 Credit
 Check
 Other

TOTAL RECEIVED \$ 2,260.25

SIGNATURE: Melissa Crowell AGENCY OF FILING PRINTED NAME AND TITLE: Melissa Crowell, Deputy Clerk

NOTICE OF DETERMINATION

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

and

San Bernardino County
Clerk of the Board of Supervisors
385 N. Arrowhead Avenue, 2nd Floor
San Bernardino, CA 92415

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

SAN SEVAINE BASIN DEVELOPMENT PROJECT

Project Title

<u>SCH #2015101054</u>	<u>Joel Ignacio, P.E.</u>	<u>(909) 993-1913</u>
State Clearinghouse Number	Lead Agency Contact Person	Area Code/Telephone/Extension

Project Location:

The proposed project is located in the City of Rancho Cucamonga, San Bernardino County, California. The proposed project sites are existing, south of Wilson Avenue; west of Interstate 15; and northwest of the Interstate 210 and Interstate 15 interchange. The project is located within Section 26 and 27, Township 1 North, Range 6 West, San Bernardino Baseline and Meridian, as depicted on the USGS – Devore Quadrangle, 7.5 Minute Series topographic map.

Project Description:

The Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (CBWM) are proposing the San Sevaire Basin Improvements Project (proposed project). The objective of this project is to increase the amount of recycled water (RW) and stormwater recharged into the Chino Groundwater Basin, specifically at the San Sevaire Basins located immediately north and west of the Interstate 210 and Interstate 15 interchange in the City of Rancho Cucamonga, San Bernardino County.

The existing San Sevaire Basins (Basins) consist of five individual basins covering approximately 130 acres. The Basins consist of five, soft-bottomed basins along San Sevaire Creek. Each basin has inlet and outlet structures that allow the capture and recharge of various types of water sources. The primary mode of conveyance between Basins is surface transfer, which restricts the operational flexibility of the system. These Basins are dual-use facilities which serve flood control and groundwater recharge functions. Currently, a total of 500 acre-feet per year (AFY) of RW and 300 AFY of stormwater (on average) is infiltrated into the groundwater basins at this location. The recommended Basins improvements will allow up to an estimated 8,100 AFY of additional RW, and up to an additional 2,700 AF of stormwater to be recharged at this location.

The Basins are owned by the San Bernardino County Flood Control District (SBCFCD). They were originally constructed for flood control mitigation to attenuate peak storm flows, but are now operated as multipurpose basins under a Four Party Agreement between SBCFCD, IEUA, CBWM, and the Chino Basin Water Conservation District (CBWCD) (stakeholders). The stakeholders previously invested in improvements of the Basins to allow them to be used for groundwater recharge. They were modified to allow the capture and recharge of stormwater and supplemental water (supplemental water consists of imported water and recycled water) in a conjunctive use program.

DATE FILED & POSTED

Posted On: 1/21/16

Removed On: 3/4/16

Receipt No: 30-01212016-029

Notice of Determination
Page 2 of 2

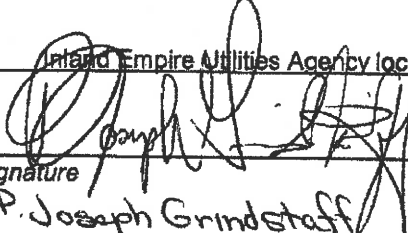
This is to advise that the Inland Empire Utilities Agency has approved the above described
 Lead Agency Responsible Agency

project on Jan. 20, 2016 and has made the following determination regarding the project:
(Date)

1. The project [will will not] have a significant effect on the environment.
2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
 A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [were were not] made a condition of the approval of the project and a Mitigation Monitoring and Reporting Plan was adopted.
4. A Statement of Overriding Considerations [was was not] adopted for this project.

This is to certify that the Mitigated Negative Declaration/Initial Study and record of project approval is available to the general public at:

Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, CA 91708


Signature General Manager 1/20/16
P. Joseph Grindstaff Title Date

MITIGATED NEGATIVE DECLARATION

Lead Agency: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Contact: Joel Ignacio, P.E.
Phone: (909) 993-1913
Email: jignacio@ieua.org

Project Title: SAN SEVAINE BASIN DEVELOPMENT PROJECT

State Clearinghouse Number: SCH#2015101054

Project Location: The proposed project is located in the City of Rancho Cucamonga, San Bernardino County, California. The proposed project sites are existing, south of Wilson Avenue; west of Interstate 15; and northwest of the Interstate 210 and Interstate 15 interchange. The project is located within Section 26 and 27, Township 1 North, Range 6 West, San Bernardino Baseline and Meridian, as depicted on the USGS – Devore Quadrangle, 7.5 Minute Series topographic map.

Project Description: The Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (CBWM) are proposing the San Sevaire Basin Improvements Project (proposed project). The objective of this project is to increase the amount of recycled water (RW) and stormwater recharged into the Chino Groundwater Basin, specifically at the San Sevaire Basins located immediately north and west of the Interstate 210 and Interstate 15 interchange in the City of Rancho Cucamonga, San Bernardino County.

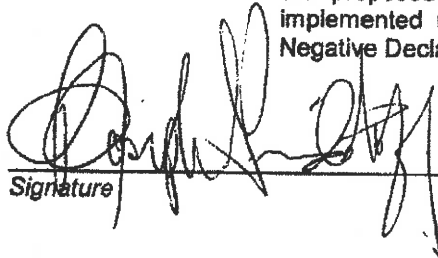
The existing San Sevaire Basins (Basins) consist of five individual basins covering approximately 130 acres. The Basins consist of five, soft-bottomed basins along San Sevaire Creek. Each basin has inlet and outlet structures that allow the capture and recharge of various types of water sources. The primary mode of conveyance between Basins is surface transfer, which restricts the operational flexibility of the system. These Basins are dual-use facilities which serve flood control and groundwater recharge functions. Currently, a total of 500 acre-feet per year (AFY) of RW and 300 AFY of stormwater (on average) is infiltrated into the groundwater basins at this location. The recommended Basins improvements will allow up to an estimated 8,100 AFY of additional RW, and up to an additional 2,700 AF of stormwater to be recharged at this location.

Finding: Inland Empire Utilities Agency's (IEUA) decision to implement this proposed project is a discretionary decision or "project" that requires evaluation under the California Environmental Quality Act (CEQA). Based on the information in the project Initial Study, LACSD has made a *preliminary* determination that a Mitigated Negative Declaration will be the appropriate environmental determination for this project to comply with CEQA.

Initial Study: Copies of the Mitigated Negative Declaration/Initial Study are available for public review at the Copies of the Mitigated Negative Declaration/Initial Study are available for review at the IEUA's office located at 6075 Kimball Avenue, Chino, CA 91708. The proposed Mitigated Negative Declaration was available for public review and comment from October 16, 2015 to November 16, 2015.

Mitigated Negative Declaration
Page 2 of 2

Mitigation Measures: All mitigation measures identified in the Initial Study are summarized on pages 53-55 and are proposed for adoption as conditions of the project. These measures will be implemented through a mitigation monitoring and reporting program if the Mitigated Negative Declaration is adopted.


Signature

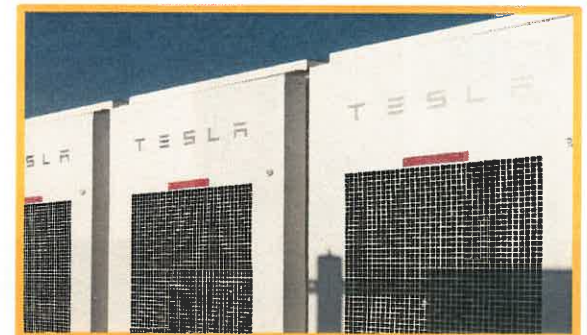
General Manager
Title

1/20/16
Date

INFORMATION
ITEM

5A

Engineering and Construction Management Project Updates



EN18006 – RP-1 Flare Improvements

- Design Engineer: Lee & Ro/Arcadis
- Current Contract (Design): \$378 K
- Total Project Budget: \$5.3 M
- Project Completion: March 2019
- Percentage Complete: 10%
- Scope of Work:
 - Replacement of existing flare with new high efficiency flares
 - Assess gas piping condition and provide pre-design for relocation/upgrades
 - Provide pre-design for future piping inspection/access
- Current Activities:
 - Update/Revise pre-design report per IEUA's comments
 - Continue coordination with potential flare manufacturers
 - Flare installations site visits within South Coast Air Quality Management District area
- Focus Points:
 - Coordinate flare system site/location with RP-1 Expansion Project
 - Perform partial detailed design awaiting final flare site determination



LACSD Flare (Site Visit)



Riverside Flares (Site Visit)

EN14042 – RP-1 1158 RWPS Upgrades

- Design Engineer: Stantec
- Current Contract (Design): \$445 K
- Total Project Budget: \$4.0 M
- Project Completion: November 2019
- Percentage Complete: 37%
- Scope of Work:
 - Replace existing four 400 HP pumps with four 700 HP pumps
 - Condition assessment of the wet well
 - Upgrade existing power center
 - Upgrade SCADA/Programming
 - Construct a 7,500 gallon water/air surge tank
- Current Activities:
 - Review draft pre-design report
 - Review wet well condition assessment report
 - Grant and loan approval process
- Focus Points:
 - Proceed with 50% design



Recycled Water Pump Station Motors



Front of Switchgear

EN15008 – Water Quality Laboratory

- Construction Contractor: Kemp Bros Construction
- Current Contract (Construction): \$17.5 M
- Total Project Budget: \$24.6 M
- Project Completion: August 2018
- Percentage Complete: 41%
- Scope of Work:
 - Construction of new Water Quality Laboratory
 - Central Chiller Plant Expansion
 - Construction of new 25-stall parking lot
- Current Activities:
 - Finish outside panels erection and insulation
 - Interior stud walls installation
 - Reinforce roof opening in roof decks
- Focus Points:
 - Metal decking for canopy roof
 - Finalize roof support for solar panels



Lab Building Structure



Lab Building Entrance Canopy

EN17041 – Orchard Recycled Water Turnout

- Design Engineer: Lee & Ro, Inc.
- Current Contract (Design): \$35 K
- Total Project Budget: \$125 K
- Project Completion: July 2019
- Percentage Complete: 10%
- Scope of Work:
 - Relocate existing 24" recycled water discharge pipeline
 - Install a flap gate to mitigate noise for surrounding neighbors
 - Repair leak at channel wall
- Current Activities:
 - Lee & Ro developing the 50% design for review
- Focus Points:
 - Permits required by US Army Corps of Engineers



Current Turnout



Nearby Residents

EN24001 – RP-1 Liquid Treatment Capacity Recovery

- Design Engineer: TBD
- Current Contract (Design): TBD
- Total Project Budget: \$182 M
- Project Completion: 2023/2030
- Percentage Complete: 10%
- Scope of Work:
 - Recover facility treatment capacity from 32 MGD to 40 MGD
 - New Membrane Bio-Reactor, primary clarifier improvements, secondary effluent equalization, and odor control
- Current Activities:
 - Design Engineer Request for Proposal issued on 8/15, due 9/28
 - Design contract for Board award in December 2017
- Focus Points:
 - Funding opportunities
 - RP-1 Site Master Plan
 - 30% design



Membrane Bio-Reactor

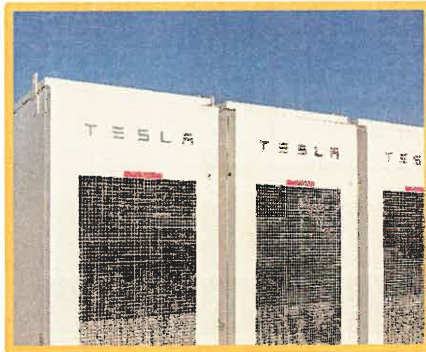


RP-1 Biofilter/Trickling Filter

INFORMATION
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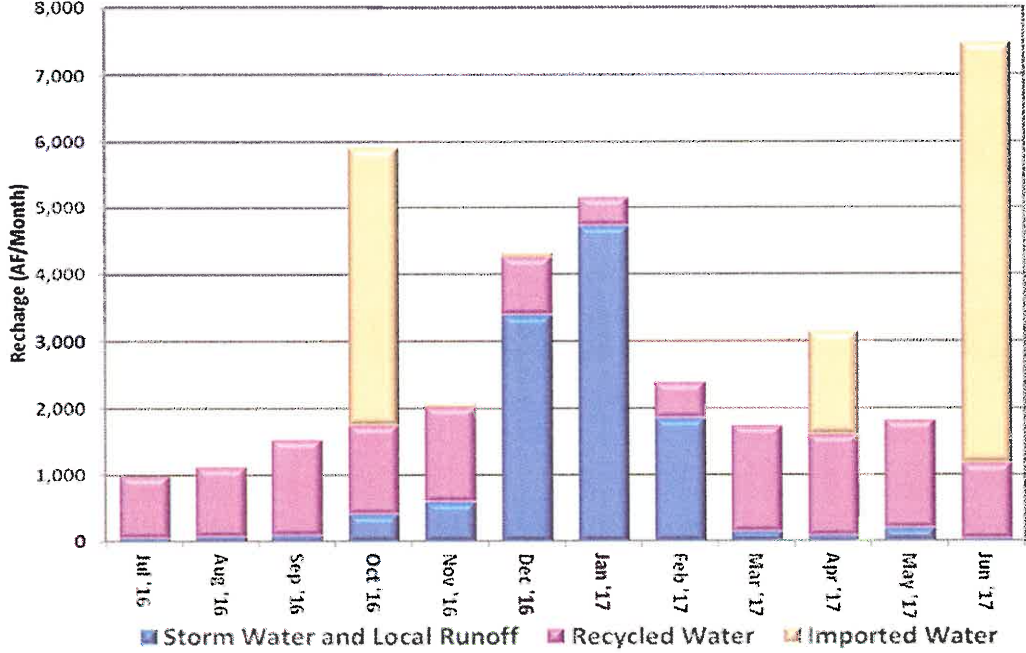
5B

Operations Division Update



Groundwater Recharge FY 2016/17

Storm Water	Recycled Water	Imported Water	Total
11,574 AF	13,934 AF*	12,129 AF	37,637 AF

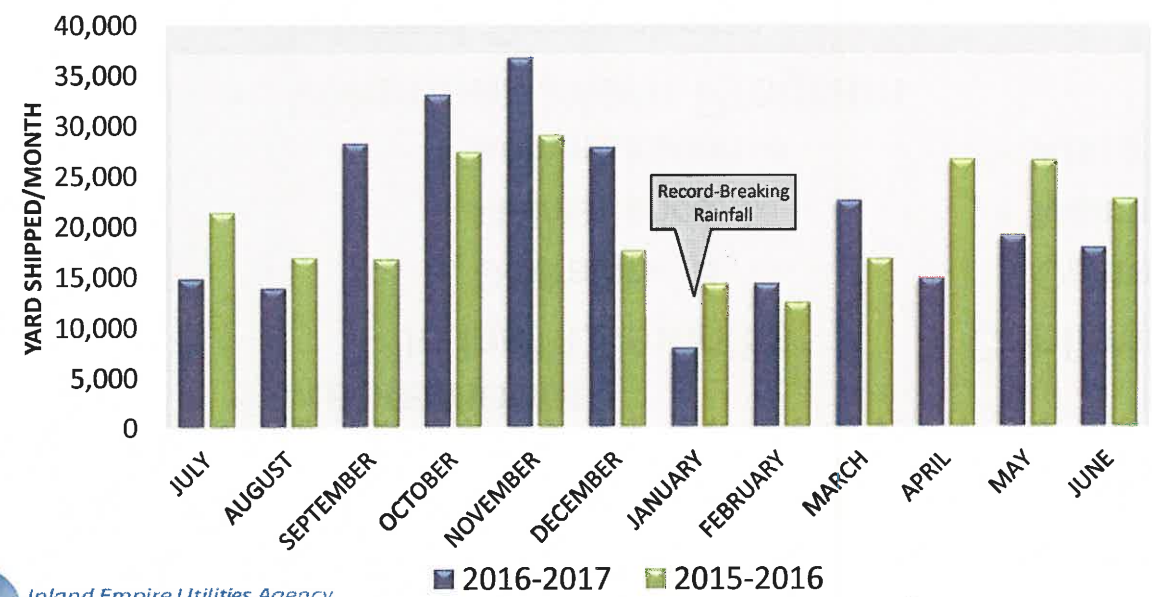


*New GWR RW record

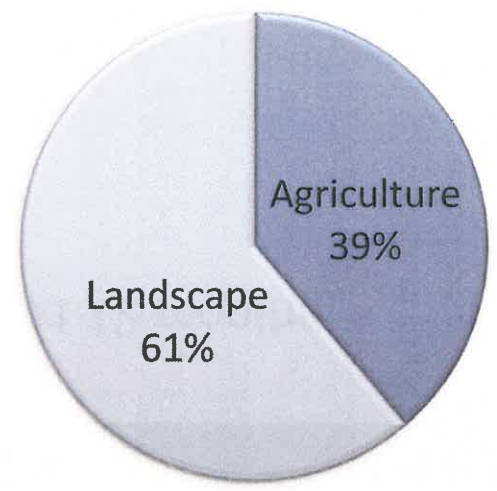
Inland Empire Regional Composting Facility

- Increased outbound stability through market diversity
- Greater inventory turnover and decreased average inventory level

Compost Shipped – Fiscal Year Comparison



Sales by Segment



Staffing

- Retirements
 - In last 12 months
 - Operators: 3
 - Maintenance: 5
 - Administration: 4
 - Confirmed in next 12 months
 - Operators: 2
 - Maintenance: 2
 - Administration: 2
- Volunteer/Intern Program
- Internal Promotions



Vijay Korisal
Operations Supervisor



Noah Ball
Senior Operator



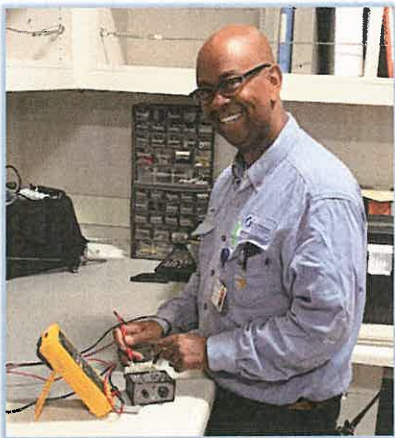
Jose Mendez
Senior Operator



Yvonne Taylor
Administrative Assistant II

Maintenance Skills Proficiency Advancements

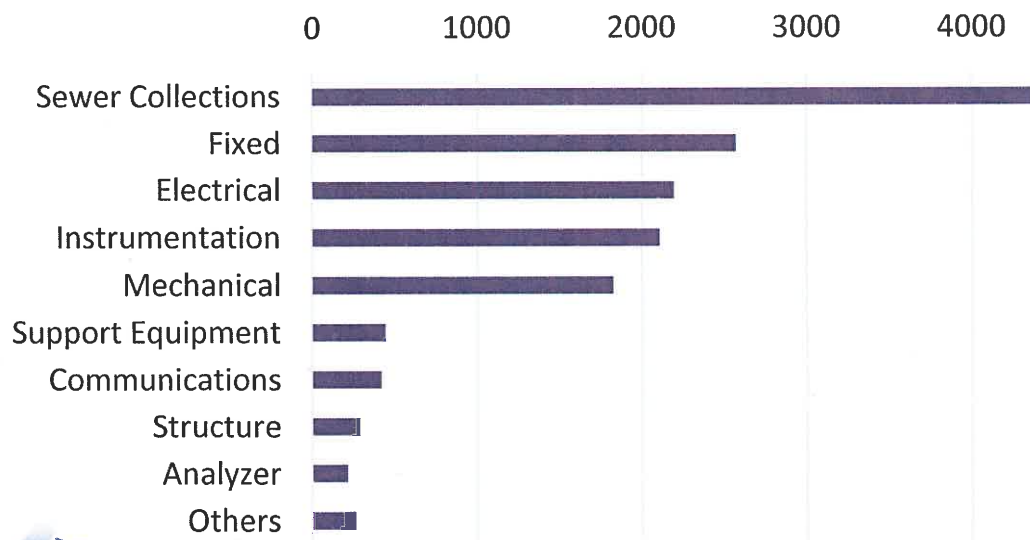
- Combining crafts:
 - Electrician and Instrumentation combined into one classification
 - Plant Maintenance Technician and Mechanic combined into one classification
- Training occurred between 8/2016 and 7/2017
 - 7,824 hours of staff time
- 16 staff passed practical exams and reclassified to higher level



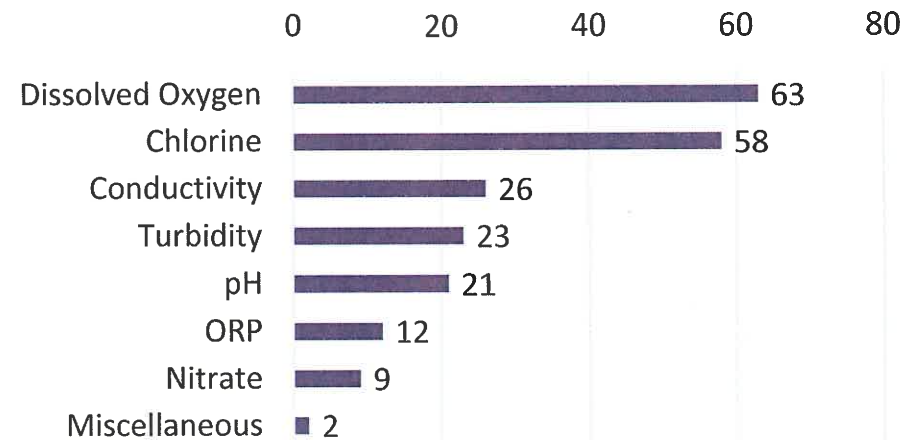
Operations & Maintenance by the Numbers

6 Treatment Plants + 1 Composting Facility + 19 GWR Sites + 2 Sewage Collection Systems
Produce 48 MGD Recycled Water + 12 MGD Potable Water

Equipment Count by Category
(Total: 14,721)



Analyzers
(Total: 214)



All of the equipment is operated and maintained by:
43 Operators + 43 Maintenance Staff
6 Sewage Collection Staff
4 Groundwater/Recycled Water staff

Operations and Maintenance Challenges

- CCWRF Trihalomethanes
- RP-5 Coliform



- RP-4 Headworks Fine Screen



**INFORMATION
ITEM**

5D

Date: September 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration

Chris Paul for JG
From: P. Joseph Grindstaff, General Manager

09/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: FY 2016/17 Fiscal Year Budget Variance, Performance Goals Updates, and Budget Transfers

Executive Summary:

The Budget Variance report presents the Agency's financial performance through the fiscal year ending June 30, 2017, and various analyses provided in the attachments.

TOTAL REVENUES AND OTHER FUNDING SOURCES - The Agency's total revenues and other funding sources were \$230.0 million, or 101.8% of the amended budget.

TOTAL EXPENSES AND USES OF FUNDS - The Agency's total expenses and uses of funds were \$229.8 million, or 95.2% of the amended budget. Lower administrative and operating expenses and capital expenditures contributed to the reduction, partially offset with the debt refinancing payments of \$50 million for the 2008A bonds.

FUND BALANCES AND RESERVES - The preliminary net result through the end of fiscal year indicated an increase of \$15.8 million over amended budget, resulting in an ending fund balance of \$187.3 million.

A detailed explanation of significant revenue and expenses are included in the attachments.

Staff's Recommendation:

The FY 2016/17 Fiscal Year Budget Variance, Performance Goals Updates, and Budget Transfers is an informational item for the Board of Director's to receive and file.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The net change in total expenses over total revenues in the amount of \$0.2 million resulted in a total estimated fund balance of \$187.3 million, for the fiscal year ended June 30, 2017.

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The Quarterly Budget variance report is consistent with the Agency's Business Goal of Fiscal Responsibility to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

Attachments:

Attachment 1 - Background

Exhibit A - Q4 Budget Variance Summary Report, provides a comparison of actual revenues and expenses against the FY 2016/17 amended budget including a discussion of major categories with significant variances.

Exhibit A Detail - Detail items on revenue and expense categories.

Exhibit B - Progress status of Division and Department Goals and Objectives as established in the FY 2016/17 amended budget.

Exhibit C-1 - Summary of Operations and Maintenance (O&M) budget transfers approved by management.

Exhibit C-2 - Summary of the GM contingency account activity.

Exhibit D - Board approved budget amendments and management approved budget transfers for capital and O&M projects.

Exhibit E - Financial overview of individual Agency's funds for FY 2016/17.

Attachment 2 - PowerPoint

Background

Subject: FY 2016/17 Fiscal year Budget Variance, Performance Goals Updates, and Budget Transfers

The Budget Variance report presents the Agency's financial performance through the end of fiscal year ending June 30, 2017, includes the following highlights:

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency received total revenues and other funding sources for FY 2016/17 of \$230.0 million, or 101.8% of the amended budget (Exhibit A detail). The following section highlights key variances:

- **Recycled Water Sales** – Recycled water direct sales were \$7.7 million for 19,477 acre feet (AF) and groundwater recharge sales were \$5.9 million for 13,934 AF, for a combined total of \$10.3 million. Recycled water sales through the fiscal year are approximately 2.4% higher than the previous year. Total deliveries of 33,411 AF fell short of the 37,100 AF (24,200 AF Direct and 12,900 AF Recharge) budgeted for the fiscal year. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.
- **MWD LPP Rebate** – Direct recycled water sales in excess of 3,500 AF and up to 17,000 AF are eligible for the Metropolitan Water District (MWD) Local Project Program (LPP) rebate at a rate of \$154/AF, for a maximum amount of \$2.1 million per fiscal year. By the end of the fiscal year, the total maximum allowable rebate of \$2.1 million was achieved for 17,000 AF of credit or 100.0% of total budget. The MWD LPP rebate expired on June 2017.
- **MWD Imported Water Sales** – Total MWD pass-through imported water revenue was \$29.9 million or 104.3% of amended budget. A total of 47,848 AF of pass through water was delivered compared to 45,000 AF budgeted for FY 2016/17; exceeding last year's historical low deliveries of 30,432 AF.
- **Property Taxes** – Property tax receipts of \$45.7 million, or 102.3% of amended budget were received through the end of June 2017. Property tax receipts included \$31.0 million from general ad-valorem property tax, \$13.5 million from pass through agreements with former redevelopment agencies, and \$1.2 million from extra-territorial user charges. Cumulative taxes received from the County through the fiscal year were 0.1% higher than prior year receipts.
- **Wastewater/ Water Connection Fees** – Total connection fee receipts were \$35.7 million, or 178% of the amended budget. This category includes \$30.3 million for 5,155 new EDU connections compared to the 3,000 budgeted for the fiscal year. New EDU connections reflect 97.7% of the member agencies' forecast of 5,277 EDUs for FY 16/17. The new master planned community development in the cities of Ontario and Chino Hills account

for a major portion of the new connection growth. This category also includes water connection fees implemented in FY 2015/16. A total of \$5.4 million for 5,059 new water (MEU) connections or 186% of the \$2.9 million budget. Water connection fees are a one-time fees paid directly to the Agency for any new or upsized water meter connection to the Agency's regional water distribution system.

- **Grants & Loans** – Grant and loan receipts were \$21.2 million, or 75.6% of the amended budget. Included is \$10.5 million of grant receipts pass-through to the Chino Basin Desalter Authority for the South Archibald Trichlorethylene (TCE) Plume Cleanup project and \$8.5 million of State Revolving Fund (SRF) loan for the regional water quality laboratory. Lower SRF loan proceeds can be attributed to the State Water Resource Control Board (SWRCB) to amend lien requirements of existing loans. A resolution to clarify lien and pledge requirement was approved by the SWRCB in October 2016. The Master Amendment No. 1 was approved by the board in July 2017.
- **Other Revenues** – Total other revenues were \$1.9 million, or 23% of the \$8.2 million amended budget. Total other revenues include \$0.7 million from lease revenue and energy rebates, and \$1.3 million in project reimbursements such as the Recharge Master Plan Update (RMPU), San Sevaine Basin Improvement, and Groundwater Supervisory Control and Data Acquisition (SCADA) system upgrade projects. The project reimbursement receipts are 18% of the amended budget. Delays for reimbursable projects from recycled water and water resources programs accounted for the lower revenue.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses and uses of funds through the fiscal year end were \$229.8 million, or 95.2% of the amended budget.

The amended budget includes \$12.5 million of encumbrances and commitments carried forward from FY 2015/16 comprised of \$1.5 million for O&M expenses, \$6.5 million for special projects (non-capital), and \$4.5 million for capital projects. At the end of fiscal year, a total of \$13.9 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Key expense variance highlights are:

- **Employment Expenses** – Employment expenses were \$42.8 million or 100.6% of the amended budget. The slight unfavorable variance reflects higher allocation to O&M labor expense due to lower capital project spending than budgeted. The category also includes \$7.0 million paid toward the agency employee retirement unfunded liabilities. In addition, the Agency currently employs 21 limited term (LT) employees, compared to the adopted staffing plan of 17 LT positions. The cost of these additional LT positions is partially offset by a higher than anticipated vacancy factor of 7.9%, equivalent to 24 full-time equivalent (FTE) positions, compared to budgeted vacancy rate of 2% (6 FTEs). Recruitment of key positions as part of the Agency's succession planning effort will lower the vacancy factor going forward.
- **Professional Fees & Services** – Total expenses were \$7.0 million, or 60.2% of the amended budget. The positive variance can be attributed to the timing of contracts and services that

were either not needed or deferred, such as flooring repairs at RP-1 and consulting services. As a result, \$1.4 million of the amended budget of contractual services were identified to be carried forward to FY 2017/18.

- **Utilities** – Expenses in this category were \$7.9 million, or 73.5% of budget.
 - Fuel cell was offline since July 2016, generating a positive variance of \$2.0 million.
 - Natural gas usage is mainly used for power generation at the fuel cell facility. Since the fuel cell was offline for most of the fiscal year, natural gas was significantly lower, creating a positive variance of \$1.1 million.
 - Electricity use from the grid was higher than anticipated to compensate for the power that use to be generated by the fuel cell. Electricity from the grid generated a negative variance for \$0.7 million, or 110% of the budget. The higher usage of this power source was more than offset by the savings obtained from the fuel cell and natural gas usage.
- **O&M (Non-capital) Projects** – O&M and reimbursable project costs were \$14.6 million or 43.5% of the amended budget. The favorable variance is mainly due to lower spending for Santa Ana River Conservation & Conjunction Use Program (SARCCUP) and other conservation related projects as well as various planning documents. A total of \$6.9 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.
- **Capital Projects** – Total capital project expenditures through the end of fiscal year were \$30.5 million or 50.3% when compared to the amended budget of \$60.6 million. The amended budget includes encumbrances of \$4.5 million of budget carried forward from FY 2015/16. Lower capital spending was attributed to delays in construction for the San Sevaine Basin Improvements, SCADA enterprise system, and RP-5 related projects. Capital project costs and budget related to the regional wastewater program through the fiscal year were \$36.3 million, or 67.6% of \$53.7 million budget. Recycled water capital projects accounted for \$3.7 million, or 20.4% of \$18.1 million budget. A total of \$5.1 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Table 1 below identifies projects with budget over \$750 thousand which were not expended in the current fiscal year. These projects account for variances of approximately \$26.3 million, or 28.0% of the amended budget. The low spending level was largely driven by changes in project scope and schedule, construction bid results, delays in construction phase due to regulatory issues, and available resources associated with such undertakings.

Table 1 – Listing of project with budget >\$750 thousand

Project #	Description	FY 2016/17 Budget	FY 2016/17 Actuals	Variance	Status
EN19006	RP-5 Solids Handling Facility	3,125,000	32,919	3,092,081	The schedule for the RP-1 and RP-5 Expansion PDR has been extended which leads into the design for the RP-5 Liquid Treatment Expansion, EN19001, and the RP-5 Solids Treatment Facility, EN19006. The beginning of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility began in June 2017.
RW15003	Recharge Master Plan	3,100,000	694,046	2,405,954	The project scope was decreased after the completion of the PDR. As a result, the projected design cost is reduced to \$2.5M.
EN13001	San Sewaine Basin Improvement	3,085,000	223,571	2,861,429	Final design and construction phase delayed due to an extended permitting phase for regulatory permits.
PA17006	Agency-Wide Aeration	2,339,000	1,086,416	1,252,584	RP-4 aeration basin project is at 50% completion, additional invoicing anticipated. Funds were carry forward to FY 2017/18 to be utilized on RP-1 MLR Project and RP-5 Aeration Basin Project.
EN16028	RP-5 Expansion PDR	2,111,086	1,353,454	757,632	Additional level of effort was required to complete RP-1 Rehab PDR. The project is under budget due to lower internal labor required for the project and contingency that was not required. Parsons total contract remains at \$2.5M.
WR16024	SARCCUP	1,854,492	295,407	1,559,085	Project is delayed, activities are ongoing.
EN13016	SCADA Enterprise System	1,504,652	856,082	648,570	Initiation of Phase II of the SCADA Enterprise project was delayed when the delivery method was re-evaluated for the remaining facilities to take advantage of potential grant funds and accelerate the overall project timeline. As a result of the delay, the FY1617 spending will be lower than anticipated.
EN16065	RW Connections to JCSD	1,500,000	-	1,500,000	Awaiting notification from Proposition 1 loan grant to decide on the next step.
EN11031	RP-5 Flow Equalization	1,465,000	865,421	599,579	The project had design changes and additional plant bypass requirements which delayed the project and as a result we were not able to spend as much of the budget as anticipated.
EN14019	RP-1 Headworks Gate	1,440,000	719,143	720,857	The consultant is eight months behind schedule. Staff is working with the consultant to bring the schedule back on track.
EN16071	San Bernardino Avenue	1,425,000	1,402,986	22,014	The project is in close-out.
EN17034	Agencywide Lighting	1,385,000	1,071,627	313,373	LED lights installed did not match existing lights, as a result work at HQ was suspended until a suitable light fixture was found. Subsequently, all the funds were not expended during FY 2016/17 will be used in FY 2017/18.
PL17002	HQ Solar Photovolt	1,300,000	-	1,300,000	Project currently on hold
EN19001	RP-5 Expansion to 30 mgd	1,250,000	48,424	1,201,576	The schedule for the RP-1 and RP-5 Expansion PDR has been extended which leads into the design for the RP-5 Liquid Treatment Expansion, EN19001, and the RP-5 Solids Treatment Facility, EN19006. The beginning of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility began in June 2017.
RW15004	Lower Day Basin RMPU	1,155,000	66,654	1,088,346	The project had an extended Pre-Design phase to address Flood Control concerns. A flow study was conducted which revealed additional design and construction efforts are needed to meet the Flood Control District requirements. The total project is \$4M
EN15055	1630 W. Recycled Wat	1,150,000	772,096	377,904	The contractor's amount was considerably lower than the engineer's estimate, project had a very low change order percentage and was completed for less than total project budget.
WR15009	CII Rebate Incentives	1,129,389	64,848	1,064,541	The \$1 million in turf projects are in the process of being completed. The other funds are for pending applications from FY 15/16 were rolled over and applied to FY 16/17 budget. These have been allocated for rebate applications and awaiting MWD rebates in the amount of 1.12M
EN14018	RP-4 Process Improvements	1,000,000	761,546	238,454	Bids came in high, tenant improvements were removed and the project was re-advertised. This delayed the project and projections were stretched out accordingly. The total budget is still needed in FY 2017-2018.
EN16060	RW Connections to Pomona	1,000,000	14,331	985,669	Phase 2 of the Feasibility Study will begin in August 2017, and expenditures will commence in September/October 2017.
EN17055	RC Planning Documents	1,000,000	-	1,000,000	Budget to be used on as-needed basis.
EN16035	WC Planning Documents	978,074	25,989	952,086	These projects are on-going: SAR Integration Model; Basin Plan; Title XVI Feasibility; GEI Prop 1; and AWI Injection Study
EN16039	WRCWRA Intertie Pipeline	954,499	-	954,499	Project delayed, pending grant application
EN17065	Microturbine Design-Build	850,000	55,002	794,998	The CPUC released updated SGIP requirements that limited the amount of funding that self-generating projects could receive if they also planned to export a portion of the power back to the grid. The contract was terminated with the contractor and the project was cancelled.
EN17052	RP-1 and RP-4 Safety	760,000	192,223	567,777	Changes requested during design delayed completion of final calculations needed for permitting.
		36,861,191	10,602,184	26,259,008	

- **Debt Service** – Total principal, interest, and financial expenses were \$71.7 million or 326.8% of the amended budget. Included in actual costs is the Board authorized cash pay down of \$50 million for the 2008A Revenue bond and refinancing not included in the budget. Also included is \$13.0 million of other principal payments for various State Revolving Fund (SRF) loans and bonds, and \$8.7 million in interest and other financial administration fees.

A detailed explanation of significant revenue and expenses are included in the attached Exhibit A.

FUND BALANCES AND RESERVES

The net increase of \$0.2 million in total fund balance, resulted in an unaudited ending fund balance of \$187.3 million. The slight increase is due to a combination of higher connection fees, lower O&M and capital expenditures, partially offset by debt repayment of \$50 million for the 2008A bonds.

Table 2 provides an overview of the fiscal year budget variance in revenue, expense, and fund balance.

Table 2: Fiscal Year Revenues, Expenses, and Fund Balance (\$Millions)

Operating	FY 2016/17 Amended Budget	Fiscal Year Ended 6/30/17	Actual % of Amended Budget
Operating Revenue	\$126.9	\$127.9	100.8%
Operating Expense	\$158.5	\$127.3	80.3%
Operating Net Increase/(Decrease)	(\$31.6)	\$0.6	
Non- Operating			
Non-Operating Revenue	\$99.0	\$102.1	103.2%
Non-Operating Expense	\$82.9	\$102.5	123.7%
Non-Operating Net Increase/(Decrease)	\$16.1	(\$0.4)	
Total Sources of Funds	\$225.9	\$230.0	101.8%
Total Uses of Funds	\$241.4	\$229.8	95.2%
Total Net Increase/(Decrease)	(\$15.5)	\$0.2	
Beginning Fund Balance	\$187.1	\$187.1	
Ending Fund Balance	\$171.6	\$187.3	

GOALS AND OBJECTIVES

Exhibit B provides information on division and related department goals and objectives and the status of each through the end of the fiscal year. The goals and objective indicators are used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Staff use the performance indicators to track productivity and to justify current resource allocations, re-allocation and requests for additional staff.

BUDGET TRANSFERS AND AMENDMENTS

O&M budget transfers for this quarter accounted for \$3.0 million as detailed in Exhibit C-1.

General Manager (GM) Contingency Account adopted budget of \$700,000 included \$400,000 in the Regional Wastewater Operations & Maintenance Fund and \$300,000 in the Administrative Services Fund. At the end of the fiscal year, \$220,000 from Regional Wastewater Operations & Maintenance fund and \$183,100 from the Administrative Services fund was utilized to support the unexpected but necessary expenses as listed in Exhibit C-2.

Capital and O&M projects annual and total project budget transfers accounted for approximately \$584,000 and the Board approved net increase to appropriated budget in the fiscal year was \$201,500 as listed in Exhibit D.

The budget variance analysis report is consistent with the Agency's business goal of Fiscal Responsibility: to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

IMPACT ON BUDGET

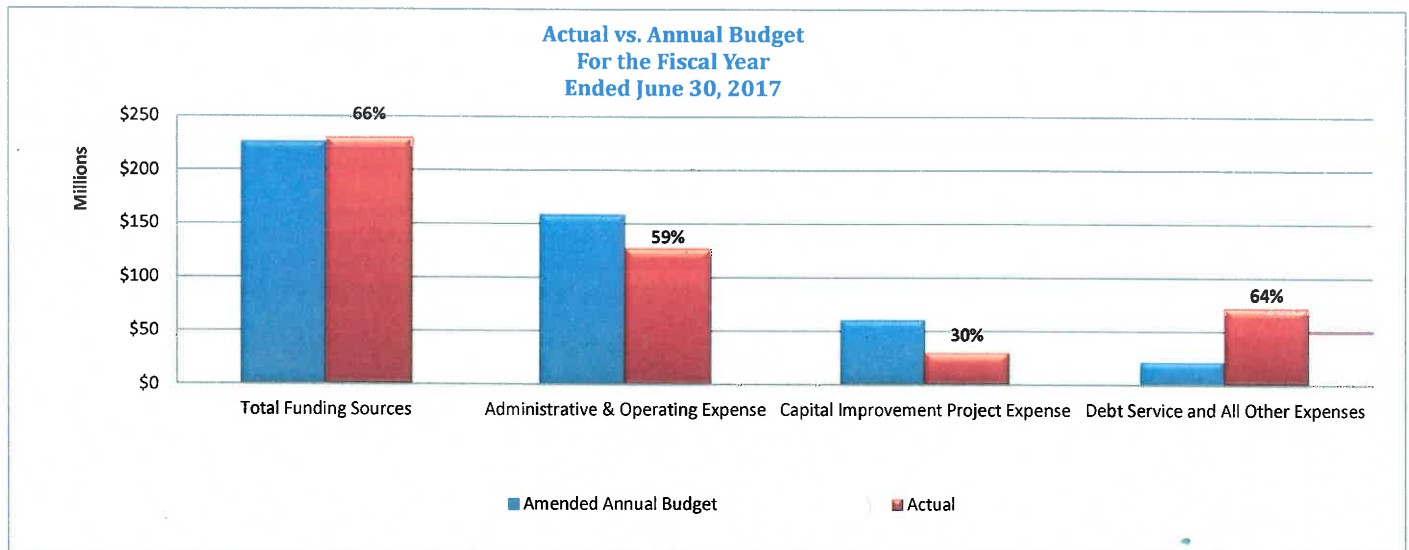
The net change in total expenses over total revenues in the amount of \$0.2 million resulted in a total estimated fund balance of \$187.3 million for the fiscal year ended June 30, 2017.

I. Actual vs. Budget Summary:

Fiscal Year Ended June 30, 2017

% of the Year
Elapsed: 100%

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$126,854,961	\$126,851,978	\$127,863,540	\$1,011,562	100.8%
Non-Operating (Other Sources of Fund)	98,976,777	98,976,778	102,137,933	3,161,155	103.2%
TOTAL FUNDING SOURCES	225,831,738	225,828,756	230,001,473	4,172,717	101.8%
Administrative & Operating Expense	(146,702,633)	(158,559,438)	(127,317,018)	31,242,420	80.3%
Capital Improvement Project Expense	(60,387,558)	(60,584,393)	(30,483,059)	30,101,334	50.3%
Debt Service and All Other Expenses	(23,653,357)	(22,269,738)	(71,998,175)	(49,728,437)	323.3%
TOTAL USES OF FUNDS	(230,743,548)	(241,413,569)	(229,798,252)	11,615,317	95.2%
Surplus/(Deficit)	(\$4,911,810)	(\$15,584,813)	\$203,221	\$15,788,034	



2. Actual Revenue vs. Budget:

% of the Year
Elapsed: 100%

Fiscal Year Ended June 30, 2017

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues:					
User Charges	\$71,875,415	\$71,872,436	\$73,210,227	\$1,337,791	101.9%
Recycled Water Sales	15,735,000	15,734,996	13,648,849	(2,086,147)	86.7%
MWD Water Sales	28,670,598	28,670,598	29,896,949	1,226,351	104.3%
MWD LPP Rebate	2,079,000	2,079,000	2,079,000	0	100.0%
Property Tax - O&M	1,972,200	1,972,200	1,972,200	0	100.0%
Cost Reimbursement	5,913,343	5,913,343	5,803,681	(109,662)	98.1%
Interest	609,405	609,405	1,252,635	643,230	205.6%
OPERATING REVENUES	126,854,961	126,851,978	127,863,541	1,011,563	100.8%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$42,732,600	\$42,732,600	\$43,701,830	\$969,230	102.3%
Connection Fees	20,068,020	20,068,020	35,721,239	15,653,219	178.0%
Grants & Loans	28,008,654	28,008,655	21,175,499	(6,833,156)	75.6%
Other Revenue	8,167,503	8,167,503	1,539,364	(6,628,139)	18.8%
NON-OPERATING REVENUES	98,976,777	98,976,778	102,137,932	3,161,154	103.2%
Total Revenues	\$225,831,738	\$225,828,756	\$230,001,473	\$4,172,717	101.8%

User Charges, 101.9% User charges were \$73.2 million, or 101.9% of the amended budget. The category includes equivalent dwelling unit (EDU) volumetric charges of \$56.3 million, \$11.9 million Non-Reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system, and \$4.8 million of monthly meter charge (Meter Equivalent Unit (MEU) imposed on all potable water connections, Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charge to meet our Readiness-to-Serve obligation from Metropolitan Water District (MWD), and water use efficiency program receipts.

Property Tax/ AdValorem, 102.3% The \$45.7 million, or 102.3% of amended budget were received through the end of June 2017. Property tax receipts included \$31.0 million from general ad-valorem property tax, \$13.5 million from pass through agreements with former redevelopment agencies, and \$1.2 million from extra-territorial user charges. Cumulative taxes received from the County through the end of fiscal year were 0.1% higher than prior year receipts.

Recycled Water Sales, 86.7% Recycled water direct sales were \$7.7 million for 19,477 acre feet (AF) and groundwater recharge sales were \$5.9 million for 13,934 AF, for a combined total of \$10.3 million. Recycled water sales through the end of fiscal year were approximately 2.4% higher than the previous year. Total deliveries of 33,411 AF fell short of the 37,100 AF (24,200 AF Direct and 12,900 AF Recharge) budgeted for the fiscal year. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.

Interest Income, 205.6% Interest Income is \$1.3 million or 205.6% of the annual budget. Interest rates have been trending higher than the budgeted 0.50% average rate of return which accounts for the positive variance. In June, the Local Agency Investment Fund (LAIF) reported a yield of 0.98%, and the Agency's average rate of return was 1.06%.

MWD Water Sales, 104.3% Total Metropolitan Water District (MWD) pass-through imported water revenue was \$29.9 million or 104.3% of amended budget. A total of 47,848 AF of pass through water was delivered compared to 45,000 AF budgeted for FY 2016/17; exceeding last year's historical low deliveries of 30,432 AF.

MWD LPP Rebates, 100% Direct recycled water sales in excess of 3,500 AF and up to 17,000 AF are eligible for the MWD Local Project Program (LPP) rebate at a rate of \$154/AF, for a maximum amount of \$2.1 million per fiscal year. By the end of the fiscal year, the total maximum allowable rebate of \$2.1 million was achieved for 17,000 AF of credit or 100.0% of total budget. The MWD LPP rebate expired on June 2017.

- Connection Fees, 178%** Total connection fees were \$35.7 million, or 178% of the amended budget. This category includes \$30.3 million for 5,155 new EDU connections compared to the 3,000 budgeted for the fiscal year. New EDU connections reflect 97.7% of the member agencies' forecast of 5,277 EDUs for FY 16/17. This category includes \$30.3 million for 5,155 new EDU connections compared to the 3,000 budgeted for the fiscal year. New EDU connections reflect 97.7% of the member agencies' forecast of 5,277 EDUs for FY 16/17. The new master planned community development in the cities of Ontario and Chino Hills account for a major portion of the new connection growth. This category also includes water connection fees implemented in FY 2015/16. A total of \$5.4 million for 5,059 new water (MEU) connections or 186% of the \$2.9 million budget. Water connection fees are a one-time fees paid directly to the Agency for any new or upsized water meter connection to the Agency's regional water distribution system.
- Grants and Loans, 75.6%** Grant and loan receipts were \$21.2 million, or 75.6% of the amended budget. Included is \$10.5 million of grant receipts pass-through to the Chino Basin Desalter Authority for the South Archibald Trichlorethylene (TCE) Plume Cleanup project and \$8.5 million of State Revolving Fund (SRF) loan for the regional water quality laboratory. Lower SRF loan proceeds can be attributed to the State Water Resource Control Board (SWRCB) to amend lien requirements of existing loans. A resolution to clarify lien and pledge requirement was approved by the SWRCB in October 2016. The Master Amendment No. 1 was approved by the board in July 2017.
- Cost Reimbursements JPA, 98.1%** Total cost reimbursements were \$5.8 million, or 98.1% of the amended budget. Category actuals include reimbursements of \$3.7 million from the Inland Empire Regional Composting Authority (IERCA) and \$1.2 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included is \$0.9 million from Chino Basin Watermaster (CBWM) for operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for the recycled water recharge costs. Total cost reimbursement budget of \$5.9 million includes: \$3.5 million from IERCA, \$1.5 million from CDA, and \$0.9 million from CBWM.
- Other Revenues, 18.8%** Total other revenues were \$1.5 million, or 18.8% of the \$8.2 million amended budget. Total other revenues include \$0.7 million from lease revenue and energy rebates, \$1.2 million in project reimbursements such as the Recharge Master Plan Update (RMPU), San Sevaine Basin Improvement, and Groundwater Supervisory Control and Data Acquisition (SCADA) system upgrade projects. and partially offset by year-end unrealized loss on investment. Project reimbursement receipts are approximately 20% of the amended budget, delays for reimbursable projects from recycled water and water resources programs accounted for the lower revenue.

3. Actual Operating and Capital Expense vs. Budget:

Fiscal Year Ended June 30, 2017				% of the Year Elapsed: 100%	
	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Expenses:					
Employment	\$43,326,017	\$42,601,461	\$42,837,779	(\$236,318)	100.6%
Admin & Operating	103,376,616	115,957,977	84,479,239	\$31,478,738	72.9%
OPERATING EXPENSES	\$146,702,633	\$158,559,438	\$127,317,018	\$31,242,420	80.3%
Non-Operating Expenses:					
Capital	60,387,558	60,584,393	30,483,059	\$30,101,334	50.3%
Debt Service and All Other Expenses	23,653,357	22,269,738	71,998,175	(\$49,728,437)	323.3%
NON-OPERATING EXPENSES	\$84,040,915	\$82,854,131	\$102,481,234	(\$19,627,103)	123.7%
Total Expenses	\$230,743,548	\$241,413,569	\$229,798,252	\$11,615,317	95.2%

Employment Expenses net of allocation to projects **Employment, 100.6%**
 Employment expenses were \$42.8 million or 100.6% of the amended budget. The slight unfavorable variance reflects higher allocation to O&M labor expense due to lower capital project spending than budgeted. The category also includes \$7.0 million paid toward the agency employee retirement unfunded liabilities. In addition, the Agency currently employs 21 limited term (LT) employees, compared to the adopted staffing plan of 17 LT positions. The cost of these additional LT positions is partially offset by a higher than anticipated vacancy factor of 7.9%, equivalent to 24 full-time equivalent (FTE) positions, compared to budgeted vacancy rate of 2% (6 FTEs). Recruitment of key positions as part of the Agency's succession planning effort will lower the vacancy factor going forward.

Administrative & Operating Expenses **Office and Administrative, 64.6%**
 The favorable variance was due to the inclusion of \$296,900 GM contingency and \$300,000 election expense budget, together they represent 23% of the category budget. Actual expense is approximately 83% of the remaining budget if excluding the GM contingency and election expense budget. Contributing to the positive variance are lower advertising, training and travel expense. A total of \$81,134 of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Professional Fees & Services, 60.2%

Total expenses were \$7.0 million, or 60.2% of the amended budget. The positive variance can be attributed to the timing of contracts and services that were either not needed or deferred, such as flooring repairs at RP-1 and consulting services. As a result, \$1.4 million of the amended budget of contractual services were identified to be carried forward to FY 2017/18.

Materials & Supplies/Leases/Contribution, 79.2%

Expenses through the end of fiscal year was \$3.1 million or 79.2% of the budget. The category includes spending of \$3.0 million materials and supplies, and \$.06 million or 63.9% of budget for leases and rental related expenses. The favorable variance was primarily due to staff's effort to monitor operational equipment usage to ensure maximum use from supplies. As a result, operations-related repairs required fewer corrective tasks than were budgeted. A total of \$0.2 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Biosolids Recycling, 91.3%

Biosolids expenses were \$4.0 million or 91.3% of the budget. The favorable variance in this category was due to increase in the utilization of the RP-2 solar pad to dry biosolids causing a reduction in residual disposal costs. Year to date total tonnage shipped to IERCA was 63,903 tons at an IERCA rate of \$55 per ton. Total tonnage hauled from IEUA was 63,640 tons at a blended rate of \$5.80 per ton which is lower than the budgeted transportation blended cost of \$8.29 per ton.

Chemicals, 85.2%

Chemical expenses were \$4.3 million, or 85.2% of budget. Bypassed sewer flows at the Carbon Canyon Water Recycling Plant (by-passed to RP-5) caused a reduction in the amount of raw waste water treated and chemicals needed for treatment. Additionally, at Regional Plant No. 4 a reduction in chemical use was attributed to the rehabilitation of critical aeration equipment. However, the majority of category expense was for Polymer 750A and 748E with usage of approximately 1.5 million lbs. which accounts for \$1.8 million of expense in this category. Sodium Hypochlorite usage was at 88% of budget accounting for \$1.4 million of expense or approximately 2.6 million gallons used through the end of the fiscal year. A total of \$107 thousand of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Operating Fees, 99.6%

Spending in this category was on target particularly in the areas of waste volumetric fees, BOD and TSS charges. The category also includes \$3.2 million of expenses for readiness-to-serve obligation collected by MWD, budgeted at \$3.2 million.

MWD Water Purchases, 93.8%

Total MWD pass-through imported water purchases were \$29.9 million for 47,848 AF or 95.7% of 50,000 AF budgeted for the fiscal year. The positive variance can be attributed to lower demands through the winter months.

Utilities, 73.5%

▫ Fuel cell was offline since July 2016, generating a positive variance of \$2.0 million.

▫ Natural gas usage is mainly used for power generation at the fuel cell facility. Since the fuel cell was offline for most of the fiscal year, natural gas was significantly lower, creating a positive variance of \$1.1 million.

▫ Electricity use from the grid was higher than anticipated to compensate for the power that use to be generated by the fuel cell. Electricity from the grid generated a negative variance for \$0.7 million, or 110% of the budget. The higher usage of this power source was more than offset by the savings obtained from the fuel cell and natural gas usage.

O&M and Reimbursable Projects, 43.5% and 47.1%

The combined O&M and reimbursable project costs were \$14.6 million or 43.5% of the amended budget. The favorable variance is mainly due to lower spending for Santa Ana River Conservation & Conjunction Use Program (SARCCUP) and other water efficiency related projects as well as various planning documents. A total of \$6.9 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18. The table below provides a summary of the major projects and current status.

Financial Expenses

Financial Expense, 326.8%

Total financial expenses were \$71.7 million through the end of the fiscal year. Actual costs included \$50.0 million paid towards the refinancing of the 2008A bonds, other bond and loan principal payments were \$13.0 million and \$8.7 million in interest and other financial administration fees.

Other Expenses

Other Expenses, 100.4%

Total other expenses were \$342 thousand or 100.4% compared to budget through the end of the fiscal year. Other expenses includes annual contributions-in-aid to the Santa Ana Watershed Project Authority and unforeseen reimbursements to Federal Emergency Management Agency for prior year grant receipts.

Capital Expenses

Capital Costs, 50.3%

Total capital project expenditures through the end of fiscal year were \$30.5 million or 50.3% when compared to the amended budget of \$60.6 million. The amended budget includes encumbrances of \$4.5 million of budget carried forward from FY 2015/16. Lower capital spending was attributed to delays in construction for the San Sevaime Basin Improvements, SCADA enterprise system, and RP-5 related projects. Capital project costs and budget related to the regional wastewater program through the end of fiscal year were \$36.3 million, or 67.6% of \$53.7 million budget. Recycled water capital projects accounted for \$3.7 million, or 20.4% of \$18.1 million budget. A total of \$5.1 million of the FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.

Summary of major capital and special project expenses and status as of June 30, 2017

Capital Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
EN15008	Water Quality Laboratory The scope of the project is the construction of a new, state of the art, 17,000 sq. laboratory and expansion of the existing central plant to supply chilled water for the laboratory air conditioning and heating system. The project's fiscal year spending exceeded the budget as The contractor accelerated their schedule with more work performed and materials delivered than originally anticipated.	7,000,000	8,008,856	(1,008,856)
EN19006	RP-5 Solids Handling Facility This project includes the detailed design, permitting, and construction of the new solids handling facility at RP-5 to decommission the RP-2 facility. The schedule for RP-5 Expansion Preliminary Design Report (PDR), a prequel project to EN19006 which leads into the design for the RP-5 Liquid Treatment Expansion and the RP-5 Solids Treatment Facility. The award of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility has been scheduled for May 2017 with design beginning in June 2017.	3,125,000	32,919	3,092,081
RW15003	Recharge Master Plan Update Projects The scope for this project is to implement only the soft cost efforts related to the Recharge Master Plan such as: preliminary design, environmental review, permitting, and final design. The preliminary design phase of the project was completed at the end of the second quarter and the project scope was decreased after the completion of the PDR. As a result, the projected design cost was reduced.	3,100,000	694,046	2,405,954
EN13001	San Sevaime Basin Improvements As part of the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU), this project will evaluate, design, and construct basin improvements needed to maximize infiltration and recharge capture at the San Sevaime basins. The final recommendation from the preliminary development report proposes to implement, a new storm water/recycled water pump station in Basin 5, directly tie it into all existing RW pipeline, place new pipelines and headwalls in Basins 1, 2 and 3, and install monitoring wells and lysimeters. The proposed improvements will add 642 AF per year of storm water and 4,100 AF per year of recycled water for groundwater recharge. The final design and construction phase delayed due to an extended permitting phase for regulatory permits, as a result, spending through the end of the fiscal year was expected to be below budget.	3,085,000	223,571	2,861,429

O&M & Reimbursable Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
EN16021	Chino Basin Groundwater Wells This project involves the remediation of the South Archibald Trichlorethylene Plume in conjunction with the Chino Basin Desalter Authority (CDA). The project requires payment to the Chino Basin Desalter Authority in full prior to the execution of the contracts. The full amount of the fiscal year budget was given to CDA in anticipation of forthcoming design and construction contracts. The project also received grant funding through USBR exceeding the budgeted amount, which was also a pass through to CDA that accounts for the higher than budgeted expense.	7,481,073	8,396,832	(915,759)
PA17006	Agency-Wide Aeration Panel Replacements The project scope involves the replacement of aeration panels at RP-1, RP-4, RP-5, and CCWRF. In the current fiscal year, funding has been allocated to complete the replacement at RP-1 in conjunction with EN16024, the RP-1 Mixed Liquor Return Pump project which is currently in construction. RP-4 aeration basin project is at 50% completion, additional invoicing anticipated. Funds were carry forward to be utilized on RP-1 MLR Project and RP-5 Aeration Basin Project.	2,339,000	1,086,416	1,252,584
WR16024	SARCCUP The Santa Ana River Conservation & Conjunctive Use Program is known as SARCCUP. It was created with various other water agencies to utilize funds from SAWPA Prop 84 grants to develop a watershed-scale conjunctive use program. A Decision Support Model to help understand facility needs and operating costs is in the final stages and modeling efforts are currently evaluating alternative projects for consideration. The project is delayed as environmental impact report are still being developed at the end of June 2017.	1,854,492	295,407	1,559,085

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2016/17
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fiscal Year Ended June 30, 2017

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<u>OPERATING REVENUES</u>					
User Charges	\$71,875,415	\$71,872,436	\$73,210,227	\$1,337,791	101.9%
Recycled Water	15,735,000	15,734,996	13,648,849	(2,086,147)	86.7%
MWD Water Sales	28,670,598	28,670,598	29,896,949	1,226,351	104.3%
MWD LPP Rebates	2,079,000	2,079,000	2,079,000	-	100.0%
Property Tax - O&M	1,972,200	1,972,200	1,972,200	-	100.0%
Cost Reimbursement from JPA	5,913,343	5,913,343	5,803,681	(109,662)	98.1%
Interest Revenue	609,405	609,405	1,252,635	643,230	205.6%
TOTAL OPERATING REVENUES	\$126,854,961	\$126,851,978	\$127,863,540	\$1,011,564	100.8%
<u>NON-OPERATING REVENUES</u>					
Property Tax	\$42,732,600	\$42,732,600	\$43,701,830	\$969,230	102.3%
Connection Fees	20,068,020	20,068,020	35,721,239	15,653,219	178.0%
Grants	10,715,255	10,715,256	12,123,289	1,408,033	113.1%
SRF Loan Proceeds	17,293,399	17,293,399	9,052,210	(8,241,189)	52.3%
Project Reimbursements	7,292,963	7,292,963	1,438,390	(5,854,573)	19.7%
Other Revenue	874,540	874,540	100,975	(773,565)	11.5%
TOTAL NON OPERATING REVENUES	\$98,976,777	\$98,976,778	\$102,137,933	\$3,161,156	103.2%
TOTAL REVENUES	\$225,831,738	\$225,828,756	\$230,001,473	\$4,172,719	101.8%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$23,690,863	\$22,966,307	\$24,470,517	(\$1,504,210)	106.5%
Benefits	19,635,154	19,635,154	18,367,262	1,267,892	93.5%
TOTAL EMPLOYMENT EXPENSES	\$43,326,017	\$42,601,461	\$42,837,779	(\$236,318)	100.6%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$1,767,847	\$2,605,305	\$1,683,014	\$922,291	64.6%
Insurance Expenses	840,500	840,498	640,087	200,411	76.2%
Professional Fees & Services	9,793,857	11,577,564	6,966,832	4,610,733	60.2%
O&M Projects	23,219,025	33,100,880	14,395,826	18,705,054	43.5%
Reimbursable Projects	490,272	490,272	230,697	259,575	47.1%
TOTAL ADMINISTRATIVE EXPENSES	\$36,111,501	\$48,614,519	\$23,916,455	\$24,698,063	49.2%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2016/17
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Fourth Quarter Ended June 30, 2017

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
OPERATING EXPENSES					
Material & Supplies/Leases	\$2,866,883	\$3,887,361	\$3,078,188	\$809,173	79.2%
Biosolids Recycling	4,469,101	4,414,005	4,028,971	385,034	91.3%
Chemicals	4,674,015	4,996,015	4,259,013	737,002	85.2%
MWD Water Purchases	31,856,220	31,856,220	29,896,949	1,959,271	93.8%
Operating Fees/RTS Fees/Exp. Alloc.	11,790,850	11,434,343	11,392,270	42,073	99.6%
Utilities	11,608,046	10,755,514	7,907,393	2,848,121	73.5%
TOTAL OPERATING EXPENSES	\$67,265,115	\$67,343,458	\$60,562,784	\$6,780,674	89.9%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$146,702,633	\$158,559,438	\$127,317,018	\$31,242,420	80.3%
<u>NON-OPERATING EXPENSES</u>					
CAPITAL OUTLAY	\$60,387,558	\$60,584,393	\$30,483,059	\$30,101,334	50.3%
FINANCIAL EXPENSES					
Principal, Interest and Financial Expenditure	22,001,426	21,928,438	71,655,659	(49,727,221)	326.8%
OTHER NON OPERATING EXPENSES	1,651,931	341,300	342,515	(1,215)	100.4%
TOTAL NON-OPERATING EXPENSES	\$84,040,915	\$82,854,131	\$102,481,234	-\$19,627,101	123.7%
TOTAL EXPENSES	\$230,743,548	\$241,413,569	\$229,798,252	\$11,615,318	95.2%
REVENUES IN EXCESS/ (UNDER) EXPENSES					
	(\$4,911,810)	(\$15,584,813)	\$203,221	\$15,788,035	
FUND BALANCE SUMMARY					
Beginning Balance, July 01	\$160,207,357	187,114,440	\$187,114,440	\$0	
Surplus/ (Deficit)	(4,911,810)	(15,584,813)	203,221	15,788,035	
ENDING BALANCE, June 30	\$155,295,547	\$171,529,627	\$187,317,661	\$15,788,035	

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June: Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
8/17/2017														
Agency Management														
220	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a standard operating procedure handbook for the Executive Management Department area	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	May	2017	On Schedule		Ongoing - First draft to be completed May 31, 2017
220	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a standard operating procedure handbook for the Executive Management Department area	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	August	2017	Behind Schedule		This project has been pushed to June 2018, due to training new staff member.
221	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Update and maintain "Duties and Annual Calendar or Responsibilities" manual for the Board Secretary position	Completed by June 30, 2017	Update 25% per quarter	April Woodruff	August	2017	Behind Schedule		Due to training new staff member, this project has been pushed to June 2018.
221	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Update and maintain "Duties and Annual Calendar or Responsibilities" manual for the Board Secretary position	Completed by June 30, 2017	Update 25% per quarter	April Woodruff	May	2017	On Schedule		First draft to be completed May 31, 2017.
222	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Increase the efficiency of the executive administrative group through streamlining processes	Ongoing	Review and improve two processes per quarter	April Woodruff	May	2017	On Schedule		On going - Completing training for new staff members.
222	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Increase the efficiency of the executive administrative group through streamlining processes	Ongoing	Review and improve two processes per quarter	April Woodruff	August	2017	On Schedule		On going. Shifting responsibilities with the addition of new staff member.
217	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean Management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop and implement a standardized procedure for writing and processing committee/board letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	May	2017	On Schedule		New board letter template will be launched in July 2017.
217	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean Management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop and implement a standardized procedure for writing and processing committee/board letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	August	2017	On Schedule		Board letter template was completed and launched on August 2018

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
249	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months).	Ongoing by June 2016	100% of enhancements released plus or minus two calendar weeks from scheduled release date	Kanes Pantayatiwong	June	2017	On Schedule		BIS expanded the SAP Single Sign-On (SSO) to BI Launchpad so that reports with data from SAP no longer require users to provide SAP username and password. BIS also completed the enhancement to automate IERCA billing for SAP, saving processing time and improving data quality/accuracy.
251	FY 2016/17	Monthly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Implement recommended disaster plan per TMP.	Ongoing	BIS to lead the Business Continuity / Disaster Recover Subcommittee	Kanes Pantayatiwong	June	2017	On Schedule		Continued monitoring backups for SAP servers and other enterprise systems, including patching all necessary security updates and associated software updates.
39	FY 2016/17	Quarterly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Implement recommended disaster plan per TMP	Per TMP schedule	Plan adoption and in place	Kanes Pantayatiwong	June	2017	On Schedule	No	Working with ISS, coordinated system security updates on servers. Deployed single sign-on for SAP (including ESS/MSS and BI Launchpad). Deployed the first phase of new ECMS, including user training and data migration from LibertyNET.
177	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Determine requirements for new SAP enhancement that improves cost tracking for projects that qualify for multiple grants – Timeline 15/16 reads: Establish baseline date; develop requirements; implement prototype	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	On Schedule	No	Working with SAP Grant consultant, completed overview of grant administration processes and provided recommendations for process and SAP improvements. BIS also completed the enhancement to automate IERCA billing for SAP, saving processing time and improving data quality/accuracy.
178	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	On Schedule	No	BIS assisted with reviewed of payroll processes and provided recommendations, implemented some key changes and monitored progress. BIS reviewed support ticket history usage, provided recommended changes to ticket categories, coordinated the buy-in from key stakeholders and implemented the new ticket system on July 1. Working with SAP, analyzed system security and received best-practice recommendations with respect to system integrity. Implementing changes per recommendations.
179	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Assess challenges with Agency's financial processes: develop RFP for long term modifications	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	Behind Schedule	No	No change from previous quarter due to lack of resource. Key business analyst for this project was temporarily reassigned to provide payroll support while the Agency was in search for replacement.
180	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Reduce the number of external spreadsheets utilized to address NRW rate questions	Ongoing	< 3 systems in use	Kanes Pantayatiwong	June	2017	On Schedule	No	This project will be driven by business process owner (Planning Department). At this time, there is no active activity.

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Contracts and Facilities Services														
172	FY 2015/16	Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Implement new solicitation tool for expanded competition cost savings	Complete by Jan. 2016	Increase of 5% in cost savings	Warren Green	August	2017	On Schedule	No	Each member of the contracts and procurement department are encouraged to compete and negotiate procurement activities in support of additional savings. As identified in each of the employees' reviews, they have saved a substantial amount.
172	FY 2015/16	Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Implement new solicitation tool for expanded competition cost savings	Complete by Jan. 2016	Increase of 5% in cost savings	Warren Green	May	2017	On Schedule	No	CAP staff perform regular analysis on procurements, solicitations, etc., offering recommendations to staff and ensuring the best cost, value to the Agency.
173	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Conduct Agency training on department processes that are in line with the Agency's MVV	Ongoing		Warren Green	August	2017	On Schedule	No	Staff completed training sessions related to security and safety, in addition to securing contracts for various departments that utilize external services for these training topics.
173	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Conduct Agency training on department processes that are in line with the Agency's MVV	Ongoing		Warren Green	May	2017	On Schedule	No	Staff has conducted several training sessions for various departments, including open house sessions related to contracts and procurement related activities.
174	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives =95%	Ongoing		Warren Green	May	2017	On Schedule	No	Staff continues to provide service in accordance with the desired level of customer service. Review of dashboard, SAP cues, and MPN reports keep staff on track with service activities.
174	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives =95%	Ongoing		Warren Green	August	2017	On Schedule	No	Staff evaluates all business processes to ensure we take advantage of efficiency improvements.
175	FY 2016/17	Quarterly	Finance and Administration	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Identify and participate in organizations that advance the Agency MV and key initiatives	Ongoing		Warren Green	May	2017	On Schedule	No	The majority of staff are members of NCMA, CAPPO, and other organizations related to our profession. Several members of staff serve as Officials in the local chapters of these organizations.
176	FY 2015/16	Quarterly	Finance and Administration	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible.	Ensure all current and future landscaping, as well as new facilities, are in cooperation with current LEED and water-efficiency programs and advancements	complete by June 2016	Increase educational signage for Agency facilities where accessible by the public by 15%.	Warren Green	May	2017	On Schedule	No	Facilities Management was moved into the Operations Division under the Maintenance group.
113	FY 2015/16	Quarterly	Finance and Administration	F	Complete a performance assessment of the Platinum LEED rated headquarters and develop a plan to ensure performance, as appropriate, to the platinum standard	Evaluate the current standards for LEED qualifications and develop a plan for the Agency's HQ to maintain the ranking.	June-2016	Cross reference existing qualifications against new standards.	Warren Green	May	2017	On Schedule	No	Facilities Management task that was moved into the Operations Division under Maintenance.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Contracts and Facilities Services (cont.)														
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	August	2017	Behind Schedule		Inventory of Agency records a little behind schedule due to leave of absence of RM Staff. Inventory to be completed by end of CY 2017
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	May	2017	On Schedule		Due to increase in staff, substantial progress has been made on the inventory project. Approximately 60% completed. Department taxonomy completed. Legal hold process will be implemented at Laserfiche system "Go-Live" June 2017
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	August	2017	On Schedule		While Laserfiche is online and Liberty is fully backed up, the hired consultant has struggled to keep up with the project implementation schedule. The base phase of the project is scheduled to be fully complete in September 2017.
243	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	In collaboration with BIS, implement an email or Electronic Data Interchange (EDI) solution for purchase order transmission to the vendors.	Ongoing	Transmission of purchase orders to vendors via direct email or EDI by January 2017.	Warren Green	May	2017	On Schedule		The use of email distribution of PO's has been implemented for Home Depot, Grainger and a few other vendors. The EDI requirement creates programming issues with vendors.
244	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	In collaboration with BIS, establish purchase requisition accessible Open Catalog Interface (OCI) catalogs for end user.	Ongoing	Add two new OCI vendors, open for use by all staff through the PR process, by June 2017	Warren Green	May	2017	On Schedule		An additional catalog was set up with Amazon. There are numerous catalogs set up through SAP that support business users.
245	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives = 95%	Ongoing	Run quarterly staff and department service level reports and publish in the General Manager's quarterly report	Warren Green	May	2017	On Schedule		Staff continues to evaluate the dashboard, SAP cues and the MPR report to ensure service levels are being met.
Engineering														
310	FY 2016/17	Annual	Engineering, Planning and Science	C	Review and update the Asset Management Plan	Update the AMP	February 2017	Complete and distribute AMP	Travis Sprague	August	2017	On Schedule		Continue to update the Asset Management Plan by including a detailed scheduled, plan and projected budget on shutting down critical facilities, processes or systems when performing a condition assessment or asset replacement.
115	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority	Complete by June 2017	Install recycle water screens at RP-1 and RP-5	Shaun Stone	May	2017	On Schedule	No	As of April 30th the project is in the 100% design phase and we are awaiting submittal.

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Engineering (cont.)														
115	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority	Complete by June 2017	Install recycle water screens at RP-1 and RP-5	Shaun Stone	August	2017	On Schedule	No	As of August 2017 the final design is being prepared for bid and award.
156	FY 2016/17	Once Complete	Engineering, Planning and Science	E	Evaluate advances in laboratory design for inclusion in the construction of the Water Quality Laboratory facility	Upon funding, design and construct latest technology lab	48 months after funding is received	Upon funding 12 months for design and 36 months to construct	Shaun Stone	May	2017	On Schedule	No	The consultant contract was awarded in May 2015 and the design was completed 9 months later in February 2016. The construction contract was awarded in May 2016. The construction work is scheduled to be completed in August 2018
156	FY 2016/17	Once Complete	Engineering, Planning and Science	E	Evaluate advances in laboratory design for inclusion in the construction of the Water Quality Laboratory facility	Upon funding, design and construct latest technology lab	48 months after funding is received	Upon funding 12 months for design and 36 months to construct	Shaun Stone	August	2017	On Schedule	No	The consultant contract was awarded in May 2015 and the design was completed 9 months later in February 2016. The construction contract was awarded in May 2016. The construction work is scheduled to be completed in August 2018
208	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Work with other agencies on the implementation of local regional programs to meet the region's goal of reaching 50,000 AFY of recycled water use by June 2022	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	Install recycle water screens at RP-1 and RP-5	Shaun Stone	August	2017	On Schedule	No	As of August 2017 the final design is being prepared for bid and award.
208	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Work with other agencies on the implementation of local regional programs to meet the region's goal of reaching 50,000 AFY of recycled water use by June 2022	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	Install recycle water screens at RP-1 and RP-5	Shaun Stone	May	2017	On Schedule	No	As of April 30th the project is in the 100% design phase and we are awaiting submittal.
214	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	In-House Design Engineer = 10%	Shaun Stone	May	2017	Behind Schedule		For projects that finish construction during or after FY1617 the overall percentage is 13.75% 9 of 65 projects are in house design
214	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	In-House Design Engineer = 10%	Shaun Stone	August	2017	Behind Schedule		For projects that finish construction during or after FY1617 the overall percentage is 13.75% 9 of 65 projects are in house design
215	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	Fiscal Year Capital Spending = 90%	Shaun Stone	August	2017	On Schedule		FY Budget = \$64M; FY Spending = \$39M Overall projection = 62%. As of 6/30/17, Engineering had 13 projects representing \$16M in budget variance.

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Engineering (cont.)														
215	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	Fiscal Year Capital Spending = 90%	Shaun Stone	May	2017	Behind Schedule		FY Budget = \$65M; Projected spending = \$41M Overall projection = 62%. As of 3/31/17. Engineering had 15 projects representing \$15M in budget variance. Please see our May 2017 GM report for detail variances for the 15 projects.
216	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Conduct Lesson's Learned sessions to evaluate key construction implementations	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	10x/year > 90%	Shaun Stone	August	2017	On Schedule		Conducted 2 Lesson Learned in May; "Taking Over Construction of the Lab or any Other Project", "San Bernardino Avenue Gravity Sewer" and 4 Lesson Learned in June; "1630 East & West RWPS Surge Protection System Improvements", "The Charter Process", "Circuit Breaker Labeling Issues" and "What I have learned since joining the Engineering Department"
216	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Conduct Lesson's Learned sessions to evaluate key construction implementations	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	10x/year > 90%	Shaun Stone	May	2017	On Schedule		Conducted 3 Lesson Learned in April 2017: CCWRF Air Duct Repair Drainage Issues of Underground Vault, Water Quality Laboratory Project, RP-1 Mixed Liquor Return Pumps Pre-selection of the Long Lead Equipment
External Affairs														
166	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Cultivate positive relationships with local and regional media	Ongoing	Present to 6 associations /groups	Kathy Besser	May	2017	On Schedule	No	Presented at Chino Valley Chamber of Commerce meeting
166	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Cultivate positive relationships with local and regional media	Ongoing	Present to 6 associations /groups	Kathy Besser	June	2017	On Schedule	No	Presentations continue, with staff focusing on education programs that begin in September, as well as the Agency's solar cup teams.
167	FY 2016/17	Quarterly	Agency Management	D	13. Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Develop, support, promote, and participate in water education programs	Ongoing		Kathy Besser	June	2017	On Schedule	No	Continued outreach and promotion of our education programs. FY 16/17 saw the largest number of students take part in the Water Discovery Program. And Kick the Habit drought campaign continues, social media and education blogs saw steady posts, and the movie theater campaign continues in local theaters.
167	FY 2016/17	Quarterly	Agency Management	D	13. Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Develop, support, promote, and participate in water education programs	Ongoing		Kathy Besser	May	2017	On Schedule	No	Continued outreach and promotion of our education programs, which has resulted in an increase in fieldtrips from last year. We have increased our use of social media to promote agency activities including educational programs and events. New water conservation campaigns have been developed and will be shown in movie theaters throughout the region.

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
External Affairs (cont.)														
168	FY 2016/17	Quarterly	Agency Management	F	Support legislation to reduce drugs in waterways through take back programs	Support legislation to reduce drugs in waterways through take back programs	Completed by FY 16/17		Kathy Besser	May	2017	On Schedule	No	No activity for the 3rd quarter.
168	FY 2016/17	Quarterly	Agency Management	F	Support legislation to reduce drugs in waterways through take back programs	Support legislation to reduce drugs in waterways through take back programs	Completed by FY 16/17		Kathy Besser	June	2017	On Schedule	No	No activity this quarter.
223	FY 2016/17	Quarterly	Agency Management	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Incorporate the Agency's Mission, Vision, and Values into all staff activities including: creating collateral materials, employee newsletter, and posting to the IEUA website. Increase public recognition of Agency brand	By June 2016 and ongoing	Continue to update printed materials, newsletters, and website with current content	Kathryn Besser	May	2017	On Schedule		The workgroup updated the Agency-wide work plans to better related to the recently updated Agency business goals. The updated work plans are now being used to updated goals for FY 17/18 & FY 18/19 budget.
224	FY 2016/17	Monthly	Agency Management	C	Update and maintain the Agency's website to clearly communicate key activities, issues, policies, and key documents, and continue to optimize use of social network media	Serve as the Agency Webmaster and provide current and timely information	By June 2016 and ongoing	Review the website for accuracy on a continual basis	Kathryn Besser	May	2017	On Schedule		Continue to monitor the IEUA website to provide up to date/current information.
224	FY 2016/17	Monthly	Agency Management	C	Update and maintain the Agency's website to clearly communicate key activities, issues, policies, and key documents, and continue to optimize use of social network media	Serve as the Agency Webmaster and provide current and timely information	By June 2016 and ongoing	Review the website for accuracy on a continual basis	Kathryn Besser	June	2017	On Schedule		This was the last quarter that External Affairs will be responsible for maintenance of the website, which has transferred to BIS. Updates continue as needed.
228	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Communicate the importance of regional/local water independence and conservation	By June 2016 and ongoing	Form a Drought Task Force with member agencies. Continue marketing campaigns and social media outreach, Present to associations or community organizations quarterly	Kathryn Besser	May	2017	On Schedule		Regional drought campaign throughout the service area continues. Marketing is adjusted to reflect the current season.
228	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Communicate the importance of regional/local water independence and conservation	By June 2016 and ongoing	Form a Drought Task Force with member agencies. Continue marketing campaigns and social media outreach, Present to associations or community organizations quarterly	Kathryn Besser	August	2017	On Schedule		The regional drought campaign throughout the service area continues. Marketing is adjusted to reflect the current season, and contracts were just signed with newspapers to continue advertising in the upcoming fiscal year.
229	FY 2016/17	Quarterly	Agency Management	D	Complete water softener ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water	Work with the cities of Chino, Chino Hills, and Ontario to pass the water softener ordinance	By June 2016 and ongoing	Remaining cities to pass ordinance by end of FY 2015/16	Kathryn Besser	June	2017	On Schedule		Auditing of big box stores continues semi-annually and will be done in the next three months. Three remaining cities still have not passed ordinance.

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
External Affairs (cont.)														
229	FY 2016/17	Quarterly	Agency Management	D	Complete water softener ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water	Work with the cities of Chino, Chino Hills, and Ontario to pass the water softener ordinance	By June 2016 and ongoing	Remaining cities to pass ordinance by end of FY 2015/16	Kathryn Besser	May	2017	On Schedule		Auditing of "big box" stores has continued. Three cities within IEUA's service area have not yet passed ordinances.
230	FY 2016/17	Monthly	Agency Management	F	Develop a communication plan to promote being a good neighbor	Communicate the Agency-wide goals, services, and functions to our entire service area, including all community members, businesses, and stakeholders.	By June 2016 and ongoing	FY2015/16 will continue to increase number of events attended in order to reach the entire service area	Kathryn Besser	May	2017	On Schedule		External Affairs has continued to increase the use of social media as a communication tool to reach out to stakeholders, businesses, and community members throughout the region. Continuing to work with the consultant and operations on the new brochures and technical illustrations, expected to be printed by the end of FY 16/17.
230	FY 2016/17	Monthly	Agency Management	F	Develop a communication plan to promote being a good neighbor	Communicate the Agency-wide goals, services, and functions to our entire service area, including all community members, businesses, and stakeholders.	By June 2016 and ongoing	FY2015/16 will continue to increase number of events attended in order to reach the entire service area	Kathryn Besser	June	2017	On Schedule		We continue to expand the use of social media channels, significantly increasing Twitter followers in the fiscal year. Remaining brochures and technical illustrations are completed and will be printed by end of Q1 FY17/18.
Finance and Accounting														
258	FY 2016/17	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review program fund allocations and adjust if necessary to meet program needs.	Tina Cheng	August	2017	On Schedule		Monitored property tax receipts, updated the biennial budget for FYs 2017/18 and 2018/19 with forecasted growth, and continued with the allocation of property tax as approved by the board for FY 2016/17.
258	FY 2016/17	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review program fund allocations and adjust if necessary to meet program needs.	Tina Cheng	May	2017	On Schedule		Allocated property taxes based on the FY 2016/17 adopted budget assumptions. For example, allocated property tax receipts to Water Resources fund to support the Metropolitan Water District readiness to serve (RTS) fees and regional water resources initiatives not covered through the Agency's 7 year phased implementation RTS rate.
184	FY 2016/17	Quarterly	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Ongoing		Tina Cheng	May	2017	On Schedule	No	The refunding of 2008A (issued as 2017A) was completed successfully due to favorable ratings assessed by rating Agency. Staff will continue to monitor the bond rating
184	FY 2016/17	Quarterly	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Ongoing		Tina Cheng	August	2017	On Schedule	No	Staff continued to monitor bond ratings and included in the biennial budget business goals of Credit Worthiness for FYs 2017/18 and 2018/19; improving credit rating, and achieve the goals of reinstating the AAA rating to reduce future borrowing costs

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Finance and Accounting (cont.)														
185	FY 2016/17	Quarterly	Finance and Administration	A	Continue to monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing		Tina Cheng	August	2017	On Schedule	No	Worked with Agency staff and management in updating the FYs 2017/18 - 2026/27 Ten Year Capital Improvement Plan (TYCIP; identifying the capital expenditures and the projected options of funding and financing.
185	FY 2016/17	Quarterly	Finance and Administration	A	Continue to monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing		Tina Cheng	May	2017	On Schedule	No	Successfully completed the 2017A bond refunding in January 2017 in collaboration with Agency's staff, management, financial advisor, bond counsel, and underwriter, resulting in gross savings of \$129 million and net present value savings of \$36.8 million through the life of the bonds.
186	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing		Tina Cheng	May	2017	On Schedule	No	Staff attended all required safety trainings. Based on employee request, adjustable desk was purchased to provide employee an ergonomic friendly working environment.
186	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing		Tina Cheng	August	2017	On Schedule	No	Staff attended all required safety training in FY 2016/17, in accordance to the Agency's safety policy.
Grants														
181	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend potential grant opportunities that align with the Agency mission and financial goal	Ongoing		Jason Gu	August	2017	On Schedule	No	Recommended multiple State and Federal Grant and SRF loan opportunities that align with the Agency mission and financial goal.
181	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend potential grant opportunities that align with the Agency mission and financial goal	Ongoing		Jason Gu	May	2017	On Schedule	No	Recommended multiple State and Federal Grant and SRF loan opportunities that align with the Agency mission and financial goal. Several applications and pre-applications were submitted and were awarded.
182	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Pursue new grant awards to diversify revenue	Ongoing		Jason Gu	August	2017	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board and USBR, and a Letter of Interest was submitted to the EPA. Opportunities through local programs, and the state Prop 1 grant program and Federal WaterSMART program are continually being reviewed and applied for.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
182	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Pursue new grant awards to diversify revenue	Ongoing		Jason Gu	May	2017	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board and USBR, and a Letter of Interest was submitted to the EPA. Opportunities through local programs, and the state Prop 1 grant program and Federal WaterSMART program are continually being reviewed and applied for.
183	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding	Ongoing		Jason Gu	May	2017	On Schedule	No	Collaborating internally with Accounting & Fiscal Management, External Affairs, Planning, Engineering, Construction Management, and Operations, and externally with CBWM, CDA, and member agencies on preparing, submitting and monitoring grant and SRF loan applications to support agency and regional investment.
183	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding	Ongoing		Jason Gu	August	2017	On Schedule	No	Collaborating internally with Accounting & Fiscal Management, External Affairs, Planning, Engineering, Construction Management, and Operations, and externally with CBWM, CDA, and member agencies on preparing, submitting and monitoring grant and SRF loan applications to support agency and regional investment.
273	FY 2016/17	Semi-Annual	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Manage congressional grant authorizations for water desalination projects in the Chino Basin	Ongoing	Until completion of the \$26M congressional authorization	Jason Gu	August	2017	On Schedule		IEUA has received the full \$26M Congressional Grant Authorization.
274	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding.	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Jason Gu	August	2017	On Schedule		Collaborating with Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible TYCIP projects.
274	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding.	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Jason Gu	May	2017	On Schedule		Collaborating with Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible TYCIP projects.
275	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Find grants that match with Member and Regional Agencies capital and conservation programs	Ongoing	Continues as Federal and State grants are available	Jason Gu	May	2017	On Schedule		Collaborated with member agencies and other local agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects. Will continue to locate opportunities to coordinate with others for regional benefits.

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FY 2016/17

Department: ALL
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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Grants (cont.)														
275	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Find grants that match with Member and Regional Agencies capital and conservation programs	Ongoing	Continues as Federal and State grants are available	Jason Gu	August	2017	On Schedule		Collaborated with member agencies and other local agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects. Will continue to locate opportunities to coordinate with others for regional benefits.
Human Resources														
262	FY 2016/17	Semi-Annual	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Promote a positive work environment that holds managers, supervisors and employees accountable for creating and maintaining positive work relationships.	Ongoing	Survey and employee feedback	Sharmeen Bhojani	June	2017	On Schedule		On site OSHA training held on 5/11/17 for all supervisors and management. The Agency partnered with Shaw HR Consulting to assist with addressing long term medical restrictions and accommodations. On May 8th and 9th, interviews with select field staff in Maintenance, Operations and Sewer Collections began to complete Essential Functions Job Analyst. Interviews included the employee, supervisor, manager and HR.
263	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefit programs and services including visiting and scheduling appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations.	Ongoing	Number of onsite visits, lunch and learns, and other educational sessions held	Sharmeen Bhojani	June	2017	On Schedule		ICMA 457 on site visit (5/3 & 5/19), Lincoln 457 on site visit (5/31), CalPERS 457 on site visit (6/7); HR staff traveled to Agency locations w Root Beer Floats: RP2 4/12, Carbon Canyon & Desalter 4/19 & HQ RP5 4/26
264	FY 2016/17	Quarterly	Finance and Administration	B	Develop and implement plan to mentor and prepare the next generation of Agency leaders by July 2017	Develop a process to identify potential leaders within the Agency; utilize the Leadership Academy and other training opportunities to enhance existing talent.	Leadership Academy January – June 2016	Number of employee participants in the Academy and other training programs. Percentage of internal promotions	Sharmeen Bhojani	June	2017	On Schedule		No additional leadership training this quarter
265	FY 2016/17	Semi-Annual	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Create and distribute an employee satisfaction survey	Employee Climate Survey by June 2016	Conduct an Employee Climate Survey after Class and Comp Study implementation	Sharmeen Bhojani	June	2017	On Schedule		Signed contract with DecisionWise to conduct employee engagement survey in August 2017
266	FY 2016/17	Quarterly	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Identify strategies to increase employee morale and promote employee retention.	Ongoing	Surveys and employee feedback/Retention of employees	Sharmeen Bhojani	June	2017	On Schedule		Mechanic and E & I Tech proficiency testing began in May. As of June 30, 2017, a total of 7 employees tested and successfully passed the testing. All 7 employees were reclassified to the higher level position.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Human Resources (cont.)														
267	FY 2016/17	Semi-Annual	Finance and Administration	B	Implement the Agency-wide Classification and Compensation Study.	Finalize the Agency-wide Classification and Compensation Study to develop a fair, consistent and competitive compensation program	Complete by June 2016	Successfully ratify and implement the new structure for remaining represented units.	Sharmeen Bhojani	June	2017	On Schedule		All class and comp revisions and unit modifications completed with Board approval in May 2017.
268	FY 2016/17	Annual	Finance and Administration	B	Review and update the STAR Award program to more effectively recognize outstanding performance	Change the format of the STAR Award Program to ensure more employees have an opportunity to receive the award	Review and recommendation by June 2016	Updated Agency Policy A-79.	Sharmeen Bhojani	June	2017	On Schedule		As part of the Agency wide policy review project, reviewed policy A-75 & A 62 relating to employee recognition. Recommendations were made to revise the policies and pending executive management review. Executive Manager review to be held 1st Q in FY 17 18
269	FY 2016/17	Quarterly	Finance and Administration	B	Achieve a Cal Star Award certification from OSHA by June 2019	Research requirements needed to obtain the award/certification by OSHA; work with Maintenance and Operations to develop a plan that ensures commendable safety and risk management practices.	Schedule meetings with Operations and Maintenance to review requirements and develop an action plan by June 2016	Prepare applications submittal(s) by November 2016.	Sharmeen Bhojani	June	2017	On Schedule		The top five Cal/OSHA programs in which the Agency is lacking compliance have been presented to the applicable departments. Focus will be on these programs over the next several months as they will require time and manpower to fully implement. The Agency continues to work toward providing the safest environment possible for staff.
40	FY 2016/17	Quarterly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Work with all Agency departments to institute a holistic Disaster Preparedness Plan; coordinate table top exercises for disaster drills for all Managers and Supervisors on an annual or biennial basis	July-2017	Distribute a draft plan for review to all departments by January 2016	Sharmeen Bhojani	June	2017	On Schedule	No	After discussion with Management, the Disaster Drill will be delayed until January. Several notices will be sent to staff listed on the Incident Organization Chart to ensure the large number of mandatory participants will be available.
57	FY 2016/17	Quarterly	Finance and Administration	B	Review and revise the Emergency Preparedness Plan by July 2017	Enhance current Emergency Preparedness Manual by adding department action plans and ensure coordination with the Disaster Preparedness Plan; review and revise the manual on an annual basis	July-2017	Distribute a draft plan for review to all departments by January 2016	Sharmeen Bhojani	June	2017	On Schedule	No	As living document, the Agency's Emergency Manual continues to be reviewed periodically.
187	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Assist in the development of the cross-training program by providing guidance, coordination, and administrative skills in the program design, course content development, marketing and evaluation with various stakeholders and subject matter experts	Ongoing June 2015???	Survey and employee feedback/ Number of on-site visits, lunch and learns and other educational sessions held	Sharmeen Bhojani	June	2017	On Schedule	No	Original goal no longer a priority. meeting with Executive manager of Operations to develop new training opportunities

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Department: ALL
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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Human Resources (cont.)														
188	FY 2016/17	Quarterly	Finance and Administration	B	Implement strategies and recruitment practices that provide flexible and responsive solutions to assist the Agency in filling positions in a timely and effective manner	Draft a new consolidated Personnel Rules and Regulations	Ongoing	Track the average number of weeks it takes to complete the recruitment process from beginning to end	Shameen Bhojani	June	2017	Behind Schedule	No	The FY average was 11.422.
33	FY 2016/17	Quarterly	Finance and Administration	B	Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, thereby streamlining individual Unit MOUs by July 2016	Draft a new consolidated Personnel Rules and Regulations	July-2016	Prepare a first draft for review by April 2016	Shameen Bhojani	June	2017	On Schedule	No	Completed draft revisions for all units.
Internal Audit														
218	FY 2016/17	Annual	Agency Management	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	"Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit	"Ongoing and through approved audits as approved through the Annual Audit Plan	"Completed audits. Comments and discussions from stakeholders and during Executive Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	August	2017	On Schedule		IA completed audit projects several audit projects and more as scheduled through the Board approved Annual Audit Plan and presented to the Audit Committee for discussion.

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Department: ALL
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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Internal Audit (cont.)														
132	FY 2016/17	Annual	Agency Management	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter .	Reviewed at the Audit Committee level with the Audit Committee Advisor and Audit Committee members as well as Executive Management.	Teresa Velarde	August	2017	On Schedule	No	Completed. IA SOP#006 "IA Internal Audit Department Business Continuity and Disaster Recovery." documents the role and responsibility of IA which is to assist in the continuance of critical activities and help minimize the impact of the incident. Additionally, as part of the Agency's effort to IA staff are placed on the Incident Organizational Chart.
169	FY 2015/16	Quarterly	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Achieve the Certified Internal Auditor Designation by two auditors – One by Dec. 2015, one by Dec. 2016	One completed by December 2015, One completed by December 2016	A minimum of eight hours of continuous professional development, annually.	Teresa Velarde	August	2017	On Schedule	No	All three auditors in the department are working to achieve the certification of Certified Internal Auditors. The certification requires passing a rigorous 3-part examination, among other professional requirements. All three auditors comply with attending to the required hours for continuing professional education. All three auditors already have higher degrees or credentials to their name.
170	FY 2015/16	Quarterly	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Conduct control self-assessment of the internal audit dept.	Complete by December 2016	A minimum of eight hours of continuous professional development, annually.	Teresa Velarde	August	2017	On Schedule	No	In Progress. Staff is preparing for a self assessment. Research and plans and test documents are in progress of being developed.
231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits approved through the Annual Audit Plan. Comments and discussions during Audit Committee Meetings and exit meeting	Teresa Velarde	May	2017	On Schedule	No	On-going. This is a requirement of the profession of internal auditing as well as a Board-approved Charter requirement, therefore, always completed and on schedule. All three auditors in the department are preparing for the certification. All three plan to complete the certification requirements by December 2016. All three auditors already have a higher professional designation and regularly attend continuous professional development to stay abreast of best practices.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Internal Audit (cont.)														
231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits approved through the Annual Audit Plan. Comments and discussions during Audit Committee Meetings and exit meeting	Teresa Velarde	May	2017	On Schedule		Internal Audit is required to complete audits approved through the Board approved Annual Audit Plan. Internal Audit recommendations are provided and communicated to those that can implement the recommendations. Each audit project provides opportunities to improve processes, contain costs, consider methods to complete work in a more effective and efficient manner. By completing operational audits, this objective is realized each and every time. The items revealed through the audit are discussed in detailed during the regularly scheduled Audit Committee meetings as well as prior to the AC meeting with management and line supervisors. Recommendations are provided to promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment.
231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits approved through the Annual Audit Plan. Comments and discussions during Audit Committee Meetings and exit meeting	Teresa Velarde	August	2017	On Schedule		Completed audit projects as scheduled through the Board approved Annual Audit Plan and presented to the Audit Committee for discussion.
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	August	2017	On Schedule		Completed all planned and requested audits. IA stands ready to assist in any further review/evaluation and/or discussion related to the Regional Contract.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Internal Audit (cont.)														
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed and Closed out. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit	Teresa Velarde	May	2017	On Schedule		Completed and Closed out. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Internal Audit (cont.)														
						requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees		Committee Meetings and exit meetings						Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Internal Audit (cont.)														
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	workshops for the Board of Directors and the Regional Policy and Technical Committees Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board as well as with Tech Committee. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract.
233	FY 2016/17	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Maintain knowledgeable, skilled and experienced audit staff and promote continuous professional development and professional certifications and higher education, as recommended and required under the auditing standards and the IAD Charter to ensure continuous IAD improvement and to stay abreast of developing trend	Annually and on-going complete training and professional development training and participation	A minimum of sixteen hours of continuous professional development, annually. Participation in a professional association	Teresa Velarde	August	2017	On Schedule		Completed. Training and professional development is mandatory for professional internal auditors, as a requirement of their job and required by the Institute of Internal Auditors and the IAD Charter. All auditors complete the minimum professional education requirements to stay current with the trends of the profession.
234	FY 2015/16	Monthly	Agency Management	B	Develop a plan to conduct a feedback study to measure employee satisfaction	Perform a survey of auditee/customer satisfaction at the conclusion of each audit	After each completed audit/project	Feedback from customers. Discussions during regularly scheduled	Teresa Velarde	August	2017	On Schedule		Completed during and after each audit. Either via email, paper or discussion to evaluate the overall satisfaction with the audit process.

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Internal Audit (cont.)														
235	FY 2016/17	Monthly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations	<p>project to gather information about auditor involvement, professionalism, knowledge and ability to communicate to gain information on continuous improvement</p> <p>Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations. Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed. Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations</p>	Ongoing and through approved audits as approved through the Annual Audit Plan	Completed audits. Comments and discussions from stakeholders and during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	August	2017	On Schedule		Completed and on-going. IA completed all projects as proposed through the Board approved Annual Audit Plan and provided assistance and evaluation/review services as requested for various projects.

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Internal Audit (cont.)														
235	FY 2016/17	Monthly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations	Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations. Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed. Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations	Ongoing and through approved audits as approved through the Annual Audit Plan	Completed audits. Comments and discussions from stakeholders and during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	May	2017	On Schedule		Completed and On-Going. The Internal Audit Department must complete projects proposed through the Board-approved Annual Audit Plan and any amendments if any. IAD completes are projects proposed and assigned and provides recommendations for the improvement of Agency processes and procedures. Any changes to the plans are communicated to the Audit Committee and the Board. In addition to scheduled projects, IA maintains a list of on-going and potential audit projects. The list of potential/proposed audit projects is a list of items that can be evaluated and audited should the risk increase or IA is directed to accelerate the planned and proposed projects.

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Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Internal Audit (cont.)														
236	FY 2016/17	Monthly	Agency Management	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter	Review with the Audit Committee Advisor and Audit Committee members as well as Executive Management	Teresa Velarde	May	2017	On Schedule		The Internal Audit Department documented IA SOP -006 Business Continuity and Disaster Recovery in 2013 and is reviewed for any needed updates, annually, as required by the Charter. This SOP requires that IA assist any critical mission of the Agency first, before continuing with audit assignments, when and in the event of an emergency/disaster. Additionally, the Manager has recently attended FEMA training and is assigned the Communications Liaison. Other members of the IAD are on the Safety Committee and also are responsible for ensuring the department completes are required Safety Tailgate topics. Additional training will be provided by the Agency to all Agency staff.
236	FY 2016/17	Monthly	Agency Management	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter	Review with the Audit Committee Advisor and Audit Committee members as well as Executive Management	Teresa Velarde	August	2017	On Schedule		documented IA Business Continuity and Disaster Recovery operating procedure. This SOP requires that IA assist any critical mission of the Agency first, before continuing with audit assignments, when and in the event of an emergency/disaster. Additionally, the Manager has recently attended FEMA training and is assigned the Communications Liaison. Other members of the IAD are on the Safety Committee and also are responsible for ensuring the department completes are required Safety Tailgate topics. Additional training will be provided by the Agency to all Agency staff.
237	FY 2016/17	Annual	Agency Management	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Comply with all required IEUA safety and regulatory trainings for required department personnel	Annually as assigned by Safety personnel	Safety Tailgate Tracker	Teresa Velarde	August	2017	On Schedule		Completed and ongoing. Each year IA completes all required safety trainings as required by the Agency, in addition to other outside and volunteer training
239	FY 2016/17	Semi-Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of Agency leaders by July 2017	Conduct Control Self-Assessment of the Internal Audit Department	On-going	Certification	Teresa Velarde	August	2017	On Schedule		Completed and ongoing. Each year IA completes all required education and training. Additionally, IA conducts a Risk Assessment to complete the Annual Audit Plan and propose the audit projects.
241	FY 2016/17	Monthly	Agency Management	C	Leverage private/public partnership opportunities	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement	On-going	Feedback from auditees, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Velarde	August	2017	On Schedule		IA continues to do so in the same manner prescribed before. IA communicates to the Audit Committee anything that warrants their immediate attention.

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Internal Audit (cont.)														
241	FY 2016/17	Monthly	Agency Management	C	Leverage private/public partnership opportunities	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement	On-going	Feedback from auditees, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Velarde	May	2017	On Schedule		Achieved. This is achieved through every audit project while working closely with the auditees and other Agency staff. This becomes an opportunity to promote friendly, helpful customer service, build the business networks and provide any assistance or information necessary. Internal Audit works well with others and at all levels.
Laboratory														
197	FY 2015/16	Quarterly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Complete a Review/Update of the Laboratory Chemical Hygiene Plan annually. (CHP)	Complete by December 2015		Nel Groenveld	May	2017	On Schedule	No	Review to be completed by June 2017
300	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Evaluate advances in laboratory design for inclusion in the construction of the new Water Quality Laboratory	December 2016	Support Engineering during design phase by participation in design review.	Nel Groenveld	August	2017	On Schedule		Continue to support Engineering during construction of the Water Quality Lab
300	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Evaluate advances in laboratory design for inclusion in the construction of the new Water Quality Laboratory	December 2016	Support Engineering during design phase by participation in design review.	Nel Groenveld	May	2017	On Schedule		Ongoing, Lab staff continue to work with Construction Management on the Water Quality Lab Project.
301	FY 2016/17	Annual	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis	December 2016	Annually obtain 100% acceptable results on PE samples	Nel Groenveld	May	2017	On Schedule		Annual performance evaluation samples will be analyzed in June
301	FY 2016/17	Annual	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis	December 2016	Annually obtain 100% acceptable results on PE samples	Nel Groenveld	August	2017	On Schedule		100% acceptable on the Waste water PE samples, currently analyzing Drinking water unknowns
302	FY 2016/17	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Meet the bi-weekly safety tailgate meeting requirement	December 2016	Hold bi-weekly safety meetings	Nel Groenveld	August	2017	On Schedule		holding bi-weekly safety tailgates
302	FY 2016/17	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Meet the bi-weekly safety tailgate meeting requirement	December 2016	Hold bi-weekly safety meetings	Nel Groenveld	May	2017	On Schedule		Ongoing, safety meetings have been completed as required for the quarter
303	FY 2016/17	Annual	Engineering, Planning and Science	F	Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements	December 2016	Ongoing review of approved test methods	Nel Groenveld	May	2017	On Schedule		Ongoing
303	FY 2016/17	Annual	Engineering, Planning and Science	F	Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements	December 2016	Ongoing review of approved test methods	Nel Groenveld	August	2017	On Schedule		reviewing and updating laboratory SOPs as required

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Maintenance														
246	FY 2016/17	Monthly	Operations	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Provide exceptional and responsive customer service.	Continuous	Increase facilities services response time for support services by 15%.	Lucia Diaz	May	2017	On Schedule		On-going Facilities continues to monitor the activities associated with the Track it system in response to the level of service. There are times where staff is dependent upon other departments for support. To date a total of 275 support tickets have been completed.
246	FY 2016/17	Monthly	Operations	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Provide exceptional and responsive customer service.	Continuous	Increase facilities services response time for support services by 15%.	Lucia Diaz	August	2017	On Schedule		On-going Facilities continues to monitor the activities associated with the Track it system in response to the level of service. To date a total of 341 support tickets have been completed. Response time has improved by 11%
247	FY 2016/17	Quarterly	Operations	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Identify educational opportunities for environmentally friendly facilities and landscapes	Ongoing	Increase educational signage by 10% for Agency facilities that are accessible by the public.	Lucia Diaz	August	2017	Behind Schedule		Educational Signage about the treatment process was designed in partnership with Operations and External Affairs for RP-5. Signage is currently being installed.
247	FY 2016/17	Quarterly	Operations	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Identify educational opportunities for environmentally friendly facilities and landscapes	Ongoing	Increase educational signage by 10% for Agency facilities that are accessible by the public.	Lucia Diaz	May	2017	On Schedule		Educational Signage for Regional Plant No. 5 will be installed by the end of the fiscal year, June 2017.
308	FY 2016/17	Quarterly	Operations	B	Establish a cross training program across departments and divisions to enhance understanding of Agency programs	Develop and implement a division-wide training program to enhance understanding by Agency staff of wastewater treatment process and compliance; modern maintenance practices; and recycled water maintenance.	By June 30, 2017	Hold one training session each quarter	Randy Lee	May	2017	On Schedule		Maintenance training based on the Class & Comp has been completed. Proficiency exams for advancement to begin the end of May.
308	FY 2016/17	Quarterly	Operations	B	Establish a cross training program across departments and divisions to enhance understanding of Agency programs	Develop and implement a division-wide training program to enhance understanding by Agency staff of wastewater treatment process and compliance; modern maintenance practices; and recycled water maintenance.	By June 30, 2017	Hold one training session each quarter	Randy Lee	August	2017	On Schedule		All on site training has been completed.
309	FY 2016/17	Annual	Operations	E	Ensure reliability of Agency assets by annually implementing the asset management monitoring and assessment program (Asset Management Plan)	Conduct major condition assessments annually.	By June 30, 2017	Complete condition assessments of RP-5 and CCWRF	Randy Lee	August	2017	On Schedule		CCWRF assessment in process.

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306	FY 2016/17	Quarterly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Support the development and implementation of the Energy Management Plan to ensure 100% use of digester gas	By June 2016 Ongoing	Meet 100% of established implementation goals; on-going	Chander Letulle, Matt	July	2017	On Schedule		Operations has supported all implementation goals. Due to equipment issues at RP-1 and RP-2 gas utilization is lower than expected.
307	FY 2016/17	Monthly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Maximize use of biosolids by sending 90% of organics to IERCF	By June 2016 Ongoing	Send 90% of organics to IERCF; on-going	Randy Lee	August	2017	On Schedule		All Agency biosolids have been sent to the IERCF, processed into compost and sold into landscape and agricultural markets.
198	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Measure baseline usage of potable and recycled water usage.	Ongoing through June 2016		Matt Melendrez and	July	2017	On Schedule	No	Potable water usage data is collected and monitored for all sites. Recycled water usage data is collected and monitored at RP-5, CCWRF, RP-1 and RP-2. A project has been identified to add a meter at RP-4.
199	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain peak demand management readiness	Ongoing through June 2016		Andy Campbell	May	2017	On Schedule	No	Weekly demand management meetings will be resumed in May 2017.
199	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain peak demand management readiness	Ongoing through June 2016		Andy Campbell	August	2017	On Schedule	No	Demand management meeting resumed in June. Monthly RW GWR targets discussed and met through the year.
200	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain pump station readiness	Ongoing through June 2016		Andy Campbell	August	2017	On Schedule	No	RW GWR deliveries and RW pump station readiness is continuously monitored by RW staff. Any deficiency's of readiness are addressed and remedied.
200	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain pump station readiness	Ongoing through June 2016		Andy Campbell	May	2017	On Schedule	No	Pump station readiness is continuously monitored by RW staff. Any deficiency's of readiness are addressed and remedied.
201	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Continue weekly Peak Demand Management meetings with key operations staff for start of 2016 Peak Demand season.	Ongoing through June 2016		Andy Campbell	May	2017	On Schedule	No	Weekly demand management meetings will be resumed in May 2017.
201	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Continue weekly Peak Demand Management meetings with key operations staff for start of 2016 Peak Demand season.	Ongoing through June 2016		Andy Campbell	August	2017	On Schedule	No	Demand management meeting resumed in June. Monthly RW GWR targets discussed and met through the year.
202	FY 2016/17	Quarterly	Operations	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Prepare and submit to CDPH start-up reports for new basin as delivery mechanisms are completed	Completed by June 2016 and Ongoing		Andy Campbell	August	2017	On Schedule	No	Declez Start-Up Report is completed with the exception of inclusion of well data from the planned construction of second Declez Monitoring well. Report will be submitted after construction.
202	FY 2016/17	Quarterly	Operations	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Prepare and submit to CDPH start-up reports for new basin as delivery	Completed by June 2016 and Ongoing		Andy Campbell	May	2017	On Schedule	No	Declez Basin start-up is complete; start-up report will be completed in fourth quarter.

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Operations (cont.)														
203	FY 2016/17	Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Ensure all treatment standards are met to maximize availability of recycled water.	Completed by June 2016 and Ongoing		Matt Melendrez and	July	2017	On Schedule	No	During the last quarter CCWRF and RP-5 had permit exceedances. However, these deviations did not impact recycled water deliveries.
204	FY 2016/17	Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Identify projects necessary to reduce potable and promote recycled water usage	Completed by June 2016 and Ongoing		Matt Melendrez and	July	2017	On Schedule	No	Projects have been identified to switch processes from potable to recycle water. Operations is working with Maintenance, and Engineering to complete these projects. For example San Bernardino Lift Station packing water system and the RP-1 Centrifuge cooling water system.
206	FY 2016/17	Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Andy Campbell	May	2017	On Schedule	No	Hickory and Banana basins will be cleaned in May and June 2017. RP3, Delciez and Victoria were cleaned Fall 2016. Will continue to develop cleaning strategies and implement cleaning projects to maintain peak basin infiltration capacity.
206	FY 2016/17	Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Andy Campbell	May	2017	On Schedule	No	Conducted 3DFEEM study with Jorg Drewes. Final report for study was completed February 2016. Study with other sampling results assisted IEUA in obtaining 50% RWC for most of its RW GWR basins.
206	FY 2016/17	Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Andy Campbell	August	2017	On Schedule	No	Basin cleaning strategies were developed during the budget process to maintain peak basin infiltration capacity. Some maintenance delayed due to the MWD DYY initiation in June 2016.
143	FY 2016/17	Annual	Operations	B	Review and revise the Emergency Preparedness Plan by July 2017	Support Human Resources in the development of an Emergency Preparedness Plan for the Operations Division.	FY 2014/15	Not applicable	Chander Letulle	July	2017	On Schedule	No	The Operations Interim Emergency Response Plan is continually being reviewed to ensure accuracy and availability of the latest information.
80	FY 2016/17	Quarterly	Operations	D	Optimize IEUA's use of potable and recycled water by July 2016	Identify projects necessary to reduce potable and recycled water usage.	FY 2016/17	One facility per quarter	Matt Melendrez	July	2017	On Schedule	No	A project has been identified to convert the RP-1 centrifuge oil coolers from potable water to utility water.
Planning and Environmental Compliance														
89	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	continuous	Meet the schedule as defined by the IRP	Sylvie Lee	August	2017	On Schedule	No	Analyzing input from member agencies regarding the project lists and infrastructure schematic.
89	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	continuous	Meet the schedule as defined by the IRP	Sylvie Lee	May	2017	On Schedule	No	Project lists, including sites identified in RMPU, are being updated in IRP Phase 2.
190	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Apply LEAN management principles to streamline current practices and develop long-term strategy for permitting of the O&M activities of recharge basins	To be Completed by June 2017		Sylvie Lee	May	2017	On Schedule	No	ACOE is drafting public notice comment letters

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Planning and Environmental Compliance (cont.)														
190	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Apply LEAN management principles to streamline current practices and develop long-term strategy for permitting of the O&M activities of recharge basins	To be Completed by June 2017		Sylvie Lee	August	2017	Behind Schedule	No	Response to the public comments occurred in June 2017. Project is behind schedule due to additional biological information requested by the ACOE. PC
191	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a regulatory permitting strategy to support the implementation of the regional water and wastewater programs as identified in the planning documents	To be Completed by June 2017		Sylvie Lee	May	2017	On Schedule	No	IEUA Board of Directors certified the final PEIR on 3/15/17
191	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a regulatory permitting strategy to support the implementation of the regional water and wastewater programs as identified in the planning documents	To be Completed by June 2017		Sylvie Lee	August	2017	On Schedule	No	Project completed. PC
193	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Meet the schedule as defined by the IRP	Sylvie Lee	August	2017	On Schedule	No	Analyzing input from member agencies regarding their upcoming & future project, and preparing an infrastructure schematic of the existing and potential interconnections for future modeling.
193	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Meet the schedule as defined by the IRP	Sylvie Lee	May	2017	On Schedule	No	Project lists, including sites identified in RMPU, are being updated in IRP Phase 2.
195	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water in to Chino Basin	Through June 2016 and Ongoing	Develop the plans	Sylvie Lee	August	2017	On Schedule	No	MWD Foundational Actions projects were completed in 2016, post-project presentation was provided late 2016. Researching current direct potable reuse projects and participating in workshops with the State Water Resources Control Board (SWRCB) with regards to the development of regulations for direct potable reuse. The Recycled Water Injection Pilot Demonstration Project was placed on hold due to the potential to implement reverse osmosis in the 5-to-15-year time frame, which would utilize all available recycled water. 3D Fluorescence Excitation-Emission Matrix (3DFEEM) study was completed in September with results used to support increasing RWC at many RW GWR basins.

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Planning and Environmental Compliance (cont.)														
195	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water in to Chino Basin	Through June 2016 and Ongoing	Develop the plans	Sylvie Lee	May	2017	On Schedule	No	Researching current direct potable reuse projects, and participating in workshops with the State Water Resources Control Board with regards to the development of regulations for direct potable reuse.
196	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvie Lee	May	2017	On Schedule	No	Phase 2 of the IRP is developing a Regional Projects List and Regional Single-Line Schematic as part of the initial effort. The Projects List will help project the long-term resiliency of the regions water supplies. The schematic will be expanded to model the ability to move water in the region.
196	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvie Lee	August	2017	On Schedule	No	The Regional Projects List and Regional Single-Line Schematic for IRP Phase 2 has been completed. Analysis and discussions of listed projects and modeling with the schematic will occur in the fall.
196	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvie Lee	August	2017	On Schedule	No	Analyzing input from member agencies regarding the project lists and infrastructure model. Drought projects were identified as part of the initial projects listing to help with drought resilience. Also developing a Regional Single-Line Schematic as part of the initial effort. The projects list will help project the long-term resiliency of the regions water supplies. The schematic will be expanded to model the ability to move water in the region.
271	FY 2016/17	Monthly	Engineering, Planning and Science	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Sylvie Lee	May	2017	On Schedule		A scope of work has been developed for Phase 2 of the Feasibility Study for the RW Intertie Project with Pomona, MVWD and IEUA. Additional alternatives will be explored, as well as groundwater modeling for the potential locations.
271	FY 2016/17	Monthly	Engineering, Planning and Science	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Sylvie Lee	August	2017	On Schedule		Phase 2 of the Feasibility Study for the RW Intertie Project with Pomona, MVWD and IEUA has been awarded to Carollo Engineers. Phase 2 will be kicked off in August 2017 where additional alternatives will be explored, and groundwater modeling will be conducted to identify potential facility locations.

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
 Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Planning and Environmental Compliance (cont.)														
272	FY 2016/17	Monthly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend and pursue new grant awards/opportunities to diversify revenue.	Ongoing	Grants Opportunities announcements to Agency departments and member agencies.	Sylvie Lee	May	2017	On Schedule		The department is preparing a list of potential Title XVI projects for Water Reclamation & Reuse for long-term grant planning.
272	FY 2016/17	Monthly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend and pursue new grant awards/opportunities to diversify revenue.	Ongoing	Grants Opportunities announcements to Agency departments and member agencies.	Sylvie Lee	August	2017	On Schedule		The department is submitting Prop 1 allocation for WSIP and Title XVI for recycled water
278	FY 2016/17	Annual	Engineering, Planning and Science	C	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives	Participate in local and regional meetings such as CASA, SCAP, Water Reuse, SCWC, CWEA, and ACWA, to advance the Agency's mission, vision and key initiatives.	Continuous	Attend at regular meetings	Sylvie Lee	May	2017	On Schedule		Staff is actively participating in meetings, workshops, conferences, task forces, and attending seminars to track issues as they relate to the Agency's short- and long-term goals.
278	FY 2016/17	Annual	Engineering, Planning and Science	C	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives	Participate in local and regional meetings such as CASA, SCAP, Water Reuse, SCWC, CWEA, and ACWA, to advance the Agency's mission, vision and key initiatives.	Continuous	Attend at regular meetings	Sylvie Lee	August	2017	On Schedule		Staff is actively participating in meetings, workshops, conferences, task forces, and attending seminars to track issues as they relate to the Agency's short- and long-term goals.
279	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the regiona	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies, and planning documents	Continuous	Maintain the schedules as established in the regulations, policies and planning documents	Sylvie Lee	August	2017	On Schedule		Staff in process of evaluating the Exhibit J sewer fee calculation methodology, which will modernize the calculations.
279	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the regiona	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies, and planning documents	Continuous	Maintain the schedules as established in the regulations, policies and planning documents	Sylvie Lee	May	2017	On Schedule		Staff in process of evaluating the Exhibit J sewer fee calculation methodology, which will modernize the calculations. SL
280	FY 2016/17	Monthly	Engineering, Planning and Science	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	Provide monthly/ quarterly/annual updates as needed.	Sylvie Lee	May	2017	On Schedule		Updates have been provided on planning issues through the quarter. SL
280	FY 2016/17	Monthly	Engineering, Planning and Science	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	Provide monthly/ quarterly/annual updates as needed.	Sylvie Lee	August	2017	On Schedule		Updates have been provided on planning issues through the quarter
283	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Advocate for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture	Sylvie Lee	August	2017	On Schedule		Participating in SB County stormwater management plan, including projects that promote LID is ongoing.

EXHIBIT B

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
 Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Planning and Environmental Compliance (cont.)														
283	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Advocate for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture	Sylvie Lee	May	2017	On Schedule		Participating in SB County stormwater management plan, including projects that promote LID.
284	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Optimize IEUAs use of potable and recycled water by July 2016	Optimize IEUA's use of potable and recycled water by completion of the recommended updates of the Recycled Water Program Strategy (RWPS).	June 2016 Ongoing	Adopt the RWPS	Sylvie Lee	August	2017	On Schedule		RWPS complete. Agency submitting Prop 1 WSIP for RW injection and Title XVI to go beyond RWPS recommendations.
289	FY 2016/17	Annual	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Develop and implement the Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water. Work with member agencies to encourage new developments to connect to recycled water.	Continuous	Continuous dialogue with member agencies and through customers as needed to connect new customers and support demand management initiatives.	Sylvie Lee	August	2017	On Schedule		Ongoing. Coordinated discussions with operations, local agencies, and customers.
295	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Develop a communication plan to neighboring businesses of odor performance monitoring.	Continuous	Periodic/as needed monitoring performed	Sylvie Lee	May	2017	On Schedule		Staff is drafting a report to present information collected
295	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Develop a communication plan to neighboring businesses of odor performance monitoring.	Continuous	Periodic/as needed monitoring performed	Sylvie Lee	August	2017	On Schedule		Perform quarterly odor survey at all facilities. PC
296	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Assist Operations and External Affairs with odor complaint investigations and assist with mitigation.	Continuous	Provide support as needed	Sylvie Lee	August	2017	On Schedule		Perform odor monitoring, as needed to assist Operations, External Affairs during complaints investigation and mitigation. PC
296	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Assist Operations and External Affairs with odor complaint investigations and assist with mitigation.	Continuous	Provide support as needed	Sylvie Lee	May	2017	On Schedule		Perform odor monitoring, as needed to assist Operations, External Affairs during complaints investigation and mitigation.
297	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Actively participate in the legislative process through advice letters and comments	Continuous	Actively participate and submit comments/letters as issues arise through ACWA, WaterReuse, SCAP.	Sylvie Lee	August	2017	On Schedule		Provided comments to External Affairs regarding P&ER's legislative priorities. Continuous.
297	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Actively participate in the legislative process through advice letters and comments	Continuous	Actively participate and submit comments/letters as issues arise through ACWA, WaterReuse, SCAP.	Sylvie Lee	May	2017	On Schedule		Provided comments to External Affairs regarding P&ER's legislative priorities. Continuous. SL

Business Goals & Objectives Report By Department

FY 2016/17

Department: ALL
 Report Month: April, May, June; Year: 2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
Planning and Environmental Compliance (cont.)														
299	FY 2016/17	Annual	Engineering, Planning and Science	F	Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Complete a Santa Ana River Multi Species Habitat Conservation Plan (SAR-MSHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	Adopt the SAR-MSHCP by June 2017	Sylvie Lee	May	2017	Behind Schedule		SAR HCP schedule has been prolonged through July 2018 for draft; 2019 for final adoption. Activity impact assessment and discussions about how to establish the mitigation sites are underway.
299	FY 2016/17	Annual	Engineering, Planning and Science	F	Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Complete a Santa Ana River Multi Species Habitat Conservation Plan (SAR-MSHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	Adopt the SAR-MSHCP by June 2017	Sylvie Lee	August	2017	Behind Schedule		SAR HCP schedule has been prolonged through July 2018 for draft; 2019 for final adoption. The SAR MSHCP team is continuing technical work to model impacts of all proposed covered activities. On a parallel track, the Santa Ana River Model is being developed. The SAR Model will be used to predict interactions between surface water flows and groundwater basins that feed into the Santa Ana River, and will have the capability to analyze future projects that are not included in the HCP. Projects included as covered activities in the SAR HCP include all existing groundwater recharge basins for operation and maintenance, as well as projects and proposed diversions listed in the 2013 RMPU.

**Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2016/2017
Budget Transfer**

Fund	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10200	3/28/17	521050	Contract Materials	\$15,000	512010	Office Supplies - General	\$15,000	Transfer for agency wide janitorial supplies and office supplies. Budget was setup through CAP and wasn't increased to account for staffing and usage.	4
10200	5/18/17	520980	Prof Svcs - Other	\$15,000	511230	Travel - Transport	\$15,000	Transfer to cover expenses for temporary support	4
10200	5/18/17	520980	Prof Svcs - Other	\$2,500	513020	Conference Expenses	\$2,500	Transfer to cover expenses for temporary support	4
10200	5/18/17	520980	Prof Svcs - Other	\$2,500	511290	Travel - Costs - Other	\$2,500	Transfer to cover expenses for temporary support	4
10200	6/15/17	521410	Computer Systems Maintenance	\$10,000	512520	Computer Software	\$10,000	Transfer to complete year end purchases for software licensing and training.	4
10200	6/22/17	512010	Office Supplies - Gen	\$4,000	512610	Equipment - Office	\$4,000	Transfer for spare and maintenance items to ensure the back-up generation control system functions correctly.	4
10300	5/10/17	545350	Telemetry	\$3,000	521010	Contract Labor	\$3,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/10/17	545340	Network	\$1,000	521010	Contract Labor	\$1,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/10/17	545320	Telephone	\$1,000	521010	Contract Labor	\$1,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/10/17	545110	Electricity	\$25,000	521010	Contract Labor	\$25,000	Transfer from unspent funds in utilities to cover basin maintenance.	4
10300	5/25/17	519310	GWR Op Permits & Lic	\$6,000	521080	GWR Contract Svcs	\$6,000	Transfer to provide funds for Banana Basin infiltration restoration work that needs to be completed.	4
10500	5/9/17	521080	Other Contract Svcs	\$1,000	519310	Operating Permits & Lic	\$1,000	Transfer for unexpected costs related to a business name change on the AQMD permit for Philly Lift Station.	4
10508	4/24/17	555010	Interest Expense - Bonds	\$596,265	555010	Interest Expense - Bonds	\$596,265	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4
10508	6/13/17	555010	Interest Expense - Bonds	\$8,450	555010	Interest Expense - Bonds	\$8,450	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4
10600	5/30/17	521010	Contract Labor	\$15,000	512160	Lab Supplies	\$15,000	Transfer due to GRW samples collected throughout quarter instead of collected the first month of the quarter, resulting in lab's unanticipated use of additional chemicals to analyse smaller batches of samples.	4
10608	4/24/17	555010	Interest Expense - Bonds	\$596,265	555010	Interest Expense - Bonds	\$596,265	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4
10608	6/13/17	555010	Interest Expense - Bonds	\$34,560	555010	Interest Expense - Bonds	\$34,560	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4
10800	4/19/17	545230	Fuel Cell Power	\$70,000	530028	Polymer	\$70,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4
10800	4/19/17	545230	Fuel Cell Power	\$28,000	530012	Alum	\$28,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4
10800	4/19/17	545230	Fuel Cell Power	\$38,000	530016	Sodium Hypochlorite	\$38,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4
10800	4/19/17	545230	Fuel Cell Power	\$36,000	530020	Sodium Bisulfate	\$36,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4

**Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2016/2017
Budget Transfer**

Fund	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR	
10800	4/19/17	545230	Fuel Cell Power	\$250,000	521010	Contract Labor	\$250,000	Transfer to cover professional fees and services for maintenance related work on RP-5 Biofilter, CCWRF hydropneumatic tank, and other minor maint. work	4	
10800	4/19/17	521080	Other Contract Svcs	\$150,000	530028	Polymer	\$150,000	Transfer due to a shortage of funds for chemicals due to more requirements because of the amount of rainfall and other reasons	4	
10800	5/31/17	545230	Fuel Cell Power	\$335,000	512170	O&M Supplies	\$335,000	Transfer to cover expenses for parts and equipment necessary for continued reliable operations of RP-5, CCWRF, and RP-2.	4	
10800	6/7/17	526520	Transport to RCA	\$2,200	545370	Water	\$2,200	Transfer due to line breaks.	4	
10800	6/7/17	526520	Transport to RCA	\$2,200	521010	Contract Labor	\$2,200	Transfer due to Headworks overflow.	4	
10800	6/7/17	526520	Transport to RCA	\$5,028	526130	Residuals Disposal	\$5,028	Transfer to cover CCWRF Residuals Disposal.	4	
10800	6/7/17	521010	Contract Labor	\$4,268	545370	Water	\$4,268	Transfer from contract labor to water g/l as line item is currently over budget.	4	
10808	4/24/17	555010	Interest Expense - Bonds	\$74,565	555010	Interest Expense - Bonds	\$74,565	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4	
10808	6/13/17	555010	Interest Expense - Bonds	\$5,060	555010	Interest Expense - Bonds	\$5,060	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4	
10908	4/24/17	555010	Interest Expense - Bonds	\$596,265	555010	Interest Expense - Bonds	\$596,265	Transfer from the 2008A Bond interest accounts to the 2017A Bond interest accounts to record interest expense for the remainder of the current fiscal year	4	
10908	6/13/17	555010	Interest Expense - Bonds	\$40,460	555010	Interest Expense - Bonds	\$40,460	Transfer from 2008A Bond Interest Account to fund legal cost of issuance expense in relation to the 2017A bond issuance.	4	
Total O&M Transfers Out				\$2,973,586	Total O&M Transfers In				\$2,973,586	

Fund	Date	Project	Project Description	Amt Transfer Out	Project	Project Description	Amt Transfer In	Justification	QTR	
10700	3/29/17	WR16025	WW Planning Documents	\$19,260	WR15022	Water Use Assessments	\$19,260	Transfer to backfill expenses paid out of WR15022	4	
10700	3/29/17	521080	Other Contract Svcs	\$115	WR15022	Water Use Assessments	\$115	Transfer to backfill expenses paid out of WR15022	4	
10700	3/29/17	515030	Contributions/Sponsors hips	\$1,800	WR15022	Water Use Assessments	\$1,800	Transfer to backfill expenses paid out of WR15022	4	
Total Project Transfers Out				\$21,175	Total Project Transfers In				\$21,175	

**Inland Empire Utilities Agency
FY 2016/17 GM Contingency Account Activity**

Exhibit C-2

Date	Description	Account/Project No.	Requestor	GM Contingency		
				Budget	Transfers	Balance
7/1/2016	FY 2016/17 Adopted budget	RO Fund 10800-112100-501000-519010		\$400,000		\$400,000
9/27/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund 10800-112100-501000-520210	A. Woodruff		\$20,000	\$380,000
10/17/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund 10800-112100-501000-520210	A. Woodruff		\$30,000	\$350,000
11/10/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund 10800-112100-501000-520210	A. Woodruff		\$60,000	\$290,000
3/28/2016	Transfer to cover unforeseen general legal expenses	RO Fund 10800-112100-501000-519010	A. Woodruff		\$110,000	\$180,000
RO Fund GM Contingency				\$400,000	\$220,000	\$180,000
7/1/2016	FY 2016/17 Adopted budget	GG Fund 10200-112100-100000-519010		\$300,000		\$300,000
8/31/2016	Transfer to cover the purchase of computers for new staff in External Affairs	GG Fund 10200-146100-105000-980000	K. Besser		\$3,700	\$296,300
12/15/2016	Transfer to cover the purchase of IEUA shirts for employees	GG Fund 10200-120100-100000-511310	S. Bhojani		\$8,900	\$287,400
6/8/2017	Transfer to cover Banana Basin infiltration restoration	GG Fund 10300-161101-410000-521080	R. Mykitta		\$21,000	\$266,400
6/20/2017	Transfer to Legal under RC Fund to cover Regional Contract negotiations	GG Fund 10900-112100-500000-520210	A. Woodruff		\$42,000	\$224,400
6/20/2017	Transfer to Legal under GG Fund to cover general legal expenses	GG Fund 10200-112100-100000-520210	A. Woodruff		\$80,000	\$144,400
6/28/2017	Transfer to pay for annual California Data Collaborative membership	GG Fund 10200-112100-100000-514010	S. Lee		\$27,500	\$116,900
GG Fund GM Contingency				\$300,000	\$183,100	\$116,900
GM CONTINGENCY GRAND TOTAL				\$700,000	\$403,100	\$296,900

cc: Joe Grindstaff, Christina Valencia

Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17

Exhibit D

Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10200	Capital	5/18/17	Yes	Yes	No	LB17001	TKN Block Digester	\$11,000	\$0	\$11,000	(\$2,500)	\$8,500	\$11,000	(\$2,500)	\$8,500	LB17002	Transfer to purchase additional parts for the Dionex Integrion IC system that were not previously anticipated.
						LB17002	Integrion HPIC	\$41,000	\$0	\$41,000	\$2,500	\$43,500	\$41,000	\$2,500	\$43,500	(LB17001)	
Subtotal Administration (GG):								\$52,000				\$52,000			\$52,000		
10600	Capital	4/17/17	Yes	No	Yes	EN15055	1630 W Recycled Water Pump Station Surge Tank Installation	\$1,410,000	\$0	\$1,410,000	(\$10,000)	\$1,400,000	\$1,160,000	(\$10,000)	\$1,150,000	EN17080	Transfer to create new project, EN17080, to repair existing and construct new cathodic protection and monitoring test stations on the following recycled water distribution segments: Bickmore Ave pipeline, CCWRF pipeline, Edison Ave Main A and B pipelines, Jurupa pipeline, North Etwanda Ave pipeline, San Antonio Channel Segment A pipeline, RP-4 West Extension Phase 1 & 2 pipelines, and 1158 reservoirs.
						EN17080	RW System Cathodic Protection Improvements	\$0	\$0	\$0	\$10,000	\$10,000	\$0	\$10,000	\$10,000	(EN15055)	
Capital	6/6/17	Yes	Yes	No	EN16051	RP-1 Utility Water Flow Meter	\$331,400	\$0	\$331,400	(\$50,000)	\$281,400	\$260,000	(\$50,000)	\$210,000	EN17062	Transfer from EN16051 and EN17049 due to unforeseen conditions encountered during excavation of the RP-1 RW Valve Replacement for each valve location.	
					EN17049	Baseline RWPL Extension	\$5,000,000	\$0	\$5,000,000	(\$30,000)	\$4,970,000	\$300,000	(\$30,000)	\$270,000	EN17062		
					EN17062	RP-1 RW Valve Replacement	\$0	\$80,000	\$80,000	\$80,000	\$160,000	\$80,000	\$80,000	\$160,000	(EN16051 / EN17049)		
Capital	6/15/17	Yes	Yes	No	EN17049	Baseline RWPL Extension	\$5,000,000	(\$30,000)	\$4,970,000	(\$50,000)	\$4,920,000	\$270,000	(\$50,000)	\$220,000	EN17062	Transfer to EN17062 to cover added scope on the project including a new valve and air vac and release system on an 18" pipe.	
					EN17062	RP-1 RW Valve Replacement	\$0	\$160,000	\$160,000	\$50,000	\$210,000	\$160,000	\$50,000	\$210,000	(EN17049)		
Subtotal Recycled Water (WC):								\$11,741,400				\$11,951,400			\$2,230,000		
10800	Capital	4/17/17	Yes	Yes	Yes	EN14012	RP-2 Drying Beds Rehabilitation	\$1,818,400	(\$50,000)	\$1,768,400	(\$15,000)	\$1,753,400	\$300,000	(\$15,000)	\$285,000	EN17082	Transfer from EN14012 to create new project, EN17082, to assist in the maintenance of the digestion system and limit the amount of clogging material in the digesters and associated piping.
						EN17082	RP-1 Mechanical Restoration and Upgrades	\$0	\$0	\$0	\$15,000	\$15,000	\$0	\$15,000	\$15,000	(EN14012)	
Capital	6/7/17	Yes	Yes	No	EN17052	RP-1 and RP-4 Safety Improvements	\$760,000	\$0	\$760,000	\$189,000	\$949,000	\$760,000	\$0	\$760,000	(RO Reserves)	Board approved amendment to the total project budget of EN17052 to cover the cost of the contract award.	
Subtotal Regional Operations (RO):								\$2,578,400				\$2,717,400			\$1,060,000		
10900	Capital	5/1/17	Yes	No	No	EN17050	Septic Conversion PDR	\$1,000,000	\$0	\$1,000,000	(\$125,000)	\$875,000	\$200,000	(\$125,000)	\$75,000	EN16071	Transfer to cover revised alignment for the potholing for the San Bernardino Gravity Sewer due to the discovery of several unknown private utilities which conflicted with the original planned potholing alignment of the project.
						EN16071	San Bernardino Avenue Gravity Sewer	\$1,500,000	\$0	\$1,500,000	\$125,000	\$1,625,000	\$1,300,000	\$125,000	\$1,425,000	(EN17050)	
Subtotal Regional Capital (RC):								\$2,500,000	\$0	\$2,500,000	\$0	\$2,500,000	\$1,500,000	\$0	\$1,500,000		
								Capital Total Project Budget		Capital Total Project Budget		Total Annual Capital Budget					
								Adopted		Amended		Adopted		Amended			
								\$16,871,800		\$17,220,800		\$4,842,000		\$4,842,000			

Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17

Exhibit D

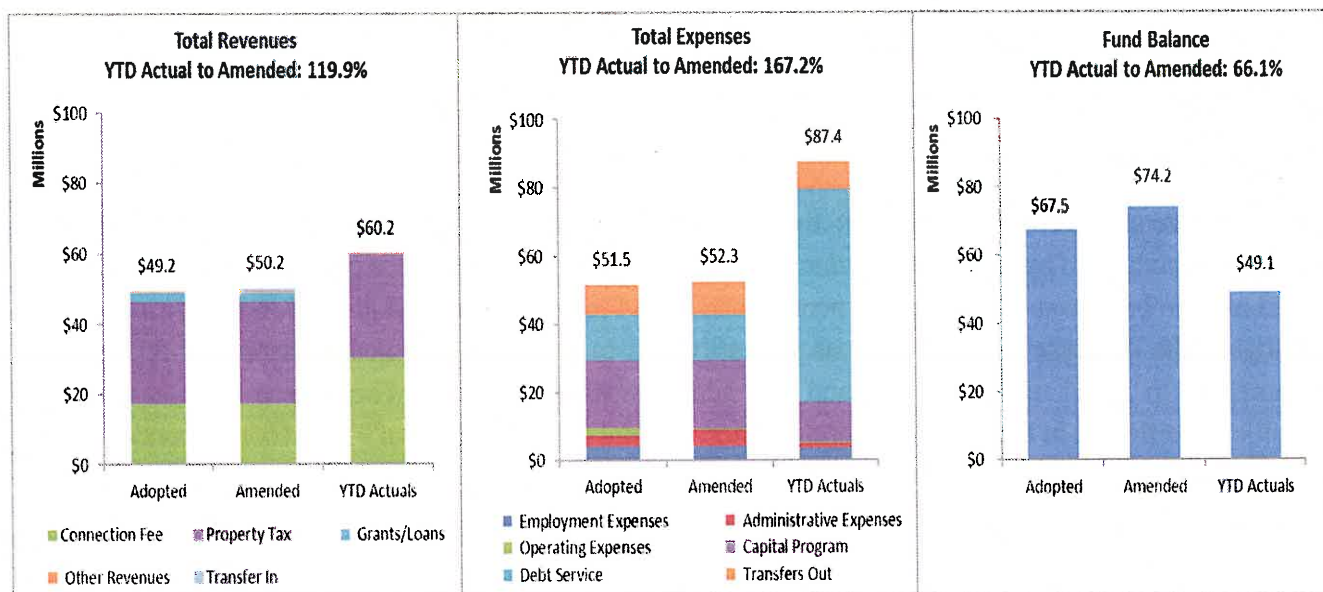
Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification		
10500	O&M Proj	5/25/17	Yes	Yes	Yes	EN17074	NRW Pressure Pipeline Condition Assessment	\$0	\$0	\$0	\$12,500	\$12,500	\$0	\$12,500	\$12,500	(O&M: 512170; 521050)	Transfer from O&M categories O&M Supplies and Contract Materials to create new project, EN17074, to complete a condition assessment on the NRW pipeline and draft a pre-design report to inspect the pipeline, which needs to be done every two years.		
Subtotal Non-Reclaimable Wastewater (NC):								\$0				\$12,500	\$0		\$12,500				
10600	O&M Proj	6/6/17	Yes	Yes	No	EN17020	WC On-Call Operations & Maintenance Support	\$250,000	\$0	\$250,000	(\$75,000)	\$175,000	\$217,000	(\$75,000)	\$142,000	EN17051	Transfer to EN17051 to replace three additional valves as part of the CCWRF Valve Replacement project due to unforeseen conditions.		
						EN17051	CCWRF Valve Replacement	\$250,000	\$0	\$250,000	\$75,000	\$325,000	\$250,000	\$75,000	\$325,000	(EN17020)			
Subtotal Recycled Water (WC):								\$500,000				\$500,000	\$467,000		\$467,000				
10900	O&M Proj	4/17/17	Yes	No	Yes	EN17021	RC On-Call Operation and Maintenance	\$250,000	\$0	\$250,000	(\$25,000)	\$225,000	\$250,000	(\$25,000)	\$225,000	EN17077	Transfer to create new project, EN17077, to perform a condition assessment with the design recommendations for constructing emergency diversion at the San Bernardino Lift Station.		
						EN17077	San Bernardino Lift Station Emergency Diversion System	\$0	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000	\$25,000	(EN17021)			
Subtotal Regional Capital (RC):								\$250,000				\$250,000	\$250,000		\$250,000				
O&M Total Project Budget								Adopted		O&M Total Project Budget		Amended		Total Annual O&M Project Budget		Adopted		Amended	
								\$750,000				\$762,500		\$717,000		\$729,500			

Total Capital and O&M Project Transfers:	\$584,000
Total Project Budget Change - Capital:	\$189,000
Total Project Budget Change - O&M Proj:	\$12,500
Total Project Budget - Net Change:	\$201,500

**Financial Overview of Agency’s Programs
FY 2016/17 quarter ended June 30, 2017
Total Revenues, Expenses, and Fund Balance
(Unaudited)**

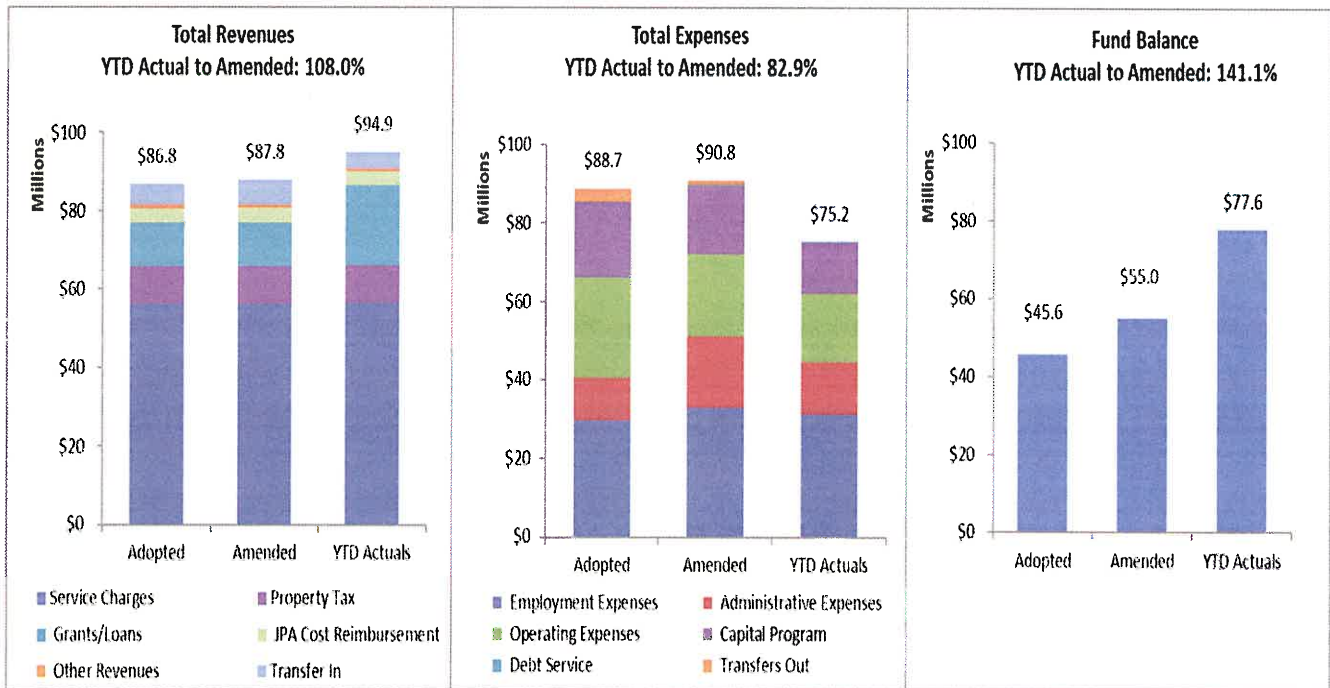
Regional Wastewater Capital Improvement Fund

Actual revenues through the end of fiscal year were \$60.2 million compared to the \$50.2 million amended budget. The increase was due to higher connection fee revenues. The actual expenses were \$87.4 million compared to the \$52.3 million amended budget. The increase in expenses was mainly due to the \$50 million partial refunding of the 2008A bonds in January 2017 and slightly offset with low capital project and administrative spending. The aggregate change of \$25.1 million is reflected in the unaudited ending fund balance. A total of \$1.5 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



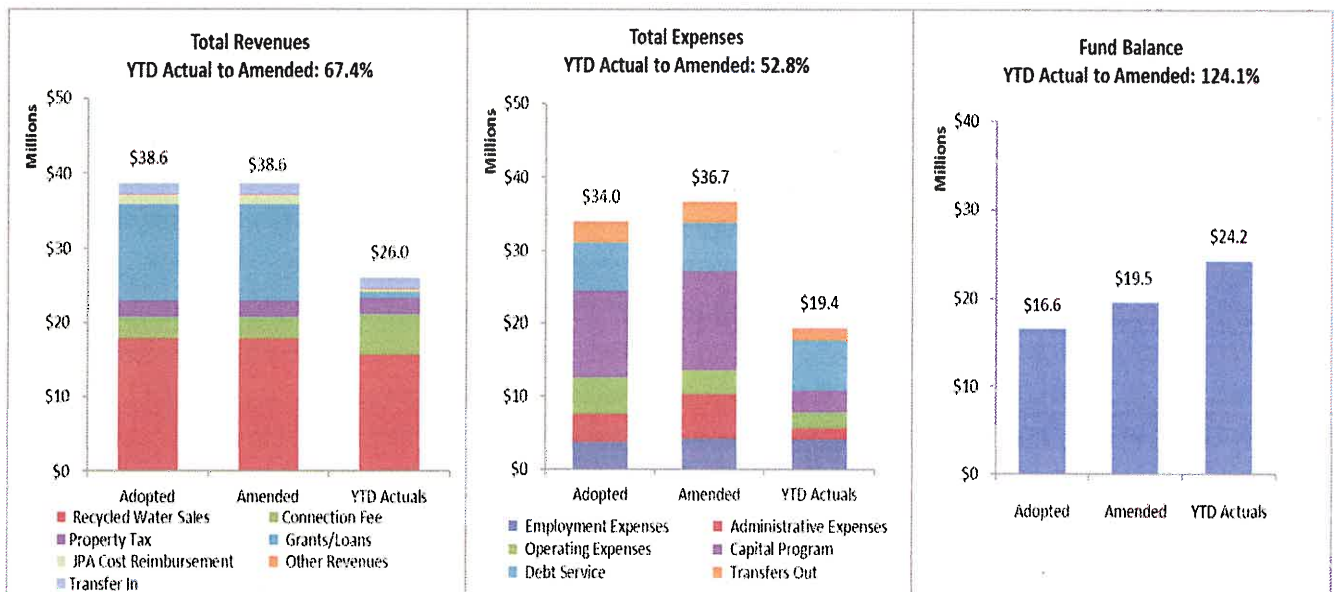
Regional Wastewater Operations and Maintenance Fund

Actual revenues through the end of fiscal year were \$94.9 million compared to the \$87.8 million amended budget. The increase in revenue was due to higher grant receipts for the Plume project. The actual expenses were \$75.2 million compared to the \$90.8 million amended budget. The decrease in expenses was due to the timing of execution of O&M and capital replacement and rehabilitation projects. The aggregate change of \$22.6 million is reflected in the unaudited fund balance. A total of \$3.5 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



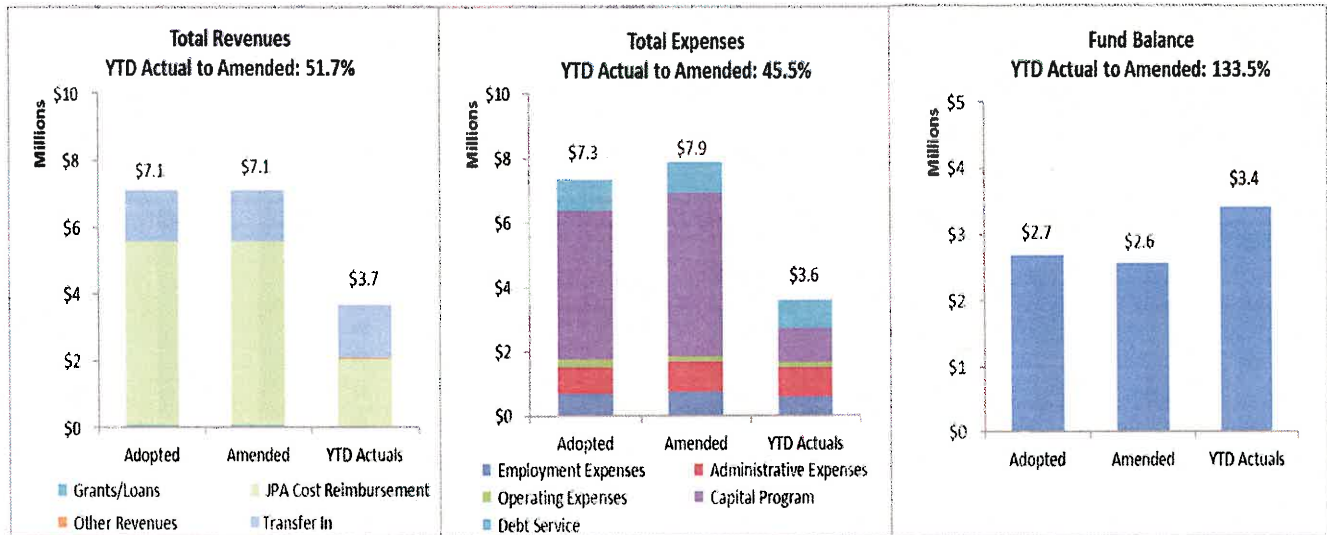
Recycled Water Fund

Actual revenues through the end of fiscal year were \$26.0 million compared to the \$38.6 million amended budget. The decrease was due to lower grants and loan proceeds of \$0.8 million compared to \$13 million budgeted. The actual expenses were \$19.4 million compared to the \$36.7 million amended budget. The decrease in expenses was primarily due to low capital project expenses of \$3.0 million compared to \$13.6 million budget and low administrative expenses. The aggregate change of \$4.7 million is reflected in the unaudited fund balance. A total of \$1.9 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



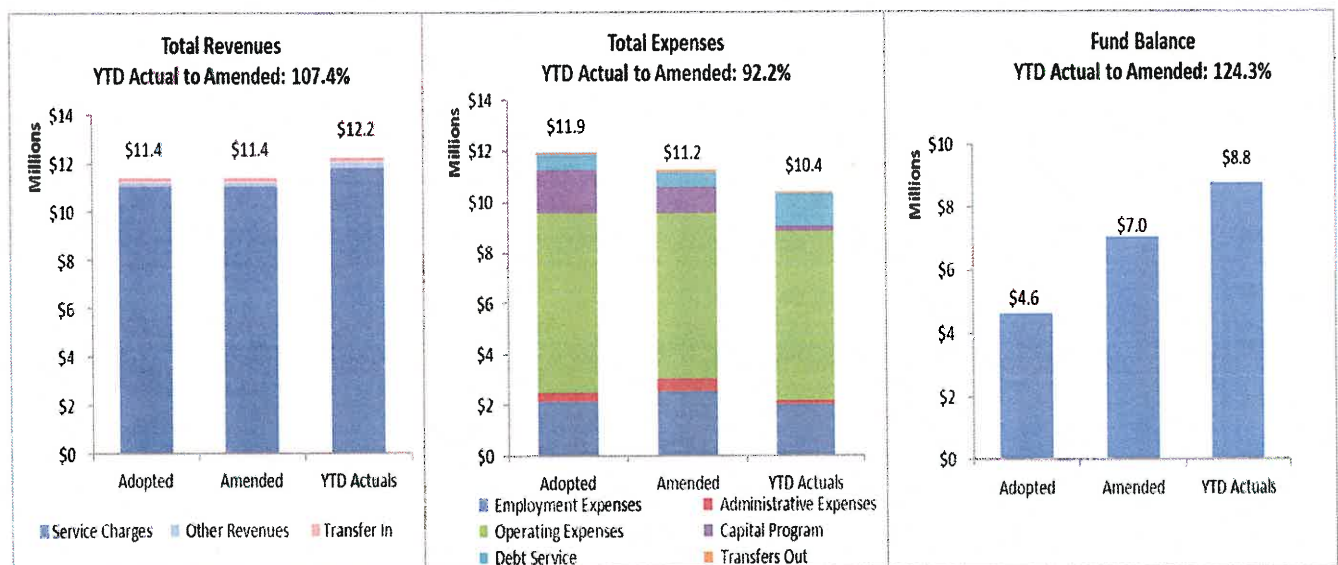
Recharge Water Fund

Actual revenues through the end of fiscal year were \$3.7 million compared to the \$7.1 million amended budget. The decrease in revenues was mainly due to low project reimbursement of \$1.1 million compared to \$4.5 million budgeted. The actual expenses were \$3.6 million compared to the \$7.9 million amended budget. The decrease in expenses was mainly due to low operational spending & delays in capital project execution. The aggregate change of \$0.8 million is reflected in the unaudited fund balance. A total of \$339 thousand of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



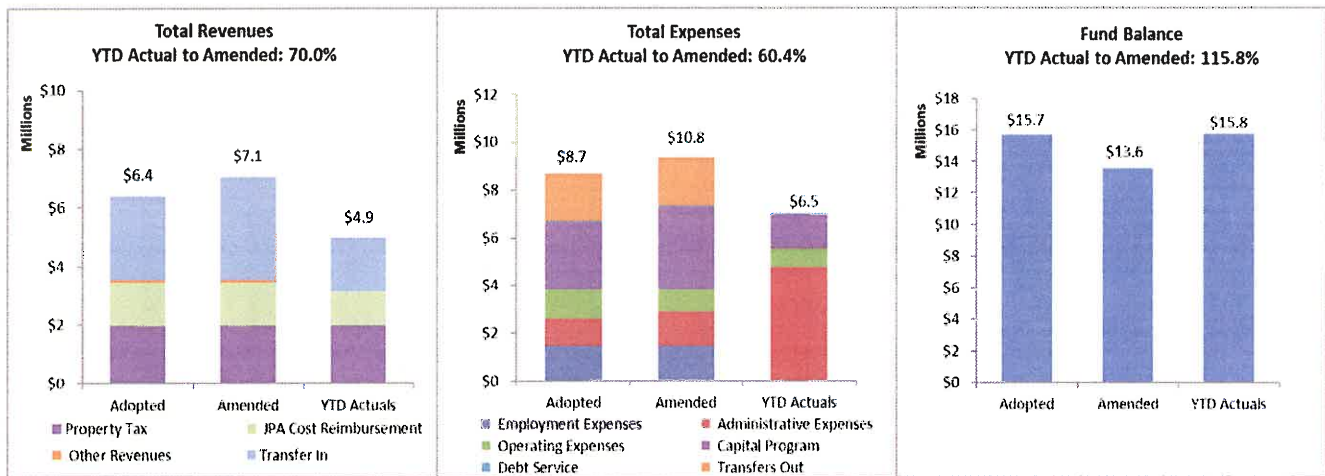
Non-Reclaimable Wastewater Fund

Actual revenues through the end of fiscal year were \$12.2 million compared to the \$11.4 million amended budget. The increase in revenues was due to higher volumetric fees and capacity fees. The actual expenses were \$10.4 million compared to \$11.2 million amended budget. The decrease in expenses was mainly due to lower capital project expenditures of \$0.1 million compared to \$1.1 million budget. The aggregate change of \$1.8 million is reflected in the unaudited fund balance. A total of \$288 thousand of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



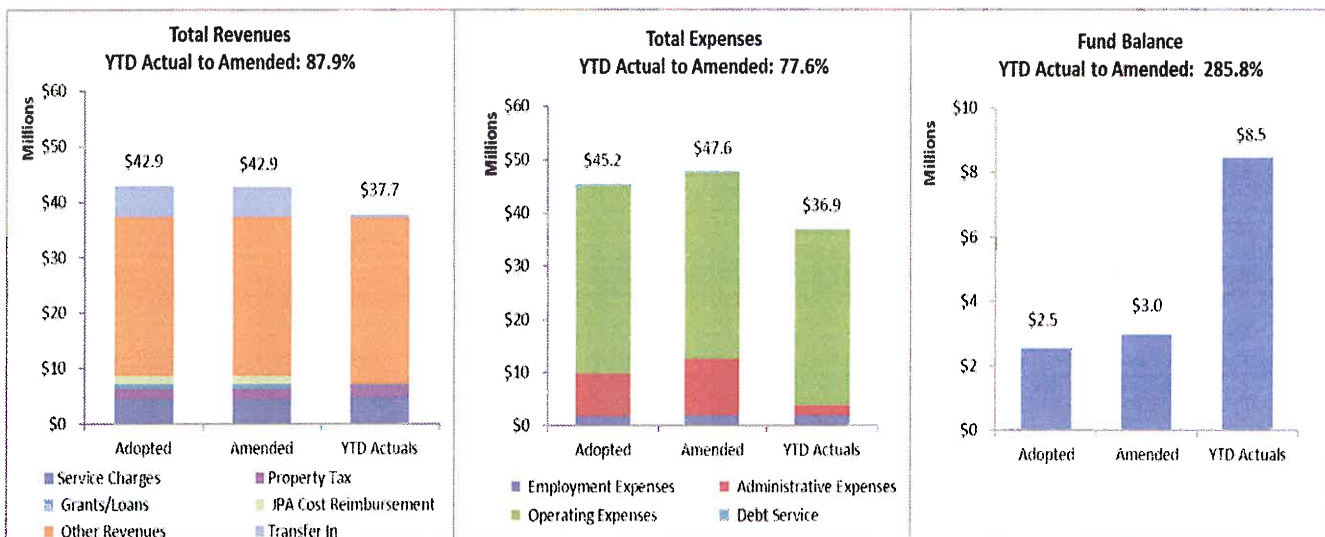
Administrative Services Fund

Actual revenues through the end of fiscal year were \$4.9 million compared to the \$7.1 million amended budget. The decrease in revenues was mainly due to lower capital support transfers of \$1.4 million compared to \$3.5 million budgeted. The actual expenses were \$6.5 million compared to the \$10.8 million amended budget. The decrease in expenses was due to lower capital spending of \$1.4 million compared to \$3.5 million and the \$2.0 million budgeted for operation support transfer did not occur to Water Resources fund. The aggregate change of \$2.2 million is reflected in the unaudited fund balance. A total of \$2.4 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



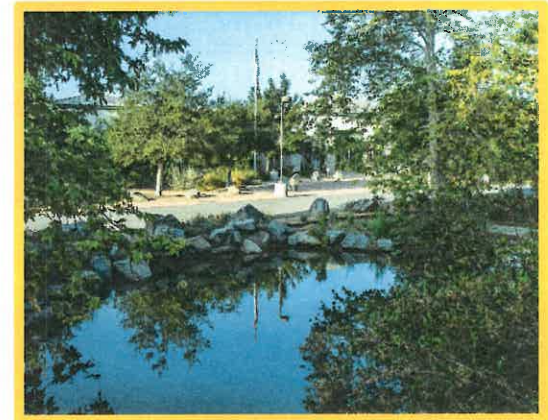
Water Resources Fund

Actual revenues through the end of fiscal year were \$37.7 million compared to the \$42.9 million amended budget. The decrease in revenues was due to lower operational support transfer (\$0.5 million compared to \$5.5 million budgeted transfer from RO and GG fund). The actual expenses were \$36.9 million compared to the \$47.6 million amended budget. The decrease in expenses mainly due to lower spending in non-capital projects at \$1.3 million compared to \$9.8 million. The aggregate change of \$5.5 million is reflected in the unaudited fund balance. A total of \$4.1 million of FY 2016/17 amended budget was identified to be carried forward to FY 2017/18.



FY 2016/17 Budget Variance Report Fiscal Year Ended June 30, 2017

Board Meeting



FY 2016/17 Consolidated Variance Summary

(\$ in Millions)			
Consolidated	FY 2016/17 Amended Budget	Fiscal Year Ended 6/30/17	Actual % of Amended Budget
Total Sources of Funds	\$225.9	\$230.0	101.8%
Total Uses of Funds	\$241.4	\$229.8	95.2%
Total Net Increase/(Decrease)	(\$15.5)	\$0.2	
Beginning Fund Balance	\$187.1	\$187.1	
Ending Fund Balance	\$171.6	\$187.3	

Sources of Funds Variance Highlights Actuals vs. Amended Annual Budget

Below

- Grants and Loans: \$21.2M vs. \$28.0M annual budget
 - Delays in grant and loan reimbursements due to amendments to existing SRF loan agreement
- Recycled Water, \$13.7M vs. \$15.7M annual budget
 - 33,411 acre feet (AF) vs. 37,100 AF budgeted
 - Reduced demand due to wet winter season

Above

- Wastewater/Water Connection Fees:
\$35.7M vs. \$20.1M annual budget
 - 5,155 new Equivalent Dwelling Units (EDU) connections vs. 3,000 budgeted
 - 5,059 new water connections vs. 2,730 budgeted

Uses of Funds Variance Highlights

Actuals vs. Amended Annual Budget

Below

- **Capital Projects: \$30.6M vs. \$60.6M annual budget**
 - Delayed project execution primarily due to changes in project schedules for the San Sevaine Basin Improvements and RP-5 related projects
- **O&M Projects: \$14.6M vs. \$33.6M annual budget**
 - Delays in SARCCUP and other water efficiency related projects
- **Professional Fees & Services: \$7.0M vs, \$11.6M annual budget**
 - Delays or deferral of contract materials & service execution

Above and On Track

- **Financial Expenses: \$71.7M vs annual budget of \$22.0M**
 - Includes \$50.0M early payment for 2008A bond authorized by the Board in January 2017
- **Employment Expenses: \$42.8M vs. \$42.6M annual budget**
 - Includes \$7M contribution to other post-employment and pension unfunded liabilities

Questions?

The budget variance analysis report is consistent with the Agency's business goal of fiscal responsibility

INFORMATION
ITEM

5E

Date: September 20, 2017

To: The Honorable Board of Directors

Chris Besser for TG
From: P. Joseph Grindstaff, General Manager

Committee: Community & Legislative Affairs

09/13/17

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Public Outreach and Communication

Executive Summary:

This is an informational item that provides highlights of the External Affairs team's monthly outreach, education and communication programs and updates.

The LA County Fair takes place in September. The cities of Chino and Chino Hills have requested IEUA's assistance during the Kids Expo (Chino - September 20; Chino Hills - September 22).

IEUA launched the updated KickWaterWaste.com micro-site. The site highlights the Kick the Habit campaign and focuses on water topics, rebates and water-saving tips.

Staff has received interest from six local high schools to participate in the 2017/18 Solar Cup program year including: Chino High School (Chino), Chino Hills High School (Chino Hills), Jurupa Hills High School (Fontana), Los Osos High School (Rancho Cucamonga), Upland High School (Upland), and Summit High School (Fontana). MWD has allotted IEUA three teams to sponsor. IEUA staff will conduct a lottery drawing to determine teams. Teams will be selected and submitted to MWD by September 7, 2017.

Staff's Recommendation:

This is an informational item for the Board of Directors to receive and file.

Budget Impact: ^N *Budgeted (Y/N):* ^N *Amendment (Y/N):* ^N *Requested Amount:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

N/A

Environmental Determination:

Not Applicable

Business Goal:

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Attachments:

Attachment 1 - Background

Background

Subject: Public Outreach and Communication

September

- September 6, Ontario Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 7, IEUA Water Association Leadership Breakfast (Guest Speaker: Roger Patterson, MWD AGM – Strategic Water Initiatives), Double Tree Hotel: 222 N. Vineyard Avenue, Ontario, 7:30 a.m. – 9:00 a.m.
- September 7, Rolling Ridge Garden in Every School® Dedication, 13677 Calle San Marcos, Chino Hills, 9:00 a.m.
- September 7, Upland Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 8, Rancho Cucamonga Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue
- September 14, Montclair Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 15, Fontana Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona
- September 20, Chino Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona, (Kids Expo - 9:00 a.m. – 1:00 p.m.)
- September 22, Chino Hills Day at the LA County Fair, Pomona Fairplex, 1101 W. McKinley Avenue, Pomona, (Kids Expo - 9:00 a.m. – 1:00 p.m.)

October

- October 21, Landscape and Water Conservation Festival, CBWCD: 4594 San Bernardino Street, Montclair, 9:00 a.m. – 2:00 p.m.
- October 25, IEUA Blood Drive, IEUA HQ-B Blood Mobile, 8:00 a.m. – 1:00 p.m.

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA launched the updated KickWaterWaste.com micro-site. The site highlights the *Kick the Habit* campaign and focuses on rebates, water-saving tips and more.
- IEUA distributed an email blast to 250,000 IP addresses (Geo Target: Educators, Families with children ages 5-18 – all within IEUA's service area) in August focused on *Back to School*, which will highlight the Agency's free education programs.

Media and Outreach

- IEUA ran ads in the following sections of the *Champion Newspaper*:
 - Football Preview – 8/19/17
 - LA County Fair – 9/2/17
- IEUA continues to run banner ads with *Fontana Herald News*.
- Staff ran a *Kick the Habit* fall-focused ad in September's issue of Inland Empire Magazine.
- In August, 38 posts were published to the IEUA Facebook page and 38 tweets were sent on the @IEUAWater Twitter handle.

- The top three Facebook posts, based on reach and engagement, in the month of August were:
 - 8/21-8/28: Drip Kit Workshop (Ad)
 - 8/2: “Water is Life” Student Art – 6th Grade Student from Wickman Elementary School in Chino Hills.
 - 8/5: Chino Creek Wetlands Animal Feature - Black-Crowned Night-Heron
- The top three tweets, based on reach and engagement, in the month of August were:
 - 8/9: IEUA's Water Quality Laboratory Construction Highlight
 - 8/9: “Water is Life” Student Art – 9th Grade Student from Don Lugo High School in Chino.
 - 8/23: “Water is Life” Student Art – 8th Grade Student from Ruth Musser Middle School in Rancho Cucamonga.
- As part of “August is Water Quality Month”, IEUA shared wastewater treatment information and water quality tips on the IEUA Facebook page and Twitter handle. IEUA also highlighted its new Water Quality Laboratory currently under construction.

Education and Outreach Updates

- Staff has received interest from six local high schools to participate in the 2017/18 Solar Cup program year including: Chino High School (Chino), Chino Hills High School (Chino Hills), Jurupa Hills High School (Fontana), Los Osos High School (Rancho Cucamonga), Upland High School (Upland), and Summit High School (Fontana). MWD has allotted IEUA three teams to sponsor. IEUA staff will conduct a lottery drawing to determine teams. Teams will be selected and submitted to MWD by September 7, 2017.
- Staff is continuing to schedule Water Discovery field trips for program year 2017/18. To date, staff has provided field trips and scheduled approximately 670 students from July 1, 2017 to November 14, 2017.
- Staff has begun school site inspections for the qualifying 2017/18 Garden in Every School® Mini-Grant participants. Staff will be visiting 12 schools with existing water-wise gardens. After site inspections take place and recommendations are made, schools will receive \$1,000 to fund garden materials.

INFORMATION
ITEM

5F

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Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff, Kathy Besser

From: Letitia White, Jean Denton, Annie Wake

Date: August 28, 2017

Re: August Monthly Legislative Update

Senate Blocks Trump Recess Appointments; Funding Battle in Fall

The Senate moved to block President Donald Trump from making key appointments during its summer recess, after wrapping up action on Thursday, August 3, until September by confirming dozens of presidential nominees.

The Senate will hold nine “pro forma” sessions during its August recess, which would prevent the president from replacing Attorney General Jeff Sessions and officials in other positions without confirmation.

Before departing for their home states, lawmakers also passed a bill to continue the Food and Drug Administration's (FDA) oversight of drugs and medical devices, and confirmed dozens of the President's nominees for top federal positions.

Confirmation of those nominees—particularly a series of deputy secretaries—clears the deck for lawmakers to tend to other matters when they return September 5.

The Senate still has a long list of unfinished business, including work on critical bills to cover federal spending, flood insurance programs and the Federal Aviation Administration (FAA), as well as a plan to avoid defaulting on federal debt. Current federal government funds expire September 30.

A deal between Senate Majority Leader Mitch McConnell (R-KY) and Minority Leader Charles Schumer (D-NY) permitted the Senate to approve an initial batch of 65 President Trump's nominees who had been reported from committee as early as spring. “The Senate has confirmed more executive branch nominees this week than all of the executive branch nominees confirmed this year—combined,” Senator McConnell said.

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Nominations Passed

The Senate left until September action on bills to prevent similar disruptions at the FAA and the National Flood Insurance Program, whose authorizations expire at month's end. Instead, Senator McConnell was able to move many nominees in the run-up to the recess, beginning with Christopher Wray to serve as FBI director and many top nominees at the Pentagon. Another focus was to finish confirming deputy secretaries, who often run the agencies on a day-to-day basis.

In one of the few roll call votes Aug. 3, the Senate confirmed Dan Brouillette to be Deputy Secretary of Energy. He was approved on a 79-17 vote.

After that, Senator McConnell was able to confirm dozens of others without a vote. Under a unanimous consent agreement worked out with Schumer, the Senate approved six nominees for Veterans Affairs, including Deputy Secretary Thomas Bowman. Also approved was Small Business Administration Deputy Secretary Althea Coetzee.

The package also included:

- 18 officials for State;
- seven at the Transportation Department;
- six at the Justice Department;
- six at Commerce and Housing and Urban Development;
- three for Homeland Security;
- two for Housing and Urban Development; and
- many others throughout the government.

Senator McConnell said he was particularly pleased that five top nominees at the Treasury Department were confirmed, including David Malpass to be an Under Secretary, Brent McIntosh to be General Counsel, Andrew Maloney to be Deputy Under Secretary, and David Kautter and Christopher Campbell to be Assistant Secretaries. Senator McConnell said they will be important to have on board as the effort to overhaul the tax code ramps up in the fall.

Congress Passes Bill to Fund FDA Drug, Medical Device Reviews

The U.S. Senate cleared the Food and Drug Administration (FDA) Reauthorization Act of 2017 (H.R. 2430) to fund U.S. drug and medical reviews by the FDA, sending the measure to President Trump.

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The legislation will raise about \$9 billion in fees from drug and medical device companies over the next five years, funding FDA reviews of new medical products. The bill cleared the Senate by a vote of 94-1 on Thursday, August 3.

New prescription drug applications will generate by far the most revenue, at about \$1 billion a year under the measure. Trump had called for even higher fees on the companies, though he's expected to sign the legislation.

The bill was passed by the House of Representatives last month. After House passage, the White House put out a statement that said industry should be funding 100 percent of the FDA's application reviews, which would almost double the fees. Lawmakers said it was too late in the process to renegotiate the bill.

The FDA legislation had been delayed while Republicans dealt with their now-failed effort to repeal and replace the Affordable Care Act (ACA). Before passing the FDA measure, the Senate passed a bill from Senator Ron Johnson (R-WI), expand dying patients' access to experimental drugs. The vote was part of a deal to get Senator Johnson's vote for the FDA legislation.

Experimental access, often referred to as "right to try," is backed by Vice President Mike Pence. The FDA and drug and device companies hash out an agreement every five years on the fee amounts and the review timelines the agency will meet, which must be approved by Congress. Lawmakers approved the last deal in 2012 and it will expire at the end of September.

Sequester Report Shows Few Good Options for Lawmakers

A White House report showing that across-the-board spending cuts would take place under either the House or Senate approaches to funding the government next year demonstrates how few good options lawmakers have, according to one anti-budget deficit group.

While no appropriations bills have yet reached President Donald Trump's desk, the Office of Management and Budget (OMB) found that approaches taken so far in both chambers of Congress would result in busting the annual discretionary spending caps put in place by the 2011 Budget Control Act (Pub. L. No. 112-25). The Office of Management and Budget issued its sequester update report Friday, August 18.

"If the 2018 discretionary caps remain unchanged, this report estimates that, if enacted, the actions to date by the House of Representatives would result in a sequestration of \$72.4 billion in the defense category," the OMB said. "The report also finds that action or funding guidance in the Senate, if enacted, would result in a sequestration of \$2.0 billion in the defense category and a sequestration of \$3.8 billion in the non-defense category under the current 2018 spending limits."

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Lawmakers face a September 30 deadline to pass legislation to fund the government when they return to Washington after their August break. The House passed a bill to fund the Defense Department, congressional operations, military construction, and energy and water programs (H.R. 3219). No bills have made it to the Senate floor yet. A temporary continuing resolution (CR) bill seems the most likely outcome to avoid a government shutdown.

Harder Than Understood

Ed Lorenzen, senior adviser for the bipartisan Committee for a Responsible Federal Budget, said the OMB report shows how difficult it will be for lawmakers to comply with the 2018 Budget Control Act caps of \$549.1 billion for defense spending and \$515.7 billion for non-defense. “Complying with the non-defense discretionary caps for fiscal year 2018 will be harder than is generally understood,” he said.

House Republicans have sought to boost military funding beyond the defense cap, while Senate Republicans have taken a more cautious approach of hewing closer to fiscal 2017 appropriations levels in committee. But even the Senate approach would trigger small sequestrations in both the defense and non-defense categories, according to the OMB report.

A continuing resolution would present its own problems, Lorenzen said. “A full-year CR would be even further above the caps, triggering a sequester of over \$9 billion, after various technical factors are taken into account,” he said. A short-term CR would simply delay the pain of the spending cuts until later, and make them deeper as they would be spread out over a smaller portion of the fiscal year.

“A short-term CR would not trigger a sequester, but Congress would have to cut spending below the cap levels for the rest of the year in full year appropriations to avoid a sequester,” Lorenzen said.

In the OMB report, the Trump Administration reiterated its desire to change the caps, something that would require the assent of Senate Democrats. “While this report estimates that congressional action to date would trigger a sequestration, this does not reflect Administration policy. This Administration strongly supports restoring America’s investment in defense,” the OMB said. “To ensure that our military is not rebuilt on the backs of future generations of Americans, however, the Administration strongly supports fiscally responsible reductions to spending elsewhere in the Federal Budget, as outlined in the FY 2018 Budget request.”

Lawmakers Offer DACA, Marijuana Amendments to Spending Package

Proposals on sanctuary cities, medical marijuana laws, and the Obama Administration’s Deferred Action for Childhood Arrivals immigration policy are among the 407 amendments being offered to the House’s eight-bill fiscal 2018 spending package.

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The House Rules Committee has not said when it will meet to vet the proposals and determine which ones will get floor votes when the chamber debates an eight-bill appropriations measure that will be considered as an expanded version of H.R. 3354, referred to as the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2018 [Make America Secure and Prosperous Appropriations Act, 2018].

When the four-bill "minibus" (H.R. 3219) was considered in July, Republican leaders blocked many of the most divisive amendments, including Democratic proposals to block funding for portions of a border wall.

While work proceeds on the omnibus, appropriators also are drafting a temporary spending measure, or continuing resolution, to avoid a government shutdown when the new fiscal year begins October 1. Congressional leaders will have to decide how many weeks the continuing resolution should last.

White House Lays Out Priorities as 'All Money, All the Time' Session Starts

The White House is signaling support for a continuing resolution running into December to fund the government at current levels, with a few exceptions. With money set to run out September 30, House and Senate Appropriations panels are reviewing Office of Management and Budget (OMB) documents outlining how a must-pass bill could be a vehicle to pull along many expiring federal programs, such as the Federal Aviation Administration (FAA) and the National Flood Insurance Program, if Congress can't extend them separately.

Even as President Donald Trump threatens a government shutdown if he doesn't get \$1.6 billion for a border wall, OMB is discussing with appropriators plans to extend current funding and buy time to wrap up work on the 12 unfinished fiscal year 2018 spending bills. OMB said its list of budget 'anomalies'—changes sought in an otherwise across-the-board, current-level spending measure—is for a possible CR 'through mid-December' or December 30.

Spending matters are set to dominate the fall session of Congress, as none of the FY18 appropriations bills have made it past both chambers. Also looming near September 30 is a deadline to raise the federal debt limit to avoid default. Both House Speaker Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell (R-KY) said they support passing a CR to avoid a crisis, and aides have suggested leaders may try to use that CR to raise the debt limit.

Congressional and industry sources said that a CR will be needed even though Speaker Ryan plans to bring up an eight-bill appropriations package the week of September 5 and amend it to include the four other measures passed before the current recess. The

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roughly \$1.1 trillion omnibus he will send to the Senate is not expected to advance there, as it violates the Budget Control Act. But the developments are expected to jump-start talks on modifying the law.

Current-Level Funding and 'Anomalies'

The White House downplayed the arrival of the anomalies and stated that it doesn't mean the administration is actually pressing for a CR into December. "OMB routinely sends anomalies to Congress to help provide technical assistance, and they are not indicative of the administration's overall position with regard to ongoing negotiations," an administration official stated.

But the OMB still signaled it supports maintaining spending over the fall that reflects the fiscal year 2017 omnibus enacted into law in May. The OMB scored base appropriations provided by the omnibus at \$1.068 trillion. When combined with money on top of base discretionary funding, OMB put current funding at \$1.150 trillion. In contrast, the Budget Control Act calls for base appropriations to be cut to the \$1.065 billion level in the fiscal year that starts October 1. President Trump's May budget followed that total and shifted \$54 billion away from domestic programs to boost Defense and other security-related spending.

In sending the list of anomalies OMB also identified the areas where it said extra monies are required. In particular, the budget office said, more funds are needed for agencies within the Department of Homeland Security to carry out border patrol and immigration enforcement activities. It said it wants language in the CR to give the agency an adjustment to carry out the "restructuring" plan it proposed in the President's fiscal year 2018 budget request.

Without the change, it said, Customs and Border Protection and the Immigration and Customs Enforcement could run out of money due to its higher spending and fewer fee collections. However, the list doesn't specify that those funds are to be used to start building the wall along the U.S.-Mexico border. The House has included \$1.6 billion for barriers and other border security upgrades in the four-bill 'minibus' and the Senate Appropriations Committee has increased the allocation for its annual Homeland Security spending bill by an equal amount.

Also requested are tweaks to ensure the continuation of the Transportation Department's innovative finance programs, the Agriculture and Interior departments' recreation fee programs, and the Bureau of Reclamation's ability to provide emergency drought assistance in the Reclamation States Emergency Drought Relief Act of 1991. The agency also wants language in the CR to extend the expiring authorization for the Market-to-Market program at the Department of Housing and Urban Development.

Besides those, the OMB also said the nation's intelligence programs are at risk if Congress does not include authorizations for them. These include programs at Defense,

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Energy, Treasury, State, Homeland Security, Justice, and more. “Intelligence activities will not continue in the absence of this authority,” the OMB said.

Vehicle for FAA, Flood Programs

Senate aides said leaders may want to keep the CR clean in order to have a better chance to pass it by the deadline. But they acknowledged that in the House there may be more pressure to add items to the CR, and the calendar gives lawmakers little time to pass separate authorization bills—or extensions—for many programs that expire September 30. In total, the House plans only 12 workdays in September.

The OMB listed many programs at Defense and the Department of Veterans Affairs that should be included in the CR if not extended in some other way. Also cited for possible inclusion in the CR are Small Business Administration programs for innovative research and technology transfer.

Also on the list of “necessary” extensions are authorizations for the FAA, including its airport grant program and the taxes that support aviation programs. OMB said the reauthorization of the National Flood Insurance Program has to go on the CR if it cannot be extended elsewhere. Multiyear rewrites of both FAA programs and the flood program are working their way through Congress but aren't expected to be passed and signed into law by September 30.

Trump Threatens Government Shutdown Over Border Wall Funding

President Donald Trump threatened Tuesday, August 22 to bring the U.S. government to the brink of a shutdown if needed to pressure Congress into funding the border wall that was a centerpiece of his 2016 campaign. Delivering a warning to Democratic lawmakers who have objected to his plans to construct a wall along the U.S.-Mexico frontier, the President called them “obstructionists” and said that it was time for the U.S. to crack down on illegal immigration.

“If we have to close down our government, we’re building that wall,” President Trump told thousands of supporters gathered in Phoenix for a campaign-style rally. “One way or the other, we’re going to get that wall.” President Trump’s threats about shutting down the government and ending the North American Free Trade Agreement (NAFTA) caused U.S. stock-index futures to pare gains and drop as much as 0.3 percent. Dow futures were down 0.2 percent as were E-Mini Nasdaq 100 futures.

Debt Limit

The issue could also get wrapped up with legislation to raise the federal government’s debt limit, which needs to be raised between late September and mid-October to avoid a default.

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One option being considered by Republican leaders is attaching a debt limit measure to the CR spending bill that will likely be considered next month. Under that scenario, President Trump's threat to shut down the government over the border wall could entangle the debt ceiling debate.

Senate Majority Leader Mitch McConnell (R-KY) said Monday, August 21 in a speech that he sees "zero chance" that Congress won't lift the debt limit. President Trump's Treasury secretary, Steven Mnuchin, said at the same event that he will run out of authority to stay under the limit late next month and his priority when Congress returns in early September is ensuring it's lifted.

Regulatory Activity Dips to New Lows in Trump Administration

The pace of regulatory activity has dipped to new lows in the first six months of the President Trump Administration, bringing welcome relief to businesses beset by rules from the prior administration, but dismaying public safety and civil rights advocates who fear crises are coming.

The Office of Information and Regulatory Affairs, which reviews all significant federal regulations, processed 67 regulatory actions in the first six months of this administration, including notices, proposals, and final rules, compared with 216 actions by the same point in the Obama Administration, according to government data.

The question now is whether this pace will continue, or inch back up as agencies complete their assessments of existing rules that can be rolled back and new regulations that are required. "I'm not sure that this [initial slowdown] portends a permanent future where we can't effectively process necessary regulations," Neil Bradley, chief policy officer at the U.S. Chamber of Commerce, stated. But the majority of the gap in political appointees at agencies are either vacant or are held by acting officials, Bradley announced. As a result, agencies lack critical leadership and are unable to get good regulations out the door, which businesses need, he said.

Biggest Roadblock: Appointees

The "single biggest roadblock at the moment" is the lack of political appointees at the agencies, Bradley said. Roughly 1,200 senior officials must be confirmed by the Senate before they can manage and set policy in various federal agencies and independent commissions. Although the Administration's executive orders have forced agencies to think about the costs and cumulative impact of regulations, the slowdown in regulating has a lot more to do with not having political appointees in place, Bradley said.

'Relief on the Horizon'

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Small businesses have been impressed with the two-for-one executive order, which requires agencies to eliminate two regulations for every new one they issue, said Dan Bosch, senior manager of regulatory policy at the National Federation of Independent Business (NFIB). “That’s been effective in limiting some of the aggression of some of the agencies,” he said. NFIB members have the sense that the Trump Administration’s intent is to regulate only when necessary, and to do so in a way that’s smart and flexible for businesses to comply, Bosch said.

Small businesses also have seen agencies’ willingness to review some problematic rules from the Obama Administration, such as the Labor Department’s overtime rule and the Environmental Protection Agency’s Waters of the U.S. rule and Clean Power Plan, Bosch said. “They’re going back and looking at those rules to see how they can improve them and make them better for small business to comply with, or getting rid of them entirely,” Bosch said. “So our members are feeling like there’s some relief on the horizon,” he said.

Trump Wants to Shrink Federal Role in Infrastructure Review

The federal government should shrink its environmental oversight role and reduce its permitting timeline to two years for infrastructure projects, President Trump announced when signing an executive order Tuesday, August 15. The executive order also rescinds an Obama Administration order that required federally funded projects to meet flood risk reduction standards. The policy was created based on concerns over climate change effects on infrastructure.

Part of the expedited review would be the creation of a new process involving “one federal decision,” and appointing one federal agency to take the lead on “major” infrastructure projects. “No longer will we allow the infrastructure of our magnificent country to crumble and decay. While protecting the environment, we will build gleaming new roads, bridges, railways, waterways, tunnels and highways,” the President stated in a briefing.

The announcement followed an infrastructure meeting among administration officials, including Transportation Secretary Elaine Chao and her deputy, Jeff Rosen. Neither the president nor Secretary Chao provided an update on the status of Trump Administration’s \$1 trillion infrastructure proposal. Gary Cohn, director of the National Economic Council, told reporters the “hope” is to have an infrastructure bill in the House this year, after tax reform.

‘One Federal Decision’

The Trump Administration said that part of the expedited review would be the creation of a new process of “one federal decision” for major infrastructure projects. Projects would be given a schedule and missed deadlines would result in the issue being elevated to senior agency officials. The order also creates a working group to review federal agencies’ environmental assessment processes to identify any inefficiencies.

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The National Environmental Policy Act (NEPA) requires government agencies to engage affected communities on major infrastructure projects' potential impacts—from bridge locations to wetland destruction. Secretary Chao said her agency has already identified “more than two dozen policies and rules that will streamline project delivery and environmental permitting.”

The move to change environmental standards was criticized by environmental and watchdog groups. “We can modernize our country without rubber-stamping hazard and fast-tracking harm,” Rhea Suh, president of the Natural Resources Defense Council, said in a statement. “Arbitrary decisions and artificial deadlines can lead to costly mistakes we'll all pay for down the line.”

Taxpayers for Common Sense opposed the proposal to rescind the Obama-era flood order. “It would effectively force taxpayers to subsidize construction that puts people and property in harm's way,” Steve Ellis, vice president of Taxpayers for Common Sense, said in a statement. “Taxpayers cannot afford to subsidize high risk construction and then be asked to rebuild that same development when the inevitable disaster strikes.

However, others praised the move for speeding up the process of addressing the nation's infrastructure needs. Retired Lt. Gen. Robert Flowers, former head of the U.S. Army Corps of Engineers, said the arbitration-like system with one lead agency worked well when building infrastructure following Hurricane Katrina. Ret. Lt. Gen. Flowers said creating a timeline that agencies agree on will help move major infrastructure projects ahead. “It has a tendency to put a mark on the wall and everyone has to try to achieve it,” he stated. “In general, anything you can do to speed up the process is very worthwhile.”

The President issued a similar order Tuesday, January 24 calling for expedited environmental review of priority infrastructure projects. President Trump also called for federal agencies to expedite project review when he was speaking Friday, June 9 at the Transportation Department. He announced the creation of a council to help infrastructure project managers navigate the federal bureaucracy, in part by creating an online dashboard for project tracking. However, the Federal Permitting Improvement Steering Council was created under the 2015 FAST Act and implemented by the Obama Administration.

President Trump Ends Formation of Infrastructure Advisory Council

The President decided to halt the formation of the infrastructure advisory council, which he'd called for in a Wednesday, July 19 executive order. The move came as President Trump ended both the Manufacturing Council and the Strategy & Policy Forum in response to the departure of various CEOs over the president's reaction to white supremacists following a violent rally in Charlottesville, Virginia. Yet, infrastructure industry groups continue to press the Trump Administration on promised investments

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in the nation's roads and bridges, regardless of the status of a proposed presidential advisory council on infrastructure.

“With or without an infrastructure council, we urge the administration to follow through on the campaign promise to improve our nation's infrastructure,” Casey Dinges, a senior managing director of the American Society of Civil Engineers, stated. Industry groups want the Trump Administration to maintain its focus on the promised \$1 trillion infrastructure bill, even as details remain sparse.

Industry groups were already engaging with the administration before President Trump called for the advisory council, said Bill Sullivan, American Trucking Associations (ATA) executive vice president. ATA formed its own CEO-level infrastructure task force to identify what they perceive as the most pressing infrastructure needs and task force members communicate with the administration on an “ongoing basis,” according to Sullivan. “Our country's need to improve our infrastructure has not changed, so we don't see why this announcement would affect the chances for this much needed legislation,” Sullivan said.

The American Composites Manufacturers Association said it was “disappointed” that the president scrapped the council, but remained committed to working with the Trump Administration to focus on “resilient” infrastructure investments, the organization's President and CEO, Tom Dobbins.

Dinges reiterated that the nation's infrastructure is graded a D+, based on his organization's 2017 Infrastructure Report Card. He called on the Trump Administration for “increased investment, thoughtful leadership and planning, and an eye to preparing for the future,” to address the nation's infrastructure needs. “We know that the President and the Congress are committed to rebuilding our nation's crumbling infrastructure with new materials that will last longer and perform better,” Dobbins stated.

The President's fiscal year 2017 budget proposal provided an outline of what his administration would like to see in the anticipated \$1 trillion proposal: greater cost-sharing by states and localities, increased private sector investment, a reduction in grants in favor of loans and a focus on rural communities.

Transportation Secretary Elaine Chao has told congressional leaders and reporters that her agency anticipates having a bill by the fall. Gary Cohn, director of the National Economic Council, told reporters Wednesday, August 16 that the “hope” is to have an infrastructure bill in the House this year, after tax reform passes around Thanksgiving.

The Department of Transportation (DOT) did not provide an updated comment on a timeline for the bill Friday, August 18 in response to the disbanded infrastructure council, but a DOT spokesperson did announce that: “Secretary Chao remains focused on rebuilding America's crumbling infrastructure and ensuring our nation has the safest, most efficient transportation system that improves the quality of life for all

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American people and increases the productivity and competitiveness of American workers and businesses.”

Merit-Based Visas

President Trump endorsed new legislation on Wednesday, August 2 that would reduce legal immigration to the U.S. and evaluate visa applications based on merit, with a preference for people with higher education or job skills.

The legislation would represent a dramatic overhaul of the current U.S. immigration system, leading to a significant decrease in the number of green cards issued to immigrants and eliminating some benefits enjoyed by prospective immigrants with family members already here. Instead, applicants with advanced degrees, particular skills, or job offers would be given preference.

Top White House adviser Stephen Miller defended Trump’s support for the bill, saying it would help low-income and minority Americans gain jobs. In response to a suggestion that the bill would regulate the racial and ethnic makeup of immigrants, Mr. Miller declared that it was “outrageous, ignorant, insulting and foolish” to believe that was possible.

But the proposal -- sponsored by both Senator Tom Cotton (R-AR) and Senator David Perdue (R-GA) -- faces a steep climb on Capitol Hill, where immigration bills have long struggled to gain momentum, even when lawmakers weren’t facing major pushes to raise the nation’s borrowing authority, fund the government, and overhaul the tax code.

Senator Lindsey Graham (R-SC) said the plan “would be devastating to our state’s economy which relies on this immigrant workforce,” in a statement. “I fear this proposal will not only hurt our agriculture, tourism and service economy in South Carolina, it incentivizes more illegal immigration as positions go unfilled,” he added.

DOJ Threatens to Withhold Anti-Crime Aid from Four Sanctuary Cities

Four so-called sanctuary cities won’t be eligible to receive resources to fight crime as part of the Justice Department’s (DOJ) new Public Safety Partnership program unless they cooperate with federal immigration authorities, Attorney General Jeff Sessions announced in an August 3 statement. The cities - Albuquerque, New Mexico; Baltimore, Maryland; San Bernardino and Stockton in California - have expressed interest in DOJ’s program, unveiled in June, that seeks to help communities address violent crime.

The DOJ sent letters to each of the cities requesting they help detain and deport people who are in the country illegally in order to be eligible for program aid, and asked the cities’ police departments to show proof of their compliance by Friday, August 18.

INFORMATION
ITEM

5G



August 28, 2017

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso

RE: August Legislative Report

Overview:

The Legislature returned to Sacramento August 21 for the final four weeks of the legislative session. All bills still active are now either on the Senate and Assembly floor or in Appropriations Committee. The respective Appropriations Suspense Files will be taken up by the first of September and then there will be two weeks of floor sessions before the September 15 end of session deadline.

Establishing long-term water-use efficiency standards and a drinking water fee are the hottest topics in Sacramento. Senator Bob Hertzberg (D-Van Nuys), chair of the Senate Natural Resources and Water Committee, has taken control of the water use efficiency process and has amended language into two bills. Stakeholders have a mixed reaction to the proposal and will continue to work with both Senate and Assembly staff to reach a compromise before the end of session.

The long-anticipated drinking water fee has been amended into SB 623 (Monning D-Carmel). The bill proposes a \$0.95 fee per residential water meter, with an increasing scale for larger meters. The Association of California Water Agencies is leading the charge against the fee.

Other hot legislative topics include revising Proposition 218 for stormwater financing and low-income rates, and establishing a 100 percent Renewable Portfolio Standard, which was recently amended to include the State Water Project.

The benefits of California's wet winter have lasted throughout the summer by providing significant supplies through the dry season, keeping most of the state out of drought conditions.

Recently the Little Hoover Commission unanimously adopted its report on special districts, following two public hearings and two advisory committee meetings over the course of the last 12 months. The report is now being formatted and is expected to be formally published soon. A sneak peek at the report shows that there are no recommendations on special district property taxes or reserves.

Following the July announcement of the California WaterFix's compliance with the California Environmental Quality Act (CEQA), a flood of lawsuits has been filed in protest of the massive infrastructure project.

The State Water Resources Control Board recently conducted a hearing on mandatory consolidation of failing water districts in disadvantaged communities as a means to provide safe drinking water. The hearing was purely informational, but showed that the SWRCB sees consolidation as a tool to achieving the state mandate to ensure clean drinking water for all Californians.

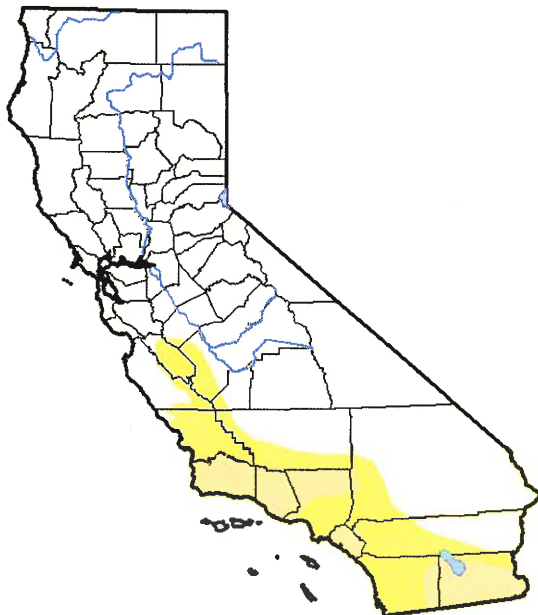
In the first auction since cap-and-trade was reauthorized by the Legislature until 2030, \$935 million was collected. It was one of the most successful carbon permit auctions the state has held to date with all allowances purchased, making it the first complete sellout of carbon permits since November 2015, according to the California Air Resources Board. The Legislature and the Governor will now work to allocate at least \$1.4 billion in auction revenue.

Inland Empire Utilities Agency Status Report – August 2017

Drought Conditions

The benefits of California’s wet winter have lasted throughout the summer by providing significant supplies through the dry season, keeping most of the state out of drought conditions. The images below compare current conditions and conditions exactly one year ago. As we get closer to the start of the wet season, there are high hopes for continued replenishment of storage both above and below ground.

U.S. Drought Monitor California



August 22, 2017
(Released Thursday, Aug. 24, 2017)
Valid 8 a.m. EDT

	Drought Conditions (Percent Area)					
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	77.66	22.12	8.24	0.04	0.00	0.00
Last Week 08-15-2017	77.88	22.14	8.24	0.04	0.00	0.00
3 Months Ago 05-28-2017	78.47	23.55	8.24	1.06	0.00	0.00
Start of Calendar Year 01-01-2017	18.07	81.93	67.61	54.02	36.17	16.51
Start of Water Year 09-27-2016	0.00	100.00	89.59	82.27	42.80	21.04
One Year Ago 08-23-2016	0.00	100.00	83.59	59.92	42.80	21.04

Intensity:
■ D0 Abnormally Dry ■ D3 Extreme Drought
■ D1 Moderate Drought ■ D4 Exceptional Drought
■ D2 Severe Drought

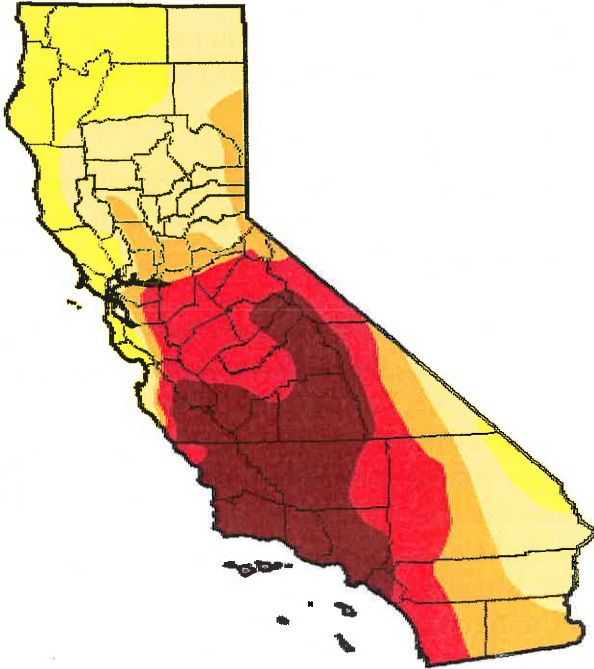
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Chris Fenimore
NCEI/NESDIS/NOAA



<http://droughtmonitor.uni.edu/>

August 23, 2016



Little Hoover Commission Adopts Report on Special Districts

Recently the Little Hoover Commission unanimously adopted its report on special districts, following two public hearings and two advisory committee meetings over the course of the last 12 months. The report is now being formatted and is expected to be formally published around Wednesday, August 30. Little Hoover's report offers 20 recommendations for special districts, broken into four categories:

1. Appropriate State Oversight
2. Improving Transparency
3. What Role for Healthcare Districts?
4. Ready California for Climate Change

Notably absent from the list is any recommendations on special district property taxes or reserves. This is largely do to the work of a strong group of special districts educating members that reserves are prudent and responsibly managed, and that property taxes are used to the benefit of the ratepayers in the district. **IEUA's Christina Valencia was an active participant in these discussions and offered important testimony at a Little Hoover Commission hearing.**

In the Commission's cover letter, addressed to Governor Jerry Brown and legislative leaders, Chair Pedro Nava states, "During its study process, the Commission discussed some rather extreme solutions that generated intense interest. Through a very robust public process, however,

the Commission ultimately concluded that local institutions are best served by local decision-making.”

At least 58 lawsuits filed against California WaterFix

Following the July announcement of the California WaterFix’s compliance with the California Environmental Quality Act (CEQA), a flood of lawsuits has been filed in protest of the massive infrastructure project. The deadline to file a lawsuit in protest of the CEQA no-harm findings was Monday, August 21st.

The CEQA certification was an important hurdle for the project to clear. The certification essentially states that the project will not harm fish, wildlife, or human health in the Sacramento-San Joaquin Delta below the current baseline conditions in the region.

At least 58 parties to file lawsuits, including: Anderson-Cottonwood Irrigation District; City of Antioch; City of Brentwood; Butte County; Delta counties, Delta farmers, etc.; East Bay Municipal Utility District; Cities of Folsom and Roseville, San Juan Water District and Suburban Sacramento Water District; Glenn-Colusa Irrigation District and other Sacramento Valley water districts; North Coast Rivers Alliance, commercial fishing groups, Winnemem Wintu tribe; Placer County Water Agency; North Delta Water Agency; Restore the Delta, Friends of Stone Lakes National Wildlife Refuge, Save Our Sandhill Cranes, various environmental groups; City of Sacramento; Sacramento County; Sacramento Municipal Utility District; Sacramento Regional County Sanitation District; Save the California Delta Alliance; and City of Stockton.

The various plaintiffs make a variety of claims, all relating to alleged harm to their respective entity which was not adequately captured in the CEQA analysis. There were also claims made that the several hundred-page CEQA document was too lengthy and complicated for the public to review and understand, a requirement of the law. The CEQA process is often used by opponents to slow down or halt projects, and lawsuits are generally expected – especially for large, controversial projects such as the WaterFix.

A likely result of the lawsuit is for the courts to require the project developers to amend the environmental impacts reviews to address some of the plaintiffs’ concerns. It is difficult to tell how long this process could take. For some projects, opponents are able to hold a project up for years, although the WaterFix project has the benefit of considerable resources to expedite the review and any re-writes the court may require.

SWRCB Hearing on Consolidation

The State Water Resources Control Board recently conducted a hearing on mandatory consolidation of failing water districts in disadvantaged communities as a means to provide safe drinking water. The hearing was purely informational and was attended by water board members D’Adamo and Moore, and California Public Utilities Commissioner Martha Guzman-Aceves.

There were presentations about successful consolidations that the SWRCB helped facilitate, the financial assistance available, and the obstacles that arise within a consolidation. They are very clearly looking to get failing water systems absorbed by larger agencies. While they note that there are “too many water agencies in California” they aren’t going to focus on the ones that

actually deliver clean, safe, reliable drinking water, noting they don't have the bandwidth for that type of operation.

There were also presentations on the mutual water company side by representatives from the CPUC. They noted that they will continue to engage the public in how to work through these tricky issues, especially funding and Proposition 218.

Invited guests included Paul Jones from Eastern Municipal Water District. Representing an agency that had to take over a failing water system, he offered a unique perspective on the challenges they faced. He expressed interest in the creation of a regional entity to handle oversight and implementation of consolidations.

There will likely be more informational hearings throughout the year.

Cap-and-Trade Allowance Auction Yields Significant Results

In the first auction since cap-and-trade was reauthorized by the Legislature until 2030, \$935 million was collected. It was one of the most successful carbon permit auctions the state has held to date with all allowances purchased, making it the first complete sellout of carbon permits since November 2015, according to the California Air Resources Board.

The results represented a sign of confidence in the state's cap-and-trade program. Demand for carbon permits had faltered over the past year amid uncertainty whether the Legislature would extend the program past its initial 2020 expiration date.

While total revenue in the auction was \$935 million, only about \$640 million will go to the state's Greenhouse Gas Reduction Fund (GGRF), which is used to finance high-speed rail and other "green" projects. The rest of the proceeds will go to California's electric utilities, where the majority will be returned to ratepayers.

Both the Senate and Assembly Budget Sub Committees that have jurisdiction over the allocation of the GGRF conducted hearings after the auction results were announced to discuss allocations for the 2017-18 Fiscal Year. They are assuming they have \$1.4 billion in discretionary funds for the legislature to appropriate. While neither committee discussed specific funding programs or allocations, the funding for organics diversion has been included in the past and the GHG reduction benefits of such projects rank very high. It is likely that they will continue to be funded in the future. Organics diversion proponents are asking for \$100 million.

In the coming weeks it will be interesting to see how the Governor and the Legislature balance competing priorities. It is believed that the Governor committed significant funds to specific projects or funding categories to secure votes for the cap-and-trade extension. How much funding and the specific allocations have not yet been released.

It should also be noted that at both hearings, there was mention that it is not necessary to allocate the GGRF funds before the end of session. They can wait to and act when the Legislature comes back in January.

Legislative Update

The first half of July was a rush of committee hearings and bill amendments before the deadline for bills with fiscal impacts to be out of policy committee by July 14 and all non-fiscal bills by July 21. The legislature went on summer recess on July 21 and returned August 21 for the final four weeks of the 2017 Legislative Session.

In addition to cap and trade, discussed above, there was a flurry of activity on other energy measures, including SB 100, as well as significant activity on establishing long-term water use efficiency standards.

SB 100: 100 Percent RPS

Senate President Pro Tem Kevin de Leon (D-Los Angeles) introduced legislation to establish an accelerated Renewable Portfolio Standard (RPS) culminating in 100 percent clean power by 2045. The bill accelerates the current 50 percent requirement to 2026 and creates a new 60 percent renewable requirement by 2030.

The Investor Owned Utilities (IOUs) are concerned about the renewable electricity mandates and would prefer broader clean energy goals, with a focus on GHG emission reductions providing opportunities for the market to work in the most cost-effective manner, without compromising reliability.

As reported previously, the author surprisingly agreed to take amendments to require the State Water Project to transition to zero-carbon/renewable energy resources by the end of 2045. Metropolitan Water District and the State Water Contractors are worked over the summer recess with the author and committee staff and they have yet to come to a resolution between the two sides.

The bill passed both the Assembly Utilities and Energy and Natural Resources Committees before the summer recess and is now awaiting action by the Appropriations Committee.

Water Financing

Senator Bill Monning (D-Carmel) is pursuing legislation that would create a fund for clean drinking water. SB 623 (Monning), sponsored by the Community Water Center and Western Growers Association, creates the “Safe, Affordable Drinking Water Fund.” Stakeholders representing agriculture and some urban water interests have been working with the proponents of the bill to reach a compromise. The Association of California Water Agencies (ACWA) continues in fierce opposition to a public goods charge.

Recent amendments added a \$0.95 per month charge on all residential meters to fund the operation and maintenance of failing water systems. Some in the agricultural community has also agreed to the portion of the bill that levees a mill tax on fertilizer and a livestock fee on milk.

The bill was heard in Assembly Appropriations Committee without significant fanfare and placed on the Suspense File. The proponents did not pack the room with supporters in deference to a request from the chair of the committee. Opposition was mostly from urban water agencies

and lead by the ACWA and the San Diego County Water Authority. A large portion of the urban water agencies remain in opposition to the legislation. While they support clean drinking water for all, they note that the General Fund is the more appropriate funding source.

Opposition to SB 623 remains the top priority for ACWA. It is expected that the bill will successfully make it to the Assembly floor where it requires a supermajority (2/3) vote to pass.

Water Use Efficiency Legislation

As previously reported, the Brown Administration released a final report on “Making Conservation a Way of Life” in early April. Shortly after, the Governor released budget trailer bill language to establish a process for creating long-term water use efficiency standards. Many in the water community are concerned with the proposed legislation because it deviates from the final report in that it leaves broad authority for the SWRCB to develop efficiency standards. There are several other aspects of the trailer bill that have caused the water community to be generally concerned.

The Governor’s office hosted meetings throughout the early summer to hear and address the concerns of the water community. They released a revised Trailer Bill in mid June, but indicated they will delay voting so that members of an Assembly working group can attempt to develop an acceptable proposal to move through the legislative process.

The water community, under the leadership of the Association of California Water Agencies (ACWA) has developed their own legislation to establish short and long-term efficiency standards, with only the short-term urban water management plans bill still active.

Finally, Assemblymember Laura Friedman (D-Burbank), a former MWD director, introduced three bills that put the Governor’s original trailer bill language into policy bills that are being considered in the normal legislative process. Only one of her bills is currently moving.

The bills were heard in Senate Natural Resources and Water Committee on July 11 and Chair Hertzberg (D-Van Nuys) took the opportunity to take control of the process. He held all bills and only passed out two, AB 1654 (Rubio) and AB 1668 (Friedman), and stripped them of all language except “intent” language that states *“This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.”*

Senator Hertzberg set up a process to be run through his committee in coordination with the Assembly Water, Parks and Wildlife Committee and other Assembly stakeholders, to craft a comprehensive policy over the summer recess. Additionally, he and Senator Nancy Skinner (D-Berkeley) introduced a Senate version of the same intent language, SB 606.

After several stakeholder meetings SB 606 and AB 1668 were amended with the same exact language to establish water efficiency targets. Stakeholders see this language as a step in the right direction, with many taking a Support if amended position, only looking for a few tweaks. The language gives the SWRCB authority to establish a statewide efficiency standard, however, requiring them to go back to the legislature if they want to revise the standard. Protection of water rights is clearly laid out in the language and Commercial Institutional Industrial customers

are only to implement “performance measures.” However, some stakeholders are still concerned with how recycled water will be treated in the efficiency standards. There is ongoing discussion about whether recycled water should be exempt from any efficiency standard.

Assemblymember Blanca Rubio, the author of AB 1654 declined to take the amendments offered by the Natural resources and Water Committee. It is unclear what the sponsors of her bill, the Regional Water Authority and Irvine Ranch Water District, intend to do with her bill, if anything.

AB 1668 was pulled back to Senate Natural Resources and Water Committee for a special hearing sometime during the last week of August, and it is expected that SB 606 will be reassigned to at least one Assembly committee in the coming week.

AB 869 (Rubio), which would give a full credit for potable reuse and a significant credit for landscape irrigation, had been stalled in the Senate Natural Resources and Water Committee.

Proposition 218 Reform

Senator Bob Hertzberg has introduced two bills to address Proposition 218 reform. The bills pick up where the 2016 ACWA effort left off. SB 231 is sponsored by the California Water Foundation and addresses stormwater, specifically how to finance stormwater capture, cleanup and reuse in rates. The bill ran into a little trouble from many California cities worried that the bill might add onto the already onerous new MS4 permit requirements. The bill passed off the Senate floor with 23 votes, just two over the minimum needed. The bill is on the Assembly floor awaiting a final vote.

SCA 4, also by Senator Hertzberg is a constitutional amendment that would address lifeline and conservation rates. ACWA has agreed to sponsor SCA 4, and has been working out the final details about which article of the California Constitution to amend. The compromise position seems to be using Article 17, an empty article of the constitution. Disagreement continues between the author’s office and ACWA, with ACWA wanting complete transparency by referencing Article 13 and Prop 218. Hertzberg’s office prefers the language to be vague, to help the bill gain votes by avoiding Proposition 218. Since the bill is a Constitutional Amendment, it is not subject to the typical legislative deadlines.

Recycled Water

The WateReuse bill (AB 574, Quirk) which would re-define specific categories of recycled water passed out of both the Senate Environmental Quality Committee and the Senate Natural Resources and Water Committee. The bill is on the Appropriations Committee Suspense File where it faces a challenge with a hefty price tag. Proponents are working with committee staff and SWRCB staff to re-evaluate the cost associated with implementing the bill.

INFORMATION
ITEM

5H

Agricultural Resources

635 Maryland Avenue, N.E.
Washington, D.C. 20002-5811
(202) 546-5115
dweiman@agriculturalresources.org

August 28, 2017

Legislative Report

TO: Joe Grindstaff
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, August 2017

State of Affairs – Hurricane Harvey

- * As the month comes to a close, a Katrina-like Hurricane – named “Hurricane Harvey” continues to slam the Texas Gulf (especially Houston) and portions of western Louisiana. The storm is being described as a 500-year storm – unprecedented in modern times. Some 20+% of oil production in the Gulf was halted and approximately 10% of the Nation’s refinery capacity is off-line. The storm has stalled over Houston and is expected to dump between 36"-60" of rain and may make a second landfall. Flooding damage is pervasive and extensive. Right now, FEMA and the State are expecting 450,000 assistance claims. Storm assessments are beginning, but likely won’t be completed for a minimum of 30 days. Initial federal relief estimates range between \$20-\$40 Billion. A chemical leak warning was issued for one chemical plant. Pollution from oil and gas production and refineries is already being discovered. By any measuring stick, this is a major catastrophe.
- * Hurricane relief legislation appropriating funds to FEMA will add to the budget and spending crunch and is already controversial.
- * National implications – three separate categories. First, given the concentration of oil and gas production and refining in the Houston area, impacts will be felt nationally. How much – unknown at this time. A spike in gas prices is already occurring. Second, Houston is a port city and the inability to move shipments (in and out) will impact trade. Trucking and shipping is already being rerouted. Third, the Federal cost – relief is already

estimated to cost between \$20-40 billion. Relief legislation – at least a down payment – will assuredly be considered in September (and legislatively, will likely be attached to the debt limit bill, a large CR or a huge package with all of it.

- * The storm may have made landfall in Texas. It will impact the entire country in one or more ways.

State of the Union – All Other Matters

- * August is nearly over. The House and Senate recessed for the month.
- * Both return on September 5.
- * The legislative schedule is packed, yet the House and Senate are only scheduled for 12 days in the September (last month of the fiscal year). New fiscal year begins October 1.
- * While Congress was out of session, usually things slow down and calm down. Not this year.
- * A WH shakeup began at very end of July and continued through August – Reince Priebus, the WH chief of Staff was fired. His replacement, John Kelly, is the retired Four-Star General and current Secretary, Department of Homeland Security. WH advisor/strategist Steve Bannon was then fired. A shake-up continues and others have departed.
- * Homeland Security – No new Secretary named or nominated (yet).
- * The President began a public fight with both Speaker Ryan and Majority Leader McConnell over various issues – health care, taxes, government funding and debt ceiling.
- * President publicly instructed Senate Majority Leader McConnell to consider health care (repeal and replace) a third time. McConnell said no.
- * President is adamant about “Wall” funding – and threatens to veto funding bills or a CR that fails to include it.
- * President Trump openly and repeatedly talked about the likelihood of a Federal Government shut down (back in May, the President suggested that a shut-down would be a good development). Many believe it’s now more likely. If that occurred, regardless of the reason, early October will be uncontrollably chaotic.
- * Meanwhile, the House Freedom Caucus declared that unless legislation to increase the debt ceiling mandates permanent cuts in domestic spending, they will vote against it (possibly forcing a Federal Government shutdown for a different reason). Brinkmanship is the new order of the day.
- * Congress returns on September 5. None of the 12 annual funding bills has been enacted. Government funding must be enacted by September 30. A CR or some similar bill will all but certainly be required. Or, the Leadership may enact a short-term CR – to late December for instance.
- * As August comes to a close, Leadership (H and S), Budget and Appropriations Committees are suggesting (speculating) that hurricane relief, debt ceiling and a CR might get merged into a single package (compelling the Texas and Louisiana delegations to support it in the House and Senate). This is a “to-be-determined” issue.
- * Trump’s public conflict with Attorney General Sessions appears to have subsided, but one with Secretary of State Tillerson continues.
- * House Natural Resources Committee Chair, Rep. Rob Bishop announced that he will run

for reelection in 2018, but that will be his last term.

- * The Burman nomination is pending in the Senate, but it and other nominations were not considered, in part a result of the failure of health care legislation. It is expected to be approved after the Senate reconvenes after Labor Day.

Tax Reform and Municipal Bond Tax Deductibility

- * August was to be the “launch month” for tax reform.
- * The President and Congressional/Senate Rs were to take the issue to the country during the August break.
- * It didn’t happen (at least not as planned).
- * A two-page “tax agenda,” released a few months ago grew to a six-page list of principles agreed to by the President, Treasury, the Speaker and the Senate Majority Leader. Ds were not consulted or included in any part of the process.
- * The only policy issues identified in the list of principles involved the mortgage deduction (some sort of cap will be proposed) and deductibility for State and Local taxes will be repealed (huge negative impact to California). The real estate lobby instantly opposed changes to the mortgage deduction and are mobilizing nationally in opposition to it.
- * Rate reduction numbers remain undefined – but assumed to be reduced to between 15-22%.
- * House Republicans – at the leadership level or on the Ways and Means Committee – have not included Ds in the drafting process or revealed concepts or text. Like health care, the strategy is to “go-it-alone.”
- * The fate of muni bond deductibility? Unknown. Rarely discussed or mentioned by the Administration and/or the House leadership and/or Ways and Means Chair, Rep. Kevin Brady (R-TX). Since the election, various leaders have been all over the map. Nothing previously stated can be relied upon.
- * In previous monthly reports, the political and programmatic linkage between health care, infrastructure and tax reform have been discussed in detail and will not be repeated here.
- * As of the end of August – no bill text. No bill summary.
- * The President was to take the case for Tax Reform to the American people.
- * It didn’t happen as planned. A number of major issues and events intervened. The first trip into the heartland to tout tax reform now comes on August 30 in a high profile trip to Missouri.

- * What is clear – the President is engaging in a campaign for a bill that has yet to be seen on poll-tested concepts that will be incomplete if not misleading. Lower rates will be touted, but tax provisions to be eliminated will not be identified.
- * What happens after is unclear, but immediately after is Labor Day followed by the House and Senate reconvening after the month-long traditional August break. When they do, other issues will overwhelm tax reform as the September agenda is packed and the number of days scheduled for sessions are limited.
- * Hearings have not been held, nor are any scheduled. Ways and Means has not released a bill or even a summary. No one knows what's in it.
- * One scenario – the Ways and Means Committee holds a one-morning hearing, marks up the bill and it's immediately passed.
- * Municipal bond deductibility remains “at high risk.”

Drought – Water Conditions

- * When it comes to drought, the key storyline – as stated repeatedly during the last several reports, the lack of “extreme” and/or “extraordinary” drought conditions in California and in the Colorado River Basin. According to the USDA/NOAA Drought Monitor, there are signs of mild dry or drought conditions in Southern San Joaquin Valley and along the coastal areas of Southern California and along the San Diego-Imperial region. Temperatures have been “above normal” in those regions.
- * Severe drought has slammed Eastern Montana and the Dakotas and is spreading westward across the Northern Tier. Drought emergencies were declared in both states.
- * The overriding issue – what happens this Fall and Winter? Another unknown.

Two Other Matters – Both Disruptive

- * **North Korea.** Events are increasingly provocative and tense. Kim Jung Uh is firing test missiles every few weeks, including ICBMs. Some work. Some fail. NK just shot one over Japan's northern islands – and the Japanese are incensed. Japanese PM Abe just called for an Emergency Meeting on the UN Security Council. President Trump instantly responded that “all options are on the table.” NK's ability to launch an attack is far more advanced than previously known. The situation is unstable, dangerous and getting worse.
- * **Russia.** The Mueller Special Prosecutor investigation continues and so do congressional and Senate inquiries. Almost on a daily basis, new revelations emerge. Where this goes and what will happen – not known. The Administration is clearly worried about it. There is endless speculation that Trump will fire Mueller OR give himself and all others a blanket pardon. Almost any course of action could ignite a political firestorm.

Either or both situations have the potential to become totally disruptive.

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CALIFORNIA STRATEGIES, LLC

Date: August 28, 2017
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: August Activity Report

California Strategies (Calstrat) is pleased to provide consulting services to the Inland Empire Utilities Agency (IEUA). In addition to our regular monthly meeting with the senior staff of the Agency, we continue to be available to members of the senior staff and Board Members throughout the month to deliver advice, answer questions or provide services consistent with the mission of IEUA. Here is our monthly activity report:

- We held our regularly scheduled face to face meeting with Agency senior staff on July 10th.
 - Calstrat principals attended and discussed various issues with senior staff including the Regional Contract, water bank planning efforts and Little Hoover Commission.
- We discussed the September 7th Leadership Breakfast with MWD Assistant General Manager/ Strategic Water Initiatives Roger Patterson.
- We continued to review the Chino basin water bank work plan related to the consultant selection and discussed the benefits with various stakeholders not directly associated with the Agency.
- We answered inquiries from IEUA Board members.
- We reviewed and approved final meeting schedule for the remainder of the calendar year.
- We reviewed General Manager recruitment activities and timeline.
- We discussed various pieces of State legislation including SB 49 and AB 1000.
- We monitored Santa Ana Watershed Project Authority Board activity that might impact the Agency.
- We monitored the City of Fontana redistricting process.

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Federal Legislation of Significance

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H.R. 3354		Make America Secure and Prosperous Appropriations Act, 2018	<p>An omnibus package including the Interior; Homeland Security; Financial Services; Commerce, Science, and Justice; Transportation, Housing and Urban Development; Agriculture; Labour and Health and Human Services, and Education; and State and Foreign Operations Appropriations Acts, fiscal year 2018.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Wednesday, August 16. It is expected to be considered on the House Floor the first week of September 2017.</p>
H.R. 3219		Make America Secure Appropriations Act, 2018	<p>A small omnibus package including the Defense, Energy and Water, Military Construction and Veterans Affairs, and Related Agencies, Legislative Branch, and Border Barrier funds from the Homeland Security Bill Appropriations Acts, fiscal year 2018.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Monday, June 24. It was passed on the House Floor by a vote of 235-192.</p>
	Rep. Charlie Dent (R-PA)	Fiscal 2018 Military Construction and Veterans Affairs, and Related Agencies Appropriations Act	<p>This legislation provides \$88.8 billion in discretionary funding, \$6 billion above the fiscal year 2017 level. Within this total, funding for the Department of Veterans Affairs was increased by \$4 billion over the fiscal year 2017 level, and increases access to services for veterans and regulatory oversight within the department. Also within the total, Military construction was increased by \$2.1 billion over the fiscal year 2017 level.</p> <p>This bill was passed out of the Appropriations Committee on June 15th. The Senate's corresponding legislation was reported out of the Senate Appropriations Committee in July.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mike Simpson (R-ID)	Fiscal 2018 Energy and Water Appropriations Act	<p>The House Appropriations Committee marked up the FY18 Energy and Water Bill in full committee on July 17th.</p>

			<p>Within the bill, the Bureau of Reclamation funding is reduced from the FY17 level but well above what the Administration had requested for FY18. Also, the bill would authorize the EPA and Army to withdraw from the Waters of the United States rule.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mario Diaz-Balart (R-FL)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The House Appropriations Committee today approved the fiscal year 2018 Transportation, Housing and Urban Development funding bill on July 17, 2017.</p> <p>In total, the bill reflects an allocation of \$56.5 billion in discretionary spending – \$1.1 billion below fiscal year 2017 and \$8.6 billion above the request.</p> <p>Within the bill, Community Development Block Grants are funded at \$2.9 billion, \$100 million below fiscal year 2017 level.</p>
	Sen. Lamar Alexander (R-TN)	Fiscal 2018 Energy and Water Appropriations Act	<p>The Senate Appropriations Committee approved their FY18 Energy and Water Bill on July 20th in full committee markup.</p> <p>Within the bill the Committee recommended funding the Bureau of Reclamation at \$1,287,725,000, which is \$190,332,000 above the President’s FY18 budget request. Similar to the House mark, the Senate provided \$34,406,000 for Title XVI and \$24,000,000 for WaterSMART grants. Also, an additional \$98,000,000 for drought resiliency programs authorized in the Water Infrastructure Improvements Act (WIIN Act).</p>
	Sen. Susan Collins (R-ME)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The Senate Appropriations Committee marked up the FY18 Transportation, Housing and Urban Development, and Related Agencies Bill in subcommittee on July 25th. At this time the bill and report text has not been released.</p> <p>The FY2018 appropriations bill providing \$60.058 billion in discretionary spending for the U.S. Department of Transportation, U.S. Department of Housing and Urban Development, and related agencies. Within the bill, TIGER grants were funded at \$550 million, \$50 million above the FY2017 enacted level; and the Community Development Block Grant (CDBG) formula program is funded at \$3 billion.</p>
H.R. 23	Rep. David Valadao (R-CA)	Gaining Responsibility on Water Act of 2017	<p>Among other things the legislation would require regulators to comply with the Bay-Delta Accord and make changes to the state’s Central Valley and State Water projects and streamline permitting processes. The bill included provisions from multiple other bills previously passed by the House that sought to increase the flow of water to areas of California that have experienced drought over the past five years. The measure was</p>

			<p>referred to the House Committee on Natural Resources and the Committee on Agriculture.</p> <p>By a vote of 230-190, the House passed H.R. 23, as amended, on July 12, 2017.</p>
	<p>Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)</p>	<p>Infrastructure Package</p>	<p>Throughout the month, the House Transportation and Infrastructure Committee have held a series of hearings entitled, “Building a 21st Century Infrastructure for America,” which have focused on various aspects of infrastructure, from passenger rail service to reauthoring the Federal Aviation Authorization (FAA).</p> <p>On June 7, President Trump outlined that he intends to leverage \$200 billion in direct federal funding over ten years to help stimulate \$1 trillion in investment in infrastructure. This federal funding will consist of 1) grants and loans that seek to privatize the country’s air traffic control system, 2) grants to repair bridges, road, 3) enhanced loan program with the Transportation Infrastructure Finance and Innovation Act, and 4) incentive programs with grants to states and municipalities.</p> <p>One part of the president’s plan has already been put into legislation. House Transportation and Infrastructure Committee Chairman Bill Shuster and Aviation Subcommittee Chairman Frank LoBiondo (R-NJ) introduced the FAA’s reauthorization legislation, H.R. 4441, the 21st Century Aviation Innovation, Reform, and Reauthorization (AIRR) Act, which will transfer air traffic control operations from the FAA to a private, nonprofit, 13-member board. While Representative Shuster said that the bill does not “mirror” President Trump’s infrastructure outline, he said that he considered many aspects of the proposal. Shuster has also voiced his hope that the committee will markup the legislation on Tuesday, June 27 and move to the floor in mid-July.</p> <p>Currently, it is unclear who will champion the bill in the other chamber. Senate Commerce, Science and Transportation Committee Chairman John Thune (R-SD) announced that the Senate’s FAA reauthorization legislation will not include privatizing the air traffic control system. That said, Representative Sam Graves (R-MO), who last year voted against the 2016 FAA reauthorization bill, helped develop the legislation with Chairman Shuster.</p>
<p>H.R. 1663</p>	<p>Rep. Grace Napolitano (D-CA) / Rep. Rob Wittman (R-VA)</p>	<p>Water Resources Research Amendments Act</p>	<p>This legislation would extend a Federal-State partnership aimed at addressing state and regional water problems, promoting distribution and application of research results, and providing training and practical experience for water-related scientists and engineers. H.R. 1663 would authorize \$9,000,000 annually over five years for grants to</p>

			<p>water resources research institutes and require two-to-one matching with non-federal funds. It would also promote exploration of new ideas, expand research to reduce energy consumption, and bolster reporting and accountability requirements.</p> <p>The bill has been introduced in the House Committee on Natural Resources and no actions have yet been scheduled on it.</p>
H.R. 497/ S.357	Rep. Paul Cook (R-CA)/ Sen. Dianne Feinstein (D-CA)	Santa Ana River Wash Plan Land Exchange Act	<p>This bill directs the Department of the Interior: (1) to quitclaim to the San Bernardino Valley Water Conservation District in California approximately 327 acres of identified federal land administered by the Bureau of Land Management, and (2) in exchange for such land, to accept from the Conservation District a conveyance of approximately 310 acres of its land.</p> <p>On April 27th HR 497 passed through the House Natural Resources Committee by unanimous consent, and was schedule for the House Floor Consideration on June 2nd.</p> <p>This bill was passed by the House on June 27th by a vote of 424-0.</p> <p>The Senate Environment and Public Works Committee held a hearing on S. 357 on July 26, 2017. No further activity is anticipated until the Fall.</p>
S. 32	Sen. Dianne Feinstein (D-CA)	California Desert Protection and Recreation Act	<p>This bill would designate important wilderness in the California desert and protect lands for recreation, wildlife and tourism. Aspects of the bill include:</p> <ul style="list-style-type: none"> • Mandate study and protection of Native American cultural trails along the Colorado River. • Designate 230,000 acres of additional wilderness area between the Avawatz Mountains near Death Valley to Imperial County's Milpitas Wash. • Add 43,000 acres to Death Valley and Joshua Tree national parks. • Create a 75,000-plus acre special management area at Imperial County's Vinagre Wash. • Designate Inyo County's Alabama Hills as a National Scenic Area. • Prohibit new mining claims on 10,000 acres in Imperial County considered sacred by the Quechan Tribe. <p>Additionally, the bill protects 140,000 acres of existing off-road vehicle riding areas from mining, energy development, military base expansion or other decisions that would close them to vehicle use.</p>

			The Senate Environment and Public Works Committee held a hearing on S.32 on July 26, 2017. No further activity is anticipated until the Fall.
H.R. 2510	Rep. Peter DeFazio (D-OR)	Water Quality Protection and Job Creation Act of 2017	<p>This bill would amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</p> <p>This bill has been introduced to the House Transportation and Infrastructure subcommittee on Water resources and Environment.</p>
H.R. 1654	Rep. Tom McClintock (R-CA)	Water Supply Permitting Coordination Act	<p>This bill would allow water project sponsors the opportunity to use an expedited permitting process for new or expanded surface non-federal storage facilities through the Bureau of Reclamation, which would be the lead and central agency coordinating the review process.</p> <p>The House Natural Resources Committee approved the bill by a vote of 24-16 on April 27th. The House Rules Committee on June 20th dictated final amendments for passage on the House Floor; this bill passed the House on June 22nd by a vote of 233-180.</p>

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State Legislation

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
AB 574	Quirk	Potable Reuse	<p>Current law required the State Department of Public Health to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016, if a specified expert panel found that the criteria would adequately protect public health health. Current law defined the terms “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation” for these purposes. This bill would remove certain references to “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation,” and would instead specify the four different types of potable reuse projects as “groundwater augmentation,” “reservoir augmentation,” “raw water augmentation,” and “treated water augmentation.”</p>	<p>SUPPORT</p> <p>On Senate Appropriations Suspense File</p>
AB 791	Frazier	<p>Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility.</p>	<p>The Sacramento-San Joaquin Delta Reform Act of 2009 prohibits construction of a new Delta conveyance facility from being initiated until the persons or entities that contract to receive water from the State Water Project and the federal Central Valley Project or a joint powers authority representing those entities have made arrangements or entered into contracts to pay for certain costs required for the construction, operation, and maintenance of the facility and full mitigation of property tax or assessments levied for land used in the construction, location, mitigation, or operation of the facility. This bill would require, before a water contractor enters into a contract to pay for these costs, that the lead agency provide the breakdown of costs for each water contractor entering into a contract and what benefits each contractor will receive based on the proportion it has financed of the proposed conveyance project.</p>	<p>OPPOSE</p> <p>Failed in Assm. Appropriations</p> <p>DEAD</p>

AB 792	Frazier	Sacramento-San Joaquin Delta: Delta Plan: certification of consistency.	The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. The act requires a state or local public agency that proposes to undertake a covered action to prepare and submit to the council a written certification of consistency with the Delta Plan before undertaking that action. This bill would prohibit the council from granting a certification of consistency with the Delta Plan until the board has completed its update of a specified water quality control plan.	OPPOSE 2 Year Bill
AB 793	Frazier	Sacramento-San Joaquin Delta: financing.	Would declare it to be state policy that the existing state of the Sacramento-San Joaquin Delta is recognized and defined as an integral component of California's water infrastructure. The bill would state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.	OPPOSE 2 Year Bill
SB 231	Hertzberg	Local government: fees and charges.	Articles XIIC and XIID of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIIC and XIID of the California Constitution and defines terms for these purposes. This bill would define the term "sewer" for these purposes. The bill would also make findings and declarations relating to the definition of the term "sewer" for these purposes.	SUPPORT On Assembly Floor

AB 1668	Friedman	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH On Senate Appropriations Suspense File
AB 1669	Friedman	Urban water conservation standards and use reporting	Requires the State Water Resources Control Board (SWRCB) in consultation with the Department of Water Resources (DWR) to adopt long-term standards for urban water conservation and water use by May 20, 2021	WATCH Held in Assembly Appropriations
AB 968	Rubio	Urban water use: water efficiency	Establishes a new 2025 water use efficiency requirement for urban retail water suppliers	WATCH Held Assembly Appropriations
AB 1654	Rubio	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH DEAD in Senate Natural Resources and Water
AB 869	Rubio	Sustainable water use and demand reduction: recycled water	Excludes, from the calculation of any water use or water efficiency target established after 2020, recycled water, as specified, delivered within the service area of an urban retail or wholesale water supplier	WATCH Held in Senate Natural Resources and Water
SB 606	Skinner/Hertzberg	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	On Assembly Floor.

INFORMATION
ITEM

5L

Date: September 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration

Chris M. Grindstaff

From: P. Joseph Grindstaff, General Manager

09/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Treasurer's Report of Financial Affairs

Executive Summary:

For the month of July 2017, total cash, investments, and restricted deposits of \$182,648,442 reflects an increase of \$1,837,919 compared to the total of \$180,810,523 reported in June 2017. The slight increase was attributed to a \$2.9 million increase for wastewater connection fees which was partially offset by prepayment of the CalPERS unfunded accrued liability.

The average days of cash on hand for the month of July decreased from 300 days to 292 days as a result of a transfer of \$4.7 million to the restricted 2010A bond debt service account for the August 2017 payment. Not included in the days of cash on hand calculation are connection fees held by member agencies on behalf of the Agency. As of July 31, 2017 the member agency account balances was \$31.5 million.

The Agency's investment portfolio average rate in July 2017 was 1.116%, an increase of 0.058% compared to the June yield of 1.058%, this was due to an increase in yield across three of the Agency's investment accounts; Local Agency Investment Fund (LAIF) yield rose from 0.978% in June to 1.051%; and CalTrust and California Asset Management Program (CAMP) accounts each rose in yield by 0.07%. The July variable rate for the Agency's 2008B bonds was 0.818%.

Staff's Recommendation:

The Treasurer's Financial Affairs Report for the month ended July 31, 2017 is an informational item for the Board of Director's review.

Budget Impact *Budgeted* (Y/N): N *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The interest earned on the Agency's investment portfolio increases the Agency's reserves.

Prior Board Action:

On August 16, 2017, the Board of Directors approved the Treasurer's Financial Affairs Report for the month ended June 2017.

Environmental Determination:

Not Applicable

Business Goal:

The Financial Affairs report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

Attachments:

- Attachment 1- Background
- Attachment 2- PowerPoint
- Attachment 3 - July 2017 Financial Affairs Report

Background

Subject: Treasurer's Report of Financial Affairs

The Treasurer's Report of Financial Affairs for the month ended July 31, 2017 is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2017-4-1) with one noted exception. As of July 31, 2017, the medium-term note portfolio was 10.5% which exceeds the 10% allowable threshold established under the Agency's Investment Policy

The medium-term notes portfolio exceeded the 10% threshold defined in the Investment Policy but below the 30% threshold established under the California Government Code (CGC). This exception was initially reported in May 2017 on the March Financial Affairs Report, a recommendation was made to approve the medium-term investments and to allow for those investments to be held until maturity.

Treasurer's Report of Financial Affairs for July 31, 2017

Board Meeting



Report of Financial Affairs

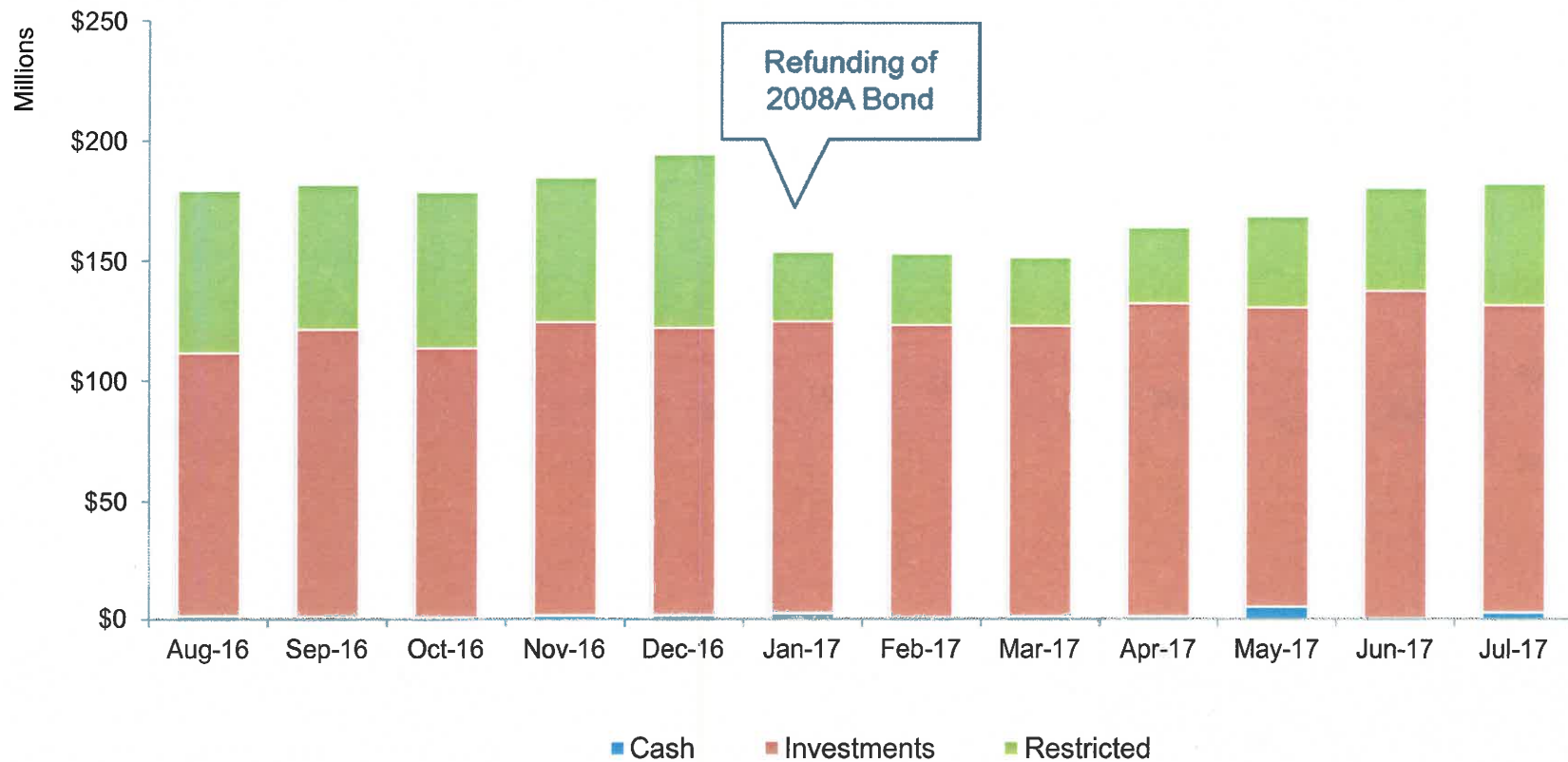
Liquidity

Description	July 2017 (\$ million)	June 2017 (\$ million)	Increase (Decrease) (\$ million)
Total Cash, Investments, and Restricted Deposits	\$182.6	\$180.8	\$1.8
Total Investment Portfolio	\$129.1	\$137.4	(\$8.3)
Investment Portfolio Yield	1.116%	1.058%	0.058%
Weighted Average Duration (years)	0.79	0.84	(0.05)
Average Cash on Hand (days)	292	300	(4)

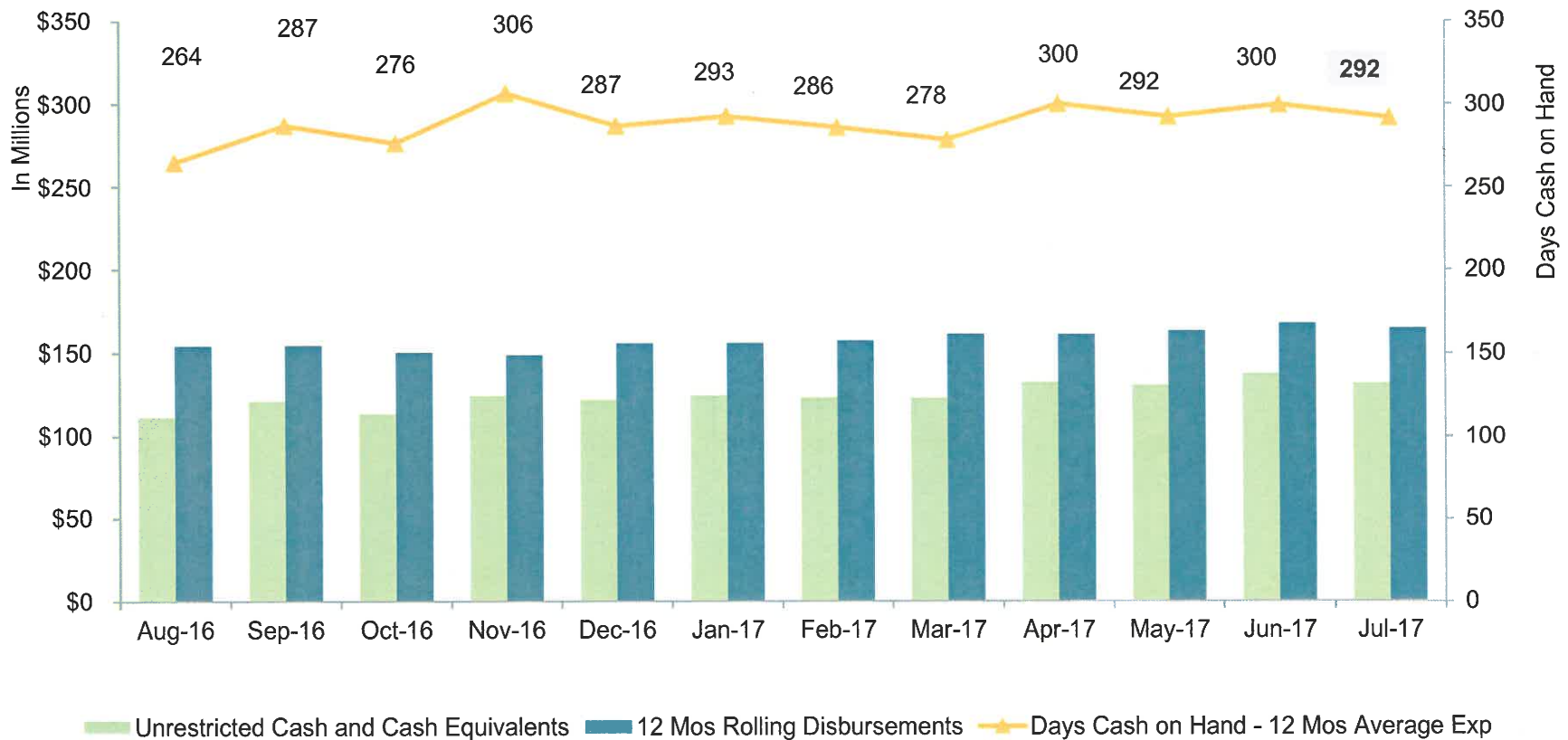
Portfolio

Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of July 31, 2017				Average Yield	Portfolio % (Unrestricted)
		Under 1 Year	1 – 3 Years	Over 3 Years	Total		
LAIF	\$65	\$33.2			\$33.2	1.05%	25.7%
CalTrust	n/a	\$10.2	\$ 6.0		\$16.2	1.23%	12.5%
CAMP	n/a	\$18.2			\$18.2	1.12%	14.1%
Citizens Business Bank - Sweep	40%	\$13.1			\$13.1	0.50%	10.2%
Brokered CD's	30%	\$ 1.7	\$ 0.5	\$0.2	\$ 2.4	1.50%	1.9%
Commercial Paper	25%	\$ 2.0			\$ 2.0	1.31%	1.6%
Medium Term Notes	10%	\$ 5.5	\$ 8.1		\$13.6	1.32%	10.5%
Municipal Bond	10%		\$ 1.0		\$ 1.0	1.75%	0.8%
US Treasury Note	n/a		\$ 2.0		\$ 2.0	1.35%	1.5%
US Government Securities	n/a	\$ 5.2	\$22.2		\$27.4	1.23%	21.2%
Total		\$89.1	\$39.8	\$0.2	\$129.1	1.116%	100%

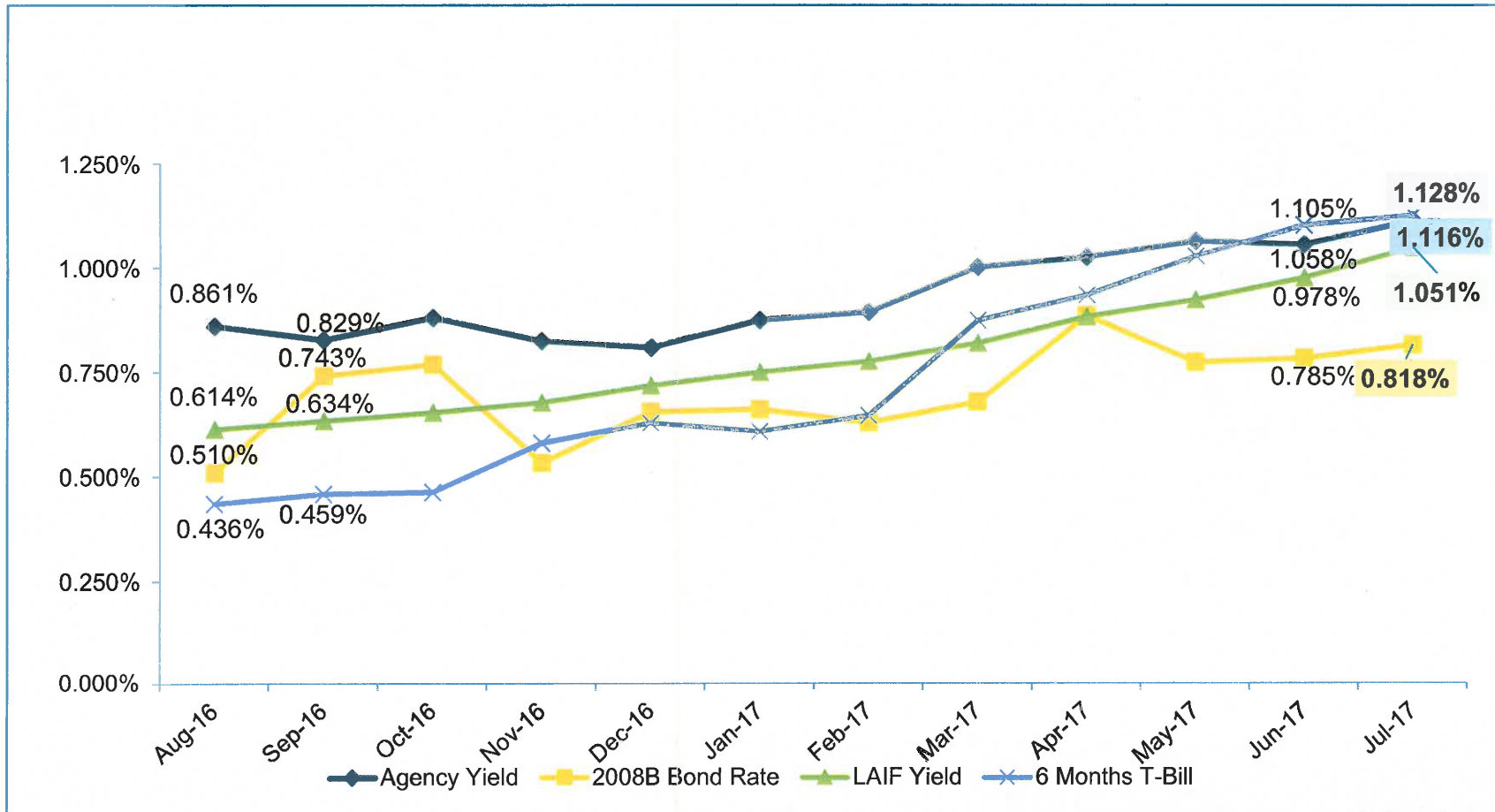
Cash, Investments, and Restricted Deposits



Days Cash on Hand 12 Months Rolling Average



Month End Portfolio Yield Composition





Questions?

The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended July 31, 2017



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2017-4-1) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on April 19, 2017.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

* A Municipal Water District

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
July 31, 2017

	July	June
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>	<u>\$2,632,524</u>	<u>\$190,851</u>
<u>Investments</u>		
Citizens Business Bank (CBB) Repurchase (Sweep)	\$13,116,481	\$19,613,265
Local Agency Investment Fund (LAIF)	33,176,305	33,108,664
CalTrust	16,167,140	16,145,336
California Asset Management Program (CAMP)	18,186,746	18,169,486
Certificates of Deposit	2,421,000	3,385,000
Municipal Bonds	997,389	997,283
Commercial Paper	1,997,460	1,995,273
Medium Term Notes	13,593,596	13,596,345
U.S. Treasury Notes	1,991,832	1,991,453
U.S. Government Sponsored Entities	27,428,437	28,428,077
Total Investments	<u>\$129,076,386</u>	<u>\$137,430,182</u>
Total Cash and Investments Available to the Agency	<u>\$131,708,910</u>	<u>\$137,621,033</u>
<u>Restricted Deposits</u>		
Debt Service Accounts	\$7,269,956	\$2,552,575
CCRA Deposits Held by Member Agencies	31,507,738	28,639,924
OPEB (CERBT) Account	11,826,015	11,685,987
Escrow Deposits	335,823	311,004
Total Restricted Deposits	<u>\$50,939,532</u>	<u>\$43,189,490</u>
Total Cash, Investments, and Restricted Deposits	<u><u>\$182,648,442</u></u>	<u><u>\$180,810,523</u></u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
July 31, 2017

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Offset by CBB Sweep Balance)	\$427,576
CBB Workers' Compensation Account	35,530
Bank of America (BofA) Payroll Account	26,051
BofA Payroll Taxes Account	28,702
Subtotal Demand Deposits	<u>\$517,859</u>

Other Cash and Bank Accounts

Petty Cash	<u>\$2,250</u>
Subtotal Other Cash	<u>\$2,250</u>

US Bank Pre-Investment Money Market Account

\$2,112,415

Total Cash and Bank Accounts

\$2,632,524

Investments

CBB Repurchase (Sweep) Investments

FNMA	<u>\$13,116,481</u>
Subtotal CBB Repurchase (Sweep)	<u>\$13,116,481</u>

Local Agency Investment Fund (LAIF)

LAIF Fund	<u>\$33,176,305</u>
Subtotal Local Agency Investment Fund	<u>\$33,176,305</u>

CalTrust

Short Term	\$10,173,854
Medium Term - Restricted	<u>5,993,286</u>
Subtotal CalTrust	<u>\$16,167,140</u>

California Asset Management Program (CAMP)

Pool	<u>\$18,186,746</u>
Subtotal CAMP	<u>\$18,186,746</u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
July 31, 2017

Investments Continued

Brokered Certificates of Deposit

Brokered Certificates of Deposit	\$2,421,000
Subtotal Brokered Certificates of Deposit	<u>\$2,421,000</u>

Commercial Paper

Natixis NY Branch	\$1,997,460
Subtotal Commercial Paper	<u>\$1,997,460</u>

Municipal Bonds

State and Local Municipal Bonds	\$997,389
Subtotal Municipal Bonds	<u>\$997,389</u>

Medium Term Notes

John Deere Capital Corp.	\$1,000,162
Toyota Motor Credit Corp.	2,000,000
JP Morgan Chase & Co.	999,722
Johnson & Johnson	2,012,950
Microsoft	2,062,592
Exxon Mobil	2,509,531
Wells Fargo Bank N.A.	3,008,639
Subtotal Medium Term Notes	<u>\$13,593,596</u>

U.S. Treasury Notes

Treasury Note	\$1,991,832
Subtotal U.S. Treasury Notes	<u>\$1,991,832</u>

U.S. Government Sponsored Entities

Fannie Mae Bank	\$3,749,652
Freddie Mac Bank	7,486,015
Federal Farm Credit Bank	13,194,445
Federal Home Loan Bank	2,998,325
Subtotal U.S. Government Sponsored Entities	<u>\$27,428,437</u>

Total Investments

\$129,076,386

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
July 31, 2017

Restricted Deposits

Debt Service

08B Debt Service Accounts	\$2,546,574
10A Debt Service Accounts	4,716,675
17A Debt Service Accounts	6,707
	<hr/>
Subtotal Debt Service	\$7,269,956

CCRA Deposits Held by Member Agencies

City of Chino	\$3,986,042
Cucamonga Valley Water District	3,305,358
City of Fontana	4,703,455
City of Montclair	840,355
City of Ontario	11,334,781
City of Chino Hills	6,136,173
City of Upland	1,201,574
	<hr/>
Subtotal CCRA Deposits Held by Member Agencies	\$31,507,738

CalPERS

OPEB (CERBT) Account	\$11,826,015
	<hr/>
Subtotal CalPERS Accounts	\$11,826,015

Escrow Deposits

Kemp Brothers Construction	\$335,823
	<hr/>
Subtotal Escrow Deposits	\$335,823

Total Restricted Deposits

\$50,939,532

Total Cash, Investments, and Restricted Deposits as of July 31, 2017

\$182,648,442

Total Cash, Investments, and Restricted Deposits as of 07/31/17
Less: Total Cash, Investments, and Restricted Deposits as of 06/30/17

\$182,648,442

180,810,523

Total Monthly Increase (Decrease)

\$1,837,919

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended

July 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	July Amortization	July Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>													
Citizens Business Bank (CBB)													
Demand Account*					\$427,576	\$427,576	N/A	N/A	\$427,576		N/A	N/A	\$427,576
Workers' Compensation Account					35,530	35,530	N/A	N/A	\$35,530		N/A	N/A	35,530
Subtotal CBB Accounts					<u>\$463,106</u>	<u>\$463,106</u>			<u>\$463,106</u>				<u>\$463,106</u>
Bank of America (BofA)													
Payroll Checking					\$26,051	\$26,051	N/A	N/A	\$26,051		N/A	N/A	\$26,051
Payroll Tax Checking					28,702	28,702	N/A	N/A	28,702		N/A	N/A	28,702
Subtotal B of A Accounts					<u>\$54,753</u>	<u>\$54,753</u>			<u>\$54,753</u>		N/A		<u>\$54,753</u>
US Bank (USB)													
Federated Automated MMA					\$2,112,415	\$2,112,415	N/A	N/A	\$2,112,415		0.37%	N/A	\$2,112,415
Subtotal USB Account					<u>\$2,112,415</u>	<u>\$2,112,415</u>			<u>\$2,112,415</u>		0.37%		<u>\$2,112,415</u>
Petty Cash													
					<u>\$2,250</u>	<u>\$2,250</u>	N/A	N/A	<u>\$2,250</u>		N/A	N/A	<u>\$2,250</u>
Total Cash, Bank Deposits and Bank Investment Accounts													
					<u>\$2,632,524</u>	<u>\$2,632,524</u>			<u>\$2,632,524</u>				<u>\$2,632,524</u>
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
<u>Investments</u>													
CBB Daily Repurchase (Sweep) Accounts													
FNMA					\$13,116,481	\$13,116,481			\$13,116,481		0.50%		\$13,116,481
Subtotal CBB Repurchase Accounts					<u>\$13,116,481</u>	<u>\$13,116,481</u>			<u>\$13,116,481</u>		0.50%		<u>\$13,116,481</u>
LAIF Accounts													
Non-Restricted Funds					\$33,176,305	\$33,176,305	N/A	N/A	\$33,176,305		1.051%	N/A	\$33,176,305
Subtotal LAIF Accounts					<u>\$33,176,305</u>	<u>\$33,176,305</u>			<u>\$33,176,305</u>		1.051%		<u>\$33,176,305</u>
CALTRUST Accounts													
Short-Term					\$10,173,854	\$10,173,854	N/A	N/A	\$10,173,854		1.15%	N/A	\$10,173,854
Medium-Term (Self Insurance Reserves)					5,993,286	5,993,286	N/A	N/A	5,993,286		1.38%	N/A	5,993,286
Subtotal CalTrust Accounts					<u>\$16,167,140</u>	<u>\$16,167,140</u>			<u>\$16,167,140</u>		1.235%		<u>\$16,167,140</u>
CAMP Accounts													
Short-Term					\$18,186,746	\$18,186,746	N/A	N/A	\$18,186,746		1.12%	N/A	\$18,186,746
Subtotal CAMP Accounts					<u>\$18,186,746</u>	<u>\$18,186,746</u>			<u>\$18,186,746</u>		1.12%		<u>\$18,186,746</u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
July 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	July Amortization	July Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Investments (continued)													
Brokered Certificates of Deposit (CDs)													
Sallie Mae Bank	N/A				\$248,000	\$248,000	743		\$248,000	1.15%	1.15%	11/06/17	\$248,010
Key Bank National Association	N/A				248,000	248,000	732		248,000	1.10%	1.10%	11/13/17	248,012
Capital One Bank	N/A				240,000	240,000	916		240,000	1.35%	1.35%	01/16/18	240,091
Goldman Sachs Bank USA	N/A				240,000	240,000	916		240,000	1.40%	1.40%	01/16/18	240,149
BMW Bank of North America	N/A				240,000	240,000	915		240,000	1.40%	1.40%	01/17/18	240,146
American Express Bank	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	240,139
American Express Centurion	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	240,139
Ally Bank	N/A				243,000	243,000	722		243,000	1.45%	1.45%	03/11/19	242,587
Wells Fargo Bank	N/A				242,000	242,000	729		242,000	1.55%	1.55%	03/15/19	241,966
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.25%	2.25%	10/02/20	242,611
Subtotal Brokered CDs					\$2,421,000	\$2,421,000		\$0	\$2,421,000		1.50%		\$2,423,850
US Treasury Note													
US Treasury Note					\$2,000,000	\$1,990,000	808	379	\$1,991,832	1.125%	1.35%	05/31/19	\$1,992,740
Subtotal US Treasuries					\$2,000,000	\$1,990,000		\$379	\$1,991,832		1.35%		\$1,992,740
U.S. Government Sponsored Entities													
Federal Farm Credit Bank	AA+	Aaa			\$5,195,000	\$5,199,431	447	(303)	\$5,195,429	0.75%	0.68%	09/13/17	\$5,192,922
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,000,380	713	(16)	1,000,282	1.25%	1.23%	01/18/19	998,640
Federal Farm Credit Bank	AA+	Aaa			3,000,000	3,000,000	1,079		3,000,000	1.15%	1.15%	02/22/19	2,983,260
Freddie Mac Bond	AA+	Aaa			1,000,000	1,003,132	1,023	(95)	1,001,812	1.25%	1.14%	03/15/19	996,890
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,411	720	25	1,499,504	1.40%	1.42%	03/27/19	1,498,365
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,400	720	25	1,499,512	1.40%	1.42%	03/27/19	1,498,365
Federal Home Loan Bank	AA+	Aaa			2,000,000	1,997,600	801	92	1,998,043	1.375%	1.43%	05/24/19	1,998,760
Freddie Mac Bond	AA+	Aaa			2,000,000	2,000,000	798		2,000,000	1.55%	1.55%	06/06/19	2,000,000
Federal Farm Credit Bank	AA+	Aaa			2,000,000	2,000,000	1,460		2,000,000	1.52%	1.52%	06/24/19	2,003,200
Freddie Mac Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.15%	1.15%	07/26/19	1,480,245
Fannie Mae Step Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.00%	1.33%	07/26/19	1,489,815
Fannie Mae Bond	AA+	Aaa			900,000	899,460	1,153	14	899,652	1.25%	1.27%	08/23/19	891,720
Fannie Mae Bond	AA+	Aaa			1,350,000	1,350,000	1,157		1,350,000	1.25%	1.25%	08/26/19	1,337,243
Freddie Mac Bond	AA+	Aaa			3,000,000	2,972,928	1,359	618	2,984,203	1.25%	1.50%	10/02/19	2,986,740
Subtotal U.S. Gov't Sponsored Entities					\$27,445,000	\$27,421,742		\$360	\$27,428,437		1.23%		\$27,356,165

(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&P)

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended

July 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	July Amortization	July Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Commercial Paper													
Natixis NY Branch	A-	A2			\$2,000,000	\$1,986,877	182	2,187	\$1,997,460	1.29%	1.307%	09/05/17	\$1,997,560
Subtotal Commercial Paper					\$2,000,000	\$1,986,877		\$2,187	\$1,997,460		1.31%		\$1,997,560
Municipal Bonds													
San Diego Redevelopment Agency	AA	N/R			\$1,000,000	\$996,800	934	\$106	\$997,389	1.625%	1.75%	09/01/19	\$993,990
Subtotal State and Local Municipal Bonds					\$1,000,000	\$996,800		\$106	\$997,389		1.75%		\$993,990
Medium Term Notes													
John Deere Capital Corp	A	A2			\$1,000,000	\$1,004,000	1,754	(71)	\$1,000,162	1.20%	1.11%	10/10/17	\$999,610
Wells Fargo Bank	AA-	Aa2			1,500,000	1,502,565	301	(259)	1,501,462	1.65%	1.44%	01/22/18	1,501,545
Toyota Motor Credit Corp	AA-	Aa3			2,000,000	2,000,000	1,045		2,000,000	1.10%	1.10%	04/25/18	1,986,800
JP Morgan Chase & Co	A-	A3			1,000,000	999,000	1,037	30	999,722	1.625%	1.66%	05/15/18	1,000,470
Johnson & Johnson	AAA	Aaa			2,000,000	2,027,480	1,044	(816)	2,012,950	1.65%	1.16%	12/05/18	2,005,800
Microsoft	AAA	Aaa			2,050,000	2,076,691	1,045	(792)	2,062,592	1.625%	1.16%	12/06/18	2,054,059
Exxon Mobil	AA+	Aaa			1,000,000	1,005,750	763	(233)	1,004,356	1.708%	1.43%	03/01/19	1,002,370
Exxon Mobil	AA+	Aaa			1,500,000	1,506,285	712	(271)	1,505,175	1.819%	1.59%	03/15/19	1,506,210
Wells Fargo Bank	AA-	Aa2			1,500,000	1,511,655	1,061	(336)	1,507,177	1.75%	1.48%	05/24/19	1,503,240
Subtotal Medium Term Notes					\$13,550,000	\$13,633,426		(2,748)	\$13,593,596		1.32%		\$13,560,104
Total Investments					\$129,062,672	\$129,096,517			\$129,076,386				\$128,971,081
<i>(Source of Investment Market Value: US Bank)</i>													
Restricted Deposits													
Debt Service and Arbitrage Accounts													
08B Debt Service Accounts					\$2,546,574	\$2,546,574	N/A	N/A	\$2,546,574		0.34%		\$2,546,574
10A Debt Service Accounts					4,716,675	4,716,675	N/A	N/A	4,716,675		0.20%		4,716,675
17A Debt Service Accounts					6,707	6,707	N/A	N/A	6,707		0.20%		6,707
Total Debt Service Accounts					\$7,269,956	\$7,269,956			\$7,269,956		0.25%		\$7,269,956

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended

July 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	July	July	% Coupon	% Yield to Maturity	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Amortization	Value			Date	Value
CCRA Deposits Held by Member Agencies													
City of Chino					\$3,986,042	\$3,986,042	N/A	N/A	\$3,986,042		N/A	N/A	\$3,986,042
Cucamonga Valley Water District					3,305,358	3,305,358	N/A	N/A	3,305,358		N/A	N/A	3,305,358
City of Fontana					4,703,455	4,703,455	N/A	N/A	4,703,455		N/A	N/A	4,703,455
City of Montclair					840,355	840,355	N/A	N/A	840,355		N/A	N/A	840,355
City of Ontario					11,334,781	11,334,781	N/A	N/A	11,334,781		N/A	N/A	11,334,781
City of Chino Hills					6,136,173	6,136,173	N/A	N/A	6,136,173		N/A	N/A	6,136,173
City of Upland					1,201,574	1,201,574	N/A	N/A	1,201,574		N/A	N/A	1,201,574
<i>Subtotal CCRA Deposits Held by Member Agencies</i>					\$31,507,738	\$31,507,738			\$31,507,738				\$31,507,738
<i>Reported total as of June 2017</i>													
CalPERS Deposits													
OPEB (CERBT) Account					\$11,000,000	\$11,000,000	N/A	N/A	\$11,826,015		N/A	N/A	\$11,826,015
Subtotal CalPERS Deposits					\$11,000,000	\$11,000,000			\$11,826,015				\$11,826,015
<i>As of July 31st the 1 year net return is 3.29%</i>													
Escrow Deposits													
Kemp Brothers Construction Escrow					\$335,823	\$335,823	N/A	N/A	\$335,823		N/A	N/A	\$335,823
Subtotal Escrow Deposits					\$335,823	\$335,823			\$335,823				\$335,823
Total Restricted Deposits					\$50,106,810	\$50,106,810			\$50,939,532				\$50,932,825
Total Cash, Investments, and Restricted Deposits as of July 31, 2017					\$181,802,006	\$181,835,851			\$182,648,442				\$182,536,430

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
July 31, 2017

July Purchases

No.	Date	Transaction	Investment Security	Type	Par Amount Purchased	Investment Yield
<i>None</i>						
Total Purchases					\$ -	

July Investment Maturities, Calls & Sales

No.	Date	Transaction	Investment Security	Type	Par Amount Matured/Sold	Investment Yield to Maturity
1	07/13/17	Maturity	Comenity Capital Bank	Cert. of Deposit	\$ 240,000	1.150%
2	07/17/17	Maturity	Discover Bank	Cert. of Deposit	\$ 240,000	1.150%
3	07/17/17	Maturity	Medallion Bank	Cert. of Deposit	\$ 240,000	1.200%
4	07/28/17	Full Call	Freddie Mac	Government Bond	\$ 1,000,000	1.625%
5	07/31/17	Full Call	HSBC Bank USA	Cert. of Deposit	244,000	2.508%
Total Maturities, Calls & Sales					\$ 1,964,000	

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
July 31, 2017

Directed Investment Category

	Amount Invested	Yield
CBB Repurchase (Sweep)	\$13,116,481	0.500%
LAIF	33,176,305	1.051%
CalTrust	16,167,140	1.235%
CAMP	18,186,746	1.120%
Brokered Certificates of Deposit	2,421,000	1.502%
Medium Term Notes	13,593,596	1.319%
Municipal Bonds	997,389	1.753%
Commercial Paper	1,997,460	1.307%
US Treasury Notes	1,991,832	1.352%
U.S. Government Sponsored Entities	27,428,437	1.227%
<i>Total Investment Portfolio</i>	<i>\$129,076,386</i>	
<i>Investment Portfolio Rate of Return</i>		<i>1.116%</i>

Restricted/Transitory/Other Accounts

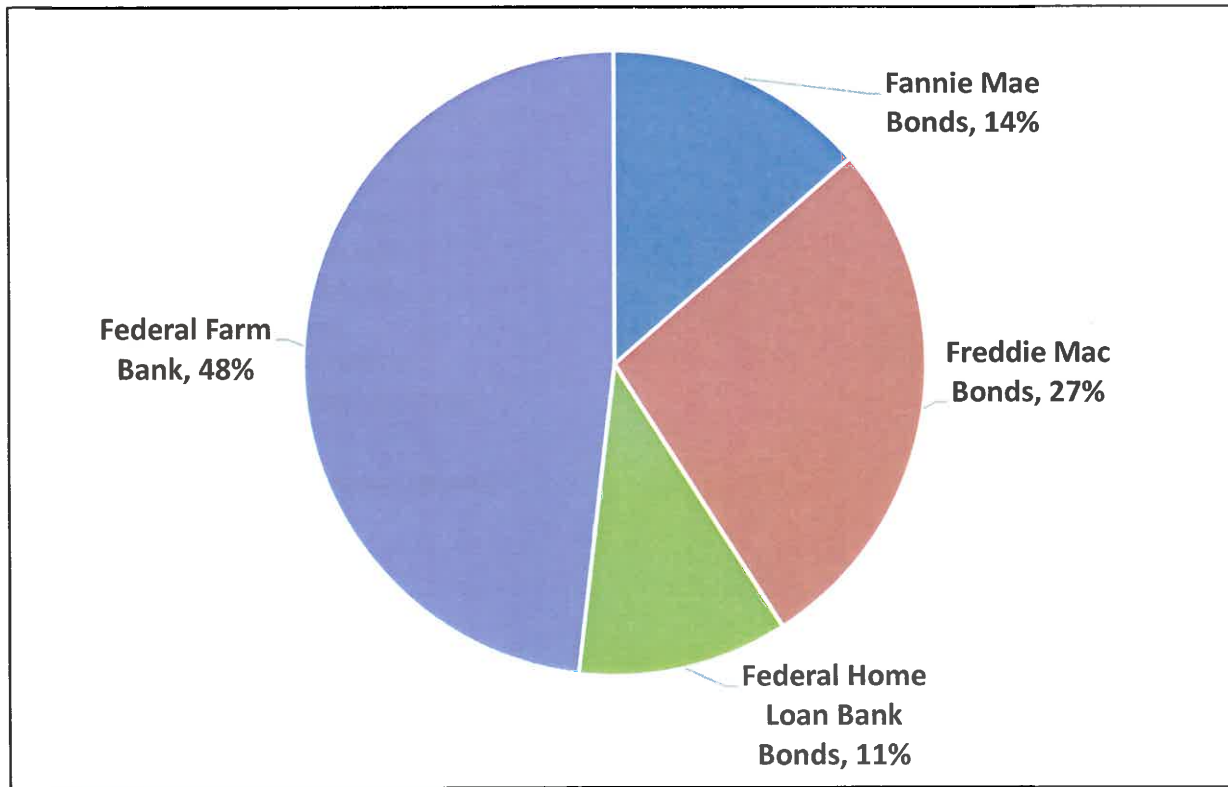
	Amount Invested	Yield
CCRA Deposits Held by Member Agencies	\$31,507,738	N/A
CalPERS OPEB (CERBT) Account	11,826,015	N/A
US Bank - 2008B Debt Service Accounts	2,546,574	0.340%
US Bank - 2010A Debt Service Accounts	4,716,675	0.200%
US Bank - 2017A Debt Service Accounts	6,707	0.200%
US Bank - Pre-Investment Money Market Account	2,112,415	0.370%
Citizens Business Bank - Demand Account	427,576	N/A
Citizens Business Bank - Workers' Compensation Account	35,530	N/A
Other Accounts*	57,003	N/A
Escrow Account	335,823	N/A
<i>Total Restricted/Transitory/Other Accounts</i>	<i>\$53,572,056</i>	
<i>Average Yield of Other Accounts</i>		<i>0.276%</i>

Total Agency Directed Deposits

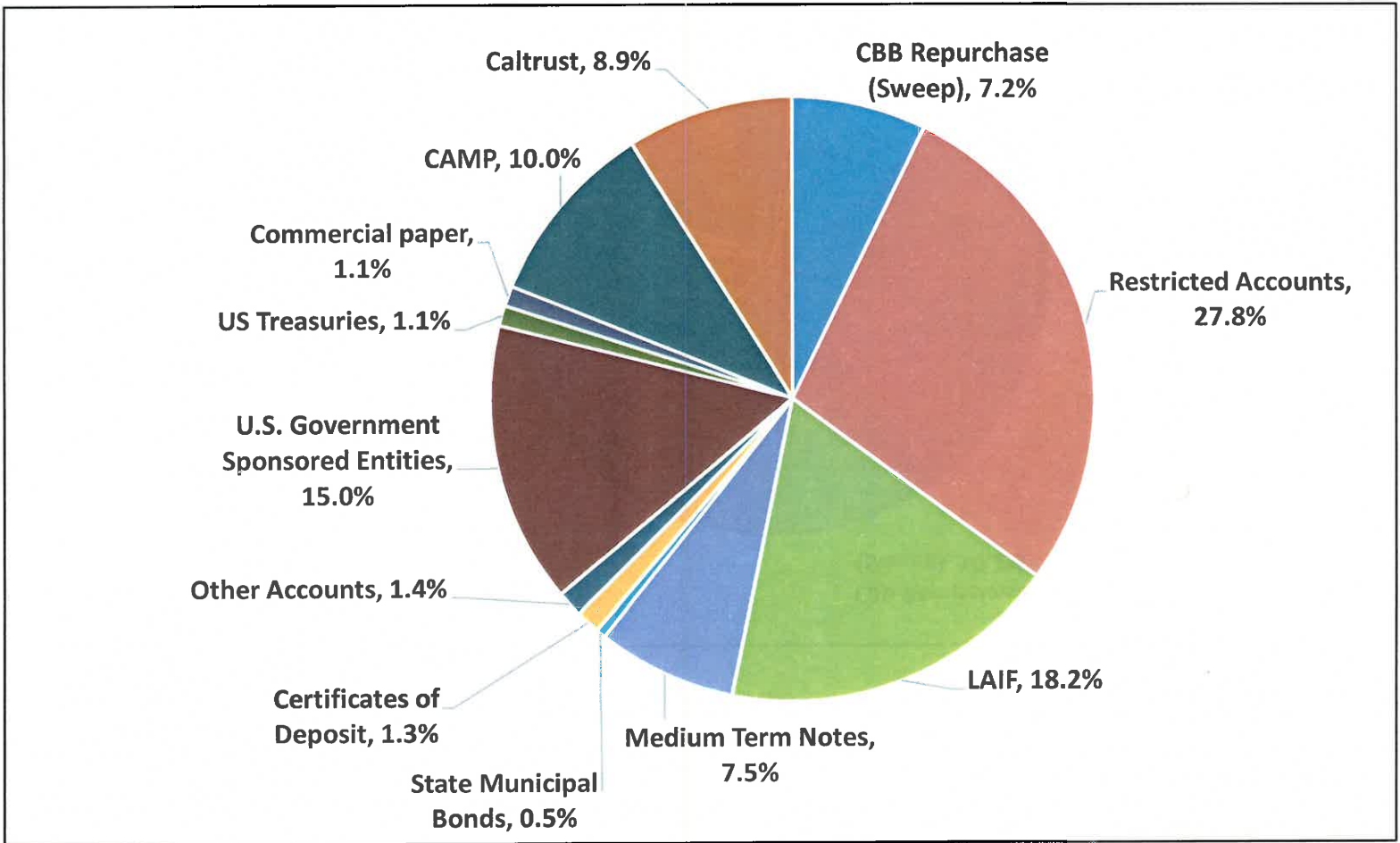
\$182,648,442

* Note: Bank of America Payroll Deposits used as compensating balances for bank services.

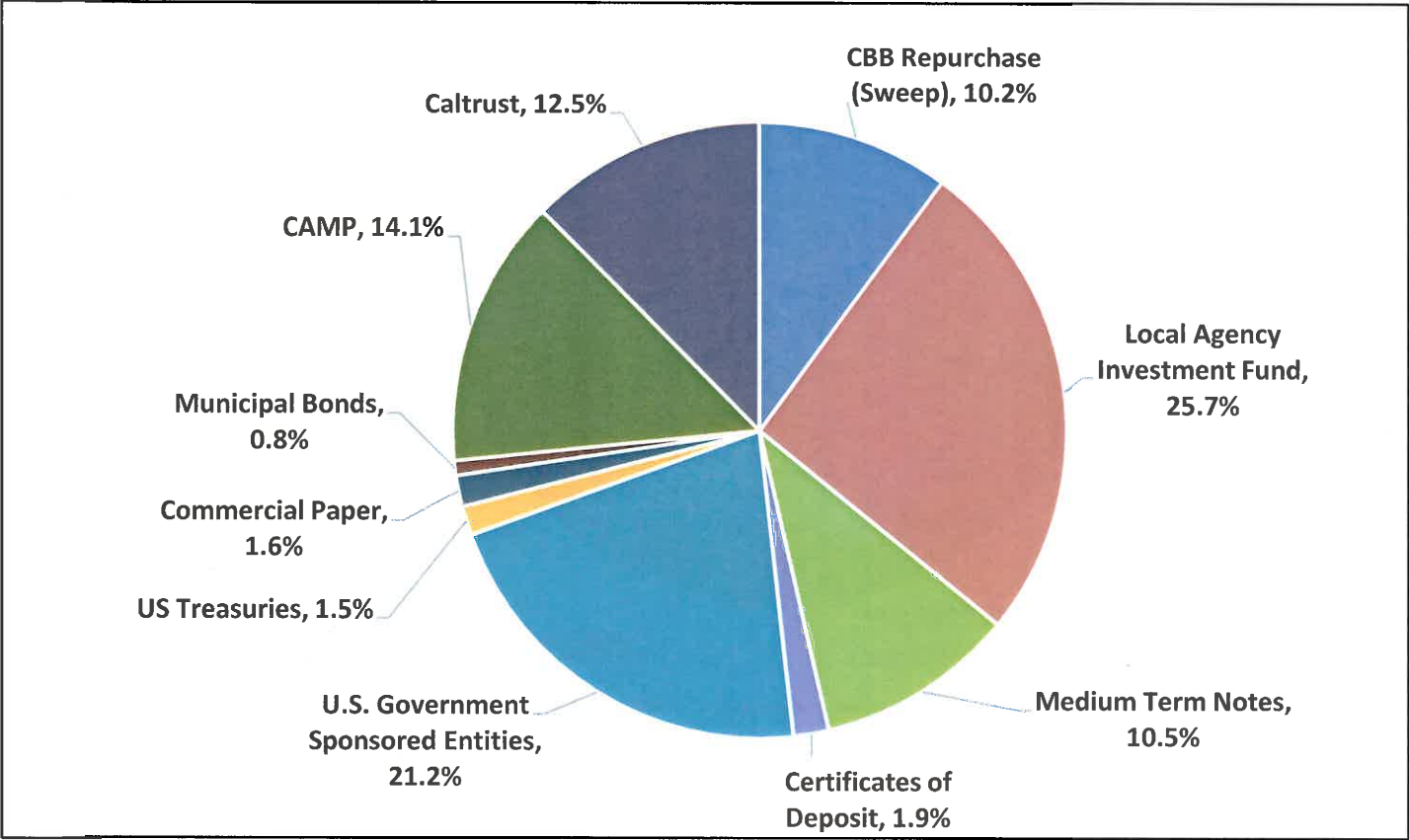
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended July 31, 2017
U.S. Government Sponsored Entities Portfolio
\$27,428,437



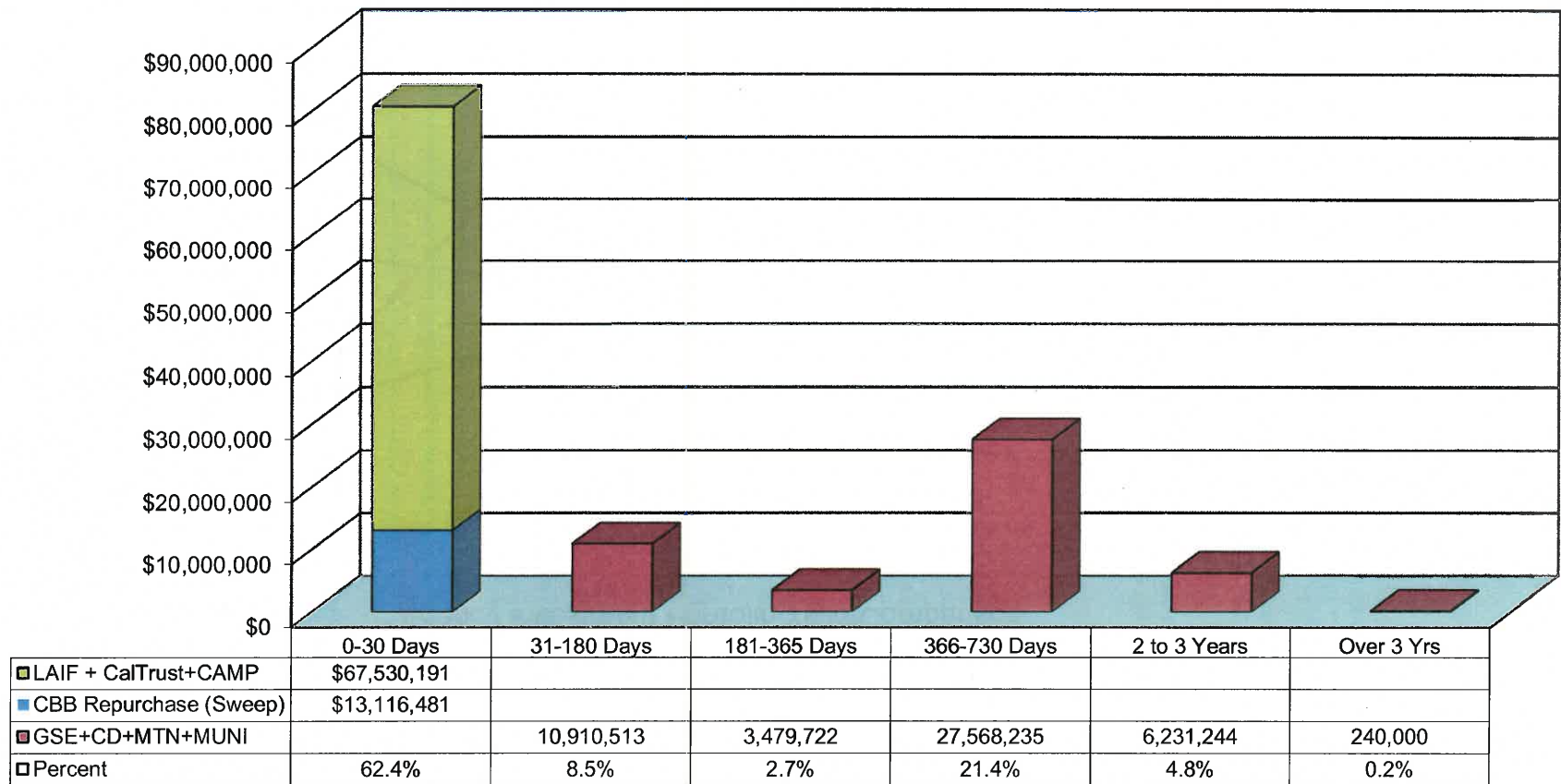
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended July 31, 2017
Agency Investment Portfolio (Net of Escrow Accounts)
\$182,312,619



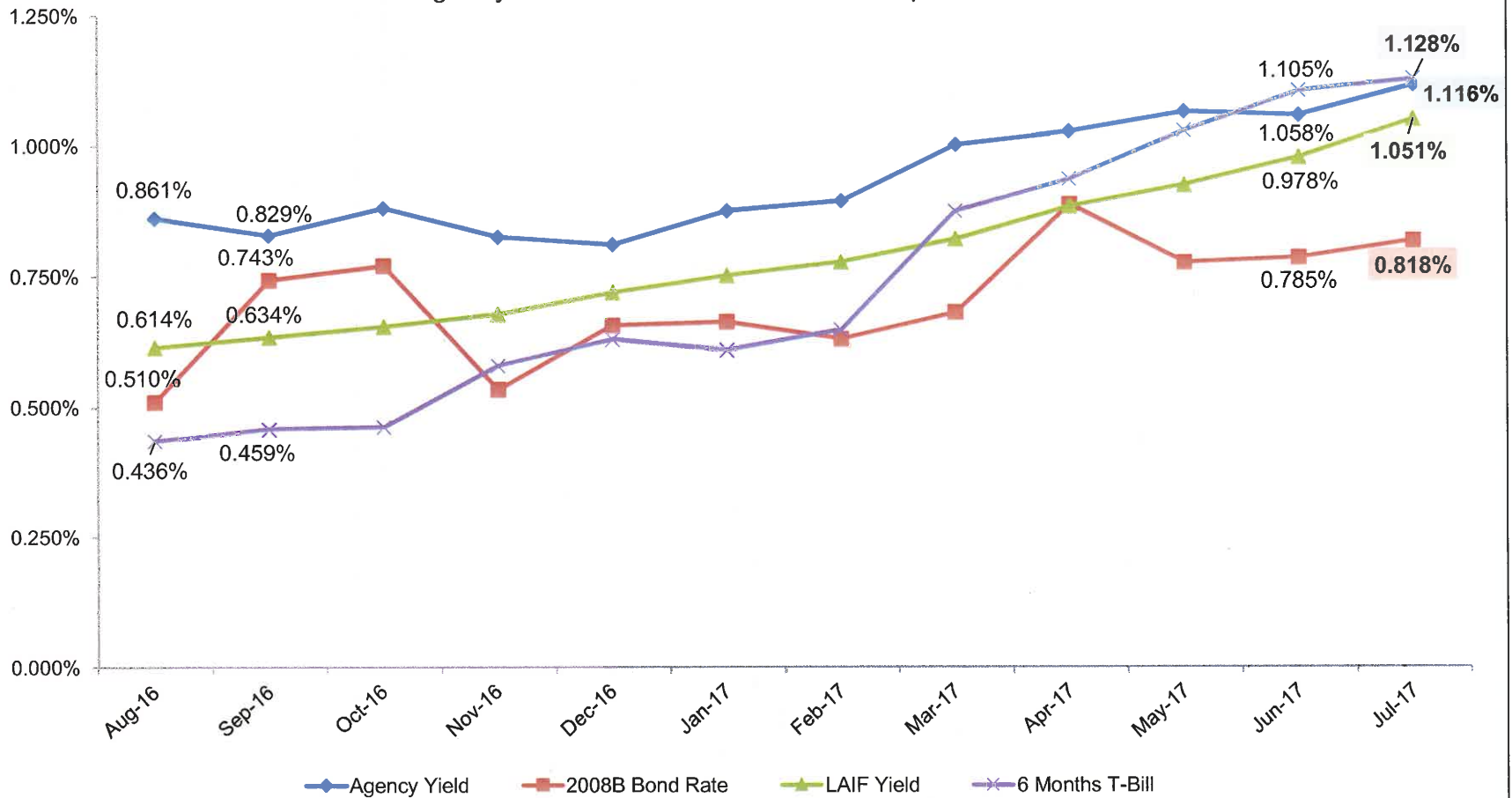
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended July 31, 2017
Unrestricted Agency Investment Portfolio
\$129,076,386



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended July 31, 2017
Agency Investment Portfolio Maturity Distribution (Unrestricted)
\$129,076,386



Inland Empire Utilities Agency
 Treasurer's Report of Financial Affairs
 For the Month Ended July 31, 2017
 Agency Investment Portfolio Yield Comparison



INFORMATION
ITEM

5M

Date: September 20, 2017

To: The Honorable Board of Directors

Chris Paul for JG
From: P. Joseph Grindstaff, General Manager

Committee: Special Audit Committee

09/20/17

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Internal Audit Department Status Report for September 2017

Executive Summary:

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit Department Status Report includes a summary of significant internal and external audit activities for the reporting period. Briefly summarized here: During this quarter, IA completed the Payroll Operations Audit and the Contracts and Procurement Follow-Up Review. IA continues to work with all departments to implement recommendations and provide additional services. Both reports are under separate cover.

IA continues to assist with any requests for follow up work, review of Agency policies and procedures and separation of duties.

Staff's Recommendation:

This is an information item for the Board of Directors to receive and file.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On March 15, 2017, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Charter.

On June 21, 2017, the Board of Directors approved the Annual Audit Plan for Fiscal Year 2017/18.

Environmental Determination:

Not Applicable

Business Goal:

The Status Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing IA's progress in providing independent evaluations of Agency financial and operational activities and making recommendations for improvement.

Attachments:

Attachment 1 - Internal Audit Department Status Report for September 2017

Internal Audit Department Status Report for September 2017

Projects Completed This Period

Audit: Payroll Operations Audit

Scope:

To ensure adequate payroll and personnel internal controls are in place and functioning as intended, and verify that employee earnings and deductions are accurate, complete and paid or deducted in a timely manner and match supporting documents. To ensure payroll bank accounts are reconciled monthly and open items resolved timely. To identify opportunities to improve internal controls and record-keeping.

Status: COMPLETE

IA has worked closely with the Human Resources (HR) and Finance and Accounting (FAD) Departments. IA has reviewed internal controls, processes in place and the supporting documentation for the activities involving payroll. The audit identified six observations resulting in five recommendations. Two recommendations suggest possibilities for greater automation of Human Resources and Payroll files/documentation and functions and two recommendations are about the importance of up-to-date bank reconciliations and processes. One recommendation emphasizes the importance of ethics training specific to payroll related activities and one recommendation recommends fire proof/water proof storage of manual personnel files.

IA will continue to work with HR and FAD to prepare and compile a survey of comparable agencies payroll and personnel policies and practices, the results of which will be presented in December 2017

The report is provided under separate cover.

Audit: 2017 Contracts and Procurement Follow-Up Audit

Scope:

IA completed a follow-up evaluation to determine the status of the two outstanding recommendations provided in the Contracts and Procurement (CAP) Follow-Up audit, dated August 29, 2012.

Status: COMPLETE

The two recommendations are now implemented. The first one was originally highlighted by the external auditors and related to removing a "superuser" authorization role that had been given to one member in CAP to be able to assist users during the initial implementation phase of SAP in 2007. The individual maintained the same authorization role for many years creating a risk to the Agency because the role allowed one individual to have the authorization to request, approve, process and receive orders/purchases, without another individual involved or aware of the process. Because the individual retired, there is no longer a conflict. The second recommendation was related to ensuring that for grant-funded projects, CAP verifies that vendors are not debarred by the federal government. The verification is completed online and CAP prints out the verification form as proof of checking. This process is documented in the Ordinance and the procedures.

The report is provided under separate cover.

Audit: Financial Audit

Scope: For the audit firm to express an opinion on the fair presentation of the financial statements

Status: Final work is scheduled for September/October

Internal Audit Department Status Report for September 2017

Lance, Soll & Lunghard, LLP (LSL), the Agency's external audit firm, will be on site for approximately two weeks beginning mid-September for final audit fieldwork and testing. IA coordinates with both Finance and Accounting and the External Auditors to review the financial statements and the Comprehensive Annual Financial Report. The role of IA is one of an added quality control check to check and double check totals, transfer of information and presentation. IA also reviews the requirements of the GFOA for the annual award.

Planned/Future/Additional Projects

Project: Wire Transfers and Electronic Disbursements Audit

Scope:

To evaluate the electronic disbursements of the Agency to ensure adequate segregation duties exists that no one person has the ability to initiate; approve and process electronic transfers. In addition, to evaluate the internal controls over the process to ensure sufficient oversight exists to prevent unauthorized electronic disbursements and payments.

Status: IN PROGRESS

IA will initiate this audit with a kick-off meeting in September with key representatives from the Finance and Accounting department. IA will perform preliminary surveys, planning, interviewing, analysis and inquiries of Agency personal in relation to Wire Transfers and Electronic Disbursements. Fieldwork is projected to begin in October 2017. The anticipated date for completion is December 2017.

Project: Procurement Cards (P-cards) Audit

Scope:

To evaluate the effectiveness of internal controls over the P-card program, and to ensure compliance with Agency policies and procurement processes. Additionally, to determine opportunities to improve administration of the program.

Status: IN PROGRESS

IA received the preliminary information requested related to the P-card program. IA will review the processes in place, financial transactions, and supporting documentation for purchases to verify compliance with the governing policies and procedures. The audit is being performed to review P-card activity to prevent misuse and errors. Anticipated Fieldwork is scheduled to begin in September 2017.

Proposed Completion: Planned date for completion is March 2018.

On-going Projects

Project: Management Requests

Scope:

Assist Agency Management with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures, and/or provide review and feedback on new policies or procedures. These services are provided according to the IA Charter, the Annual Audit Plan, and best practices. The management request projects are short-term projects, typically lasting no more than 60 – 75 hours each where IAD determines it has the necessary staff, skills and resources to provide assistance without having to delay/defer scheduled audits and priority projects. The scope of each review is agreed

Internal Audit Department Status Report for September 2017

upon between the department manager requesting the evaluation/review/analysis/assistance and the Manager of IA and when deemed appropriate by Executive Management.

During this quarter, IA was working on the following "Management Requests":

- Continue to be involved with possible collection of the identified uncollected Connection Fees.
- Make recommendations about Maintenance, Construction Management and Contracts and Procurement Departments' concern/issue about a purchase requisition in excess of contract limits
- Participate in IT Security Committee
- Participate in the Safety Committee

Project: Special Projects

Scope:

Perform special reviews and projects including analyzing transactions, evaluating documents and policies, verifying information, assisting with interpretation of Agency Policies or other required procedures, and providing recommendations and feedback on results of the analysis, engaging necessary assistance if and when necessary, reporting to the General Manager and the Audit Committee. These services are provided according to the IA and Audit Committee Charters, the Annual Audit Plan, and/or best practices.

Special Projects can be short or long-term projects, typically requiring more than 80 hours of staff time and typically requiring setting aside or delaying work on scheduled audit projects. The scope of the review is not typically known and the work must be handled with the highest degree of confidentiality and care, typical of all audit projects. Typically, Special Projects are considered highly confidential.

During this quarter, IA participated in Special Projects and appropriate reports have been made to Executive Management and the Audit Committee.

Trends in Internal Audit

DATA ANALYTICS

The use of "data analytics" is one of the newest trends in Internal Audit. Data analytics uses large amounts of data to uncover hidden patterns, correlations and other insights. Insights into developing a data analytics program were described in the August 2017 issue of "Internal Auditor" magazine. The suggestions were:

1. Create awareness: Insights from analytics are the result of the intersection between business awareness and the application of analytics tools and methodologies.
2. Understand the data: Evaluate, understand and validate data sources for business processes and the activities and decision-making they drive before investing in an analytics tool.
3. Plan sufficiently: Understand the system and data landscape, develop a training plan, seek business partner's input and identify which initial analytics are likely to yield valuable results.
4. Think big picture: Use analytics to support dynamic risk assessments, monitor trends and performance indicators to interpret data and model business outcomes.
5. Partner with IT: Develop a robust process for data acquisition; learn and apply data governance standards and practices to ease access.
6. Take advantage of visualization tools: Visually compelling, high-impact reports can help draw insights from the data.

The Agency's IA staff is considering the possibility of having the external auditors and perhaps a few data analytics providers make brief presentations to obtain an initial assessment of potential benefits for IEUA from employing data analytics.

Internal Audit Department Status Report for September 2017

Internal Audit Department

Internal Audit Department Staffing:

The Internal Audit Department is staffed as follows:

- 1 Full-time Manager of Internal Audit
- 2 Full-time Senior Internal Auditors

Internal Audit Staff Professional Development Activities:

As required by the *International Standards for the Professional Practice of Internal Auditing*, auditors should continue to enhance their knowledge, skills, and other competencies through continuing professional development.

The Internal Audit Manager is a member of the governing board of the Inland Empire Chapter of the Institute of Internal Auditors (IIA). The governing board sets direction for the chapter.

During the past quarter, IA staff has continued to stay abreast of industry developments through review of industry periodicals and participation in free IIA sponsored, on-line webinars. Staff also attended a Fraud Seminar with the local IIA Chapter in San Gabriel.

All three IA members are preparing for the third exam of the 3-part Certified Internal Auditor (CIA) certification examination. The CIA is the only globally-recognized certification for internal audit professionals and is the highest certification that can be attained by an internal auditor.

In July, the Manager of IA passed the examination for the Certified Government Auditor Professional designation and was certified by the IIA as a CGAP. The Certified Government Auditing Professional® (CGAP®) certification program is designed for auditors working in the public sector and demonstrates government knowledge and expertise. The Manager of IA also has a Master's degree in Public Administration.

One Senior Auditor is a Certified Public Accountant (CPA). One Senior Auditor is a Certified Government Audit Professional (CGAP).

Future Audit Committee Meetings:

- Monday, December 11, 2017 – Regularly Scheduled Audit Committee Meeting
- Monday, March 12, 2018 – Regularly Scheduled Audit Committee Meeting
- Monday, June 11, 2018 – Regularly Scheduled Audit Committee Meeting

INFORMATION
ITEM

5 N

Date: September 20, 2017

To: The Honorable Board of Directors

Chris B. for JG
From: P. Joseph Grindstaff, General Manager

Committee: Special Audit Committee

09/20/17

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Contracts and Procurement Follow-Up Audit

Executive Summary:

The Internal Audit Department Charter, requires Internal Audit (IA) follow-up on outstanding recommendations to determine if corrective actions have been taken. The follow-up reviews are scheduled through the Board-approved Annual Audit Plan and Executive Management supports the implementation efforts of the recommendations previously provided or development of alternative controls to address the original risks identified.

IA performed follow up procedures on two outstanding recommendations from the 2010 and 2012 Contracts and Procurement (CAP) Department audits. This audit identified that both outstanding recommendations have been implemented. One recommendation required CAP management evaluate the authorization roles, in the Agency's financial system, assigned to one employee to ensure adequate segregation of duties existed. The second recommendation required CAP research and retain documentation of a contractor's Federal Debarment status to prove the contractor is not debarred, this was specific for grant-funded projects.

IA provides a new recommendation regarding assigned authorizations to strengthen internal controls assigned to CAP buyers.

Staff's Recommendation:

Receive the Contracts and Procurement Follow-Up Audit as an information item for the Board of Directors.

The Board of Directors may want to provide guidance for any future audits.

Instruct Agency staff to implement the audit recommendation.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 21, 2017, the Board of Directors approved the Annual Audit Plan for Fiscal Year 2017/18.

On March 15, 2017, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Charter.

On September 19, 2012 the Board received and filed the 2012 CAP Follow-Up Audit Report.

Environmental Determination:

Not Applicable

Business Goal:

The Contracts and Procurement Follow-Up Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that the recommendations foster a strong control environment, and assist management in achieving organizational goals.

Attachments:

Attachment 1 - Contracts and Procurement Follow-Up Audit Report

Attachment 2 - Contracts and Procurement Follow-Up Audit PowerPoint



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

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TEL (909) 993-1600 • FAX (909) 993-1985
www.ieua.org

DATE: August 30, 2017

TO: Honorable Board of Directors

P. Joseph Grindstaff
General Manager

Teresa V. Velarde

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Contracts and Procurement Follow-Up Audit

Audit Authority

The follow-up review was performed under the authority provided by the Inland Empire Utilities Agency (IEUA or Agency) Board of Directors. The Internal Audit (IA) Department's Charter and the Annual Audit Plan require that IA follow up on the status of audit recommendations to determine if corrective actions were implemented. IA completed a follow-up review of the two outstanding recommendations related to the Contracts and Procurement Follow-up Audit.

Audit Objective and Scope

The purpose of this follow-up review was to evaluate the implementation status for the two outstanding recommendations from the 2012 follow-up audit, which have now been implemented. One recommendation required that Contracts and Procurement (CAP) evaluate the authorization roles assigned to procurement staff to ensure there was adequate segregation of duties. The second recommendation required Grant/Contracts and Procurement staff to verify the Federal Debarment Listing, specific to grant-related purchases. IA makes one recommendation related to the assigned authorization roles for procurement staff. IA did not expand the scope of the review to evaluate additional areas or operations within the Contracts and Procurement operations, further reviews will be scheduled through the Board-approved Annual Audit Plan. The attached report provides details of our review.

Audit Techniques:

Audit techniques included:

- Discussions with Agency Staff
- Review of policies and procedures
- Review of supporting documents
- Analysis of user roles within SAP

Water Smart – Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael E. Camacho
Vice President

Jasmin A. Hall
Secretary/Treasurer

Paul Hofer
Director

Kati Parker
Director

P. Joseph Grindstaff
General Manager

Audit Results – Executive Summary

Contracts and Procurement (CAP) department is responsible for the Agency's procurement program and related activities. The two outstanding recommendations from 2012 have been implemented. The bullet points below provide a brief summary:

- **Segregation of Duties:** The original audit agreed with the finding made by the External Auditors regarding the internal control weaknesses presented because one individual had inadequate segregation of duties. This follow up review found that the weakness no longer exists because the employee has retired.
- **Evaluate Authorizations provided to Procurement Staff:** IA identified one new recommendation regarding the segregation of duties. IA recommends CAP evaluate the number of procurement personnel with authority to create a Purchase Requisition (PR), create and modify a Purchase Order (PO) and receive goods. Because CAP assist users in purchasing, there are limited instances when the buyers require the ability to create a PR, create and modify a PO and receive goods. IA recommends either eliminate or reduce the number of authorized procurement members that have the authorized roles. This would further tighten and strengthen internal controls within CAP.
- **Federal Debarment status:** The original audit found that per federal requirements, grant-funded projects should only include contractors and vendors that have never been debarred by the Federal government. The follow-up audit found that for Agency projects with a formal proposal for purchasing of goods and/or services of \$50,000 or more, CAP checks the Federal Debarment Status of the contractor/supplier during the initial phase and documentation is retained as part of the contract file. Agency Policy A-33 and CAP Standard Operating Procedure outlines the process and procedures to be followed for verification of the debarment status.

The Contracts and Procurement Follow-Up Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that the recommendations foster a strong control environment, and assist management in achieving organizational goals.

Acknowledgements

We would like to extend our appreciation to CAP and Business Information Services (BIS) staff for their cooperation and assistance during this follow-up review.

Discussions with Management

We provided the results of this follow-up review to Christina Valencia, Chief Financial Officer/Assistant General Manager and Warren Green, Manager of CAP on August 23, 2017, for their review and comments prior to finalizing this report.

Background

The Contracts and Procurement (CAP) department provides a wide variety of services to Agency departments, including Agency-wide contract administration, purchasing and risk services. CAP is responsible for the acquisition of goods and services, including equipment, materials, supplies, and professional services. These business activities are administered and accomplished under the policies, procedures, and practices set forth in the Agency's Board-approved Procurement Ordinance No. 101, which was in effect at the time of this review.

The original audit was issued in November 2008 and provided a total of 25 recommendations to improve contract and procurement operations. In May 2010, a follow-up review was completed to assess the implementation status of the original 25 recommendations. The 2010 follow-up audit report found that 19 recommendations had been implemented, four recommendations remained in progress, one recommendation was no longer applicable and one recommendation remained open. Additionally, IA provided two new recommendations in the report. After the 2010 follow-up review, seven recommendations remained outstanding.

In August 2012, IA performed a second follow-up review and found that of the seven outstanding recommendations, four recommendations had been implemented and three recommendations were in progress and/or outstanding. Subsequently one was resolved and two remained outstanding. This report provides details of the review related to the two outstanding recommendations.

The analysis completed and the recommendations provided during the prior audits were in the following areas: compliance with Agency's ordinance and policies, Procurement Card, Contract Monitoring, Adequate segregation of duties in the Agency's financial system, Internal Customer Satisfaction survey, Key Performance/Workload indicators, and retention of documentation. Future CAP audits will be scheduled through the Annual Audit Plan.

Segregation of Duties

2010 and 2012 Follow-up recommendation # 1: User authorization roles

The Contracts and Procurement Department should ensure adequate separation of duties exist in procurement transactions. Specifically, the functions of creating and approving the Purchase Request, creating the Purchase Order and having the ability to “receive” should involve a second knowledgeable individual.

Status: Implemented

In the 2010 follow-up audit report, both IA and the external auditors raised a concern related to the individuals in the CAP department having conflicting duties in the procurement process. As a result, IA performed a thorough review of the authorization roles assigned to all procurement staff and found that one staff member had the capability to create, approve, and perform receiving functions for procurement transactions. Good internal controls recommend that at least one other individual be involved in the process to ensure the transaction benefits the Agency. The lack of segregation of duties presented a conflict and risk to the Agency. The recommendation provided was to require at least two individuals be involved in the procurement process/transaction to reduce the likelihood of misuse, error, or fraud.

During the 2012 follow-up review, IA found that nothing had changed and the many risks remained:

- Two staff members had the ability to:
 - establish a vendor in the master database,
 - create and approve Purchase Requests (PRs),
 - create a Purchase Order (PO), and
 - receive goods.

One of the two staff members had been assigned the “superuser” transaction code in SAP, which granted unrestricted access to all Fund Management functions. This authority was established to assist with any implementation issues of the Agency’s Enterprise Resource Planning System (SAP) in 2007. Access to the transaction code was available with no restrictions or cutoff date. The same access remained through 2016.

- One staff member had the ability to:
 - create and approve PRs,
 - create a PO, but did not have the authority to receive goods.

This was identified as a weakness in internal controls because a second person would not be involved in the purchase process to ensure and verify that the purchase benefits the Agency and is properly authorized. IA recommended that

CAP address the internal control weaknesses and consider alternative approaches in-lieu of using the “Superuser” transaction code.

SAP User Roles & Superuser access

For the 2017 follow-up review, the Business Information Services Department (BIS) provided IA a report with all the roles and transaction codes assigned to CAP members. In addition, BIS researched to identify all Agency staff with access to the “Superuser” transaction code that provides unrestricted access. The users identified were from the following departments: BIS, Finance and Accounting, and CAP. On May 19, 2017, to mitigate the risks discussed, BIS removed the “Superuser” code. BIS created a new SAP “super” role, which can only be assigned if absolutely necessary and on a temporarily basis.

The CAP staff member with “Superuser”/unrestricted access, identified during the prior audits, has retired and is no longer an Agency employee. BIS’s efforts to mitigate the risk of giving “superuser” access has addressed the concerns of the original finding. Therefore, no further action is required, the recommendation is implemented.

Other Potential Conflicts

During this review, IA noted that staff currently responsible for procurement services also have the ability to create PRs, create and change POs, and receive goods. The combination of these roles may present other potential conflicts in segregation of duties. See table below:

SAP User Roles (Current Assignment at May 19, 2017)

	Create Purchase Requisitions (PRs)	Approve Purchase Requisitions (PRs)	Create and Change Purchase Orders & Contracts (POs)	Receive Goods	Create Purchasing Master Data
Employee # 1		X			
Employee # 2	X		X	X	
Employee # 3		X	X		X
Employee # 4	X		X	X	
Employee # 5	X		X	X	
Employee # 6	X		X	X	
Employee # 7	X		X	X	
Employee # 8	X		X	X	
Employee # 9			X	X	
Employee # 10			X	X	
Number of Employees with access	6	2	9	8	1

The combination of having the ability to create PRs and Receive goods or Create and Change POs and Receive goods potentially puts the Agency at risk. In most situations, the Procurement personnel should not have a need to “Receive” goods, since

procurement staff's role is to *assist* employees (the customers) in placing the requested orders, and securing the best pricing and terms, they would not be the recipients of those services; therefore, no need to create the PRs or POs or Receive the goods. There are some contracts/services that are managed and handled by the CAP department where there is a need to Create a PR/PO and complete the receiving. There may also be instances where there are emergencies and CAP personnel may assist by creating the PO/PR. Currently, it is unknown how often CAP staff have been required to utilize the roles.

CAP should evaluate the needs of the Agency and the needs of the department and determine if there is a need for the number of employees to have the access noted or to reduce the access within the CAP department. CAP management should evaluate the assigned user roles and consider eliminating or reducing the roles within the department.

CAP Management may want to consider adding the role create Purchasing Master data for the Manager of the Department. The role would allow for vendors to be set up and added to the Master Vendor file in the Agency's financial system. In addition, at least two individuals should have this role to ensure more than one person can establish vendor data and be involved in the process, if and when required.

SAP User Roles (Proposed Changes)

	Create Purchase Requisitions (PRs)	Approve Purchase Requisitions (PRs)	Create and Change Purchase Orders & Contracts (POs)	Receive Goods	Create Purchasing Master Data
Employee # 1		X			X
Employee # 2			X	X	
Employee # 3		X	X		X
Employee # 4			X		
Employee # 5			X		
Employee # 6			X		
Employee # 7			X		
Employee # 8			X		
Employee # 9			X		
Employee # 10			X		
Number of Employees with access	Consider only 1-3	2	9	Consider only 1-3	2

IA provides the following recommendation for consideration:

2017 Recommendation:

- CAP should review the SAP assigned user roles and transaction codes and ensure that good internal controls are followed and no conflicts exist. IA recommends CAP consider eliminating or reducing the ability to Create PRs and Receive Goods, for CAP buyers in order to strengthen internal controls and further reduce risks.***

Department Response: *The Manager of the CAP department will evaluate the needs of the department and determine if and how many procurement personnel require the roles of Purchase Requisitions and Receiving to determine the impact of placing restrictions on those assigned user roles and to ensure adequate segregation of duties exists for Procurement staff to provide service and assistance to Agency departments. The CAP department plans to complete this evaluation by the end of September 2017.*

Verification of Debarment

2010 and 2012 Follow-up recommendation # 2: Grant Related Purchases

For all grant-related procurements, the Contracts and Procurement Department should print the confirmation from the debarment website at the time the vendor debarment is verified. The confirmation should be filed as evidence of verification, to show whether a vendor was debarred or not at time of the procurement.

Status: Implemented

According to the Agency's Procurement Ordinance No.101 (adopted March 15, 2015), Section 3, Number 7 states:

"For procurements fund by a Federal grant, no award shall be permitted to any vendor for any contracts or sub-contract at any tier level for a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

The 2010 and 2012 audits revealed that CAP did not retain documented evidence to show that the debarment list was verified prior to making the grant-related procurement. Since the original audits, CAP has updated the Procurement Ordinance, Policy A-33, and Standard Operating Procedure (SOP) CAP-0008, to address the requirements for verification of the Federal Debarment status for contractors/suppliers. Staff was trained to verify debarment and retain documentation.

CAP SOP titled Debarment of Vendor's/Contractors (Document Number: CAP-0008, Version Number: 001, and Version Date: August 15, 2013) provides detailed procedures and requirements for grant-funded projects.

Agency Policy A-33 (Solicitations, Evaluation, and Award Protocols, effective: March 26, 2015, Revision No. 1) states for all procurements of materials, equipment, supplies, consulting and miscellaneous services that is **\$50,000 or greater**, it will occur through a formal solicitation process, which is a process with sealed proposals that is designed specifically for an award based upon criteria other than price alone. The criteria is established by the Agency and it will be used as a basis to make the technical evaluation for the award. In addition, CAP staff has on-going communication with the Grants

department to determine if the Agency's project is grant-fund and if there are any Grantor requirements. CAP documented in detail the necessary steps to verify debarment.

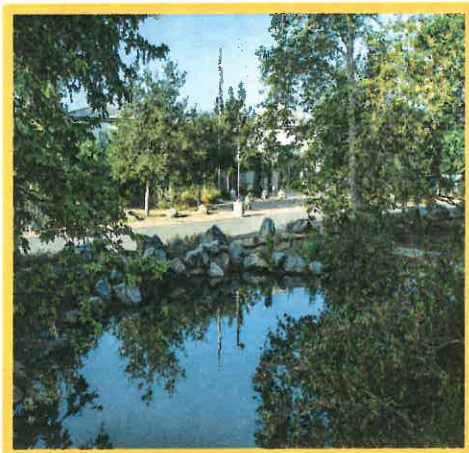
For the 2017 follow-up review, IA selected three grant-related projects from the Engineering and Construction Management Project Quarterly Updates (dated February 2017). IA reviewed the information in the Agency's financial system and selected a vendor that had over \$50,000 in costs incurred, as follows:

Project Number	Project Name	PO Number	Contract Number	Vendor	Amount Paid as of July 31, 2017	Debarment Documentation retained
EN14043.00	RP-5 RW Pipeline Bottleneck	4500026034	4600002205	Stantec Consulting Inc.	\$ 203,712	Yes
EN13001.00	San Sevaine Basin Improvements	4500022155	4600001875	Dudek & Associates Inc	\$ 331,250	Yes
RW15003	Recharge Master Plan Update	4500023271	4600001931	Thomas Harder & Co Inc	\$ 88,128	Yes

For each of the three projects, IA verified that CAP retained the required documentation from the Federal debarment website as required by the Agency Procurement Ordinance and policies. The documentation retained is a hardcopy print-screen from the website (www.sam.gov) showing the contractor's status, which is included as part of the contract file. In each instance tested, the Agency's procedures were followed, therefore IA considers this recommendation to be implemented.

AUDIT COMMITTEE

Contracts and Procurement Follow-Up Audit



Contracts and Procurement Follow-Up Audit

Recommendation # 1: Segregation of Duties

Status: **Implemented**

One Employee had a “superuser role”

- Create a Purchase Requisition
- Approve a Purchase Requisition
- Create Purchase Orders
- Receive Goods
- Create Purchasing Master Data

Contracts and Procurement Follow-Up Audit

SAP User Roles (Current Assignment)

	Create Purchase Requisitions	Approve Purchase Requisitions	Create and Change Purchase Orders & Contracts	Receive Goods	Create Purchasing Master Data
Employee # 1		X			
Employee # 2	X		X	X	
Employee # 3		X	X		X
Employee # 4	X		X	X	
Employee # 5	X		X	X	
Employee # 6	X		X	X	
Employee # 7	X		X	X	
Employee # 8	X		X	X	
Employee # 9			X	X	
Employee # 10			X	X	
Number of Employees with access	6	2	9	8	1

Contracts and Procurement Follow-Up Audit

SAP User Roles (Propose Changes)

	Create Purchase Requisitions	Approve Purchase Requisitions	Create and Change Purchase Orders & Contracts	Receive Goods	Create Purchasing Master Data
Employee # 1		X			X
Employee # 2	X		X	X	
Employee # 3		X	X		X
Employee # 4	X		X	X	
Employee # 5	X		X	X	
Employee # 6	X		X	X	
Employee # 7	X		X	X	
Employee # 8	X		X	X	
Employee # 9			X	X	
Employee # 10			X	X	
Number of Employees with access	1-3			1-3	

Contracts and Procurement Follow-Up Audit

Recommendation # 2: Grant-related Purchases Status: **Implemented**

Agency's Procurement Ordinance :

For procurements funded by a Federal grant, no award shall be permitted to any vendor for any contract or sub-contract at any tier level for a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension.



www.sam.gov



The End Questions or Comments?

The Follow-Up review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that the recommendations foster a strong control environment, and assist management in achieving organizational goals.

INFORMATION
ITEM

50

Date: September 20, 2017

To: The Honorable Board of Directors

Committee: Special Audit Committee

Chris P. Grindstaff
From: P. Joseph Grindstaff, General Manager

09/20/17

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Payroll Operations Audit

Executive Summary:

Internal Audit (IA) completed an audit of payroll operations and identified opportunities to strengthen the internal controls and effectiveness of payroll operations. Human Resources (HR) will evaluate alternatives to the manual files used to maintain employee information, such as working with Business Information Systems to develop a self-service portal for employees to make updates and changes directly to certain information that currently requires a hard-copy document. HR will also consider whether the new enterprise content management system provides an automated approach to maintaining and updating employee information. HR will look into securing files in fire-proof and water-proof cabinets. HR will take the lead to promote having all Payroll related payments made through direct deposits to eliminate manual check writing. Finance and Accounting Department (FAD) will work on making updates to SOP PR-08 to reflect the Agency's new payroll process, to match current practice. FAD commits to ensuring that all bank reconciliations are prepared monthly and timely supervisor reviews occur to ensure outstanding and reconciling items are resolved. Lastly, both HR and FAD will encourage payroll staff attends ethics and fraud awareness training specific to their job responsibilities to stay informed of risks and safeguards. IA will take the lead to complete a survey to compare industry best practices in the areas identified through the audit observations.

Staff's Recommendation:

Receive the Payroll Operations Audit as an information item for the Board of Directors. The Board of Directors may want to provide guidance for any future audits. Instruct Agency staff to implement the audit recommendations.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 21, 2017, the Board of Directors approved the Annual Audit Plan for Fiscal Year 2017/18. The Payroll Operations Audit was included in that plan.

On March 15, 2017, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Department Charters.

Environmental Determination:

Not Applicable

Business Goal:

The Payroll Operations Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by providing an independent evaluation of IEUA's Payroll Operations and suggesting recommendations for improvements.

Attachments:

Attachment 1 - Payroll Operations Audit Report

Attachment 2 - Payroll Audit PowerPoint



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

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P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 597-8875
www.ieua.org

DATE: August 30, 2017

TO: P. Joseph Grindstaff
General Manager

Teresa V. Velarde

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Payroll Operations Audit

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) performed an audit of Payroll operations. This audit was performed under the authority given by the IEUA Board of Directors and the Fiscal Year 2017/18 Annual Audit Plan. Attached is the report that discusses the results of the audit and includes IA's observations and recommendations.

Audit Scope

The Payroll Operations Audit objectives were to ensure adequate payroll and personnel internal controls are in place and functioning as intended, including:

- To evaluate internal controls regarding adding, modifying and removing employee information in the payroll and human resources systems.
- To verify that employee earnings, special payments, taxes, all deductions are accurate, complete and paid or deducted in a timely manner.
- To ensure that employment taxes, tax and non-tax reporting requirements comply with applicable federal/state laws.
- To ensure payroll transactions are properly classified, reconciled and posted to the appropriate general ledger accounts.
- To verify that payroll bank accounts are reconciled monthly, open items resolved timely and that the reconciliations have been reviewed by a supervisor.
- To identify improvements for the effectiveness and efficiency of operations.

Water Smart – Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael E. Camacho
Vice President

Jasmin A. Hall
Secretary/Treasurer

Katie Parker
Director

Paul Hofer
Director

P. Joseph Grindstaff
General Manager

Audit Techniques Applied

Audit techniques applied during the audit included:

- Interviews of payroll, human resources, and other Agency staff
- Walkthroughs of processes and transactions
- Analysis of financial transactions and reports
- Review of supporting documents in SAP
- Review of policies and procedures
- Review of employee personnel data
- Review of payroll disbursements
- Review of bank reconciliations

Audit Results - Executive Summary

Payroll functions are shared between the Human Resources (HR) and the Finance and Accounting (FAD) departments. HR performs the new hire and separation timing and documentation as well as processes pay, deduction and benefit changes, which includes ensuring that pay rates are documented and all applicable payroll deduction documentation is signed by the employee. FAD processes biweekly and final payroll payments to employees which involves receiving employee timesheets electronically, resolving time entry and other payroll processing issues, processing payroll and ensuring all tax filing requirements and employee contribution designations are met. The audit noted that the HR and FAD departments provide effective and valuable payroll services to the Agency. We identified opportunities to further strengthen internal controls and the effectiveness of the payroll functions. The details of the observations and recommendations are included in the attached report.

- IA recommends that HR consider evaluating alternatives to automate some of the forms and the manual files used to maintain employee information, for example:
 - As discussed with HR, HR has already been working with Business Information Systems (BIS) to develop a self-service portal for employees to make direct changes and updates to certain information that currently requires a hard-copy document, such as withholding information, beneficiary information, address changes, or adding/deleting a family member from their policies, and changing contribution amounts to various plans.
 - The Agency is in the process of implementing a new enterprise content management system (“ECMS”) using Laser-fiche. HR may want to consider whether the new ECMS would provide an automated approach to maintaining and updating employee information or whether another automated approach would be possible.
- As part of the Agency’s disaster preparedness effort, HR should consider maintaining manual/hard-copy files in fire proof and water proof cabinets.

- As part of moving into a paperless, automated environment, HR should promote and encourage all employees to have their payroll related payments, including vacation and sick buy-backs made through direct deposits instead of manually writing paper checks.
- FAD should update Standard Operating Procedure No. CR PR-08 to reflect the new payroll bank reconciliation process, communicate the procedure to all department employees, and ensure the SOP is in the format outlined in accordance with Agency Policy A-51.
- FAD should ensure bank reconciliations are prepared monthly and supervisory review occurs in a timely manner to ensure any outstanding and reconciling items are researched and resolved.
- Both HR and FAD should encourage employees with payroll related functions to attend ethics and fraud awareness/prevention training specific to their job responsibilities to stay informed about new developments, risks and safeguards.

As a “next steps” plan, IA will survey comparable agencies to obtain independent insight into potential “best practices”. IA intends to work with HR and FAD to survey gather feedback related to items discussed in the audit report as recommendations for consideration. For example, items will include human resource and payroll automation tools, policies and procedures, direct deposit requirements and ethics/fraud prevention/awareness training. Information gathered will provide ideas and different methodologies employed by other agencies and provide options and direction for the Agency in implementing the recommendations in this report.

The Payroll Operations Audit is consistent with the Agency’s Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by providing an independent evaluation of IEUA’s payroll operations and making recommendations for improvements.

Acknowledgements

We would like to extend our appreciation to both the Finance and Accounting and the Human Resources departments for their cooperation and assistance during this review.

Discussion with Management

We provided drafts of this report and discussed the results of this audit with representatives of HR and FAD and have incorporated their comments into the report.

TV:ps

cc: Christina Valencia, Chief Financial Officer/Assistant General Manager
Shameen Bhojani, Manager of Human Resources
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Blanca Arambula, Deputy Manager of Human Resources
Suresh Malkani, Principal Accountant
Michael Arana, Payroll Accountant

Background Information

Internal Audit (IA) performed an audit of the Payroll function in 2010 and issued a report dated August 26, 2010 and performed a follow-up review in 2012 and issued a report dated August 6, 2012. Since the original audits, the Agency has implemented payroll/timesheet module in SAP. However, concerns associated with having up-to-date employee files and concerns about the timeliness of bank reconciliations that IA expressed in those reports continue to be an issue.

The Agency implemented the current payroll system in SAP in April 2013. The SAP payroll system made it possible for the Agency to eliminate paper timesheets and the manual recording and upload of employee time. Additionally, the SAP payroll system has improved labor cost reporting.

Payroll functions are shared between the Human Resources (HR) and the Finance and Accounting (FAD) departments. HR performs the new hire and separation processes which includes ensuring that pay rates are documented and all applicable payroll deduction documentation is signed by the employee. FAD is responsible for the recording, maintenance, and safekeeping of the Agency's assets and financial information. The payroll section is responsible for processing the biweekly payroll which involves receiving the supervisor approved, employee timesheets electronically, resolving time entry and other payroll processing issues, processing pay and ensuring all tax filing requirements and employee contribution designations are met. The Agency's payroll process is complex by nature, particularly with the many different bargaining units Memorandums of Understanding and the personnel manuals that apply and affect payroll.

All employee wage deductions must be authorized by the employee and/or are required by law. For tax deductions, the employee is responsible to elect the appropriate tax rate deduction based on marital status and other criteria. Payroll and deduction information is obtained by the HR department and should be filed in the employee's personnel file.

Payroll is distributed bi-weekly, with 26 payroll periods. There were 299 active employees paid on the Agency payroll as of January 6, 2017. During calendar year 2015-16, the Agency's gross payroll as reported to the Board of Directors was \$32,413,000. The Agency also paid employer and employee amounts of \$3,441,000 in Social Security and \$857,000 in Medicare taxes.

FAD and HR have documented Standard Operating Procedures (SOPs) for various activities related to payroll processes. The SOPs provide a manual to train and cross-train staff on the functions of the departments and to maintain consistency in operations. All SOPs are available to the employees in the department.

Report of Observations & Recommendations

Payroll Disbursement Testing

IA selected 25 employee's payroll disbursements from calendar year 2016 for pay period #1-2016, dated January 8, 2016. The sample was taken from a total population size of 287 employees in January with total gross wages paid of \$1,305,000. The sample represents approximately 10% of the gross wages paid, and over 8% of the employees on payroll. The sampled items included employees from each of the various bargaining units at the Agency. We reviewed transactions to ensure that:

- The pay rate on the payroll register/run matches the pay rate documented in the employees' personnel file,
- The pay rate paid agrees with the pay rate as documented in the corresponding MOU/Personnel Manual,
- Overtime, shift differentials, etc. were calculated correctly,
- Employee benefits were accurately calculated,
- Employee taxes were accurately calculated,
- Employee voluntary deductions were authorized by the employee and properly calculated (i.e. 401/457 contributions, etc.)

Manual files

Observation #1: The manual filing system used by HR has remained substantially the same since the payroll audit of 2010 while other Agency systems have been upgraded and/or automated to improve processes and increase effectiveness and efficiency. Manual files require, what can be seen as, a lot of paper and can be less efficient and are not currently maintained in fire proof or water proof cabinets.

Since the original Payroll audit, the Agency has undertaken multiple automation efforts that have increased the efficiency and effectiveness of processes and systems, for example with the Agency-wide Enterprise Resource Planning (ERP) and the implementation of SAP for most financial and timesheet processes, updated desktop software, the ongoing implementation of the SCADA systems for operations, project management with Primavera and Agency recordkeeping and public records requests with the rollout of the Laserfiche Enterprise Content Management System (ECMS).

HR continues to maintain manual personnel files for each employee that include information from the hiring process, all merit and cost of living increase information, including any employee reviews, employee federal and state tax withholding elections, and health and other benefit elections made by the employee, as well as personal and confidential information related to medical leave, and other.

In reviewing the HR files IA noted:

- Instances where information was misfiled in a different employee's file
- Instances where, for long-term employees, the files appeared to be large
- Instances where employee deduction elections were not up-to-date
- Instances where the employee reviews and merit increases were not completed or processed until after the employee's anniversary date resulting in the need to process retroactive payroll payments (In addition, retroactive payments resulted from the class and compensation study)
- Personnel files are not maintained in fire-proof or water-proof cabinets

Manual filing systems are prone to potential misfiling and are difficult to search, obtain and track information and to develop statistical summaries and overviews. It is also difficult to create back-ups of manual filing systems or house them offsite for safekeeping from potential disasters. Storing manual files requires having adequate space, and it can be costly to ensure fire proof and water proof security.

An automated system can provide multiple benefits, including back-up filing systems and security, having search and retrieve features and the ability to export summaries and analysis. Automation can provide additional tools for personnel activities, such as employee self-service for personnel changes, automated reminders of upcoming deadlines, automated entry of the annual benefits elections and new types of reports and potential comparative information. It would simplify the administrative processes for HR staff, allow changes to be processed more quickly and accurately and forms would not need to be routed, completed and potentially be delayed or misplaced manually.

Just as there are risks to manual files, an automated environment also comes with new risks, particularly for data security and the cost of implementation and maintenance. With HR data, there are also legal requirements to consider.

HR staff stated that public agencies generally rely on maintaining physical/manual files for personnel records that include all historical information for each employee. In discussing automating personnel records, HR stated having concerns about potential privacy issues with automated files. Further, HR staff indicated that Worker's Compensation litigation requires access to complete personnel files for review (complete meaning since the employee was hired). The department already scans appraisals and employee fact sheets as a type of electronic filing system however, most of the personnel files are maintained with manual/physical records.

IA recommends that, while keeping legal requirements in mind, HR consider transitioning hard-copy paper documents to an electronic management system for HR activities. The department could survey similar public service agencies and/or consult with professional organizations and government personnel attorneys to evaluate options and consider potential automated approaches (including the new enterprise content management system ("ECMS") using Laser-fiche the Agency is implementing) that could be more efficient, effective and secure for the Agency.

Recommendations:

1. IA recommends that HR consider evaluating alternatives to the manual files used to maintain employee information, for example:

- *Working with Business Information Systems (BIS) to develop or acquire a self-service portal for employees to make updates and changes to certain information that currently requires a hard-copy document, such as withholding information, beneficiary information, address changes, or for adding or deleting a family member from their policies, and contribution amounts to various accounts.*
- *The Agency is in the process of implementing ECMS. HR may want to consider whether the new ECMS would provide an automated approach to maintaining and updating employee information or whether another automated approach would be possible.*

Department Response: *HR stated they have already been working with BIS to determine personnel information that can be automated, for routine items such as changes to withholdings, beneficiary information or for adding or deleting a family member from their policies, address changes, contribution or banking changes. HR indicated that they have discussed with BIS the possibility of developing a self-service portal for employees. The costs to enhance the functionality of the system were considered to outweigh the benefits, however staff will continue to monitor this option.*

HR already scans the annual performance evaluations and Fact Sheets (checklist of changes) to create an electronic record and will continue to evaluate options, including the new ECMS system. As noted, HR has concerns about safeguarding the confidentiality of employee data and compliance with legal requirements.

Fire proof/water proof storage

IA noted that personnel files are maintained in steel cabinets, they are kept locked with key and are situated inside the Deputy Manager's office. The entire HR department is secured and not open/accessible to just anyone. While the files appear to be kept locked and in a secured location, the cabinets are not fire proof nor water proof. As part of the Agency's disaster preparedness efforts, HR should consider placing personnel records in fire proof and water proof file cabinets since some of the personnel hard-copy records are the only record available because most HR files are not automated. It is important to safeguard the only copy of the documents on hand.

Recommendation:

2. As part of the Agency's disaster preparedness effort, IA recommends that HR consider maintaining manual/hard-copy files in fire proof/water proof cabinets.

Bank Reconciliation Controls

Good business practices require that timely bank account reconciliations be performed monthly to ensure the bank statement issued by the financial institution matches the organization's internal financial records. The reconciliation is also a useful tool to identify any deposits, disbursements, outstanding checks, service fees, reconciling items and/or unusual activity that require further attention. Reconciliations should be reviewed and approved by a supervisor to ensure outstanding items are addressed and resolved appropriately.

During period under audit, the Agency used Bank of America (BoFA) for payroll banking activities. The activities included employee's payroll (paid biweekly via direct deposit), Board of Director's payments, and employee buybacks of unused sick leave and/or vacation hours. All payroll banking activities were processed through one bank account. Employee payroll taxes were paid through a separate BoFA bank account.

Below is a table showing the financial information related to the Payroll Bank Account only, it does not include taxes, CalPERS payments, and/or any other Agency-related benefits:

Bank of America - Payroll

Period	Deposits and Other Credits	Withdrawals and Other Debits	Checks	Service Fees
January – December, 2016 (12 months)	\$28,174,063.55	(\$27,770,106.35)	(\$402,974.17)	(\$14,275.76)
January – April, 2017 (4 months)	\$10,189,710.40	(\$9,899,184.22)	(\$248,962.70)	(\$5,079.86)

Bank Reconciliations – Standard Operating Procedure (SOP)

Observation #2: FAD SOPs should be updated to reflect current practice.

Due to the recent changes with the Agency's banking institution and the implementation of SAP in 2013, the SOP Procedures No: CR PR-08 should be updated to reflect the new bank reconciliation processes.

In June 2017, the Agency transitioned payroll banking activities from BoFA to Citizens Business Bank (CBB) and began using a Zero Balance Account (ZBA) for all payroll payments. According to FAD, the purpose for changing banks is to streamline banking operations and save on banking fees.

Recommendation:

- 3. FAD should update Standard Operating Procedure No. CR PR-08 to reflect the new payroll bank reconciliation process, communicate the procedure to all department employees and ensure the SOP is in the format outlined in accordance with Agency Policy A-51.***

Department Response: FAD intends to have the SOP updated by the end of the first quarter of Fiscal Year 2017-18.

Bank Reconciliations – Timely Bank Reconciliations

Observation #3: Bank reconciliations are not always prepared and reviewed in a timely manner.

FAD's documented Standard Operating Procedure (SOP) (*Reconciliation of the Bank of America Payroll Bank Account, Procedures No: CR PR-08, effective July 1, 2012, Section 2.02*), states that the Bank Reconciliation is to be performed monthly, ideally within 30 days after month-end closing. For example, for the month of September, the reconciliation should be completed by October 31st.

IA reviewed the bank reconciliations, along with supporting documentation including the original and downloaded bank statements and reports from the Agency's financial system (SAP), for Calendar Year 2016 and through April 2017. IA noted the following:

- Six of 16 (37%) reconciliations were not prepared in a timely manner
- Eight of 16 (50%) reconciliations did not have evidence of timely supervisory review

Findings related to the Bank Reconciliation

Year	Month	Prepared Timely	Reviewed Timely
2016	January	No – No date noted	No
2016	February	No – No date noted	No
2016	March	Yes	Yes
2016	April	Yes	Yes
2016	May	Yes	Yes
2016	June	Yes	Yes
2016	July	No	No - No date noted
2016	August	Yes	No
2016	September	Yes	No
2016	October	Yes	Yes
2016	November	Yes	Yes
2016	December	Yes	Yes
2017	January	No	No
2017	February	No – No date noted	No
2017	March	No – No date noted	No
2017	April	Yes	Yes

Previous Audit Observations:

As noted in the August 2010 Payroll Audit and the 2012 Payroll Operations Follow-Up audit, the timeliness of bank reconciliations for the payroll bank account has been an ongoing observation. The department's procedures and controls still need to be strengthened to ensure bank reconciliations are prepared and reviewed timely.

A comparison of the timeliness of bank reconciliations from the current and prior audits shows:

Comparison of Bank Reconciliation Findings for three audits:

	Not Prepared Timely	No Evidence of Timely Supervisory Review
Current 2017 Audit	6 of 16 or 37%	8 of 16 or 50%
2012 First Follow-Up Audit	5 of 22 or 23%	5 of 22 or 23%
2010 Original Audit	14 of 23 or 61%	9 of 23 or 39%

When reconciliations are not performed timely, items that require immediate attention are not resolved. Although no employees went unpaid, reconciliations are an internal control and best practice to ensure questionable items are identified immediately, the lack of timely reconciliations has been noted by IA three times since 2010.

Bank Reconciliations – Outstanding Item Not Resolved Timely

IA noted an outstanding payroll check and an EFT return that both remained outstanding for more than a year. The outstanding check was issued on September 4, 2015 in the amount of \$2,077.77, while the EFT was a reconciling item for \$1,500.00 and was listed on the bank reconciliation since April 2016. IA notes that this was an unusual situation where the former employee could not be reached; however, there are other accounting practices that could have been employed to “resolve” the item and post it more appropriately and timely.

Department Response: FAD noted that management approval has been obtained to address and resolve both matters in the May 2017 reconciliation. Agency legal counsel had been contacted several times about resolving the outstanding check since it was not cashed because the Agency was unable to locate the former employee. The outstanding check will be set up as a liability on the Agency’s records. The EFT return was resolved by posting offsetting journal entries to clear the general ledger account.

Recommendation:

- 4. FAD should ensure bank reconciliations are prepared monthly and supervisory review occurs in a timely manner to ensure all outstanding and reconciling items are researched, investigated and resolved.**

Department Response: FAD noted that some of the late reconciliations occurred because the responsible employee was out on FMLA leave and the department had not established a back-up process. FAD now includes the reconciliation deadlines on the department’s automated calendar and a secondary staff member has been assigned to serve as a back-up to ensure timely completion of bank reconciliations.

Payroll – Manual Checks vs Direct Deposit

Observation #4: Agency uses direct deposits for all normal biweekly payroll transactions. However, manual checks are still prepared for two types of Payroll items: Vacation Leave Cash Out and Sick Leave Buy Back, as well as some members of the Board of Directors. The Agency should continue to move in the direction of paperless and automating processes that can be automated.

Annually, eligible employees may request to convert 70% of their annual vacation accrual into a cash payment. Specifics of this program are defined in each group's Memorandum of Understanding (MOU)/Personnel Manual. Payment for Vacation Leave Cash Out occurs in April of each calendar year. For sick leave, eligible employees may request to convert a specified amount of accrued sick leave hours into a cash payment. The MOU/Personnel Manual defines the requirements of the benefit and it is paid out to employees in December of each year.

In calendar year 2016, these two Payroll runs amounted to 216 checks and over \$370,000 in compensation. In these instances, the employees are paid via a separate, manually prepared check. Manual checks require additional staff time and resources for processing and preparation and can result in employee's losing or misplacing checks. Agency Policy A-54 (Direct Deposits of Net Payroll Checks & Retiree Longevity Payments, effective February 22, 2011) requires only that regular employee payroll and retirees be compensated via direct deposit. Changes to require direct deposit for Vacation Leave Cash Out and/or Sick Leave Buy Back program would require meet/confer processes with the associated Bargaining Units and re-negotiation of the MOU/Personnel Manual, which is in effect until June 30, 2018. IA encourages HR to take the lead and initiate discussions regarding direct deposits for all payroll related checks, in order to move towards a more efficient and paperless environment.

Recommendation:

- 5. As part of moving into a paperless, automated environment, HR should take the lead to promote and encourage having all payments made more efficiently through direct deposits instead of manually writing paper checks.***

Ethics and Fraud Awareness/Prevention Training Specific to Payroll Functions

IA recommends that all employees with payroll-related functions attend ethics and/or fraud awareness/prevention training specifically related to their job duties within payroll. Ethics/fraud awareness/prevention training will reinforce good internal controls and provide an opportunity to stay informed and about the latest potential risks and safeguards. The more informed employees are, the more likely they will be able to identify potential risks and breakdowns in internal controls. IA recommends that HR and FAD identify and share training opportunities for their staff and determine the type and length of time necessary for ethics/fraud awareness/prevention training.

Recommendation:

- 6. Both HR and FAD should encourage employees with payroll related functions to attend ethics/fraud awareness training specific to their job responsibilities to stay informed about new developments, risks and safeguards (for example, safeguards for potential payroll fraud, safeguarding personnel files and employee confidential information, etc.)**

Payroll Audit Follow Up – Best Practices Survey

IA has occasionally conducted surveys of comparable agencies to obtain independent insight into potential “best practices”. As a next step, IA intends to work with HR and FAD to develop questions for a survey of other agencies to better understand how they address their human resource and payroll activities. Items that could be considered for the survey include human resource and payroll automation tools, policies and procedures, direct deposit requirements and ethics training. The information gathered will provide ideas and different methodologies related to payroll processes and is intended to help with providing options or direction for the implementation of the recommendations noted in this report.

As “next steps” IA will begin drafting the survey questions and gather feedback from HR and FAD and gather a list of comparable agencies. Once results are gathered, IA will provide the information to both HR and FAD for their review and evaluation as well as report it separately to the Audit Committee and the Board. IA anticipates completing the survey by December 2017.

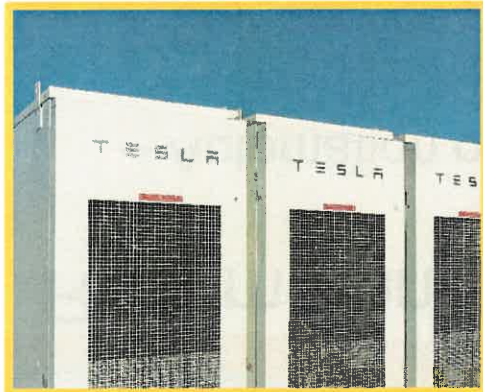
The Payroll Operations Audit and the proposed survey are consistent with the Agency’s Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by providing an independent evaluation of IEUA’s Payroll Operations and suggesting recommendations for improvements.

Attachment 1 – 2017 Payroll Audit Recommendations

Audit Report Date	Rec #	Recommendations
August 30, 2017	1	<p>IA recommends that HR consider evaluating alternatives to the manual files used to maintain employee information, for example:</p> <ul style="list-style-type: none"> • Working with Business Information Systems (BIS) to develop or acquire a self-service portal for employees to make updates and changes to certain information that currently requires a hard-copy document, such as withholding information, beneficiary information, address changes, or for adding or deleting a family member from their policies, and contribution amounts to various accounts. • The Agency is in the process of implementing ECMS. HR may want to consider whether the new ECMS would provide an automated approach to maintaining and updating employee information or whether another automated approach would be possible.
	2	As part of the Agency's disaster preparedness effort, IA recommends that HR consider maintaining manual/hard-copy files in fire proof/water proof cabinets.
	3	FAD should update Standard Operating Procedure No. CR PR-08 to reflect the new payroll bank reconciliation process, communicate the procedure to all department employees and ensure the SOP is in the format outlined in accordance with Agency Policy A-51.
	4	FAD should ensure bank reconciliations are prepared monthly and supervisory review occurs in a timely manner to ensure all outstanding and reconciling items are researched, investigated and resolved.
	5	As part of moving into a paperless, automated environment, HR should take the lead to promote and encourage having all payments made more efficiently through direct deposits instead of manually writing paper checks.
	6	Both HR and FAD should encourage employees with payroll related functions to attend ethics/fraud awareness training specific to their job responsibilities to stay informed about new developments, risks and safeguards (for example, safeguards for potential payroll fraud, safeguarding personnel files and employee confidential information, etc.)

AUDIT COMMITTEE

Payroll Operations Audit



Payroll Operations Audit

Recommendations for Human Resources:

- Automation of personnel documents
- Self-service portal for employees to make direct changes and updates to information
- All payroll related payments through direct deposit not manual checks
- Safeguard all manual files in fire proof and/or water proof cabinets.

Payroll Operations Audit

Recommendations for Finance & Accounting:

- Update Standard Operating Procedure No. CR PR-08 to reflect the new payroll bank reconciliation process
- Bank reconciliations should be prepared monthly and reviewed by a supervisor and outstanding issues should be resolved timely.

Payroll Operations Audit

Recommendation re Ethics Training

Both HR and FAD should encourage employees with payroll related functions to attend ethics/fraud awareness training specific to their job responsibilities to stay informed about new developments, risks and safeguards in those specific areas.

Payroll Operations Audit

NEXT STEPS: Survey of Comparable Agencies

Internal Audit will take the lead to complete survey:

- Automation tools, systems/programs
- Direct deposit for all types of payroll payments including leave
- Ethics/fraud awareness training

Anticipated date for Completion: December 2017



The End Questions or Comments?

The Payroll Operations audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that the recommendations foster a strong control environment, and assist management in achieving organizational goals.

**AGENCY
REPRESENTATIVES'
REPORTS**

6B



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

Board Meeting - Revised Agenda

September 12, 2017

12:00 p.m. -- Boardroom

MWD Headquarters Building 700 N. Alameda Street Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Laura Garcia, Administrative Assistant, Engineering Services
- (b) Pledge of Allegiance: Director Stephen Faessel, City of Anaheim

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(a))

5. OTHER MATTERS

- A. Approval of the Minutes of the Meetings for August 8 and 15, 2017. (A copy has been mailed to each Director) Any additions, corrections, or omissions

Draft Minutes August 8, 2017

Draft Minutes August 15, 2017

- B. Report on Directors' events attended at Metropolitan expense for month of August

- C. Approve committee assignments
- D. Chairman's Monthly Activity Report
- E. Presentation of 10-year service pin to Director Sylvia Ballin

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of activities for the month of August
6A Report
- B. General Counsel's summary of activities for the month of August
6B Report
- C. General Auditor's summary of activities for the month of August
6C Report
- D. Ethics Officer's summary of activities for the month of August
6D Report

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Adopt CEQA determination and appropriate \$1.9 million; award \$748,353.67 procurement contract to Allen Instruments & Supplies; and authorize upgrades to the geodetic deformation monitoring system at Diamond Valley Lake (Appropriation No. 15419). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the 2016 Notice of Exemption and that no further environmental analysis or documentation is required, and
a - Appropriate \$1.9 million;
b - Award \$748,353.67 procurement contract to Allen Instruments & Supplies to provide deformation monitoring equipment; and
c - Authorize upgrades to the geodetic deformation monitoring system at Diamond Valley Lake.

7-1 Board Letter and Attachments

7-1 Presentation

- 7-2 Adopt CEQA determination and appropriate \$1.81 million; award \$556,944 procurement contract to Southwest Valve & Equipment to provide plug valves for the Orange County Feeder; and authorize design and construction to replace valves at the Fairplex and Walnut Pressure Control Structures (Appropriations Nos. 15377 and 15480). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that for Project No.1, the proposed action has been previously addressed in the adopted 2014 Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and that no further environmental analysis or documentation is required; and that for Project No. 2, the proposed action is categorically exempt; and

a - Appropriate \$1.81 million;

**b - Award \$556,944 procurement contract to Southwest Valve & Equipment to provide plug valves for the Orange County Feeder; and
c - Authorize design and construction to replace valves at the Fairplex and Walnut Pressure Control Structures.**

7-2 Board Letter and Attachments

7-2 Presentation

END OF CONSENT

CALENDAR

8. OTHER BOARD ITEMS — ACTION

- 8-1 Adopt CEQA determination and authorize entering into agreements related to international cooperative measures in the Colorado River Basin, payment of up to \$7.5 million for acquisition of supplies from international projects, continuing participation in pilot program to fund water use efficiency measures for the Colorado River, and payment of up to \$2 million for efficiency measures. (WP&S)

Recommendation:

Option #1: Adopt CEQA determination that the proposed actions are exempt from CEQA or are not defined as a project, and:

a - Authorize Metropolitan to enter into multiple agreements in support of a program to augment Metropolitan's Colorado River supply through the funding of international projects in Mexico, consistent with the terms described in this board letter, and in a form approved by the General Manager and General Counsel;

b - Authorize payment of up to \$7.5 million for acquisition of supplies from the international projects;

c - Authorize the General Manager to continue to participate in the pilot

program for funding the creation of Colorado River system water through voluntary reductions in use; and
 d - Authorize payment of up to an additional \$2 million for partially funding the pilot program.

8-1 Board Letter and Attachment

8-1 Presentation

- 8-2 Adopt CEQA determination and appropriate \$7.12 million; and award \$5,961,003 procurement contract to Flowserve Corporation for valve actuators for the Robert B. Diemer Water Treatment Plant (Appropriation No. 15436). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
 a - Appropriate \$7.12 million; and
 b - Award \$5,961,003 procurement contract to Flowserve Corporation for valve actuators for the Diemer plant.

8-2 Board Letter and Attachments

8-2 Presentation

- 8-3 Adopt CEQA determination and approve entering into 2017-2021 Memorandum of Understanding between The Metropolitan Water District of Southern California and The American Federation of State, County and Municipal Employees, Local 1902. (OP&T)
 [Conference with Labor Negotiators to be heard in closed session pursuant to Gov. Code 54957.6. Agency representative: Stephen Lem, Manager of Labor Relations and EEO Investigations Section. Employee organizations: The American Federation of State, County and Municipal Employees. Association of The Metropolitan Water District of Southern California (AFSCME), Local 1902.] (Revised)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
 Authorize the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into a successor MOU with AFSCME (Added)

9. BOARD INFORMATION ITEMS

9-1 Board Report on Conservation Program

9-1 Report

9-2 Mid-cycle Biennial Budget Review. (F&I)

9-2 Board Letter

9-2 Presentation

9-3 Claim for attorneys' fees and costs involving investigation of executive manager - one potential case. (L&C) [Conference with legal counsel- anticipated litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)]

10. OTHER MATTERS

10-1 Review of Department Head Performance Evaluations [Public employee's performance evaluations: General Manager, General Counsel, General Auditor, and Ethics Officer, to be heard in closed session pursuant to Gov. Code Section 54957] (Code number revised)

10-2 Public Employee Discipline/Dismissal/Release [to be heard in closed session pursuant to Gov. Code Section 54957] (Added)

10-3 Report on 2017 Department Head Salary Survey

10-3 & 10-4 Presentation

10-4 Adopt the CEQA determination to discuss and approve compensation recommendations for General Manager, General Counsel, General Auditor, and Ethics Officer

11. FOLLOW-UP ITEMS

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

REVISED: Date of Notice: September 7, 2017

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

**AGENCY
REPRESENTATIVES'
REPORTS**

6C



Regional Sewerage Program Policy Committee Meeting

AGENDA

Thursday, September 7, 2017

4:00 p.m.

Location

Inland Empire Utilities Agency
Boardroom
6075 Kimball Avenue
Chino, CA 91710

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

Changes/Additions/Deletions to the Agenda

1. **Technical Committee Report** (*Oral*)
2. **Action Item**
 - A. Approval of the July 27, 2017 Meeting Minutes
 - B. San Sevaine Basin Improvements Construction Contract Award
3. **Informational Items**
 - A. Regional Contract Update/Renewal (*Oral*)
 - B. Long Range Plan of Finance
4. **Receive and File**
 - A. Building Activity Update
 - B. Recycled Water Distribution – Operations Summary
5. **Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – October 5, 2017 at RP-1 (*Tour at 3:00pm*)
6. **Adjournment**

DECLARATION OF POSTING

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Monday, September 4, 2017.

Laura Mantilla

**GENERAL
MANAGER'S
REPORT**

Date: September 20, 2017

To: The Honorable Board of Directors

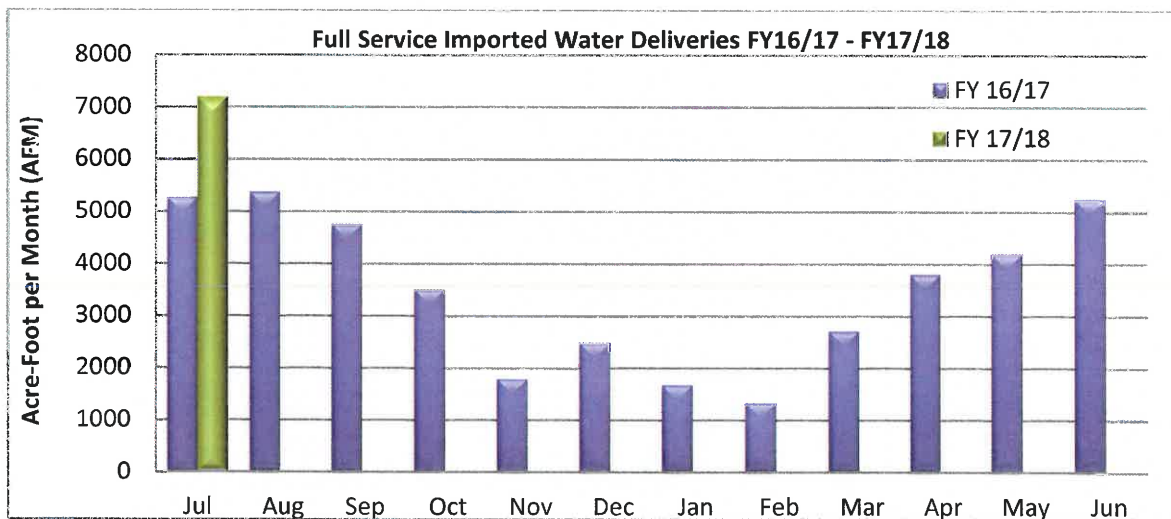
From: P. Joseph Grindstaff, General Manager *PJG*

Subject: General Manager's Report Regarding Agency Activities

PLANNING & ENVIRONMENTAL RESOURCES

Imported Water

For FY 2017/18, the full service imported water deliveries for the month of July were higher compared to FY 2016/17.



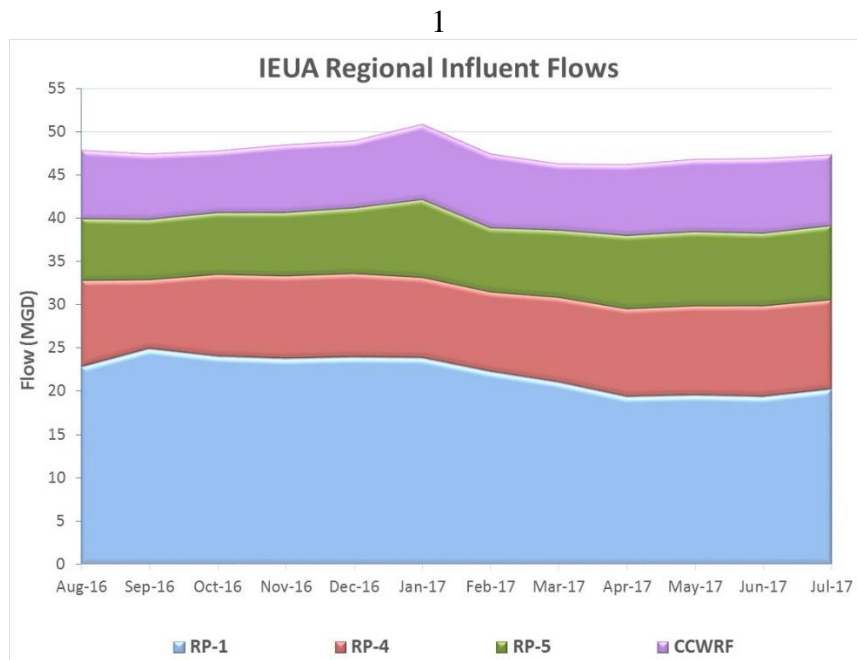
Wastewater

RP-1, RP-4, and CCWRF met all the NPDES requirements and effluent / recycled water limitations during the month of July 2017.

The effluent grab sample collected at M-004 on July 6, 2017, resulted in a sample exceeding 240 MPN/100 mL. IEUA staff has concluded that the anomalous coliform value may have been caused by sample contamination during sample collection and is not a representative of the CCWRF effluent and its exceptional track record for total coliform. As a precaution, the sample pump and sample line were cleaned on July 7, 2017. Operations staff was recently retrained on sample collection protocols for compliance samples on June 28, 2017. Additionally, separate coliform sample coolers will be used to protect coliform samples from cross contamination during transport and delivery to the RP-1 laboratory.

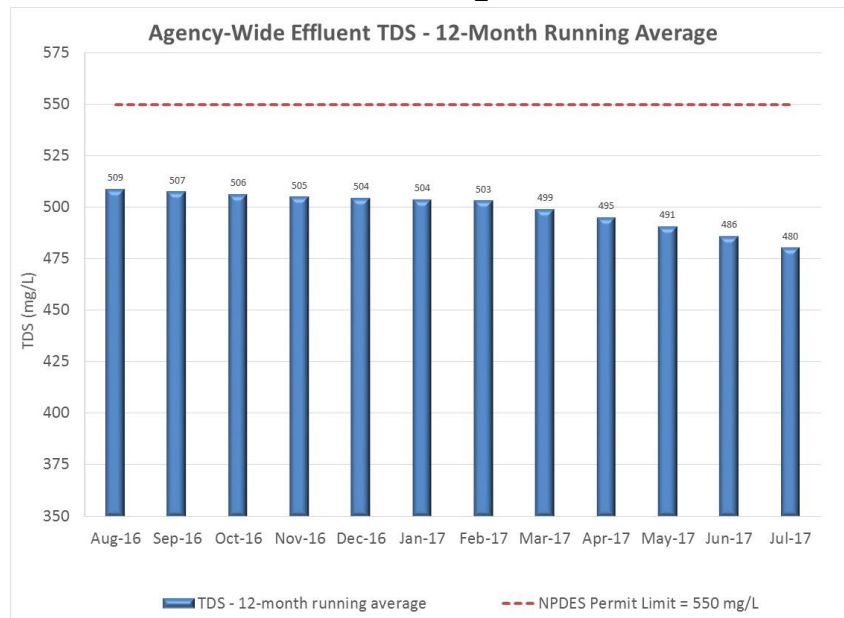
During July 2017, one effluent grab sample was collected for trihalomethanes (THMs) analysis at CCWRF’s effluent monitoring location, M-004. The analyses resulted in a monthly average of 36 µg/L for Chlorodibromomethane and 51 µg/L for Dichlorobromomethane, which exceeded the average monthly effluent limitations of 34 µg/L and 46 µg/L, respectively. IEUA has investigated the reason for the elevated concentration of brominated trihalomethanes. As part of this effort, Pretreatment & Source Control staff had identified two industrial sources for bromide, which is a precursor to the formation of brominated trihalomethanes. Beginning August 2017, the primary industrial source of bromide in the regional wastewater system has transitioned to a bromide-free sanitizing agent. The use of the new sanitizing agent required FDA approval. CCWRF is presently in compliance with chlorodibromomethane and dichlorobromomethane effluent limitations.

1. The Agency-wide average wastewater influent flow for the month of July 2017 was 47.4 million gallons per day (mgd), which is a 0.4 mgd increase from the June 2017 total influent flow.



2. The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for July 2017 was 6.0 mg/L.

The discharge permit effluent limit for total dissolved solids (TDS) is 550 mg/L. The 12-month running average TDS value for July 2017 was 480 mg/L.



Air Quality

With regards to air quality compliance for August 2017, one reportable incident was discovered during an internal semi-annual air quality compliance audit. The incident occurred at RP-5 SHF between June 20-21 and 26-27 of 2017, where the east perimeter hydrogen sulfide (H2S) ambient air monitor exceeded the 0.03 ppmv permitted limit. The incident was not immediately reported to IEUA Compliance as required of IBE personnel. IBE staff will be promptly retrained.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY UPDATE

Operational Comments

Facility throughput for August averaged approximately 88% of permitted capacity at an average of 402 tons per day of biosolids and 102 tons per day of amendments (based on a 31-day month). The facility is operating well with no violations or lost-time incidents.

Facility Biosolids Throughput

SOURCE	WET TONS MONTH	WET TONS YEAR TO DATE
LACSD	6,179.92	40,989.77
IEUA	4,743.63	45,154.77
OCSD	1,540.38	8,942.10
TOTAL	12,463.93	95,086.64

Compost Sales

Sales volumes and revenues were higher in August compared to the same period last year due to a greater demand from the landscape market segment. Sales are expected to increase to approximately 26,000 cubic yards per month through the end of the year due to the beginning of the agriculture season. Compost inventory in the storage facility is 18,306 cubic yards of finished material.

Monthly Sales Summary

CUBIC YARD	\$/CUBIC YARD	TOTAL REVENUE
19,226.62	\$1.93	\$37,071.78

Fiscal Year-To-Date Sales Summary

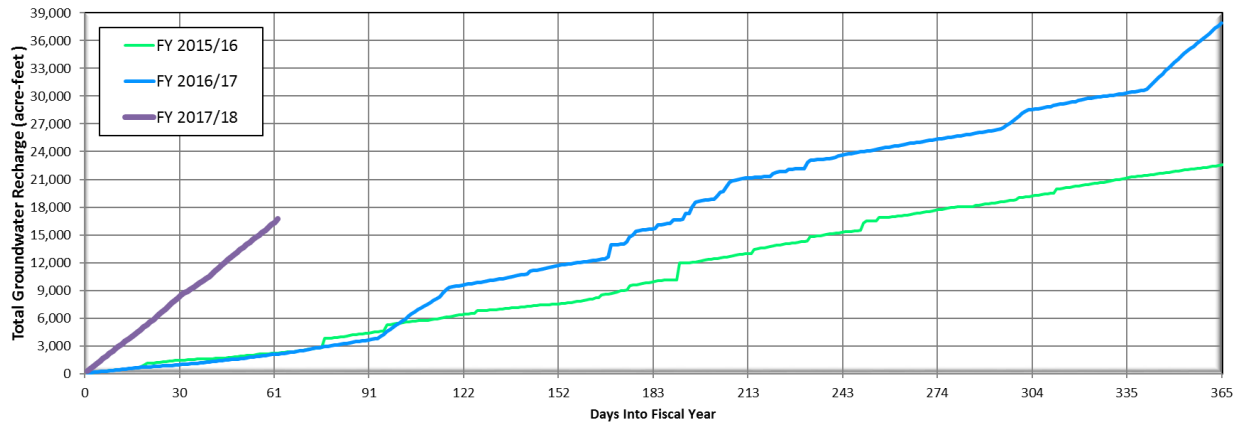
MONTH	TOTAL YARDS 2017/2018	TOTAL YARDS 2016/2017	TOTAL REVENUE 2017/2018	TOTAL REVENUE 2016/2017
July	21,518.61	14,898.82	\$31,737.00	\$27,554.05
August	19,226.62	13,973.73	\$37,071.78	\$32,185.36
September		28,277.42		\$25,161.07
October		33,118.70		\$30,402.44
November		36,746.25		\$26,452.12
December		27,866.97		\$26,088.79
January		7,965.39		\$11,934.94
February		14,371.47		\$20,070.21
March		22,580.72		\$36,895.88
April		14,887.63		\$36,561.10
May		19,121.35		\$39,387.11
June		17,893.20		\$38,379.99
TOTAL	40,745.23	251,701.65	\$68,808.78	\$351,073.06
AVERAGE	20,372.62	20,975.14	\$34,404.39	\$29,256.09

GROUNDWATER RECHARGE

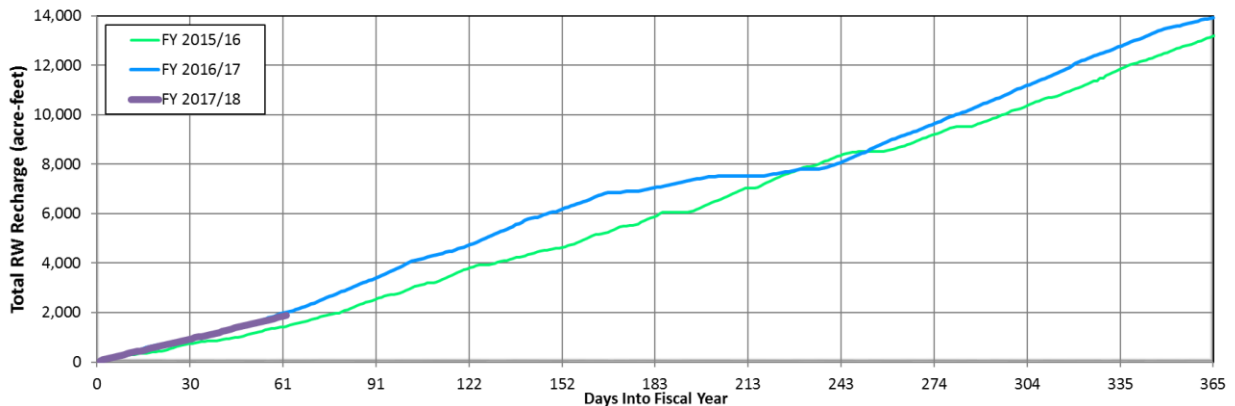
Groundwater Recharge – August 2017 (preliminary)

During August 2017, recycled water recharge totaled 935 acre-feet. There was 7,068.1 acre-feet of imported water recharge recharged for the MWD Dry Year Yield Program. Miscellaneous water captured in the recharge basins from local runoff, well pump discharges, and rainfall from one rain event totaled 252 acre-feet. Monthly summaries of recharge by recharge site for the Chino Basin Groundwater Recharge Operations can be found at <http://www.ieua.org/category/reports/groundwater-recharge-reports>.

Total Groundwater Recharge – August 2017

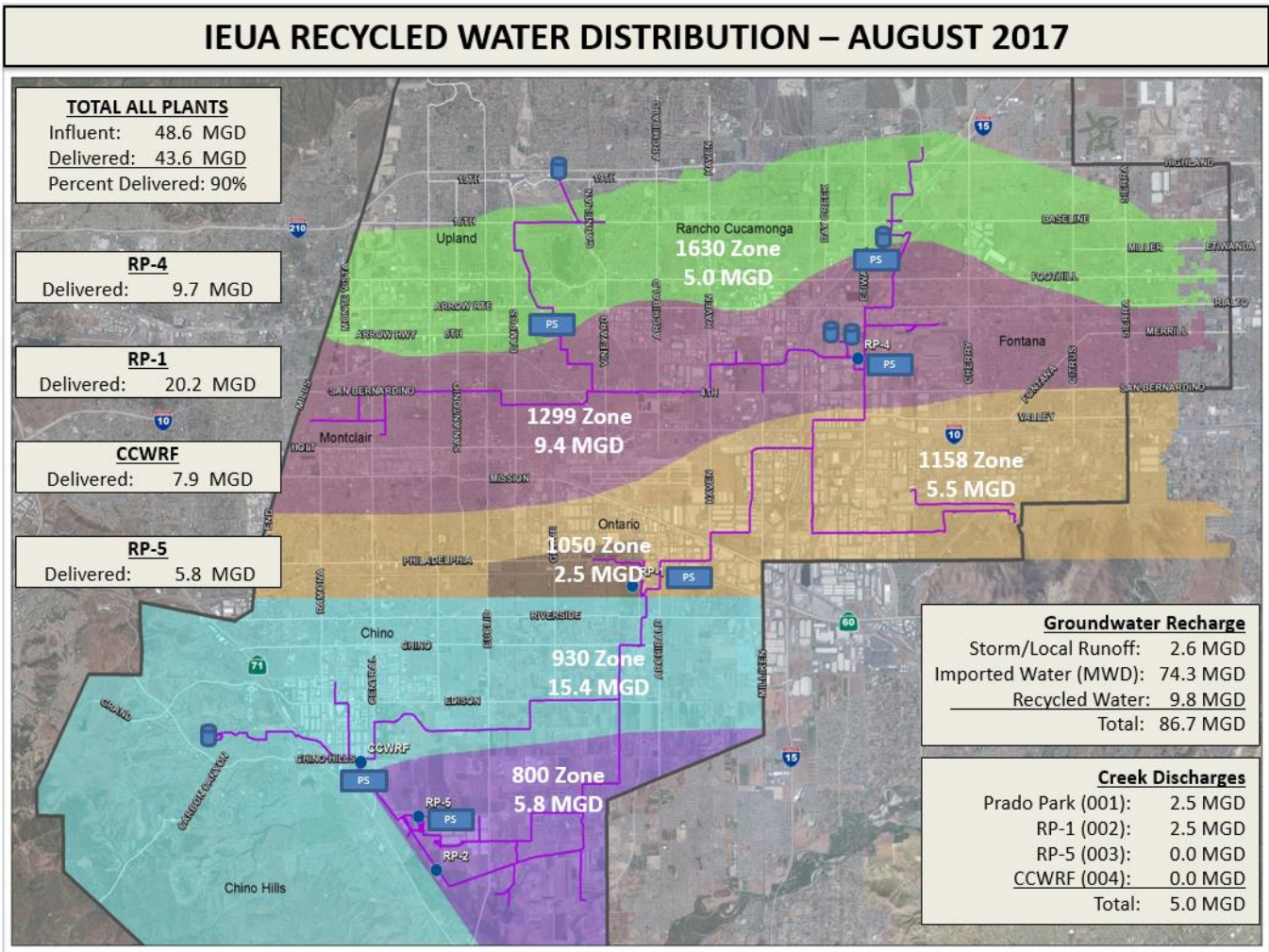


Recycled Water Delivered to Groundwater Recharge – August 2017



RECYCLED WATER

During August 2017, 90% (43.6 MGD) of IEUA recycled water supply (48.6 MGD) was delivered into the distribution system for both direct use customers (33.8 MGD) and groundwater recharge (9.8 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 5.0 MGD.

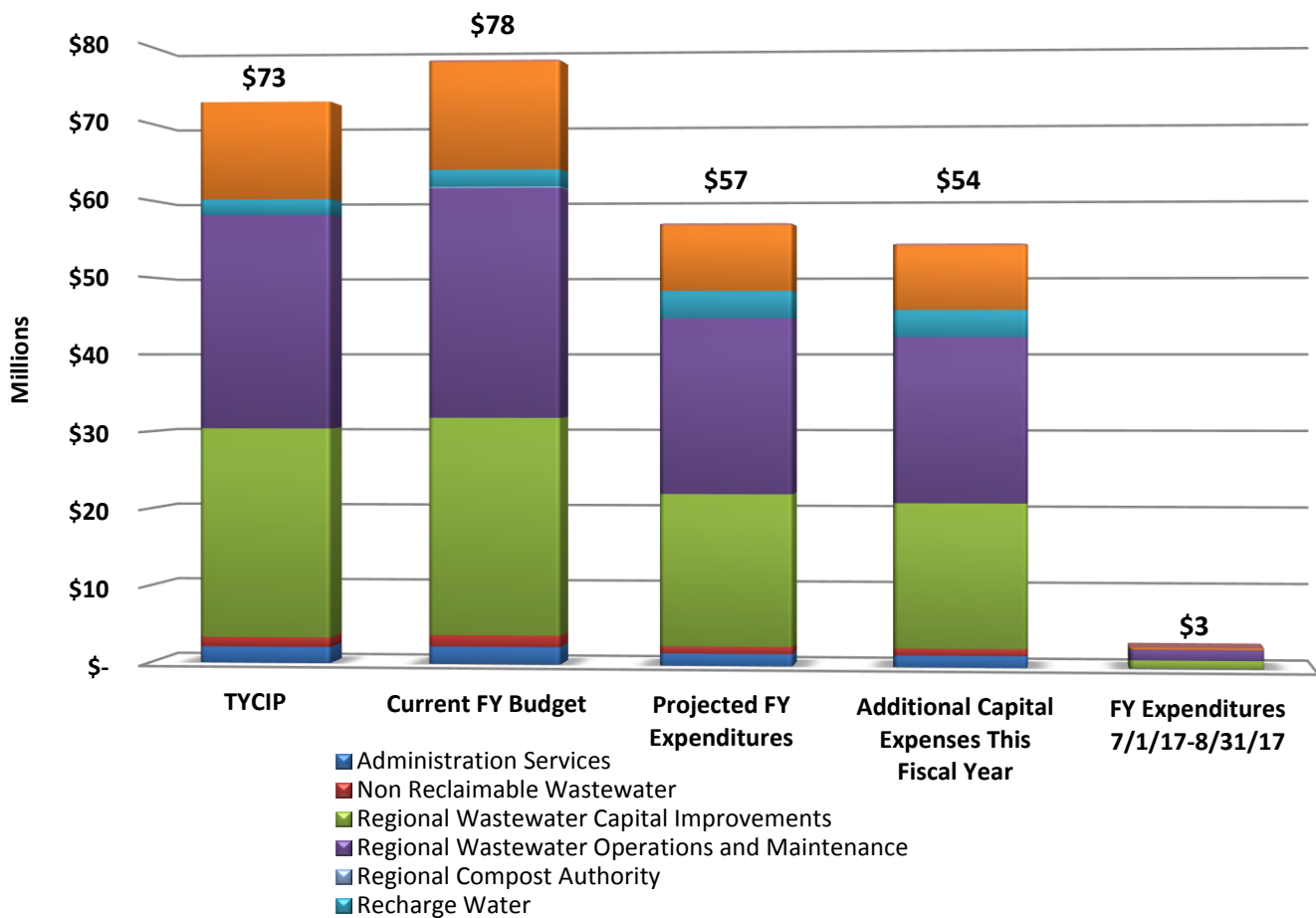


ENGINEERING DESIGN & CONSTRUCTION

For FY 2016/17, Engineering and Construction Management spent 62%, \$39,495,026, of the FY budgeted amount of \$65,786,729.

For FY 2017/18, the original TYCIP for Engineering and Construction Management was \$72,762,588. The FY 2017/18 budget has been amended to \$78,087,616 during the budget rollover process. As of August 31, 2017, staff has projected to spend \$56,881,172, of which \$2,681,254 has been expended. The following charts summarize the project status update for FY 2017/18.

Engineering and Construction Management FY 2017/18 Budget Status Update



The accompanying attachments have detailed information for IEUA’s capital improvement program.

- Attachment A: Bid and Award Look Ahead Schedule
- Attachment B: Active Capital Improvement Project Status
- Attachment C: Emergency Projects

EXTERNAL AFFAIRS DIVISION

Grants Update

A site visit is scheduled with a representative from State Water Resources Control Board for the New Water Quality Laboratory on September 12, 2017.

In August, staff participated in the following additional activities:

- ***“Grant Master Data Training”*** – the Agency’s BIS group provided overall training on entering Grant Master data and Grants module of SAP. All members of the department received overall training. Three staff members were selected to receive additional training, which will provide the ability to enter data directly into SAP in the future as well as the ability to assist and train other department staff members further.
- ***“California Financing Coordinating Committee (CFCC) Funding Fair”*** – several members of the grants team attended a free half-day funding fair at California State University of San Bernardino (CSUSB) on August 29, 2017. The fair provided opportunities to obtain information about currently available infrastructure grant, loan financing programs and options, and provided an opportunity for attendees to speak directly with program staff about specific projects and issues affecting their community.

Board Activities:

None since the last meeting.

Grant/Loan Application Submitted:

- A grant application was submitted on August 14, 2017, to the California Water Commission (CWC) for the 2017 Water Storage Investment Program, proposing the Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program with a total project cost of \$480,000,000.
- An application was submitted on August 31, 2017, to the California Department of Parks and Recreation for the Outdoor Environmental Education Facilities Grant Program with a total project cost of \$810,000.

Grant/Loan Applications in Process:

- State Water Resources Control Board (SWRCB): SRF Loan Application for Chino Basin Watermaster Recharge Master Plan Update (RMPU) Planning and Construction Project
- SWRCB: SRF Loan Application for the RP-1/RP-5 Construction Project
- SWRCB: SRF Loan Application for Monte Vista Water District (MVWD) Recycled Water Project

Grant/Loan Agreement Negotiation:

Grants staff have been negotiating two Proposition 1 grant agreements, including:

- \$11.4M South Archibald Cleanup
- \$10M Stormwater Implementation

Grants staff have also been negotiating State Revolving Fund loan agreements for two of the following seven recycled water capital improvement projects, including: San Sevaine Basin Improvements and Napa Lateral. It is anticipated that funding agreements will be received by the end of fall 2017.

#	Project Name	Total Project Cost	Green Project Reserve Grant	State Revolving Fund Loan
1	San Sevaine Basin Improvements	\$ 6,460,000	\$ 2,500,000	\$ 3,960,000
2	Napa Lateral	\$ 6,050,000	\$ 2,500,000	\$ 3,550,000
3	RP-1 1158 PS Upgrades	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000
4	RP-5 RW Pipeline Bottleneck	\$ 2,755,000	\$ 1,377,500	\$ 1,377,500
5	Pressure Sustaining Valve Installation	\$ 850,000	\$ 425,000	\$ 425,000
6	RP-1 Parallel Outfall Pipeline	\$ 5,700,000	\$ 2,500,000	\$ 3,200,000
7	Baseline Extension (Village of Heritage)	\$ 5,417,417	\$ 2,500,000	\$ 2,917,417
	Total	\$ 31,232,417	\$ 13,802,500	17,429,917

Grant Reimbursements Processed and Reporting Activities:

The following is a status update on several existing contracts for various grants and loans:

- U.S. Bureau of Reclamation (USBR) Title XVI – Brine Concentrate Reduction Facility Invoice #2 for \$2,468,000
- Santa Ana Watershed Project Authority (SAWPA)– Regional Residential Landscape Retrofit Invoice #11 for \$20,874.46
- SWRCB – Water Quality Lab Project Invoice #6 for \$1,122,163

Records Management Update

The Records Management Group(RM) has completed records retention compliance FY 2015/2016, and is happy to announce 100% compliance for the seventh straight year from all reporting departments.

Compliance requires all managers and departments to purge and send all inactive records to RM according to their current retention schedule. Records compliance is applicable to Agency Resolution #2013-2-1, Policies and Procedures and Standard Operating Procedures. Ninety-five boxes of obsolete records were destroyed by the RM staff during the compliance year.

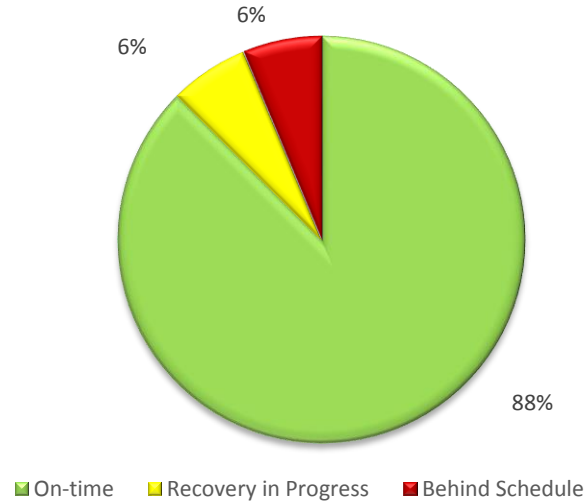
The compliance package for FY 2016/2017 will be sent to departments December 1, 2017 and will be due back to Records Management March 1, 2018.

Attachment A
 Bid and Award Look Ahead Schedule

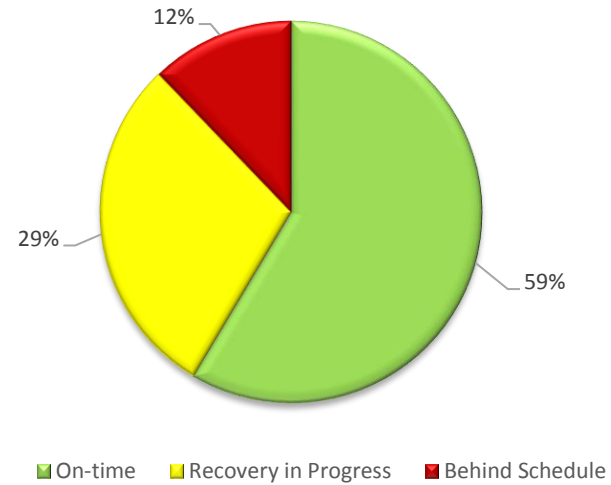
Bid and Award Look Ahead Schedule			
	Project Name	Projected Bid Opening Date	Projected Bid Award Date
	Oct-17		
1	DL37140.00 CDA Chino I Desalter Ion Exchange Piping Replacement	28-Aug-17	18-Oct-17
2	EN14019.00 RP-1 Headworks Primary and Secondary Upgrades	7-Sept-17	18-Oct-17
	Nov-17		
3	EN17044.00 RP-1 Power Reliability Generator Control Upgrades	12-Sep-17	15-Nov-17
4	EN14043.00 RP-5 RW Pipeline Bottleneck	13-Sep-17	15-Nov-17
5	EN17110.01 RP-4 Trident Filters Rehabilitation and Replacement	22-Sep-17	15-Nov-17
6	EP17003.00 RP-1 Training Room	26-Sep-17	15-Nov-17
7	CP16003.00 Headquarters Roofing Replacement	26-Sep-17	15-Nov-17
	Dec-17		
8	WR15021.00 Napa Lateral	24-Oct-17	13-Dec-17
9	PA17006.02 RP-5 Aeration Diffuser Panel Replacement 16/17	2-Nov-17	13-Dec-17
	Jan-18		
10	EN13048.00 RP-1 Power System Upgrades	1-Dec-17	17-Jan-18
11	EN11039.00 RP-1 Disinfection Pump Improvements	5-Dec-17	17-Jan-18
12	EN17077.00 SBLS Emergency Diversion	24-Dec-17	17-Jan-18
	Mar-18		
13	EN17042.00 Digester 6 and 7 Roof Repairs	26-Jan-18	21-Mar-18
	Apr-18		
14	RW15004.00 Lower Day Basin RMPU Improvements	9-Apr-18	18-Apr-18
	Jun-18		
15	EN15012.00 RP-1 Primary Effluent Conveyance Improvements	22-Mar-18	20-Jun-18
	Jul-18		
16	EN18006.00 RP-1 Flare Improvements	24-May-18	18-Jul-18
	Sep-18		
17	EN17082.00 RP-1 Mechanical Restoration and Upgrades	3-Jul-18	19-Sep-18
18	EN14042.00 RP-1 1158 RWPS Upgrades	24-Jul-18	19-Sep-18
19	EN17049.00 Baseline RWPL Extension	7-Aug-18	19-Sep-18
	Oct-18		
20	EN17039.00 8th St. Basin RW Turnout Discharge Retrofit	13-Sep-18	17-Oct-18
21	EN16021.00 TCE Plume Cleanup	31-May-18	17-Oct-18
	Nov-18		
22	EN17080.00 System Cathodic Protection Improvements	12-Oct-18	21-Nov-18
23	EN16034.00 RW Pressure Sustaining Valve Installation FY 15/16	22-Oct-18	21-Nov-18
24	EN18037.00 CCWRF Asset Management and Improvements - Package II	20-Sep-18	21-Nov-18

Attachment B
 Active Capital Improvement Project Status

Construction Schedule Performance



Design Schedule Performance



Agency-Wide							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
1	EN13016	SCADA Enterprise System (EN13016.02, 03, 04)	5,956,164	15,803,331	Recovery in Progress	Pre-Design	The design-build contract for the RP-4 and RP-5 migrations was approved by the Board of Directors on August 16, 2017. The baseline project schedule provided by the contractor shows construction completion at each site that is well within the expected duration of each facility migration. The project schedule is expected to be fully recovered.
2	EN16070	Agency wide Sewage Pumps Efficiencies Improvements Ph II (EN16070.01)	154,802	350,000	On-time	Construction	
3	EN17034	Agency wide Lighting Improvements - Phase 2	1,101,966	1,400,000	On-time	Construction	
4	EN17052	RP-1 and RP-4 Safety Improvements	214,890	949,000	On-time	Construction	
5	EN17053	Agency wide Recycled Water Pumps Overhaul Services Ph II (EN17053.01)	238,096	625,000	On-time	Construction	
Totals			7,665,918	19,127,331			

Carbon Canyon Wastewater Regional Facility (CCWRF)							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
6	EN17006	CCWRF Odor Control and Headworks Replacements	204,183	23,421,951	On-time	Pre-Design	
7	EN17072	CCWRF Airduct Modifications	22,349	50,000	Recovery in Progress	Design	The design received from the consultant was not feasible. Staff is proceeding with an alternative in-house design and hence the delay. A revised baseline schedule will be created accordingly.
8	EN18036	CCWRF Asset Management and Improvements - Package III	1,112	2,420,000	On-time	Project Evaluation	
9	EN18037	CCWRF Asset Management and Improvements - Package II	829	950,000	On-time	Project Evaluation	
Totals			228,473	26,841,951			
Chino Desalter Authority (CDA)							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
10	EN16021	TCE Plume Cleanup	9,493,943	17,294,171	Recovery in Progress	Project Evaluation	There are currently issues concerning property acquisition that will affect the project timeline. It is possible that time can be made up in either the design or construction phases.
11	DL37140	CDA IX Piping Replacement	15,562	100,000	On-time	Bid & Award	
12	DL37141	CDA Structures Coating	7,235	100,000	On-time	Bid & Award	
Totals			9,516,739	17,494,171			
Collections							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
13	EN17014	NRWS Manhole Upgrades - 16/17	91,682	350,000	On-time	Construction	
14	EN17015	Collection System Upgrades 16/17	33,605	500,000	On-time	Construction	
15	EN17050	Septic Conversion PDR	-	1,000,000	N/A	N/A	
16	EN22002	NRW East End Flowmeter Replacement	110,948	1,986,985	Recovery in Progress	Pre-Design	The PDR completion is behind schedule; however, long planning periods have been provided to allow for review by LACSD. The project team is discussing strategies of how to streamline design processes to align with LACSD review period to maintain the project schedule.
Totals			236,235	3,836,985			

Groundwater Recharge							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
17	EN13001	San Sevaine Basin Improvements	770,411	6,460,001	Recovery in Progress	Bid & Award	After a prolonged bid and award phase to assure IEUA receives confirmation on the award of a SRF loan the project will start construction award in September 20, 2017. The initial award was planned for June 2017. Currently IEUA is still waiting for a full response from Army Corps and RWQCB to authorize construction within the basin. IEUA received Fish and Wildlife's authorization to conduct basin improvements within the basin area. The remaining regulatory agencies has until October 2017 to provide their approval. The contractor is required to start work in the lower areas of the basin no later than November 30, 2017. When received this will fulfill the final permit with Flood Control District and allow work within the basin floor and side areas. Currently, the construction bid documents had arranged a phased construction to account for the extended permit. If the permits are received prior to award then phase construction will not be required.
18	EN14047	GWR and RW SCADA Control Upgrades	585,888	932,000	Behind Schedule	Construction	Since the project modifies programming screens and controllers, it is critical that the contractor completes their work without impacting the Agency's ability to connect and control the basins remotely. The contractor has been facing constant delays due to loss of support staff. They have made a strong commitment to complete the scope as contracted but with the request of extending the contract date. Staff will continue to monitor progress and provide any support to minimize further delays.
19	EN17067	Declez Monitoring Well Project	68,220	360,000	On-time	Bid & Award	
20	RW15003	Recharge Master Plan Update Projects	1,340,149	7,490,500	On-time	Design	
21	RW15004	Lower Day Basin RMPU	278,411	4,008,000	On-time	Design	
Totals			3,043,079	19,250,501			
Headquarters							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
22	CP16003	Headquarters Roofing Replacement	112,268	1,395,822	Behind Schedule	Bid & Award	In order to avoid the 2017/2018 rain season the subject project bid solicitation will be delayed until in order to avoid wet weather risk impacts to the project. Site construction activities will be scheduled to begin April 2018.
23	EN16049	Conference Rooms Audio Visual Upgrades	818,336	1,351,477	On-time	Construction	
Totals			930,604	2,747,299			

Recycled Water							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
24	EN15002	1158 Reservoir Site Cleanup	25,765	1,300,000	Recovery in Progress	Project Evaluation	The status of the RCRA closure and corrective action required is currently being investigated by SCE who will produce a summary report. After SCE's investigation, there may be a reduction in scope before we award the consultant contract.
25	EN16034	RW Pressure Sustaining Valve Installation	30,698	850,000	Recovery in Progress	Project Evaluation	Due to the delayed notification of the Proposition 1 SRF award, the project baseline schedule is also delayed. The recovery plan is to revise the baseline schedule with an updated schedule dependent on the anticipated award date of the Proposition 1 grant which is currently in late 2017/early 2018.
26	EN17039	8th St. Basin RW Turnout Discharge Retrofit	51,078	275,000	On-time	Design	
27	EN17041	Orchard Recycled Water Turnout Improvements	4,109	125,000	On-time	Consultant Contract Award	
28	EN17046	1630 East Pump Station Upgrades	43,910	300,000	N/A	On-Hold	
29	EN17049	Baseline RWPL Extension	17,131	4,950,000	Recovery in Progress	Consultant Contract Award	Due to the delayed notification of the Proposition 1 SRF award, the project baseline schedule is also delayed. The recovery plan is to revise the baseline schedule with an updated schedule dependent on the anticipated award date of the Proposition 1 grant which is currently in late 2017/early 2018.
30	WR15021	Napa Lateral	112,761	6,050,000	Recovery in Progress	Pre-Design	Due to the delayed notification of the Proposition 1 SRF award, the anticipated project schedule is also delayed. The recovery plan is to revise the baseline schedule with an updated schedule dependent on the anticipated award date of the Proposition 1 grant which is currently in late 2017.
Totals			285,453	13,850,000			

Regional Water Recycling Plant No. 1 (RP-1)							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
31	EN11039	TP-1 Disinfection Pump Improvements	544,568	5,700,367	Behind Schedule	Design	The project is currently slightly behind schedule as the 50% design was received late. Some of this delay is due to the delay in physically locating some utilities in the field. Based on when the work is scheduled to be completed, the Agency will delay bidding until January to facilitate bids outside of the Thanksgiving Christmas holiday period.
32	EN13048	RP-1 Power System Upgrades	440,307	1,599,000	Behind Schedule	Design	The additional days are needed to complete the design and construction of added scope items. These scope items were requested by O&M staff which includes replacing the existing 480V distribution panel, the 1200 amp breaker and the concrete pad for the 12kv transformer.
33	EN14019	RP-1 Headworks Gate Replacement	1,048,280	10,440,000	Behind Schedule	Design	The 100% design, submitted by RMC for this project, was rejected by the Agency as not complete. The Agency will not advertise this project for bid until the bid documents are acceptable. This project is 8 months behind the schedule and the time is lost. Recovery is not possible.
34	EN14042	RP-1 1158 RWPS Upgrades	285,372	4,000,000	On-time	Pre-Design	
35	EN15012	RP-1 East Primary Effluent Pipe Rehab	366,131	3,015,598	Recovery in Progress	Pre-Design	The consultant is about one month behind the schedule for delivery of the PDR. The consultant is confident that they can make up the time during the 50% design.
36	EN15013	RP-1 TWAS and Primary Effluent Piping Replacement 2014	291,598	624,228	On-time	Construction	
37	EN16024	RP-1 Mixed Liquor Return Pumps	5,362,052	6,636,000	Recovery in Progress	Construction	The project is 60 days behind schedule. 30 days are due to the Pioneer (Supplier of the Power Center's) being unresponsive. The additional 30 days are due to the contractor gaining experience from the construction of the first train (train no. 2). The contractor is currently in the educational phase of construction of the train no.2, so they can become more efficient for the other trains. For that reason, the contractor will try to catch up to the schedule. Additionally, after completion of upgrades of four trains, operations may allow the contractor to remove two remaining trains out of service for construction and this will save us some time.
38	EN17040	RP-1 Aeration Basin Panel Repairs	186,828	1,346,269	On-time	Construction	
39	EN17042	Digester 6 and 7 Roof Repairs	385,531	3,800,000	Recovery in Progress	Pre-Design	The addition of Digester No. 1 cleaning to the scope pushed out the start of Digester 6 or 7 cleaning. The lost time will be recovered during subsequent phases.
40	EN17044	RP-1 Power Reliability Building Controls Upgrades	157,013	1,500,000	On-time	Bid & Award	
41	EN17045	RP-1 Filter Valve Replacement	999	650,000	On-time	Project Evaluation	
42	EN17047	RP-1 Dewatering Silo/Conveyor Safety Improvement Repairs	64,904	231,000	On-time	Construction	
43	EN17048	RP-1 Dewatering Vertical Conveyor Repairs	160,274	375,000	On-time	Construction	
44	EN17059	RP-1 Iron Sponges Installation	150,545	600,000	On-time	Design	
45	EN17077	SBLS Emergency Diversion	13,493	525,000	On-time	Consultant Contract Award	
46	EN17080	System Cathodic Protection Improvements	12,612	3,510,000	On-time	Project Evaluation	
47	EN17082	RP-1 Mechanical Restoration and Upgrades	24,656	1,515,000	On-time	Consultant Contract Award	
48	EN18006	RP-1 Flare Improvements	212,334	5,380,000	Recovery in Progress	Pre-Design	The project is slightly behind schedule due to extensive effort applied during the Predesign phase searching of flare manufacturers who can meet the strict regulatory requirements set forth by South Coast Air Quality Management District. Schedule delay will be recovered during the detailed design phase.
49	EP17003	RP-1 Training Room	34,844	425,000	Behind Schedule	Design	The initial project schedule did not include permitting through the City of Ontario. It was decided by the PMO to pursue a building permit with the City of Ontario. The original estimate was four weeks and has now extended to six weeks. After receiving the comments from the City of Ontario, the project plans must now be unexpectedly resubmitted for a second review by the City of Ontario. schedule will be revised at the Bid and Award phase once the city of Ontario has approved the 100% design.
Totals			9,742,340	51,872,462			

Regional Water Recycling Plant No. 2 (RP-2)							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
50	EN17065	Microturbine Design-Build	15,696	2,210,000	N/A	Cancelled	
Totals			15,696	2,210,000			
Regional Water Recycling Plant No. 4 (RP-4)							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
51	EN14018	RP-4 Disinfection System Retrofit	1,589,418	2,678,042	On-time	Construction	
52	EN17043	RP4 Primary Clarifier Rehab	58,184	6,560,900	On-time	Pre-Design	
53	EN17110	RP-4 Process Improvements	254,112	17,521,763	On-time	Pre-Design	
54	EN18038	RP-4 Operations and Maintenance Building	305	450,000	On-time	Project Evaluation	
Totals			1,902,020	27,210,705			
Regional Water Recycling Plant No. 5 (RP-5)							
No.	Project ID	Project Title	Total Expenditures thru 8/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
55	EN11031	RP-5 Flow Equalization and Effluent Monitoring	1,358,338	3,397,200	On-time	Construction	
56	EN14043	RP-5 RW Pipeline Bottleneck	355,343	2,756,637	On-time	Design	
57	EN15008	Water Quality Laboratory	10,022,190	24,645,000	On-time	Construction	
58	EN19001	RP-5 Expansion to 30 mgd	72,848	175,000,000	On-time	Design	
59	EN19006	RP-5 Biosolids Facility	49,408	165,000,000	On-time	Design	
Totals			11,858,127	370,798,837			
Overall Totals			45,424,683	555,240,242			

Attachment C

August 2017 Emergency Projects						
Contractor	Task Order Description	Details of the Circumstances/Cause of Emergency	Scope of Repair	Location	Date of Award	Not-to-Exceed /Estimate
W.A. Rasic Construction	14-inch Pipe & Valve Replacement	Old infrastructure (i.e. corroded piping and a valve on the RW system in a vault on Pine Ave.). Found during an inspection by the City of Chino while planning for roadway widening and grade adjustments.	Cut old pipe section, weld new steel flanges and replace the 14" butterfly valve and associated flanged fittings.	Agency-Wide	8/16/2017	50,000
Ferreira Construction	RP-1 Sodium Hypochlorite Tank Leak	Failing tank (leaks in multiple spots on tank and tank fittings); tank is uncovered and the Agency had pre-purchased the tank for installation, however it had to be installed and re-connected so operations staff have flexibility with a primary and secondary tank.	Disconnect old 10,500 gallon tank and install an Agency furnished tank in the same location at RP1 (T-Plant). Installed all new pipe and fittings on the tank, reconnected electrical for level sensor.	RP-1	8/22/2017	25,000
Total						75,000