



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

**WEDNESDAY, OCTOBER 18, 2017
10:00 A.M.**

DIRECTORS PRESENT:

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

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs and Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance and Administration/AGM
Sharmeen Bhojani, Manager of Human Resources
Jerry Burke, Deputy Manager of Engineering
Warren Green, Manager of Contracts & Procurement
Jason Gu, Grants Officer
Sally Lee, Executive Assistant
Sylvie Lee, Manager of Planning and Environmental Resources
David Mendez, Deputy Manager of Capital Improvement Program
Jason Pivovarov, Senior Engineer
Craig Proctor, Source Control/Environmental Resources Supervisor
John Scherck, Senior Project Manager
Shaun Stone, Manager of Engineering
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager
Laura Mantilla, Executive Assistant

OTHERS PRESENT:

Justin Blicke, Myers and Sons Construction LP
Vivian Castro, Chino Basin Water Conservation District
Martin Cihigoyenette, JC Law Firm
Gordon Lee Nichols, Building Industry Association – Baldy View Chapter
Carlos Rodriguez, Building Industry Association – Baldy View Chapter

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 10:02 a.m. Manager of Internal Audit Teresa Velarde 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.

PRESENTATIONS

BIA – BALDY REVIEW CHAPTER PRESENTATION – Carlos Rodriguez, Chief Executive Officer

Building Industry Association of Southern California Baldy View Chapter's Chief Executive Officer Carlos Rodriguez gave a presentation on the Inland Empire Housing Market. He thanked General Manager Joe Grindstaff for providing BIA a place at the table during the recent fee update and his availability as a resource. He gave an overview of the development trends in San Bernardino County and within the IEUA service area, connection fees, and call to action. Discussion ensued about meter size, hydrologic calculations, and meter fees.

CONSENT ITEMS

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. There was no one desiring to do so.

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

M2017-10-1

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the August 2, 2017, and September 20, 2017 Board meetings.
- B. Recommended that the Board approve the total disbursements for the month of August 2017, in the amount of \$19,180,948.43.
- C. The Board:
 1. Adopt Resolution No. 2017-10-1, authorizing IEUA to apply for and enter into financial assistance agreement with the State Department of Parks & Recreation (DPR) for the Outdoor Environmental Education Facilities Grant Program; and
 2. Authorize the General Manager or his designee to prepare the necessary data, conduct investigations, file such application, execute a funding agreement and any amendments thereto, and sign invoices with DPR.

(Continued...)

M2017-10-1, continued.

RESOLUTION 2017-10-1
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, TO APPLY FOR AND ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE OUTDOOR ENVIRONMENTAL EDUCATION FACILITIES GRANT PROGRAM WITH THE STATE DEPARTMENT OF PARKS AND RECREATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE CHINO CREEK WETLANDS EDUCATIONAL PARK PROGRAM
(for full text, see Resolution Book)

D. The Board:

1. Award a consultant contract for the RP-1 Mechanical Restoration and Improvements, Project No. EN17082, to Stantec Consulting Services Inc., for the not-to-exceed amount of \$459,024; and
2. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

ACTION ITEM

AMENDMENT TO GENERAL MANAGER'S EMPLOYMENT AGREEMENT

President Elie stated that the original start date for Ms. Halla Razak was December 1, 2017. General Counsel Martin Cihigoyenatche stated that this action is to modify the contract to reflect a work commencement date of November 28, 2017 instead of the original contemplated date of December 1, 2017. This can be accomplished through a letter agreement signed by the President of the Board and Ms. Razak; upon Board's approval.

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

M2017-10-2

MOVED, to approve the proposed Amendment to the General Manager Employment Agreement entered into between IEUA and Ms. Halla Razak.

RP-1 HEADWORKS UPGRADES PROJECT CONSTRUCTION CONTRACT AWARD

Manager of Engineering Shaun Stone began his presentation by introducing Mr. Justin Blickle from Myers and Sons Construction LP. He stated that this project is located at RP-1 with the primary scope of work in the headworks area. He gave an overview of the project background, scope, contractor selection process, budget, schedule, and staff's recommendation. He stated that this project was unanimously approved by the Regional Sewerage Program Technical and Policy Committees. Director Hofer stated his appreciation of staff for taking the project to the Regional Sewerage Program Technical and Policy Committees.

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

M2017-10-3

MOVED, to:

1. Award a construction contract for RP-1 Headworks, Primary, and Secondary Upgrades, project No. EN14019, to Myers & Sons Construction LP in the amount of \$5,690,000;
2. Approve a contract amendment to RMC Water and Environment for engineering services during construction for the not-to-exceed amount of \$510,558; and
3. Authorize the General Manager to execute the construction contract and contract amendment.

INSPECTION AND TESTING SERVICES MASTER CONTRACT AWARD

Manager of Engineering Shaun Stone stated that Agency has successfully used this mechanism for construction support service over approximately the last 8 or 9 years to support construction activity. He gave an overview of the project background, consultant selection process, and staff's recommendation.

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

M2017-10-4

MOVED, to:

1. Approve a three-year master service contract for construction inspection and soils/material testing services on an "as needed" basis to RMA Group, for a not-to exceed amount of \$1,000,000;
2. Approve a three-year service contract for construction inspection and soils/material testing services on an "as needed" basis to CTE Inc., for the not-to-exceed amount of \$1,000,000;
3. Approve a three-year master service contract for coating inspection services on an "as needed" basis to CSI Services, for the not-to-exceed amount of \$300,000; and
4. Authorize the General Manager to execute the master service contracts.

INFORMATION ITEMS

POLICY PRINCIPLES ON WATER STORAGE AND PURCHASE OPPORTUNITIES

Executive Manager of Engineering/AGM Chris Berch gave a background of the Agency's purchase history of supplemental water and planning for other basin management type objectives. Over the last couple years, the Agency has been more engaged in looking at agreements to store water within the Chino Basin, and to find opportunities to obtain supplemental water for the region. Staff recommends developing policy principles to help staff better evaluate proposals when

bringing matters to the Board for consideration. He stated that the policy principles being brought to the Board is the first draft to provide some guidance when considering future opportunities. The draft principles focus on several areas such as, securing storage of supplemental water, supporting resolution of physical and water quality issues within the Chino Basin, supporting ongoing replenishment needs within the region, and developing a program that is fiscally responsible. Staff will incorporate any feedback received from the Regional Sewerage Program Technical and Policy Committees and any from the Agency's Board of Directors. President Elie recommends a workshop with the Regional Sewerage Policy Program Committee to discuss this important regional matter should be considered. General Manager Joe Grindstaff outlined the current plans for collaboration with the member agencies.

ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATE

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: EN14042 – RP-1 1158 RWPS Upgrades; EN16024 - RP-1 Mixed Liquor Return Pumps; EN17042 – Digester 6 and 7 Roof Repairs; EN17044 – RP-1 Power Reliability Generator Control Upgrades; EN17047/EN17048 – RP-1 Safety Improvements/Dewatering Vertical Conveyors.

MWD UPDATE

Senior Engineer Jason Pivovarovoff gave an update on the water condition and sales at Metropolitan Water District of Southern California. He stated that 1 million-acre feet (MAF) was put into storage, which was made possible by the above normal snowpack, record breaking rainfall and 85 percent allocation. This brings total storage for MWD to just under 3 MAF. Executive Manager of Engineering/AGM Chris Berch stated that there is ongoing discussion on how the Agency could get more water for storage into the Chino Basin.

Mr. Pivovarovoff continued with updates on the schedule and costs of repairs for Oroville Dam. He completed his presentation with an update on the California WaterFix. Discussion ensued about the California WaterFix.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

FUNDING OF ESTIMATED WORKERS' COMPENSATION LIABILITIES

PUBLIC OUTREACH AND COMMUNICATION

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES

LEGISLATIVE REPORT FROM WEST COAST ADVISORS

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

FEDERAL LEGISLATIVE TRACKING MATRIX

STATE LEGISLATIVE TRACKING MATRIX

1ST QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE

PLANNING & ENVIRONMENTAL RESOURCES ANNUAL REPORTS (10 YEAR GROWTH FORECAST, WATER USE, AND ENERGY)

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall reported that the October 17, 2017 meeting was mostly routine in nature. She stated that SAWPA is planning its One Water One Watershed (OWOW) workshop on November 16, 2017, at 11:00 a.m. to give new Board members, commissioners, and member agencies an opportunity to come and learn about the program's goals and objectives.

MWD REPORT

Director Camacho had stated that he was at the October 10, 2017 MWD Board meeting when the Board took an approve action for the California WaterFix. The approval action came from representatives of Three Valleys Municipal Water District and IEUA.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker reported that the Regional Sewerage Program Policy Committee meeting met on October 5, 2017 at RP-1. Some Committee members took a tour of RP-1 given by staff and led by Executive Manager of Operations/AGM Randy Lee. She reported that the RP-1 Headworks primary and secondary upgrades construction contract was approved at the Regional Sewerage Program Policy Committee.

CHINO BASIN WATERMASTER REPORT

Director Parker reported that Chino Basin Watermaster decided to delay the Desalter replenishment obligation allocation, passed an amendment to Watermaster rules and regulations to account for evaporative losses on all supplemental recharge water of 1.5 percent during the rainy season and 4.2 percent during the dry season, approved the 2016 annual report for groundwater level monitoring, approved the master agreement between CBWM and IEUA regarding collaborative projects, and approved Task Order No. 1 – Salinity Management Project. There was an appeal of the April 28th order, and there is a hearing coming up to confirm a stay of the judgement in December.

GENERAL MANAGER'S REPORT

General Manager Joe Grindstaff had nothing further to report.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

Director Hall reported that on October 11, 2017, she attended the Mobile Home Town Hall Meeting with Senator Connie Leyva, Assemblymember Eloise Reyes and Assemblymember Freddie Rodriguez. They spoke about the mobile homes, meters, and water. She reported that she also attended the Three Valley Municipal Water District's Leadership Meeting with Jeff Kightlinger and the BIA Election Officers Reception on October 12, 2017, and attended the Association of San Bernardino County Special District Dinner on October 16, 2017.

Director Camacho reported that he attended the Southern California Water Committee Storm Water Workshop at the Metropolitan Water District of Southern California (MWD) on October 11, 2017. He stated that he had the opportunity on October 5, 2017, to meet with the Chairman of MWD, a couple of other Directors, and California Governor Jerry Brown to discuss California WaterFix and the State Water Project. The Governor expressed support for the California WaterFix.

President Elie reported that on September 22, 2017, he participated in the Chino Hills Day at the Fair. On October 4, 2017, he attended the Chino Valley State of the Fire District. On October 12, 2017, staff set up a meeting with City of Chino's Mayor Eunice Ulloa to speak to her about what the Agency does and how it's done.

CLOSED SESSION

The Board went into Closed Session at 11:26 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 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer Negotiations – All Bargaining Units, Negotiating Parties: General Manager P. Joseph Grindstaff.

The meeting resumed at 11:42 a.m., and General Counsel Martin 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

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board took no reportable action.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board took no reportable action.

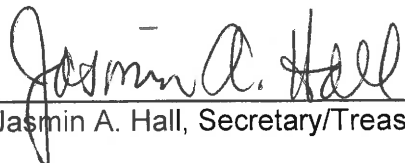
Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiator

Meet and Confer Negotiations – All Bargaining Units

Negotiating Parties: General Manager P. Joseph Grindstaff

The Board took no reportable action.

With no further business, President Elie adjourned the meeting at 11:43 a.m.



Jasmin A. Hall, Secretary/Treasurer

APPROVED: NOVEMBER 15, 2017