



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

**WEDNESDAY, MARCH 21, 2018
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

- Daniel Marin, Wastewater Plant Operator III, hired 3/7/2018 (Randy Lee)
- Nicholas Alvarado, Wastewater Plant Operator II, hired 3/7/2018 (Randy Lee)

2. **PROMOTIONS**

- Dan Dyer, Wastewater Plant Operator V to Collections System Supervisor, effective 3/11/2018 (Randy Lee)

3. **PRESENTATIONS**

A. **INTRODUCTION AND COMMENTS BY INLAND EMPIRE RESOURCE CONSERVATION DISTRICT PRESIDENT PAUL WILLIAMS & DISTRICT MANAGER MANDY PARKES**

4. **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 February 7, 2018 Board Meeting/Workshop and the February 21, 2018 Board meeting.

B. **REPORT ON GENERAL DISBURSEMENTS** *(Fin/Admin)*

Staff recommends that the Board approve the total disbursements for the month of January 2018, in the amount of \$16,320,934.01.

C. **PURCHASE OF NEW VEHICLES** *(Eng/Ops/WR)*

Staff recommends that the Board:

1. Authorize the purchase of 14 new fleet vehicles from National Auto Fleet Group for a not-to-exceed amount of \$500,000 (including tax and delivery); and
2. Authorize the General Manager to execute the purchase.

D. **RP-5 DYNASAND FILTER REHABILITATION CONSTRUCTION CONTRACT AWARD** *(Eng/Ops/WR)*

Staff recommends that the Board:

1. Award a construction contract for the RP-5 DynaSand Filter Rehabilitation Project, to GSE Construction Co., in the amount of \$476,800; and
2. Authorize the General Manager to execute the contract.

E. RP-1 POWER SYSTEM UPGRADES PHASE II CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR)

Staff recommends that the Board:

1. Award a construction contract for the RP-1 Power System Upgrades Phase II, Project No. EN13048, to Henkels & McCoy in the amount of \$358,812.54; and
2. Authorize the General Manager to execute the contract.

F. RP-1 DISINFECTION IMPROVEMENTS CONSULTANT CONTRACT AMENDMENT (Eng/Ops/WR)

Staff recommends that the Board:

1. Approve a consultant contract amendment for the RP-1 Disinfection Improvements, Project No. EN11039, to Carollo Engineers for a not-to-exceed amount of \$56,354; and
2. Authorize the General Manager to execute the contract amendment subject to non-substantive changes.

G. ADOPTION OF RESOLUTION NO. 2018-3-1, FOR THE CALFED WATER USE EFFICIENCY GRANT

Staff recommends that the Board:

1. Adopt Resolution No. 2018-3-1, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior – Bureau of Reclamation for the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments and any grant related documents thereto.

5. INFORMATION ITEMS

A. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)

B. MWD UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

C. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT)

D. FISCAL YEAR 2017/18 SECOND QUARTER BUDGET VARIANCE, PERFORMANCE GOAL 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. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)
 - I. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)
 - J. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)
 - K. WATER SMART LANDSCAPING IN THE INLAND EMPIRE (WRITTEN)
 - L. LABORATORY SEMI-ANNUAL UPDATE (POWERPOINT)
 - M. WIRE TRANSFERS AUDIT REPORT (WRITTEN/POWERPOINT)
 - N. PROCUREMENT CARD AUDIT (WRITTEN/POWERPOINT)
 - O. INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT (WRITTEN)
6. AGENCY REPRESENTATIVES' REPORTS
- A. SAWPA REPORT (WRITTEN)
 - B. MWD REPORT (WRITTEN)
 - C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)
The March 1, 2018 Regional Sewerage Program Policy Committee Report was cancelled. The next meeting is scheduled for Thursday, April 5, 2018.
 - D. CHINO BASIN WATERMASTER REPORT (WRITTEN)
 - E. CHINO BASIN DESALTER AUTHORITY (WRITTEN)
 - F. INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (WRITTEN)
The next meeting is scheduled for Monday, May 7, 2018.
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

B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION; INITIATION OF LITIGATION

One Case

C. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATIONS

Meet and Confer Negotiations – All Bargaining Units
Negotiating Parties: General Manager Halla Razak

11. ADJOURN

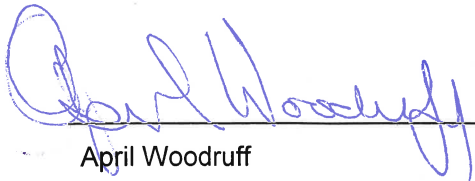
**A Municipal Water District*

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: _____

Declaration of Posting

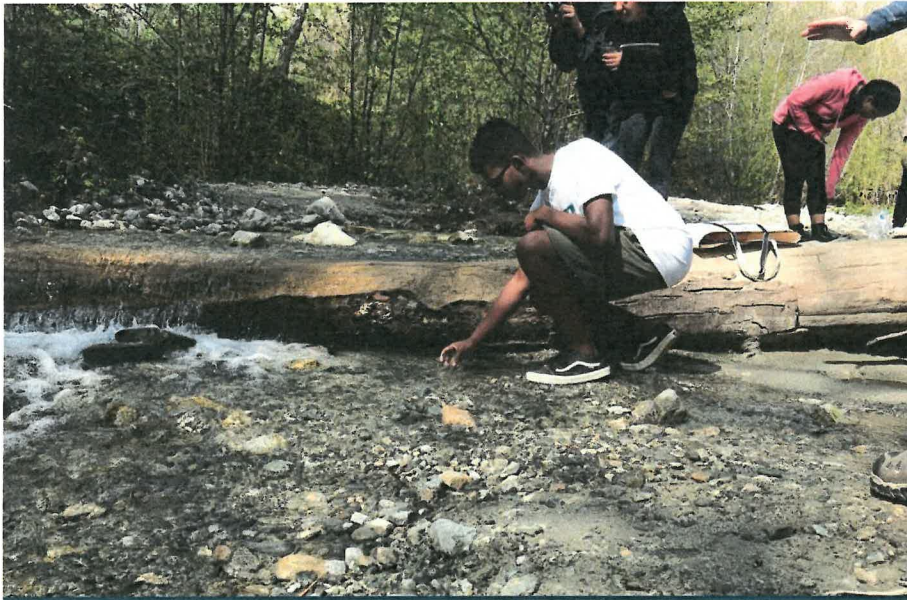
I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, March 15, 2018.



April Woodruff

PRESENTATION

3A



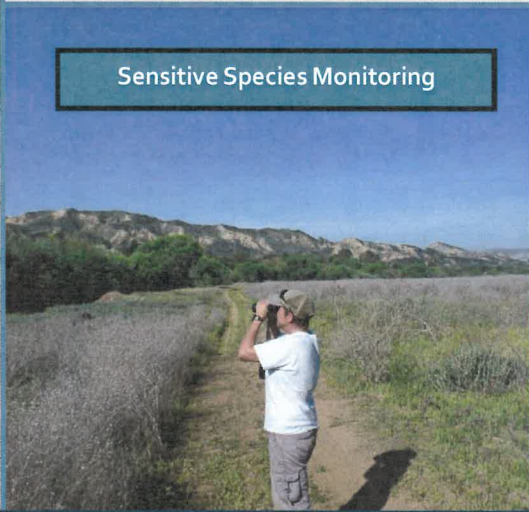
Inland Empire Resource Conservation District: Foundations and Function

Mandy Parkes
3-21-18





Habitat Restoration Work



Sensitive Species Monitoring

INLAND EMPIRE RESOURCE CONSERVATION DISTRICT



- Public agency, governed by 7-member appointed board of directors
- 14-member bio, educational, and admin staff carry out Board direction within service area

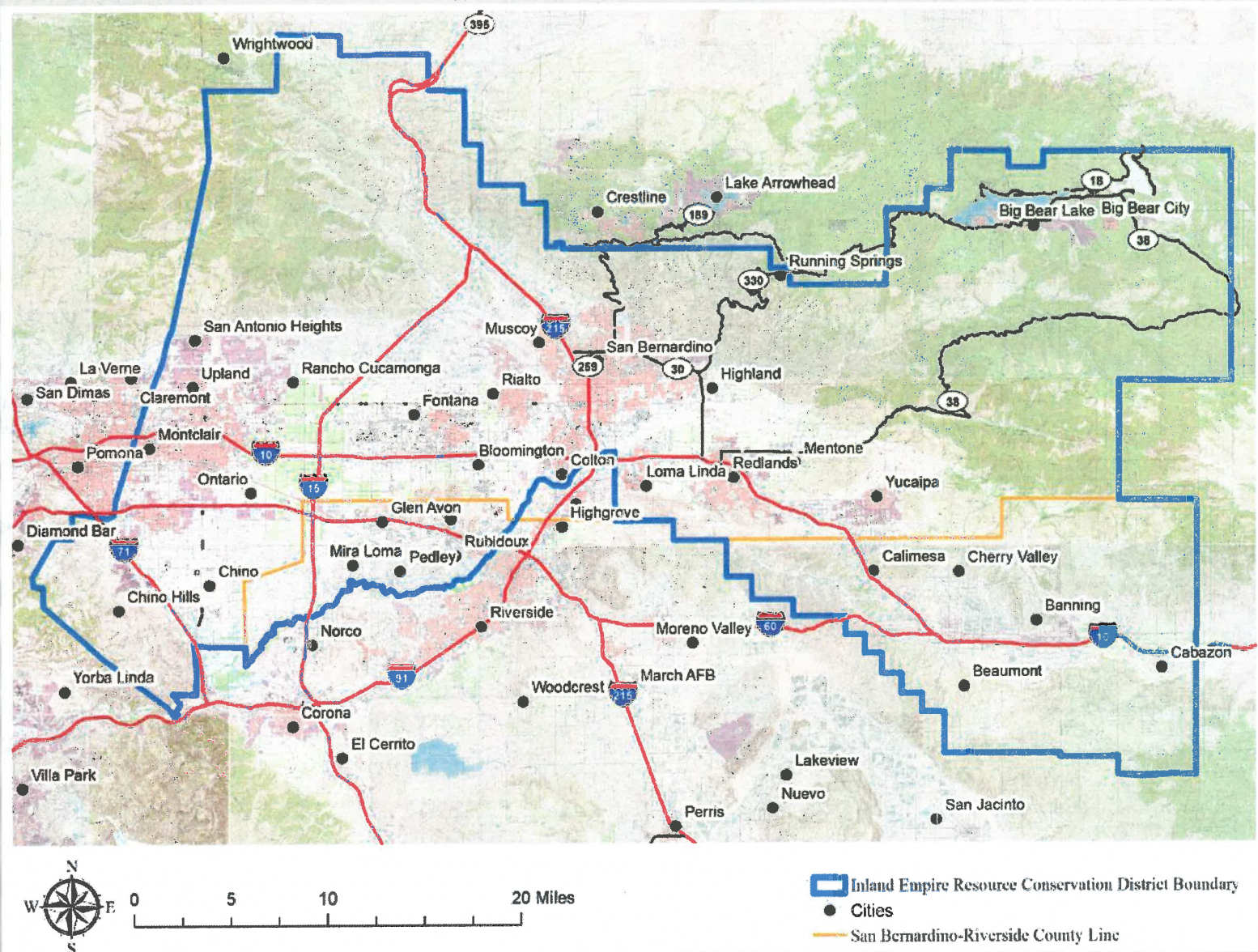


Public Service Events/Outreach

IERCD Board and staff focus on collaboration with Federal, state, and local entities to conduct conservation, restoration, education, and outreach programs

IERCD SERVICE AREA

WWW.IERCD.ORG



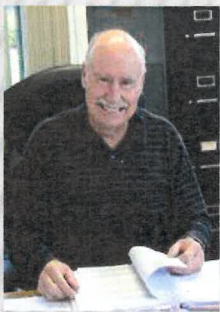
IERCD BOARD OF DIRECTORS



Paul Williams,
President



Terrie Andrews,
Director



Jim Earsom, Vice
President



Brad
Buller,
Director



Jim Harrington,
Secretary-
Treasurer



Alison Mathisen,
Director



Rick Gomez,
Director

RCD Origins: Dust Bowl



- Overproduction of land/poor conservation practices exacerbated by drought
- Deaths, illnesses, economic ruin, mass exodus from the midwest



Development of Soil Conservation Service and Soil Conservation Districts



Soil Conservation and Domestic Allotment Act was passed in 1936 – allowed the government to pay producers to adopt conservation practices on managed lands

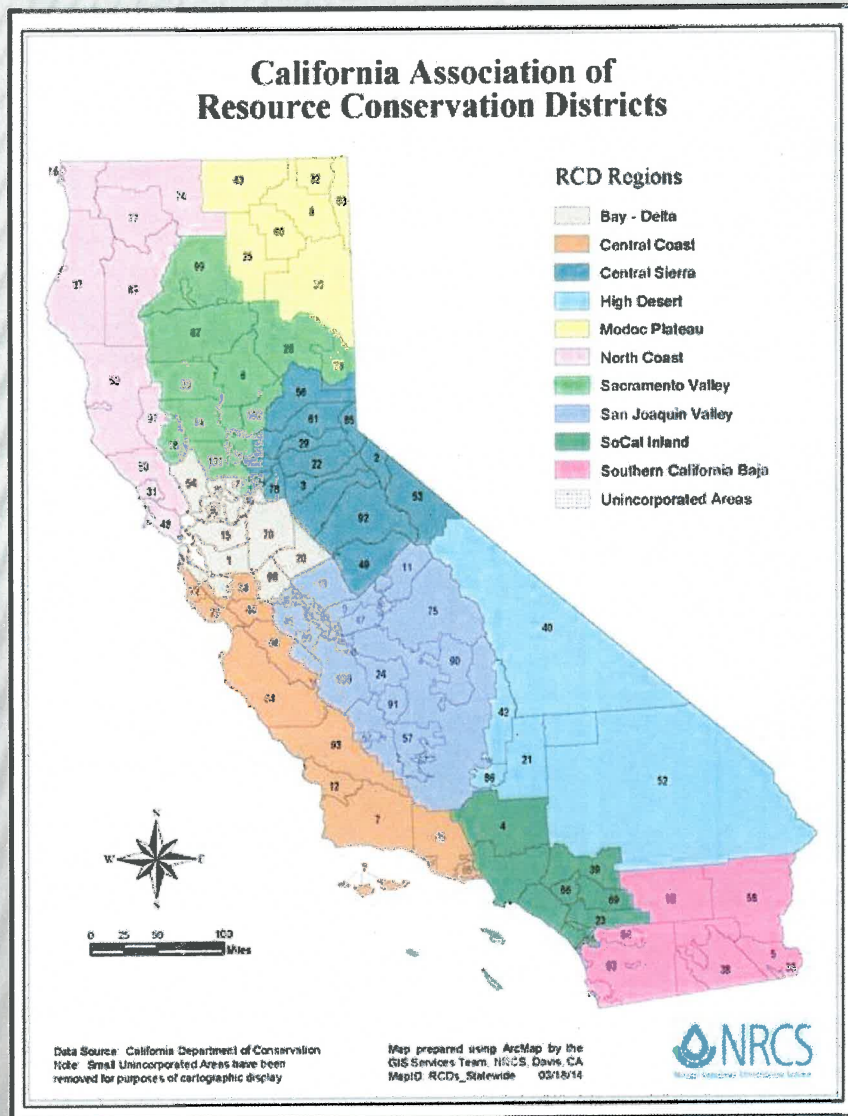
Soil Conservation Service formed shortly thereafter as the Federal agency charged with overseeing the provisions of this legislation

Soil Conservation Districts organized locally to direct federal financial programming and resources to local producers based on need, a relationship that continues today



Hugh Hammond Bennett

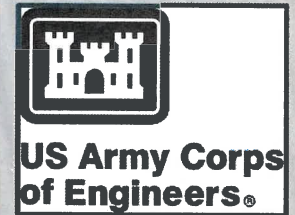
California Resource Conservation Districts: Shared Foundations



IERCD Programming: Natural Resources Management



Project Partners

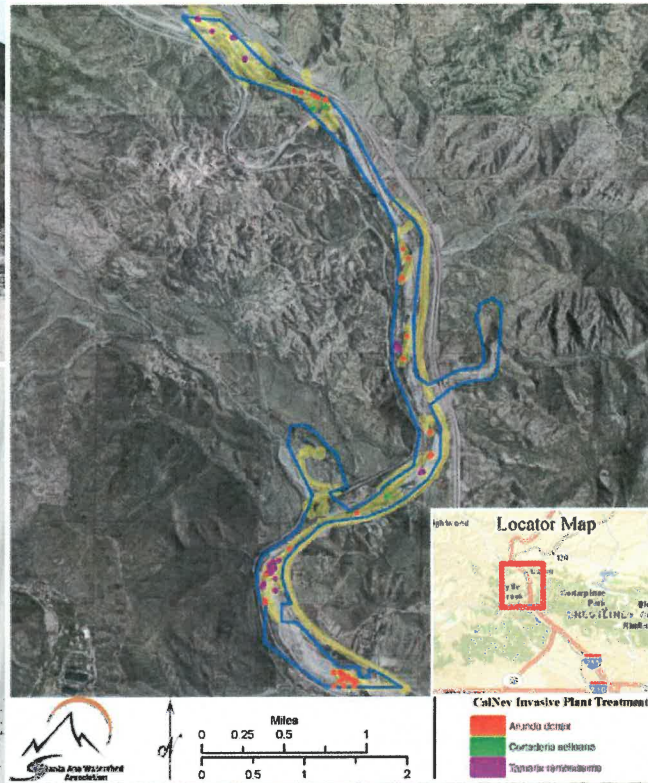


IERCD Mitigation Program

- Termed restoration and enhancement
- Conservation Easements
- In-Lieu Fee Mitigation Program

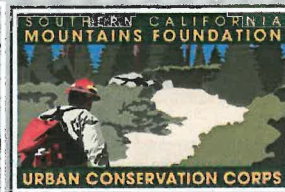


IERCD Programming: Natural Resources Management



Examples: CalNev Pipeline

- Smaller invasive species removal projects
- Fee-For-Service on behalf of watershed stakeholders



IERCD Programming: Education



(Far Left) 1st Grade Classroom presentation; (Left) SLEWS programming, Huerta del Valle in Ontario; (Bottom) Etiwanda HS students participate in Trout in the Classroom Release Event at Lytle Creek

IERCD Conservation Education Programming:

- K-12 Classroom Presentations
- North Etiwanda Preserve Field Trip Program with SB County
- Student Landowner Education and Watershed Stewardship (SLEWS)
- Trout in the Classroom



IERCD Programming: *Water Provider Partnerships*



Performance of water conservation education on behalf of provider partners including:

- San Bernardino Valley Municipal Water District
- San Geronio Pass Water Agency
- Yucaipa Valley Water District
- West Valley Water District
- City of San Bernardino Municipal Water Department
- San Bernardino Valley Water Conservation District



IERCD Programming: Sustainable Agriculture



Funding in support of implementation of conservation practices on public and private lands:

- Carbon Farming
- Producer Workshops
- CSA Program





The Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development and protecting the environment.

The purpose of the Inland Empire Resource Conservation District is to promote the understanding that the quality of the environment determines the quality of life. In cooperation with landowners, local, state and federal agencies, the agricultural community, environmental and community groups, we will promote good stewardship of our soil, water and other natural resources. We will provide strong education programs that will encourage today's youth to accept the responsibility of conserving our natural resources for tomorrow's generations



IERCD

909-799-7407 / www.iercd.org

Mandy Parkes, District Manager: mparkes@iercd.org

**CONSENT
CALENDAR
ITEM**

4A



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

**WEDNESDAY, FEBRUARY 7, 2018
10:00 A.M.**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

Michael Camacho, Vice President

STAFF PRESENT:

Halla Razak, General Manager
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
Elizabeth Hurst, Water Resources Planner
Jason Pivovaroff, Senior Engineer
Shaun Stone, Manager of Engineering
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Steve Corrington, MIH Water Treatment
Katie Gienger, City of Ontario
Jacob Vind, Denmark

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 Executive Manager of Operations/AGM Randy Lee led the pledge of allegiance to the flag. A quorum was present.

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

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

WORKSHOP

IEUA-DENMARK KNOWLEDGE SHARING PARTNERSHIP

Executive Manager of Engineering/AGM Chris Berch gave an introduction of Mr. Jacob Vind. Last year, General Manager Emeritus P. Joseph Grindstaff was approached by a newly developed water technology alliance from Denmark, with the goal of finding progressive agencies within the United States to share knowledge and find water resource opportunities. He stated that the Executive Manager of Operations/AGM Randy Lee and himself were able to go on a trip to Denmark to learn about their wastewater treatment processes. The water technology alliance was done under the leadership of Mr. Jacob Vind. Mr. Vind was recently appointed by the Danish government as a Consult General to the United States.

Mr. Vind gave an overview of the Danish history of water resources, development of the water technology alliance, and current Danish activities and initiatives. Executive Manager of Operations/AGM Randy Lee gave an overview of the wastewater fact finding trip and what was learned on the trip. Executive Manager of Engineering/AGM Chris Berch concluded the presentation by sharing his learning opportunities, and observations from this experience and an overview of the next steps the Agency plans on taking.

REGIONAL WATER RESOURCES MANAGEMENT

Water Resources Planner Liz Hurst stated that she and Senior Engineer Jason Pivovarovff gave an update on two of the Agency's regionally collaborative projects – Santa Ana River Habitat Conservation Plan and Integrated Model (SARHCP) and the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP). She gave an overview of the SARHCP with the comprehensive impact of projects on species, expedite project implementation, regional benefits, and establishing governance structure for permits.

Senior Engineer Jason Pivovarovff gave an overview of the SARCCUP's history, recommended scope and focus. Discussion ensued in regard to institutional agreements and infrastructure.

ACTION ITEM

PROPOSITION 1 GRANT PROFESSIONAL SERVICES CONTRACT AMENDMENT

Senior Engineer Jason Pivovarovff stated that in August 2017, IEUA submitted an application of the Chino Basin Environmental Water Program, a \$480 million conjunctive use program to the California Water Commission (CWC) for storage and investment funding. Since then, the Agency has received confirmation that the program has met all basic eligibility requirements. The Agency also recently received feedback from the Commission that additional support will be needed to validate some of the public benefits. GEI Consultants was selected to assist in this process and help in the development of this application. Due to the feedback and developments of the review process from the Commission, two additional amendments to the initial contract to develop the additional supporting material are needed. The Board was asked to approve an additional contract

amendment in the amount of \$82,000 to GEI Consultants, bringing the total contract amount to \$227,664.

Discussion ensued about the CWC hearings.

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

M2018-2-1

MOVED, to:

1. Award an engineering services contract amendment to GEI Consultants, Inc., for a not-to-exceed amount of \$82,000; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

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

Jasmin A. Hall, Secretary/Treasurer

APPROVED: MARCH 21, 2018



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

**WEDNESDAY, FEBRUARY 21, 2018
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:

Halla Razak, General Manager
Kathryn Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Sharon Acosta-Grijalva, Human Resources Analyst II
Adham Almasri, Senior Engineer
Blanca Arambula, Deputy Manager of Human Resources
Jerry Burke, Deputy Manager of Engineering
Andrea Carruthers, Acting Manager of External Affairs
Javier Chagoyen-Lazaro, Manager of Finance & Accounting
Glenn Edwards, Senior Management Analyst
Jason Gu, Manager of Grants
Joel Ignacio, Senior Engineer
Sylvie Lee, Manager of Planning & Environmental Resources
Chander Letulle, Manager of Operations & Maintenance
Kirols Nashed, Wastewater Plant Operator II
Rick Mykitta, Manager of Operations & Maintenance
Anne Pandey, Grants Administrator
Jesse Pompa, Senior Engineer
Craig Proctor, Source Control & Environmental Resources Supervisor
Susannah Shoaf, Contracts & Procurement Supervisor
Peter Soelter, Senior Internal Auditor
Gary Te, GIS Specialist
Teresa Velarde, Manager of Internal Audit
Rocky Welborn, Senior Associate Engineer
Ashley Womack, Grants Administrator
Raelen Wong, Human Resources Technician
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Sarah Meachum, PFM
Richard D. Babbe, PFM

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 10:06 a.m. and 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.

NEW HIRE INTRODUCTIONS

Executive Manager of Operations/Assistant General Manager Randy Lee introduced the following new hire:

- Mr. Kirols Nashed, Water Plant Operator II, hired 12/31/17

The Board of Directors welcomed Mr. Nashed to the IEUA team.

PUBLIC HEARING

PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. 106, ADOPTING ORDINANCE NO. 8 OF THE SAWPA, ESTABLISHING REGULATIONS FOR THE USE OF THE INLAND EMPIRE BRINE LINE

Source Control & Environmental Resources Supervisor Craig Proctor stated that the Agency's current Ordinance No. 96 regulates the availability and use of the Inland Empire Brine Line, which is owned by the Santa Ana Watershed Project Authority (SAWPA). Orange County Sanitation District has delegated Brine Line pretreatment program responsibility to SAWPA to ensure operational consistency of the Brine Line. Consequently, SAWPA revised their Ordinance and as such IEUA will also need to adopt an Ordinance that is as stringent as SAWPA's Ordinance. Mr. Proctor gave an overview of the key updates on the Ordinance. Discussion ensued regarding the process of revising the Ordinance.

President Elie opened the Public Hearing at 10:12 a.m. and hearing no public comments, closed the Public Hearing 10:12 a.m.

Upon motion by Director Camacho, seconded by Director Parker, and the motion carried (5-0):

M2018-2-2

MOVED, to adopt Ordinance No. 106, adopting Ordinance No. 8 of the Santa Ana Watershed Project Authority establishing regulations for the use of the Inland Empire Brine Line, formerly known as the Santa Ana Regional Interceptor.

ORDINANCE NO. 106

ORDINANCE OF THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING ORDINANCE NO. 8 OF THE SANTA ANA WATERSHED PROJECT AUTHORITY ESTABLISHING REGULATIONS FOR THE USE OF THE INLAND EMPIRE BRINE LINE, FORMERLY KNOWN AS THE SANTA ANA REGIONAL INTERCEPTOR (for full text, see Ordinance Book)

With the following roll call vote:

Ayes: Hall, Hofer, Camacho, Parker, Elie
Noes: None
Absent: None
Abstain: None

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 Hall, and unanimously carried:

M2018-2-3

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the January 3, 2018, Board workshop and the January 18, 2018, Board meeting.
- B. The Board adopted Resolution No. 2018-2-7, rescinding Resolution No. 2005-2-9.

RESOLUTION 2018-2-7

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, RESCINDING RESOLUTION NO. 2005-2-9 (for full text, see Resolution Book)

- C. The Board approved the total disbursements for the month of December 2017, in the amount of \$32,982,821.50.
- D. The Board supports Proposition 68 – The California Clean Water and Safe Parks Act.
- E. The Board:
 - 1. Adopted Resolution No. 2018-2-4, authorizing the Agency to enter into a financial Assistance Agreement with the U.S. Department of Interior – Bureau of Reclamation for the WaterSMART Drought Response Program; Drought Resiliency Projects for Fiscal Year 2018; and

RESOLUTION 2018-2-4

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR 2018 WITH THE U.S. DEPARTMENT OF INTERIOR – BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO (for full text, see Resolution Book)

Continued...

M2018-2-3 continued.

2. Authorized the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

F. The Board:

1. Adopted Resolution No. 2018-2-1, authorizing the General Manager to sign and file the State Revolving Fund (SRF) loan application with the SWRCB for construction for projects in the RP-1 /RP-5 Expansion Project;

RESOLUTION 2018-2-1

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO SIGN AND FILE ON BEHALF OF THE AUTHORITY, FINANCIAL ASSISTANCE APPLICATIONS AND AGREEMENTS WITH THE STATE WATER RESOURCES CONTROL BOARD, FOR THE RP-1/RP-5 EXPANSION PROJECT (for full text, see Resolution Book)

2. Adopted Resolution No. 2018-2-2, dedicating certain revenues in connection with the construction of the Project SRF financing from the SWRCB:

RESOLUTION 2018-2-2

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, DEDICATING CERTAIN REVENUES IN CONNECTION WITH THE RP-1/RP-5 EXPANSION PROJECT FOR THE CLEAN WATER STATE REVOLVING FUND FINANCING FROM THE STATE WATER RESOURCES CONTROL BOARD (for full text, see Resolution Book)

3. Adopted Resolution No. 2018-2-3, establishing the Agency's intention to apply for and be reimbursed for expenditures related to the construction of the Project; and

RESOLUTION 2018-2-3

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO BE REIMBURSED FOR EXPENDITURES RELATED TO THE CONSTRUCTION OF PUBLIC FACILITIES AND IMPROVEMENT RELATED TO THE RP-1/RP5 EXPANSION PROJECT (for full text, see Resolution Book)

4. Authorized the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

Continued...

M2018-2-3 continued

G. The Board rejected the September 14, 2017 bids for the Maintenance Process and SAP Enhancement Project.

H. The Board:

1. Awarded a consultant contract for the CCWRF Asset Management and Improvements Package III, Project No. EN18036, to GHD for the not-to-exceed amount of \$242,362; and
2. Authorized the General Manager to execute the contract subject to non-substantive changes.

I. The Board:

1. Awarded a construction contract for the RP-1 Maintenance Building HVAC Replacement, Project No. EN18040, to Allison Mechanical, Inc., in the amount of \$167,967; and
2. Authorized the General Manager to execute the contract.

J. The Board:

1. Awarded a single source service contract for the Plant PAX training program to support the SCADA Enterprise System, Project No. EN13016 to Royal Industrial Solutions, for a not-to-exceed amount of \$156,039; and
2. Authorized the General Manager to execute the contract subject to non-substantive changes.

K. The Board:

1. Awarded a consultant contract for the CCWRF Asset Management and Improvements Package II, Project No. EN18037, to Gillis and Panichapan Architects, Inc., for a not-to-exceed amount of \$140,125; and
2. Authorized the General Manager to execute the contract subject to non-substantive changes.

L. The Board:

1. Awarded a master service contract amendment to Golden State Labor Compliance for a not-to-exceed total amount of \$45,120 and for a one-year term extension; and
2. Authorized the General Manager to execute the task order amendment subject to non-substantive changes.

Continued...

M2018-2-3 continued.

- M. The Board adopted Resolution No. 2018-2-6, establishing guideline to create Capacity Right Agreements between the Inland Empire Utilities Agency and potential users of the Inland Empire Brine Line.

**RESOLUTION 2018-2-6
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO
COUNTY, CALIFORNIA, ESTABLISHING GUIDELINES TO
CREATE CAPACITY RIGHT AGREEMENTS BETWEEN INLAND
EMPIRE UTILITIES AGENCY AND POTENTIAL USERS OF THE
INLAND EMPIRE BRINE LINE (for full text, see Resolution Book)**

- N. The Board increased the spending authorization to perform corrosion and condition assessment services for a total aggregate not-to-exceed amount of \$600,000 to the following:
- Contract No. 4600001614 to V&A Consulting Engineering Inc.
 - Contract No. 4600001616 to Lockwood, Andrews, & Newman, Inc.
 - Contract No. 4600001622 to HDR Engineering, Inc.

ACTION ITEM

ADOPTION OF RESOLUTION NO. 2018-2-5, TO UPDATE THE AGENCY'S INVESTMENT POLICY

Manager of Finance & Accounting Javier Chagoyen-Lazaro stated that the Agency Investment Policy establishes the framework to manage the Agency's surplus funds by setting a set of procedures and guidelines. The Board approved the latest Agency Investment Policy in April 2017. The policy requires an annual update, and more frequently if there are any significant changes. He gave an overview of the significant proposed changes.

Director Hofer thanked Sarah Meachum and Richard Babbe from PFM for taking the time to attend the Board meeting to answer any questions the Board may have. He stated that he would like to increase transparency by having information provided on the Agency website for the public to easily understand the process and status of their public funds. Discussion ensued about the Agency's fiduciary responsibility and reporting procedures by staff and PFM to the Board of Directors.

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

M2018-2-4

MOVED, to adopt Resolution No. 2018-2-5, approving the update of the Agency's Investment Policy.

**RESOLUTION 2018-2-3
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES
AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA,
APPROVING THE ANNUAL UPDATE OF THE AGENCY'S* INVESTMENT
POLICY (for full text, see Resolution Book)**

INFORMATION ITEMS

LAFCO REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBER NOMINATION FOR COUNTYWIDE REDEVELOPMENT OVERSIGHT BOARD

President Elie stated that he will be presenting the LAFCO nominations for Countywide Redevelopment Oversight Board and LAFCO Commission together. The Agency received letters from LAFCO regarding nominations for the LAFCO voting members for both the regular commission, as well as the Countywide Redevelopment Oversight Board. He stated that he is bringing to the Board as an information item and not for any action to be taken at this time. If there is an interest for anyone on the IEUA Board to be nominated it will be brought to the March 7 Board Workshop/Meeting.

Executive Manager of Finance & Administration/AGM Christina Valencia gave an overview of the Countywide Development Oversight history and process of the nominations. Discussion ensued regarding how this change will affect the Agency.

LAFCO COMMISSION REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBER NOMINATIONS

This item was combined with the prior information item.

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: EN18023 – NRWS Philadelphia Pump Station Pump 3 Improvements; EN17049 – Baseline RWPL Extension; EN17082 – RP-1 Mechanical Restoration and Upgrades; EN14018.00 – RP-4 Disinfection Facility Improvements; EN13016.04 – SCADA Enterprise Systems (RP-5); and EN17034 – Agency-wide Lighting Improvements – phase 2.

MWD UPDATE

Manager of Planning & Environmental Resources gave an update on the MWD water conditions, sales, rates, and charges. The State Water allocation increased to 20 percent and MWD expects to increase it to 30 or 40 percent by the end of the year. If allocation remains at 20 percent, they may have to pull water from storage. MWD is reevaluating their emergency storage beginning this summer, in particular for catastrophic events. It is of interest to the Agency because the Agency has one of the few groundwater basins that is south of the San Andreas fault that can provide some benefit to MWD.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

IERCA FISCAL YEAR 2016/17 AUDITED ANNUAL FINANCIAL REPORT

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

MID-YEAR BUILDING ACTIVITY REPORT AND WATER CONNECTIONS SUMMARY

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall gave an update on the February 20, SAWPA Commission Meeting. She stated that the Commissioners authorized issuance of a request for proposals for audit services beginning for the Fiscal Year ending June 30, 2018; authorized the General Manager to quitclaim an easement to Corona Industrial Park previously used for lateral connecting to the Inland Empire Brine Line; adopted policy principles for implementing the Disadvantaged Communities Involvement Programs; and adopted a resolution approving use of the CalPERS Supplemental Income 457 Plan; and authorized the General Manager to execute the necessary documents. All other items were routine in nature.

MWD REPORT

Director Camacho had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker reported that there was a Special Joint Workshop of the Regional Sewerage Program Technical & Policy Committee Workshop on February 1. The consultant Kerns & West, presented their assessment of the renegotiations Regional Sewerage Service Contract.

General Manager Halla Razak stated that IEUA had a desire to renegotiate the contract, and through discussions, finding that there are issues that each member agency would like to change. We need to use our resources and time wisely and approach the contract judicially. Having a discussion with all member agencies and understanding the complexity puts all parties on the same page in moving forward. The Regional Sewerage Program Policy Committee gave direction to the Regional Sewerage Program Technical Committee to come back with milestones.

President Elie stated that this contract should be driven for the good of the region. It should be approached revenue neutral, "postage stamp rate", with unified implementation. He asked for this item to be put on the closed session for discussion. Director Hofer asked for a comprehensive summary at that time.

Director Hall stated that the Agency should not lose sight of the Agency's priorities to maintain our rates and that this message is communicated as what is best for the region.

CHINO BASIN WATERMASTER REPORT

President Elie stated that the Jeff Pierson has joined the Board, Mayor Eulloa from Chino is the Appropriative Pool representative, and Gino Fillipi is the Appropriative Pool minor representative. The annual report was adopted, and in April, there will be live testimony at court to explain the situation and how the basin is operating. All other items were routine in nature.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Hall stated that at the February 1, CDA meeting, the Board had selected the design consultant for the expansion of the pipeline related to the South Archibald Plume Project. The Board considered the possibility of action on utility agreement No. 23711 and letter of understanding regarding utility agreement for CDA/JCSD 30 inch product waterline modification associated with the county of Riverside. All other items were routine in nature.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Director Hall reported that at the February 5, IERCA Board meeting, the Board had approved the annual financial report for Fiscal Year ended June 30, 2017, re-elected the current chair and vice-

chair, adopted resolutions to change all signatory for depository agreements and investment fund, and awarded a construction contract for the replacement of composting screens.

GENERAL MANAGER'S REPORT

General Manager Halla Razak gave an overview of the Agency's Employee Engagement Survey process, highlighted the employees who had participated in the follow-up focus groups, and spoke about some follow-up actions to be implemented.

She stated that on February 15 at 7:00 a.m., there was a pipeline break in the non-reclaimable wastewater system at S. Bon View Avenue and E. Francis Street in the city of Ontario. Manager of Engineering Shaun Stone gave a report of what had occurred, an update of the situation and future plans. The city of Ontario has agreed to fully reimburse the Agency for the repairs which was caused by their contractor. Discussion ensued about future actions that should be taken by the Agency.

General Manager Halla Razak introduced the interim Human Resources Manager Martin Pinon. Mr. Pinon gave a brief overview of his background.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

Director Paul Hofer complimented staff for their Board presentations.

Director Jasmin Hall stated that she had attended the following events: Southern California Water Committee Quarterly luncheon on January 19, Association of San Bernardino County Special Districts dinner on January 22, CASA Winter Conference in Palm Springs on January 24-26, Three Valleys Municipal Water District Leadership Breakfast on January 31, and the Rosa Parks Statue Unveiling by Assemblymember Eloise Gomez Reyes on February 2.

Director Michael Camacho stated that he had attended the Three Valleys Municipal Water District Leadership Breakfast on January 31, and also attended the Rosa Parks Statue Unveiling by Assemblymember Eloise Gomez Reyes on February 2.

President Elie stated that he attended the Southern California Water Committee Quarterly Board meeting and luncheon on January 19 and the Association of San Bernardino County Special Districts dinner on January 22. He spoke on a panel at the Urban Water Institute's Spring Conference about the South Archibald Plume Settlement on February 8. He also acknowledged staff for their efforts in continuing to make the Agency a better place of employment.

CLOSED SESSION

General Council Jean Cihigoyenette reported that there will be no Closed Session.

With no further business, President Elie adjourned the meeting at 11:24 a.m. in memory of Connie Moreno.

Jasmin A. Hall, Secretary/Treasurer

APPROVED: MARCH 21, 2018

**CONSENT
CALENDAR
ITEM**

4B

Date: March 21, 2018

#HR

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Finance & Administration

03/14/18

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

Subject: Report on General Disbursements

Executive Summary:

Total disbursements for the month of January 2018 were \$16,320,934.01. Disbursement activity included check payments of \$6,149,104.11 to vendors and \$8,307.39 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$3,231,996.28 and wire transfers (excluding payroll) of \$5,435,168.31. Total payroll was \$1,490,607.93 for employees and \$5,749.99 for the Board of Directors.

Staff's Recommendation:

Approve the total disbursements for the month of January 2018, in the amount of \$16,320,934.01.

Budget Impact Budgeted (Y/N): N 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:

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

Attachment 2 - Details of General Disbursements

Attachment 1

Background

Background

Subject: Report on General Disbursements

Table 1 summarizes the disbursements detailed in each of the six attachments affixed to this letter. Table 2 lists the disbursements in excess of an aggregated \$500,000 per vendor, and is presented in largest to smallest dollar value.

Table 1: Disbursement Details

Attachment	Payment Type	Amount
1	Vendor Checks	\$6,149,104.11
2	Workers' Comp Checks	\$8,307.39
3	Vendor ACHs	\$3,231,996.28
4	Vendor Wires (excludes Payroll)	\$5,435,168.31
5	Payroll-Net Pay-Directors	\$5,749.99
6	Payroll-Net Pay-Employees	\$1,490,607.93
Total Disbursements		\$16,320,934.01

Table 2: Disbursements in Excess of \$500,000 per Vendor

Vendor	Amount	Description
MWD	\$ 3,791,698.41	NOVEMBER 2017 Water Purchases
PARSONS WATER & INFRASTRUCTURE	\$ 1,270,156.98	EN19006 - RP5 Bio-Solids Facility/ EN19001 - RP5 Expansion to 30 mgd 10/7-12/1/17 Prof Svc's
KEMP BROS CONSTR INC	\$ 1,024,531.30	EN15008- Water Quality Laboratory- Pay Estimate #16
IRS	\$ 889,327.43	P/R 01, 02; Dir 001 Pyrl Taxes
PERS	\$ 700,044.73	01/18 Hlth Ins / P/R 26, 01, 02 Def Comp
SO CAL EDISON	\$ 667,861.95	Electricity 11/3 – 12/29/17
IERCA	\$ 620,384.80	11/17 & 12/17 Biosolids
CDM SMITH	\$ 510,133.71	EN17006-CCWRF Asset Mgmt & Improv. 09/17-12/17 EN17077-SBLS Emergency Diversion 11/17

Attachment 2A

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
222205	2200087865	01/04/2018	USD	58.00	AEROTEK INC ATLANTA GA	01/08/2018
222206	2200087832	01/04/2018	USD	2,527.57	AIRGAS WEST INC PASADENA CA	01/08/2018
222207	2200087881	01/04/2018	USD	8,402.16	ALLIED UNIVERSAL SECURITY SERV PASADENA CA	01/08/2018
222208	2200087895	01/04/2018	USD	1,275.00	ALS ENVIRONMENTAL DALLAS TX	01/10/2018
222209	2200087842	01/04/2018	USD	507.13	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	01/10/2018
222210	2200087928	01/04/2018	USD	300.00	ANDRADE, GREG CHINO CA	01/17/2018
222211	2200087835	01/04/2018	USD	3,664.80	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	01/09/2018
222212	2200087924	01/04/2018	USD	91.54	ARAMBULA, BLANCA CHINO HILLS CA	01/22/2018
222213	2200087882	01/04/2018	USD	5,448.88	ASAP INDUSTRIAL SUPPLY FONTANA CA	01/09/2018
222214	2200087854	01/04/2018	USD	37.00	ASBCSD HESPERIA CA	01/19/2018
222215	2200087863	01/04/2018	USD	1,200.00	BABCOCK LABORATORIES, INC RIVERSIDE CA	01/09/2018
222216	2200087926	01/04/2018	USD	30.16	BECKER, NIKI CHINO HILLS CA	01/09/2018
222217	2200087868	01/04/2018	USD	4,897.63	BERMINGHAM CONTROLS INC CERRITOS CA	01/09/2018
222218	2200087848	01/04/2018	USD	5,381.40	BRAGG CRANE SERVICE LONG BEACH CA	01/11/2018
222219	2200087887	01/04/2018	USD	17,341.79	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	01/08/2018
222220	2200087824	01/04/2018	USD	387.28	BRITHINEE ELECTRIC COLTON CA	01/09/2018
222221	2200087841	01/04/2018	USD	180.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/12/2018
222222	2200087843	01/04/2018	USD	564.35	CALIFORNIA CHAMBER OF COMMERCE SACRAMENTO CA	01/12/2018
222223	2200087888	01/04/2018	USD	15,942.18	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	01/08/2018
222224	2200087919	01/04/2018	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	01/09/2018
222225	2200087847	01/04/2018	USD	75,763.81	CAROLLO ENGINEERS INC SALT LAKE CITY UT	01/09/2018
222226	2200087866	01/04/2018	USD	6,519.72	CASC ENGINEERING AND CONSULTING COLTON CA	01/11/2018
222227	2200087837	01/04/2018	USD	36,175.10	CDM SMITH INC LOS ANGELES CA	01/08/2018
222228	2200087852	01/04/2018	USD	161.25	CDW GOVERNMENT INC CHICAGO IL	01/08/2018
222229	2200087840	01/04/2018	USD	3,846.50	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	01/09/2018
222230	2200087878	01/04/2018	USD	2,492.00	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/12/2018
222231	2200087859	01/04/2018	USD	930.10	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	01/12/2018
222232	2200087917	01/04/2018	USD	414.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	01/09/2018
222233	2200087909	01/04/2018	USD	1,060.27	CITY OF CHINO CHINO CA	01/16/2018
222234	2200087903	01/04/2018	USD	6,957.63	COAST TO COAST COMPUTER PRODUCSIMI VALLEY CA	01/09/2018
222235	2200087869	01/04/2018	USD	4,567.79	CS-AMSCO HUNTINGTON BEACH CA	01/11/2018
222236	2200087905	01/04/2018	USD	12,730.00	CSI SERVICES INC SANTA CLARITA CA	01/09/2018
222237	2200087889	01/04/2018	USD	3,555.75	D & H WATER SYSTEMS INC OCEANSIDE CA	01/12/2018
222238	2200087838	01/04/2018	USD	5,026.27	DELL MARKETING L P PASADENA CA	01/08/2018
222239	2200087862	01/04/2018	USD	898.18	DEPT OF INDUSTRIAL RELATIONS SAN FRANCISCO CA	01/24/2018
222240	2200087875	01/04/2018	USD	2,098.44	DETECTION INSTRUMENTS CORP PHOENIX AZ	01/19/2018
222241	2200087864	01/04/2018	USD	12,907.50	DUDEK & ASSOCIATES INC ENCINITAS CA	01/10/2018
222242	2200087898	01/04/2018	USD	19,625.00	ECOTECH SERVICES INC MONROVIA CA	01/09/2018
222243	2200087904	01/04/2018	USD	8,600.00	ELECTRIC SERVICE & SUPPLY PASADENA CA	01/09/2018
222244	2200087892	01/04/2018	USD	1,760.00	ENVIRONMENTAL CONCEPTS COMP INMISSION VIEJO CA	01/09/2018
222245	2200087861	01/04/2018	USD	754.25	ENVIRONMENTAL SYSTEMS RESEARCH LOS ANGELES CA	01/08/2018
222246	2200087884	01/04/2018	USD	1,550.00	EPI-USE AMERICA INC ATLANTA GA	01/10/2018
222247	2200087883	01/04/2018	USD	60.00	EUROFINS EATON ANALYTICAL, INC GRAPEVINE TX	01/09/2018
222248	2200087857	01/04/2018	USD	5,745.91	EXTITI INC BELL CANYON CA	01/16/2018

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	
222249	2200087876	01/04/2018	USD	43,001.14	FAIRVIEW FORD SAN BERNARDINO CA	01/10/2018	
222250	2200087890	01/04/2018	USD	25,881.04	FERREIRA COASTAL CONSTRUCTION BRANCBURG NJ	01/11/2018	
222251	2200087826	01/04/2018	USD	2,870.54	FISHER SCIENTIFIC LOS ANGELES CA	01/08/2018	
222252	2200087846	01/04/2018	USD	400.00	FONTANA AREA CHAMBER OF COMMEFONTANA CA	01/10/2018	
222253	2200087912	01/04/2018	USD	946.20	FONTANA WATER COMPANY FONTANA CA	01/10/2018	
222254	2200087916	01/04/2018	USD	433.69	FRANCHISE TAX BOARD SACRAMENTO CA	01/16/2018	
222255	2200087913	01/04/2018	USD	2,351.19	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/11/2018	
222256	2200087834	01/04/2018	USD	9,729.06	GRAINGER PALATINE IL	01/09/2018	
222257	2200087907	01/04/2018	USD	3,694.90	HCI SYSTEMS INC ONTARIO CA	01/10/2018	
222258	2200087839	01/04/2018	USD	1,428.00	IDEAL GLASS TINTING RANCHO CUCAMONGA CA	01/16/2018	
222259	2200087902	01/04/2018	USD	3,315.25	IDEXX DISTRIBUTION INC ATLANTA GA	01/08/2018	
222260	2200087900	01/04/2018	USD	2,295.00	IMPERIAL SPRINKLER SUPPLY ANAHEIM CA	01/09/2018	
222261	2200087858	01/04/2018	USD	120.00	INDUSTRIAL HEARING & PULMONARYUPLAND CA	01/18/2018	
222262	2200087850	01/04/2018	USD	238.13	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	01/09/2018	
222263	2200087914	01/04/2018	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	01/10/2018	
222264	2200087871	01/04/2018	USD	500.00	INSIDE PLANTS INC CORONA CA	01/09/2018	
222265	2200087877	01/04/2018	USD	4,310.00	INTEGRATED DESIGN SERVICES INCIRVINE CA	01/08/2018	
222266	2200087922	01/04/2018	USD	96.30	JUAREZ, CRUZ CHINO HILLS CA	01/22/2018	
222267	2200087908	01/04/2018	USD	3,000.00	K J CONSULTING REDLANDS CA	01/10/2018	
222268	2200087893	01/04/2018	USD	2,778.39	MANAGED MOBILE INC PLACENTIA CA	01/10/2018	
222269	2200087920	01/04/2018	USD	288.00	MARIA FRESQUEZ N LAS VEGAS NV	01/09/2018	
222270	2200087880	01/04/2018	USD	441.32	MARS ENVIRONMENTAL INC ANAHEIM CA	01/16/2018	
222271	2200087886	01/04/2018	USD	979.00	MICROAGE PHOENIX AZ	01/10/2018	
222272	2200087849	01/04/2018	USD	165.48	MIDPOINT BEARING ONTARIO CA	01/08/2018	
222273	2200087894	01/04/2018	USD	8,790.00	MOSS ADAMS LLP LOS ANGELES CA	01/08/2018	
222274	2200087873	01/04/2018	USD	1,417.90	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	01/09/2018	
222275	2200087825	01/04/2018	USD	4,369.20	OFFICE DEPOT PHOENIX AZ	01/12/2018	
222276	2200087836	01/04/2018	USD	8,539.84	ONTARIO FIRE EXTINGUISHER CO ONTARIO CA	01/17/2018	
222277	2200087921	01/04/2018	USD	238.34	PADDA, KAWAL CHINO HILLS CA	02/02/2018	
222278	2200087918	01/04/2018	USD	430.50	PATRICK W HUNTER PHELAN CA	01/08/2018	
222279	2200087827	01/04/2018	USD	307.54	PAITON SALES CORP ONTARIO CA	01/09/2018	
222280	2200087833	01/04/2018	USD	1,926.56	PETE'S ROAD SERVICE FULLERTON CA	01/09/2018	
222281	2200087867	01/04/2018	USD	2,557.31	PONTON INDUSTRIES INC YOREA LINDA CA	01/16/2018	
222282	2200087891	01/04/2018	USD	75.00	PUBLIC AGENCY SAFETY ORANGE CA	01/12/2018	
222283	2200087923	01/04/2018	USD	40.87	RILEY, STEPHANIE CHINO CA	01/24/2018	
222284	2200087828	01/04/2018	USD	10,940.00	RMA GROUP RANCHO CUCAMONGA CA	01/09/2018	
222285	2200087829	01/04/2018	USD	21,388.93	ROYAL WHOLESALE ELECTRIC LOS ANGELES CA	01/08/2018	
222286	2200087874	01/04/2018	USD	4,167.00	RSD LAKE FOREST CA	01/08/2018	
222287	2200087870	01/04/2018	USD	550.00	SAFETY MANAGEMENT SYSTEMS IRVINE CA	01/12/2018	
222288	2200087856	01/04/2018	USD	6,898.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	01/10/2018	
222289	2200087929	01/04/2018	USD	300.00	SHAW, KELLY FONTANA CA	01/17/2018	
222290	2200087910	01/04/2018	USD	51,650.81	SO CALIF EDISON ROSEMEAD CA	01/09/2018	
222291	2200087911	01/04/2018	USD	240.99	SO CALIF GAS MONTEREY PARK CA	01/17/2018	
222292	2200087885	01/04/2018	USD	1,800.00	STAFFING NETWORK LLC CAROL STREAM IL	01/09/2018	

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key		122234149				
Acct number		CHECK 231167641				
Check						
Check number from to	Payment	Pmt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
222337	2200088036	01/11/2018	USD	15,771.62	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	01/16/2018
222338	2200088061	01/11/2018	USD	252.41	CAMACHO, MICHAEL CHINO HILLS CA	01/19/2018
222339	2200087994	01/11/2018	USD	65,601.75	CAROLLO ENGINEERS INC SALT LAKE CITY UT	01/17/2018
222340	2200087983	01/11/2018	USD	473,958.61	CDM SMITH INC LOS ANGELES CA	01/16/2018
222341	2200088004	01/11/2018	USD	2,419.94	CHINO MFG & REPAIR INC CHINO CA	01/16/2018
222342	2200088018	01/11/2018	USD	3,685.82	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/18/2018
222343	2200088000	01/11/2018	USD	241.37	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	01/22/2018
222344	2200087979	01/11/2018	USD	4,790.50	CITY OF CHINO CHINO CA	01/26/2018
222345	2200088052	01/11/2018	USD	1,606.91	CITY OF CHINO CHINO CA	01/16/2018
222346	2200088046	01/11/2018	USD	4,034.48	COAST TO COAST COMPUTER PRODUCSIMI VALLEY CA	01/18/2018
222347	2200087959	01/11/2018	USD	359.15	COLE FARMER INSTRUMENT CO CHICAGO IL	01/16/2018
222348	2200088063	01/11/2018	USD	217.35	CONCEMINO, FRANCIS CHINO HILLS CA	01/17/2018
222349	2200088029	01/11/2018	USD	10,324.20	CONSERV CONSTRUCTION INC MENIFEE CA	01/16/2018
222350	2200088025	01/11/2018	USD	1,285.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	01/16/2018
222351	2200088013	01/11/2018	USD	156.81	DETECTION INSTRUMENTS CORP PHOENIX AZ	01/19/2018
222352	2200088047	01/11/2018	USD	28,178.10	DORGAN LEGAL SERVICES LLP PASADENA CA	01/22/2018
222353	2200088027	01/11/2018	USD	1,521.23	DOWNS ENERGY CORONA CA	01/17/2018
222354	2200088038	01/11/2018	USD	20,864.21	DXP ENTERPRISES INC DALLAS TX	01/17/2018
222355	2200087982	01/11/2018	USD	3,970.22	ENTENMANN-ROVIN CO LOS ANGELES CA	01/18/2018
222356	2200088030	01/11/2018	USD	60.00	EUROFINS EATON ANALYTICAL, INCGRAPEVINE TX	01/19/2018
222357	2200088014	01/11/2018	USD	172,004.56	FAIRVIEW FORD SAN BERNARDINO CA	01/18/2018
222358	2200087961	01/11/2018	USD	4,459.27	FISHER SCIENTIFIC LOS ANGELES CA	01/16/2018
222359	2200088057	01/11/2018	USD	2,461.62	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/19/2018
222360	2200088016	01/11/2018	USD	11,362.50	GET CONSULTANTS INC BOSTON MA	01/19/2018
222361	2200088041	01/11/2018	USD	18,675.00	GILLIS + PANICHAPAN ARCHITECTSCOSTA MESA CA	01/17/2018
222362	2200088045	01/11/2018	USD	2,371.20	GOAL PRODUCTIONS INC GLENDALE CA	01/19/2018
222363	2200087978	01/11/2018	USD	1,576.40	GRAINGER PALATINE IL	01/16/2018
222364	2200088011	01/11/2018	USD	3,300.11	HACH COMPANY CHICAGO IL	01/16/2018
222365	2200088044	01/11/2018	USD	2,673.02	IDEXX DISTRIBUTION INC ATLANTA GA	01/16/2018
222366	2200087976	01/11/2018	USD	2,410.76	INTERSTATE BATTERY SYSTEM ALTA LOMA CA	01/17/2018
222367	2200087991	01/11/2018	USD	1,058.83	KONICA MINOLTA PASADENA CA	01/16/2018
222368	2200087989	01/11/2018	USD	2,659.36	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	01/16/2018
222369	2200087990	01/11/2018	USD	5.41	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	01/16/2018
222370	2200088060	01/11/2018	USD	54.16	LETULLE, CHANDER CHINO HILLS CA	01/19/2018
222371	2200088056	01/11/2018	USD	848.06	LEVEL 3 COMMUNICATIONS LLC DENVER CO	01/16/2018
222372	2200088059	01/11/2018	USD	29,453.85	LIFE INSURANCE COMPANY OF PHILADELPHIA PA	01/18/2018
222373	2200088003	01/11/2018	USD	662.70	MCCROMETER INC CHICAGO IL	01/16/2018
222374	2200088032	01/11/2018	USD	5,400.11	MICROAGE PHOENIX AZ	01/17/2018
222375	2200088017	01/11/2018	USD	3,244.47	MILES CHEMICAL COMPANY INC ARLETA CA	01/17/2018
222376	2200088007	01/11/2018	USD	2,277.58	NATIONAL BUSINESS INVESTIGATIOMURRIETA CA	01/17/2018
222377	2200088019	01/11/2018	USD	658.52	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	01/22/2018
222378	2200088039	01/11/2018	USD	1,550.00	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	01/16/2018
222379	2200087960	01/11/2018	USD	960.93	OFFICE DEPOT PHOENIX AZ	01/18/2018
222380	2200088037	01/11/2018	USD	4,034.36	PACIFIC COURIERS INC ORANGE CA	01/17/2018

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222382	2200088042	01/11/2018	USD	5,771.20	PATCHETT & ASSOCIATES CARLSBAD CA	01/17/2018
222383	2200087964	01/11/2018	USD	871.52	PERKINELMER HEALTH SCIENCES INSHELTON CT	01/16/2018
222384	2200087977	01/11/2018	USD	390.96	PETTY CASH EXPENDITURES CHINO CA	01/16/2018
222385	2200087965	01/11/2018	USD	2,498.40	PITNEY BOWES INC PITTSBURGH PA	01/22/2018
222386	2200087984	01/11/2018	USD	9,076.86	POLYDYNE INC ATLANTA GA	01/19/2018
222387	2200088008	01/11/2018	USD	120.15	PONTON INDUSTRIES INC YORBA LINDA CA	01/22/2018
222388	2200088050	01/11/2018	USD	3,194.00	PRO-CRAFT CONSTRUCTION INC REDLANDS CA	01/16/2018
222389	2200087987	01/11/2018	USD	2,515.00	R F MACDONALD HAYWARD CA	01/17/2018
222390	2200087966	01/11/2018	USD	2,361.32	RAMONA TIRE & SERVICE CENTERS HEMET CA	01/18/2018
222391	2200087988	01/11/2018	USD	1,866.99	RAY GASKIN SERVICE BALDWIN PARK CA	01/24/2018
222392	2200087958	01/11/2018	USD	11.31	REM LOCK & KEY ONTARIO CA	01/19/2018
222393	2200087967	01/11/2018	USD	12,196.50	RMA GROUP RANCHO CUCAMONGA CA	01/23/2018
222394	2200088012	01/11/2018	USD	33,577.03	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	01/22/2018
222395	2200088043	01/11/2018	USD	6,623.15	ROCKWELL SOLUTIONS INC NEWPORT COAST CA	01/16/2018
222396	2200087968	01/11/2018	USD	434.43	ROYAL WHOLESALE ELECTRIC LOS ANGELES CA	01/16/2018
222397	2200088023	01/11/2018	USD	25.00	SCPMA-HR DIAMOND BAR CA	01/25/2018
222398	2200087970	01/11/2018	USD	796.00	SMART & FINAL LOS ANGELES CA	01/22/2018
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222400	2200088022	01/11/2018	USD	170.00	SOCIETY FOR MAINTENANCE AND ATLANTA GA	01/23/2018
222401	2200088070	01/11/2018	USD	36.92	SPEARS, CARINA CHINO HILLS CA	01/17/2018
222402	2200088068	01/11/2018	USD	230.00	ST PIERRE, DANIEL CHINO HILLS CA	01/16/2018
222403	2200088031	01/11/2018	USD	960.00	STAFFING NETWORK LLC ITASCA IL	01/17/2018
222404	2200087971	01/11/2018	USD	58.96	STATE BOARD OF EQUALIZATION SACRAMENTO CA	01/23/2018
222405	2200088071	01/11/2018	USD	107.64	SUETANI, KRYSILE CHINO HILLS CA	02/02/2018
222406	2200087974	01/11/2018	USD	204.77	TELL STEEL INC LONG BEACH CA	01/18/2018
222407	2200087997	01/11/2018	USD	10,154.02	U S BANK ST PAUL MN	01/18/2018
222408	2200088002	01/11/2018	USD	230.24	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	01/16/2018
222409	2200087998	01/11/2018	USD	66.02	U S HOSE INC ONTARIO CA	01/17/2018
222410	2200088033	01/11/2018	USD	22,292.50	UTILIQUEST LLC ATLANTA GA	01/16/2018
222411	2200088065	01/11/2018	USD	403.69	VANBREUKELEN, ALBERT CHINO HILLS CA	02/05/2018
222412	2200088040	01/11/2018	USD	30,062.21	VIRAMONTES EXPRESS INC CORONA CA	01/22/2018
222413	2200087980	01/11/2018	USD	20.00	WATER ENVIRONMENT FEDERATION BALTIMORE MD	01/22/2018
222414	2200087972	01/11/2018	USD	1,331.90	WAXIE SANITARY SUPPLY LOS ANGELES CA	01/17/2018
222416	2200088129	01/18/2018	USD	58.00	AEROTEK INC ATLANTA GA	01/23/2018
222417	2200088098	01/18/2018	USD	576.38	AIRGAS WEST INC PASADENA CA	01/22/2018
222418	2200088148	01/18/2018	USD	204.93	ALLIED UNIVERSAL SECURITY SERV PASADENA CA	01/22/2018
222419	2200088160	01/18/2018	USD	27,329.94	ALLISON MECHANICAL, INC. REDLANDS CA	01/23/2018
222420	2200088182	01/18/2018	USD	33,356.97	ANIMAL PEST MANAGEMENT SERVICE CHINO CA	01/23/2018
222421	2200088107	01/18/2018	USD	2,442.22	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	01/24/2018
222422	2200088214	01/18/2018	USD	66.29	ARAMBULA, BLANCA CHINO HILLS CA	01/22/2018
222423	2200088116	01/18/2018	USD	1,055.32	ARC IMAGING RESOURCES CALIFORNIA MONTEREY PARK CA	01/23/2018
222424	2200088151	01/18/2018	USD	36.70	ASAP INDUSTRIAL SUPPLY FONTANA CA	01/23/2018
222425	2200088127	01/18/2018	USD	270.00	BABCOCK LABORATORIES, INC RIVERSIDE CA	01/23/2018

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222428	2200088217	01/18/2018	USD	165.24	BOUGHAN, ARIN CHINO HILLS CA		01/23/2018
222429	2200088189	01/18/2018	USD	7,164.49	BURRTEC WASTE INDUSTRIES INC FONTANA CA		01/24/2018
222430	2200088163	01/18/2018	USD	10,386.83	BUSINESS CARD WILMINGTON DE		01/22/2018
222431	2200088111	01/18/2018	USD	95.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA		01/25/2018
222432	2200088154	01/18/2018	USD	11,555.69	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA		01/22/2018
222433	2200088091	01/18/2018	USD	7,830.01	CALITROL INC LOS ANGELES CA		01/22/2018
222434	2200088206	01/18/2018	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL		01/23/2018
222435	2200088118	01/18/2018	USD	189,279.22	CAROLLO ENGINEERS WALNUT CREEK CA		01/30/2018
222436	2200088180	01/18/2018	USD	76,144.87	CDM CONSTRUCTORS INC BOSTON MA		02/01/2018
222437	2200088113	01/18/2018	USD	7,079.40	CHAMPION NEWSPAPERS CHINO CA		02/02/2018
222438	2200088092	01/18/2018	USD	247.00	CHARLES P CROWLEY CO IRWINDALE CA		01/26/2018
222439	2200088175	01/18/2018	USD	829.30	CHEMTRADE CHEMICALS US LLC DETROIT MI		01/24/2018
222440	2200088126	01/18/2018	USD	2,437.00	CHINO MFG & REPAIR INC CHINO CA		01/23/2018
222441	2200088143	01/18/2018	USD	4,887.34	CINTAS CORPORATION LOC#150 PHOENIX AZ		01/26/2018
222442	2200088203	01/18/2018	USD	399.25	CITY EMPLOYEES ASSOCIATES LONG BEACH CA		01/23/2018
222443	2200088108	01/18/2018	USD	25,463.00	CITY OF FONTANA FONTANA CA		01/24/2018
222444	2200088103	01/18/2018	USD	2,000.00	CITY OF ONTARIO ONTARIO CA		01/25/2018
222445	2200088093	01/18/2018	USD	384.57	CITY RENTALS INC ONTARIO CA		01/29/2018
222446	2200088200	01/18/2018	USD	347.26	COLONIAL LIFE & ACCIDENT INSURCOLUMBIA SC		01/25/2018
222447	2200088114	01/18/2018	USD	4,125.00	COMMERCIAL DOOR CO POMONA CA		01/23/2018
222448	2200088137	01/18/2018	USD	1,102.26	CS-AMSCO HUNTINGTON BEACH CA		01/26/2018
222449	2200088185	01/18/2018	USD	313.28	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA		01/24/2018
222450	2200088211	01/18/2018	USD	41.42	CUNNINGHAM, RICHARD CHINO HILLS CA		01/24/2018
222451	2200088155	01/18/2018	USD	283.21	D & H WATER SYSTEMS INC OCEANSIDE CA		01/24/2018
222452	2200088150	01/18/2018	USD	1,450.00	DAVID WHEELER'S PEST CONTROL, NORCO CA		01/23/2018
222453	2200088164	01/18/2018	USD	150.00	DAVIS BARBER PRODUCTIONS INC FULLERTON CA		01/23/2018
222454	2200088210	01/18/2018	USD	901.20	DAVIS, MARIHA CHINO HILLS CA		01/30/2018
222455	2200088109	01/18/2018	USD	5,090.12	DELL MARKETING L P PASADENA CA		01/22/2018
222456	2200088128	01/18/2018	USD	6,492.50	DUDEK & ASSOCIATES INC ENCINITAS CA		01/25/2018
222457	2200088215	01/18/2018	USD	190.00	DYER, DANIEL CHINO HILLS CA		01/26/2018
222458	2200088212	01/18/2018	USD	578.94	ELEBY, CRYSTAL CHINO HILLS CA		01/22/2018
222459	2200088166	01/18/2018	USD	47,612.27	FACILITY SOLUTIONS GROUP INC FLACENTIA CA		01/25/2018
222460	2200088141	01/18/2018	USD	21,500.57	FAIRVIEW FORD SAN BERNARDINO CA		01/24/2018
222461	2200088161	01/18/2018	USD	75,426.50	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ		01/23/2018
222462	2200088205	01/18/2018	USD	2,352.78	FIDELITY SECURITY LIFE INSURANCINCINNATI OH		01/24/2018
222463	2200088153	01/18/2018	USD	795.00	FLOWPOINT ENVIRONMENTAL SYSTEMDENVER CO		02/05/2018
222464	2200088106	01/18/2018	USD	196.32	FLW INC HUNTINGTON BEACH CA		01/24/2018
222465	2200088202	01/18/2018	USD	480.92	FRANCHISE TAX BOARD SACRAMENTO CA		01/29/2018
222466	2200088190	01/18/2018	USD	3,291.23	FRONTIER COMMUNICATIONS CORP CINCINNATI OH		01/25/2018
222467	2200088100	01/18/2018	USD	2,817.18	GRAINGER PALATINE IL		01/23/2018
222468	2200088183	01/18/2018	USD	175,484.00	GWINCO CONSTRUCTION & ENGINEERONTARIO CA		01/24/2018
222469	2200088181	01/18/2018	USD	1,451.93	HD SUPPLY CONSTRUCTION CYPRESS CA		01/23/2018

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222473	2200088136	01/18/2018	USD	8,000.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	01/24/2018	
222474	2200088115	01/18/2018	USD	275,663.23	J F SHEA CONSTRUCTION INC WALNUT CA	01/23/2018	
222475	2200088170	01/18/2018	USD	1,024,531.30	KEMP BROS CONSTRUCTION INC SANTA FE SPRINGS CA	01/23/2018	
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222477	2200088101	01/18/2018	USD	45.25	LOS ANGELES TIMES PHOENIX AZ	01/24/2018	
222478	2200088207	01/18/2018	USD	288.00	MARIA FRESQUEZ N LAS VEGAS NV	01/23/2018	
222479	2200088120	01/18/2018	USD	154.16	MIDPOINT BEARING ONTARIO CA	01/22/2018	
222480	2200088094	01/18/2018	USD	88.85	MINE SAFETY APPLIANCES CO PITTSBURGH PA	01/23/2018	
222481	2200088179	01/18/2018	USD	113,325.64	MYERS AND SONS CONSTRUCTION LPSACRAMENTO CA	01/25/2018	
222482	2200088145	01/18/2018	USD	587.27	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	01/26/2018	
222483	2200088173	01/18/2018	USD	25,628.85	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	01/22/2018	
222484	2200088208	01/18/2018	USD	153.14	OAKDEN, SCOTT CHINO HILLS CA	02/01/2018	
222485	2200088184	01/18/2018	USD	5,731.44	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	01/22/2018	
222486	2200088209	01/18/2018	USD	113.50	PARIS, ANGELA CHINO HILLS CA	02/01/2018	
222487	2200088204	01/18/2018	USD	430.50	PATRICK W HUNTER PHELAN CA	01/22/2018	
222488	2200088216	01/18/2018	USD	43.20	PEREZ, HARRY CHINO HILLS CA		
222489	2200088192	01/18/2018	USD	6,619.68	PUBLIC EMPLOYEES' RETIREMENT SSACRAMENTO CA	01/24/2018	
222490	2200088213	01/18/2018	USD	52.10	RILEY, STEPHANIE CHINO CA	01/24/2018	
222491	2200088159	01/18/2018	USD	1,200.00	RM ARCHITECTURE IRVINE CA	01/30/2018	
222492	2200088096	01/18/2018	USD	12,448.00	RMA GROUP RANCHO CUCAMONGA CA	01/29/2018	
222493	2200088104	01/18/2018	USD	20,601.80	ROCKWELL ENGINEERING & EQUIPMEJUSTIN CA	01/22/2018	
222494	2200088140	01/18/2018	USD	2,091.75	RSD LAKE FOREST CA	01/22/2018	
222495	2200088146	01/18/2018	USD	346.57	SAFE-ENTRY TECHNICAL INC RANCHO CUCAMONGA CA	01/23/2018	
222496	2200088124	01/18/2018	USD	2,670.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	01/25/2018	
222497	2200088112	01/18/2018	USD	298.14	SIGMA-ALDRICH INC ATLANTA GA	01/23/2018	
222498	2200088138	01/18/2018	USD	630.60	SKALAR INC BUFORD GA	02/05/2018	
222499	2200088097	01/18/2018	USD	20.68	SMART & FINAL LOS ANGELES CA	01/29/2018	
222500	2200088186	01/18/2018	USD	121,585.22	SO CALIF EDISON ROSEMEAD CA	01/23/2018	
222501	2200088187	01/18/2018	USD	2,205.71	SO CALIF GAS MONTEREY PARK CA	01/25/2018	
222502	2200088110	01/18/2018	USD		voided by KMOCHRIS - Lost Check	02/07/2018	
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222504	2200088139	01/18/2018	USD	124,945.35	STANTEC CONSULTING INC CHICAGO IL	01/22/2018	
222505	2200088174	01/18/2018	USD	693.00	STORETRIEVE LLC PASADENA CA	01/22/2018	
222506	2200088132	01/18/2018	USD	1,095.79	SUPPORT PRODUCT SERVICES INC MURRIETA CA	01/30/2018	
222507	2200088102	01/18/2018	USD	10,963.18	TETRA TECH INC DENVER CO	01/22/2018	
222508	2200088123	01/18/2018	USD	20,984.14	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	01/24/2018	
222509	2200088168	01/18/2018	USD	31,313.90	TONY PAINTING GARDEN GROVE CA	01/23/2018	
222510	2200088178	01/18/2018	USD	3,434.48	TRANSENE COMPANY INC DANVERS MA	01/24/2018	
222511	2200088117	01/18/2018	USD	150.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	01/23/2018	
222512	2200088130	01/18/2018	USD	22,380.95	TRIMAX SYSTEMS INC BREA CA	02/02/2018	
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222517	2200088157	01/18/2018	USD	185.50	V3IT CONSULTING INC NAPERVILLE IL		01/23/2018
222518	2200088177	01/18/2018	USD	9,835.00	VARIABLE SPEED SOLUTIONS INC HUNTINGTON BEACH CA		01/30/2018
222519	2200088188	01/18/2018	USD	458.96	VERIZON BUSINESS ALBANY NY		01/23/2018
222520	2200088131	01/18/2018	USD	146,977.30	W A RASTIC CONSTRUCTION CO INC LONG BEACH CA		01/23/2018
222521	2200088167	01/18/2018	USD	17,600.00	WALLACE & ASSOCIATES CONSULTING PARK CITY UT		01/23/2018
222522	2200088105	01/18/2018	USD	255.00	WATER ENVIRONMENT FEDERATION BALITMORE MD		01/23/2018
222523	2200088196	01/18/2018			voided by SHEATH - Lost Check		02/15/2018
222524	2200088147	01/18/2018	USD	40,916.88	WESTIN ENGINEERING INC SANTA CLARA CA		
222525	2200088134	01/18/2018	USD	672.43	WORLDWIDE EXPRESS ALBANY NY		01/23/2018
222526	2200088152	01/18/2018	USD	122,711.08	XYLEM WATER SOLUTIONS USA INC CHICAGO IL		01/24/2018
222527	2200088231	01/22/2018	USD	188.02	AMERICAN HERITAGE LIFE INSURANCE DALLAS TX		02/06/2018
222528	2200088229	01/22/2018	USD	43.00	CALIFORNIA DEPARTMENT OF TAX SACRAMENTO CA		02/06/2018
222529	2200088227	01/22/2018	USD	2,497.40	KONICA MINOLTA PASADENA CA		01/26/2018
222530	2200088234	01/22/2018	USD	255.10	LEGALSHIELD ADA OK		01/30/2018
222531	2200088232	01/22/2018	USD	193.08	PERS LONG TERM CARE PROGRAM PASADENA CA		01/26/2018
222532	2200088230	01/22/2018	USD	480,826.60	SO CALIF EDISON ROSEMEAD CA		01/26/2018
222533	2200088228	01/22/2018	USD	12,429.15	U S BANK ST LOUIS MO		01/30/2018
222534	2200088233	01/22/2018	USD	25.00	WILCO LIFE INSURANCE COMPANY ATLANTA GA		02/02/2018
222535	2200088292	01/25/2018	USD	58.00	AEROTEK INC ATLANTA GA		02/01/2018
222536	2200088267	01/25/2018	USD	1,650.58	AIRGAS WEST INC PASADENA CA		01/29/2018
222537	2200088277	01/25/2018	USD	1,682.40	APPLBONE EMPLOYMENT SERVICES GLENDALE CA		01/30/2018
222538	2200088275	01/25/2018	USD	1,068.85	ARIZONA INSTRUMENT LLC CHANDLER AZ		01/30/2018
222539	2200088288	01/25/2018	USD	37.00	ASBCSD HESPERIA CA		02/13/2018
222540	2200088317	01/25/2018	USD	2,600.96	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA		01/29/2018
222541	2200088343	01/25/2018	USD	31.84	BROWN, EVA CHINO HILLS CA		02/13/2018
222542	2200088309	01/25/2018	USD	476.00	BURLINGTON SAFETY LAB OF CALIF WESTMINSTER CA		01/29/2018
222543	2200088271	01/25/2018	USD	2,170.50	CALIF DEPT OF FISH AND WILDLIFE SACRAMENTO CA		
222544	2200088300	01/25/2018	USD	5,935.00	CALIFORNIA HAZARDOUS SERVICES SANTA ANA CA		
222545	2200088310	01/25/2018	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA		01/31/2018
222546	2200088318	01/25/2018	USD	7,658.28	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA		01/29/2018
222547	2200088319	01/25/2018	USD	1,207.50	CAMET RESEARCH, INC. GOLETA CA		01/31/2018
222548	2200088339	01/25/2018	USD	1,213.85	CHAVEZ, NESTOR C CHINO HILLS CA		01/31/2018
222549	2200088327	01/25/2018	USD	6,799.33	CHEMTRADE CHEMICALS US LLC DETROIT MI		01/30/2018
222550	2200088280	01/25/2018	USD	94,665.87	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA		01/31/2018
222551	2200088293	01/25/2018	USD	133.76	CHINO VALLEY UNIFIED SCHOOL DISTRICT CHINO CA		01/31/2018
222552	2200088308	01/25/2018	USD	4,208.12	CINTAS CORPORATION LOC#150 PHOENIX AZ		02/06/2018
222553	2200088331	01/25/2018	USD	2,824.53	CITY OF CHINO CHINO CA		01/29/2018
222554	2200088257	01/25/2018	USD	12,485.50	COUNTY SANITATION DISTRICTS OF WHITTIER CA		01/30/2018
222555	2200088311	01/25/2018	USD	4,420.00	CRB SECURITY SOLUTIONS WESTMINSTER CA		01/30/2018
222556	2200088296	01/25/2018	USD	256.81	CX & B UNITED CORP HARBOR CITY CA		02/06/2018
222557	2200088314	01/25/2018	USD	970.00	DAVID WHEELER'S PEST CONTROL, NORCO CA		01/31/2018

Bank		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
222602	2200088298	01/25/2018	USD	2,981.45	SUPPORT PRODUCT SERVICES INC MURRIETA CA	01/30/2018
222603	2200088294	01/25/2018	USD	70,366.43	SYSTEMS SOURCE INC IRVINE CA	01/29/2018
222604	2200088285	01/25/2018	USD	6,807.70	TELEDYNE INSTRUMENTS INC CHICAGO IL	01/29/2018
222605	2200088273	01/25/2018	USD	7,940.96	TETRA TECH INC DENVER CO	01/30/2018
222606	2200088306	01/25/2018	USD	4,073.00	THE AUSTIN COMPANY CLEVELAND OH	01/30/2018
222607	2200088324	01/25/2018	USD	20.00	THE SHREDDERS LOS ANGELES CA	02/02/2018
222608	2200088284	01/25/2018	USD	20.00	THREE VALLEYS MWD CLAREMONT CA	
222609	2200088287	01/25/2018	USD	16,213.03	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	01/30/2018
222610	2200088329	01/25/2018	USD	240.04	TRANSENE COMPANY INC DANVERS MA	02/01/2018
222611	2200088282	01/25/2018	USD	150.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	01/30/2018
222612	2200088321	01/25/2018	USD	794.25	TRIEPEI SMITH AND ASSOCIATES ITUSTIN CA	02/09/2018
222613	2200088303	01/25/2018	USD	2,819.41	TRUSSELL TECHNOLOGIES INC PASADENA CA	02/01/2018
222614	2200088286	01/25/2018	USD	865.59	U S HOSE INC ONTARIO CA	01/30/2018
222615	2200088283	01/25/2018	USD	800.16	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	01/31/2018
222616	2200088264	01/25/2018	USD	381.25	UNDERGROUND SERVICE ALERT/SC CORONA CA	02/06/2018
222617	2200088301	01/25/2018	USD	570.00	URIMAGE BLOOMINGTON CA	01/30/2018
222618	2200088312	01/25/2018	USD	7,796.68	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	01/30/2018
222619	2200088325	01/25/2018	USD	14,645.00	WALLACE & ASSOCIATES CONSULTINPARK CITY UT	01/30/2018
222620	2200088265	01/25/2018	USD	4,489.28	WAXIE SANITARY SUPPLY LOS ANGELES CA	01/30/2018
222621	2200088266	01/25/2018	USD	4,905.65	WEST VALLEY MOSQUITO AND ONTARIO CA	01/29/2018
222622	2200088335	01/25/2018	USD	48.15	ZUGHBI, JAMAL A CHINO HILLS CA	02/09/2018
222623	2200088352	01/25/2018	USD	2,545.35	GLASDON INC SANDSTON VA	01/30/2018
222624	2200088351	01/25/2018	USD	2,310.83	JAMES COOKE & HOBSON INC ALBUQUERQUE NM	02/01/2018
222625	2200088350	01/25/2018	USD	1,150.00	JB'S POOLS & PONDS INC UPLAND CA	01/30/2018
222626	2200088354	01/25/2018	USD	41,270.97	KEARNS & WEST SAN FRANCISCO CA	02/09/2018
222627	2200088353	01/25/2018	USD	5,950.00	KRD MANAGEMENT CONSULTING LLC TEMECULA CA	01/30/2018
222628	2200088349	01/25/2018	USD	13,367.22	VERIZON WIRELESS DALLAS TX	01/30/2018
222629	2200088496	01/30/2018	USD	183.34	BREIG, ANNA VICTORVILLE CA	
222630	2200088499	01/30/2018	USD	499.68	HOBBS, DIANA APPLE VALLEY CA	02/06/2018
222631	2200088497	01/30/2018	USD	499.68	HORNE, WILLIAM YUCCA VALLEY CA	02/05/2018
222632	2200088498	01/30/2018	USD	826.04	MILLER, ELMER L BLUE JAY CA	02/08/2018
* Payment method Check			USD	6,149,014.11		

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register
 CBB January 2018 Disbursement Checks

02/23/2018 / 16:21:22
 User: CCAMPBEL
 Page: 11

Bank	CBB	CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key	122234149					
Acct number	CHECK	231167641				
Separate Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
222415	2200087986	01/11/2018	USD	90.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/19/2018
* Payment method Separate Check			USD	90.00		

Total of all entries

Check Register
CBB January 2018 Disbursement Checks

02/23/2018 / 16:21:22
User: CCAMPBEL
Page: 12

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	6,149,104.11		

Attachment 2B

Workers' Comp Checks

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000			
Bank Key		122234149					
Acct number		WCOMP 231159290					
Checks created manually							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
04870	2200088356	01/03/2018	USD	146.57	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/08/2018	
04871	2200088357	01/03/2018	USD	102.77	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/09/2018	
04872	2200088358	01/03/2018	USD	91.14	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/09/2018	
04873	2200088359	01/03/2018	USD	60.69	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/09/2018	
04874	2200088360	01/03/2018	USD	337.96	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/11/2018	
04875	2200088361	01/03/2018	USD	11.84	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/09/2018	
04876	2200088362	01/10/2018	USD	86.04	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/16/2018	
04877	2200088363	01/18/2018	USD	250.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/18/2018	
04878	2200088364	01/18/2018	USD	250.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/18/2018	
04879	2200088365	01/18/2018	USD	496.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/22/2018	
04880	2200088366	01/18/2018	USD	1,372.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/22/2018	
04881	2200088367	01/18/2018	USD	1,000.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/07/2018	
04882	2200088368	01/18/2018	USD	106.60	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/22/2018	
04883	2200088369	01/18/2018	USD	159.31	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/22/2018	
04884	2200088370	01/24/2018	USD	1,162.25	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/31/2018	
04885	2200088371	01/24/2018	USD	5.69	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/05/2018	
04886	2200088372	01/24/2018	USD	43.13	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/05/2018	
04887	2200088373	01/24/2018	USD	1,984.66	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/05/2018	
04888	2200088374	01/24/2018	USD	290.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/05/2018	
04889	2200088617	01/31/2018	USD	100.18	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/05/2018	
04890	2200088618	01/31/2018	USD	150.38	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/05/2018	
04891	2200088619	01/31/2018	USD	100.18	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/05/2018	
* Payment method Checks created manually			USD	8,307.39			

Total of all entries

Check Register
January 2018 Workers Compensation Checks

02/23/2018 / 16:24:14
User: CCAMPBEL
Page: 2

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	8,307.39		

Attachment 2C

Vendor ACHs

Check	Payee / Description	Amount
ACH	ICMA RETIREMENT TRUST 457 P/R 1 1/5/18 Deferred Comp	HR 0064600 20,163.97
	ICMA RETIREMENT TRUST 457	\$ 20,163.97
ACH	LINCOLN NATIONAL LIFE INS CO P/R 1 1/5/18 Deferred Comp	HR 0064600 49,093.70
	LINCOLN NATIONAL LIFE INS CO	\$ 49,093.70
ACH	ICMA RETIREMENT TRUST 401 P/R 1 1/5/18 Exec Deferred Comp	HR 0064600 23,553.66
	ICMA RETIREMENT TRUST 401	\$ 23,553.66
ACH	NAPA GENUINE PARTS COMPANY 2 Mirrors Lucas Red-Tacky GRS Battery, Core Deposit Switch 4 Return of Core Deposits 4 Return of Core Deposits	240297 179.23 4584-240789 171.97 4584-240630 162.52 4584-240146 91.58 4584-237371 213.35- 4584-236862 310.32-
	NAPA GENUINE PARTS COMPANY	\$ 81.63
ACH	SANTA ANA WATERSHED November 2017 Truck Discharge	9189 2,949.00
	SANTA ANA WATERSHED	\$ 2,949.00
ACH	MCMASTER-CARR SUPPLY CO 6-Emergency backup light for LED Bulbs, 3-automatic-winding hose reel w/nickel p 50 feet high pressure PVC tubing, clear 40high pressure brass fitting,15 full co Foam Inulation, Tee, Foam Tubes Full cone spray nozzle,brass,1/2 npt mal Return 2 Metal Filter Housings Return Chain,Slide Bolt, Connector Link	52649512 354.86 52707929 1,794.06 52723990 76.38 52723991 781.79 53060018 85.66 53215438 384.80 45304572 424.69- 49635858 294.77-
	MCMASTER-CARR SUPPLY CO	\$ 2,758.09
ACH	LA OPINION PI-Water Conservation Ads-10/01/17-10/31	107291017 5,175.00
	LA OPINION	\$ 5,175.00
ACH	APRISA TECHNOLOGY LLC Microsoft open government olp win svr ca	42836 14,119.39
	APRISA TECHNOLOGY LLC	\$ 14,119.39
ACH	OLIN CORP CCWRP-2,986 Gals Sodium Hypochlorite CCWRP-3,022 Gals Sodium Hypochlorite CCWRP-2,992 Gals Sodium Hypochlorite	2428881 1,761.74 2425658 1,782.98 2424176 1,765.28
	OLIN CORP	\$ 5,310.00

Check	Payee / Description	Amount
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ACH	DAVE'S PLUMBING 2 Water Softener Removal 12/21/17	5173	490.00
	DAVE'S PLUMBING	\$	490.00
ACH	TRIBOLOGIK CORPORATION Oil Analysis	38583	90.00
	Oil Analysis	38582	30.00
	Oil Analysis	38581	270.00
	Oil Analysis	38490	840.00
	Oil Analysis	38489	360.00
	Oil Analysis	38354	390.00
	TRIBOLOGIK CORPORATION	\$	1,980.00
ACH	U S BANK - PAYMENT PLUS 104896 WESTERN WATER WORKS SUPPLY CO	2200087771	274.40
	101945 FLORENCE FILTER CORP	2200087410	2,736.31
	105316 PLUMBERS DEPOT INC	2200087411	2,888.68
	101706 CALOLYMPIC SAFETY	2200086926	145.53
	101123 ALL AMERICAN CRANE MAINTENANCE	2200087409	2,426.55
	100319 MISSION REPROGRAPHICS	2200087408	4,298.64
	100163 J G TUCKER & SON INC	2200087407	253.49
	100150 HARRINGTON INDUSTRIAL PLASTICS LL	2200087406	77.56
	104896 WESTERN WATER WORKS SUPPLY CO	2200087122	2,041.06
	100163 J G TUCKER & SON INC	2200087284	137.98
	101706 CALOLYMPIC SAFETY	2200087286	145.53
	101706 CALOLYMPIC SAFETY	2200087121	327.66
	101123 ALL AMERICAN CRANE MAINTENANCE	2200087285	6,885.09
	100150 HARRINGTON INDUSTRIAL PLASTICS LL	2200087120	1,178.77
	100150 HARRINGTON INDUSTRIAL PLASTICS LL	2200087283	7,625.73
	104896 WESTERN WATER WORKS SUPPLY CO	2200086927	464.41
	U S BANK - PAYMENT PLUS	\$	31,907.39
ACH	AMAZON BUSINESS SMC AW20-N02-CZ Filter/Regulator, Polycar	1CDJ-W6ND-VR6	43.03
	Return-1 Journey to Creating Sustainable	1WD1-W3CP-3W3	59.22
	1 Cable Weight	1CJP-RFYF-TDT	16.01
	Quartet Display System	1K97-GPG7-HMX	190.69
	Dewalt DCB606 20/60V Max Flexvolt 6.0 Ba	16PM-TJQ1-KTP	321.10
	Varidesk-Height Adjustable Standing Desk	166H-DR4D-TR9	404.06
	Varidesk-Monitor mount w/laptop cradle,	16QD-N1RL-GGX	743.47
	Clear Document Pockets	1H96-QWJT-CGC	21.18
	Metalized Mylar Bubble Wrap 48X125	17V9-Q4Q7-WPX	99.99
	6 Books - Maintenance Strategy Series	143C-JVMC-W9G	174.99
	2 Blue LED Dynamic Wall Clock	119T-NNYG-7PW	109.90
	4 Tactical Military Flashlights	1KWF-KHHR-7DH	73.88
	Management, Global Edition	1RH9-1CDY-N67	49.04
	Management, Student value 14th edition	ICJ6-RL3W-4TM	220.88
	2017 ASHRAE Handbook, Fundamentals, inclu	1PP7-NGC4-73C	182.89
	2016 ASHRAE Handbook hvac Appl & Exam	1PP7-NGC4-FRJ	526.67
	AMAZON BUSINESS	\$	3,118.56
ACH	AMERICAN OFFICE PROFESSIONALS 4 Toner Cartridges, 1 Fuser, Labor	1250	1,217.26
	2 Toner Cartridges	1242	201.84

Check	Payee / Description		Amount
	2 Toner Cartridges	1412	222.39
	AMERICAN OFFICE PROFESSIONALS	\$	1,641.49
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 1 1/5/18 Employee Ded	HR 0064600	171.00
	IEUA EMPLOYEES' ASSOCIATION	\$	171.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 1 1/5/18 Employee Ded	HR 0064600	345.00
	IEUA SUPERVISORS UNION ASSOCIA	\$	345.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 1 1/5/18 Employee Ded	HR 0064600	1,169.10
	IEUA GENERAL EMPLOYEES ASSOCIA	\$	1,169.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 1 1/5/18 Employee Ded	HR 0064600	520.00
	IEUA PROFESSIONAL EMPLOYEES AS	\$	520.00
ACH	DISCOVERY BENEFITS INC P/R 1 1/5/18 Cafeteria Plan	HR 0064600	3,377.32
	DISCOVERY BENEFITS INC	\$	3,377.32
ACH	PREFERRED BENEFIT INSURANCE 12/17 Agency Dental Plan	EIA22779	16,088.50
	PREFERRED BENEFIT INSURANCE	\$	16,088.50
ACH	DISCOVERY BENEFITS INC November 2017 Admin Fees	0000822975-IN	161.50
	DISCOVERY BENEFITS INC	\$	161.50
ACH	AQUA BEN CORPORATION RP1-18,400 Lbs Polymer 750A	36632	25,311.85
	AQUA BEN CORPORATION	\$	25,311.85
ACH	HASCO OIL COMPANY, INC. Mobil SHC 626 Mobil DTE 25	0215341-IN 0215430-IN	4,037.81 1,315.83
	HASCO OIL COMPANY, INC.	\$	5,353.64
ACH	NAPA GENUINE PARTS COMPANY Multifit hitch cls 3, Chain Hoist Return-1 Multifit Hitch on Invoice	4584-241702 4584-242386	195.58 143.87
	NAPA GENUINE PARTS COMPANY	\$	51.71
ACH	SANTA ANA WATERSHED November 2017 Service 17/18 Emerging Constituents Workgroup	9198 9331	131,134.71 3,077.00

Check	Payee / Description	Amount
	SANTA ANA WATERSHED	\$ 134,211.71
ACH	PACIFIC PARTS & CONTROLS VFD Repair by Eaton Services, SPR-CMB2156 I417072 Eaton VFD Troubleshoot & Repair I416152 EBM 99284-4-7320 Capacitor I417357	2,098.83 1,410.00 143.30
	PACIFIC PARTS & CONTROLS	\$ 3,652.13
ACH	MCMASTER-CARR SUPPLY CO Cardstock Write On Tags with Wire Tie Ta 53447614 Low Pressure Gauge, On/Off Valves, Crack r 53434859 Chain Barrier, Slide-Bolt Snap, Connecting 53424407 V-Belt Trade #A39, Welding Jacket 53447613	21.36 304.74 288.98 93.36
	MCMASTER-CARR SUPPLY CO	\$ 708.44
ACH	ALFA LAVAL INC 7 Filter Elements 277067419	1,486.92
	ALFA LAVAL INC	\$ 1,486.92
ACH	INLAND EMPIRE REGIONAL 11/17 Biosolids 90021254	299,353.04
	INLAND EMPIRE REGIONAL	\$ 299,353.04
ACH	PARSONS WATER & INFRASTRUCTURE EN19006/EN19001-10/7-11/3 Prof Svcs 1711B071	582,459.49
	PARSONS WATER & INFRASTRUCTURE	\$ 582,459.49
ACH	PEST OPTIONS INC November 2017 Weed Abatement Services 288644	3,064.95
	PEST OPTIONS INC	\$ 3,064.95
ACH	AMAZON BUSINESS 3 Varidesk - Monitor Arm - Full Motion S 1M3V-MDM9-THH Bosch Professional Cordless Blower 1GH3-WM4Y-PKF 9 Macroeer Transceiver Module 1GGG-NNDJ-M9M 3 Black Toner Cartridge 1MGM-PT67-H73 Bosch Professional Cordless Blower 1GH3-WM4Y-PKF 1 Milwaukee Cordless Grinder 1TGP-DQMW-MGY Bosch Professional Cordless Blower 1GH3-WM4Y-PKF Otter Box Defender iPhone6/6s, 6 Plus/6s 1MN3-MRTT-NHL JETech iPhone6/6s, iPhone 8,7,6s,6Screen 1PC3-WGX6-Q7T AC Power Cord 5-15p to C13 6-foot & 8-fo 1MGM-PT67-DWK Post-it Tabletop Easel Pad with Dry Eras 1FKC-J9C4-HHG	630.33 193.78 191.01 520.44 198.27 349.99 193.78 139.50 80.91 292.79 31.13
	AMAZON BUSINESS	\$ 2,434.37
ACH	AMERICAN OFFICE PROFESSIONALS 3 - HP 26X Toner Cartridge 1419 Fujitsu FI-7700 Production Scanner 1418 4-87X, 4-26X, 4-14X Toner Cartridges 1422 4- HP M402DN Optional Cassette Feed Unit 1333 4 Toner Cartridges 1338	332.09 6,414.10 1,303.35 820.66 1,048.05

Check	Payee / Description	Amount
	4- HP 87X Toner Cartridges 1403	223.39
	AMERICAN OFFICE PROFESSIONALS \$	10,141.64
ACH	SHELL ENERGY NORTH AMERICA LP 11/17 Gas Cmmnty-Core, 9/17 Adj 1100002880311	935.50
	SHELL ENERGY NORTH AMERICA LP \$	935.50
ACH	SOLAR STAR CALIFORNIA V LLC RP1-11/1-11/30 2450 Phila St M0616-1529455	1,962.77
	CCWRP/TP/RWPS-11/1-11/30 14950 Telephone M0613-1529452	8,787.11
	RP5/TP5/HQA/B-11/1-11/30 6075 Kimball Av M0614-1529453	12,046.76
	RP1-11/1-11/30 2450 Phila St M0615-1529454	11,434.51
	SOLAR STAR CALIFORNIA V LLC \$	34,231.15
ACH	IEUA EMPLOYEES' ASSOCIATION P/R DIR 1 1/12/18 Employee Ded HR 0065100	12.00
	IEUA EMPLOYEES' ASSOCIATION \$	12.00
ACH	ELIE, STEVE MlgReim-12/17 Meetings-Elie,S MLG 12/17	14.18
	ELIE, STEVE \$	14.18
ACH	HALL, JASMIN MlgReim-12/17 Meetings-Hall,J MLG 12/17	172.06
	HALL, JASMIN \$	172.06
ACH	PARKER, KATI MlgReim-12/17 Meetings-Parker,K MLG 12/17	112.56
	PARKER, KATI \$	112.56
ACH	Inland Empire Reg. Composting 9/17 O&M Expenses SAP0917-IEUAO	519.01
	7/17 O&M Expenses SAP0717-IEUAO	285.28
	Inland Empire Reg. Composting \$	804.29
ACH	ICMA RETIREMENT TRUST 457 P/R 2 1/19/18 Deferred Comp HR 0065200	18,804.60
	ICMA RETIREMENT TRUST 457 \$	18,804.60
ACH	LINCOLN NATIONAL LIFE INS CO P/R 2 1/19/18 Deferred Comp HR 0065200	24,326.50
	LINCOLN NATIONAL LIFE INS CO \$	24,326.50
ACH	ICMA RETIREMENT TRUST 401 P/R 2 1/19/18 Exec Deferred Comp HR 0065200	8,515.85
	ICMA RETIREMENT TRUST 401 \$	8,515.85
ACH	NAPA GENUINE PARTS COMPANY	

Check	Payee / Description	Amount
	Combo Ball Mount 4584-241781	29.06
	6 Blue Def, Return one Core Deposit 3973-885576	1.86-
	NAPA GENUINE PARTS COMPANY \$	27.20
ACH	MCMASTER-CARR SUPPLY CO	
	Heavy Duty Quick 5 Shelves Shelving 53986185	5,937.59
	Connecting Link For ANSI Number 50H Heav 53819853	16.51
	Washdown Hole Plugs For Trade Size Knock 53838065	313.00
	Stainless Steel Threaded Pipe Fittings 53935538	388.79
	Push-To-Connect Tube Fititngs For Air Sw 53935537	24.72
	Corkscrew Tips For Changeable-Tip Pick 53953957	1,008.61
	MCMASTER-CARR SUPPLY CO \$	7,689.22
ACH	AGRICULTURAL RESOURCES	
	2/18 Wtr Quality Consult 2/18 WTR QLTY	3,500.00
	AGRICULTURAL RESOURCES \$	3,500.00
ACH	PEST OPTIONS INC	
	December 2017 Weed Abatement Services 290566	3,064.95
	PEST OPTIONS INC \$	3,064.95
ACH	OLIN CORP	
	TP1-4,916 Gals Sodium Hypochlorite 2441377	2,900.44
	RP5-4,898 Gals Sodium Hypochlorite 2435125	2,889.82
	TP1-4,960 Gals Sodium Hypochlorite 2435695	2,926.40
	CCWRP-2,996 Gals Sodium Hypochlorite 2436261	1,767.64
	RP4-2,004 Gals Sodium Hypochlorite 2435124	1,182.36
	TP1-4,828 Gals Sodium Hypochlorite 2436262	2,848.52
	CCWRP-2,994 Gals Sodium Hypochlorite 2434632	1,766.46
	TP1-4,898 Gals Sodium Hypochlorite 2436263	2,889.82
	TP1-5,020 Gals Sodium Hypochlorite 2434631	2,961.80
	RP4-2,000 Gals Sodium Hypochlorite 2434204	1,180.00
	TP1-4,694 Gals Sodium Hypochlorite 2437115	2,769.46
	CCWRP-3,004 Gals Sodium Hypochlorite 2437723	1,772.36
	RP5-4,898 Gals Sodium Hypochlorite 2438252	2,651.46
	TP1-5,004 Gals Sodium Hypochlorite 2438253	2,952.36
	RP4-2,006 Gals Sodium Hypochlorite 2438786	1,183.54
	TP1-4,948 Gals Sodium Hypochlorite 2438787	2,919.32
	RP5-4,958 Gals Sodium Hypochlorite 2441376	2,925.22
	CCWRP-2,970 Gals Sodium Hypochlorite 2440776	1,752.30
	RP4-2,010 Gals Sodium Hypochlorite 2440116	1,185.90
	TP1-4,822 Gals Sodium Hypochlorite 2440115	2,844.98
	RP4-1,998 Gals Sodium Hypochlorite 2441378	1,178.82
	RP5-4,926 Gals Sodium Hypochlorite 2442553	2,906.34
	CCWRP-3,006 Gals Sodium Hypochlorite 2442554	1,773.54
	TP1-4,952 Gals Sodium Hypochlorite 2442555	2,921.68
	CCWRP-3,006 Gals Sodium Hypochlorite 2439331	1,773.54
	TP1-4,890 Gals Sodium Hypochlorite 2439332	2,885.10
	TP1-4,698 Gals Sodium Hypochlorite 2439686	2,771.82
	RP4-2,004 Gals Sodium Hypochlorite 2439687	1,182.36
	TP1-4,898 Gals Sodium Hypochlorite 2442556	2,889.82
	RP4-1,990 Gals Sodium Hypochlorite 2443080	1,174.10
	TP1-4,910 Gals Sodium Hypochlorite 2443161	2,896.90
	OLIN CORP \$	70,624.18

Check	Payee / Description		Amount
ACH	SIEMENS INDUSTRY INC		
	1 Yr Extended Warranty f/Flowmeter	5601996748	582.30
	Transducers	5602101822	1,663.66
	2 Hydorrangers, Transducer	5602147693	4,027.70
	2 Hydorrangers	5602147692	3,411.37
	2 Flowmeters, 2 Transmitters, Cable Kits, W	5602123917	17,078.07
	2 Flowmeters, 2 Transmitters, Cable Kits, W	5602123916	8,164.11
	1 Yr Extended Warranty f/Flowmeter	5602095386	172.60
			- - - - -
	SIEMENS INDUSTRY INC	\$	35,099.81
ACH	WEST COAST ADVISORS		
	12/17 Prof Svcs	10929	9,800.00
			- - - - -
	WEST COAST ADVISORS	\$	9,800.00
ACH	TRIBOLOGIK CORPORATION		
	Oil Analysis	39069	60.00
	Oil Analysis	39068	30.00
	Oil Analysis	39067	330.00
	Oil Analysis	39998	60.00
	Oil Analysis	39997	30.00
	Oil Analysis	39996	480.00
			- - - - -
	TRIBOLOGIK CORPORATION	\$	990.00
ACH	JC LAW FIRM		
	11/17 RCA Legal	00374	1,175.00
	11/17 Santa Ana River	00376	830.00
	11/17 IEUA vs Spicer-EN17018	00377	6,300.00
	11/17 Watermaster	00378	990.00
	11/17 SAWPA General	00375	3,450.00
	11/17 General Legal	00373	31,945.00
			- - - - -
	JC LAW FIRM	\$	44,690.00
ACH	AMAZON BUSINESS		
	6 Liquid Level Control Relay	1YCT-XKKN-DQQ	858.00
	Return 4 Sustainable Asset Management	1YXG-FYRG-1P4	260.36-
	1 Journey to Creating Sustainable Value	1G9V-9C7P-LYM	59.22
			- - - - -
	AMAZON BUSINESS	\$	656.86
ACH	IEUA EMPLOYEES' ASSOCIATION		
	P/R 2 1/19/18 Employee Ded	HR 0065200	177.00
			- - - - -
	IEUA EMPLOYEES' ASSOCIATION	\$	177.00
ACH	IEUA SUPERVISORS UNION ASSOCIA		
	P/R 2 1/19/18 Employee Ded	HR 0065200	345.00
			- - - - -
	IEUA SUPERVISORS UNION ASSOCIA	\$	345.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA		
	P/R 2 1/19/18 Employee Ded	HR 0065200	1,156.60
			- - - - -
	IEUA GENERAL EMPLOYEES ASSOCIA	\$	1,156.60

Check	Payee / Description	Amount
ACH	PREFERRED BENEFIT INSURANCE 1/18 Agency Dental Plan	EIA23092 17,985.60
	PREFERRED BENEFIT INSURANCE \$	17,985.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 2 1/19/18 Employee Ded	HR 0065200 520.00
	IEUA PROFESSIONAL EMPLOYEES ASS	520.00
ACH	DISCOVERY BENEFITS INC P/R 2 1/19/18 Cafeteria Plan	HR 0065200 3,292.32
	DISCOVERY BENEFITS INC \$	3,292.32
ACH	JC LAW FIRM 12/17 IEUA vs Spicer-EN17018	00392 3,200.00
	12/17 Watermaster	00393 375.00
	12/17 Santa Ana River	00391 11.25
	12/17 IEUA vs Mwembu	00387 450.00
	12/17 SAWPA General	00390 1,250.00
	12/17 RCA Legal	00389 300.00
	12/17 General Legal	00388 48,370.00
	JC LAW FIRM \$	53,956.25
ACH	GK & ASSOCIATES INC 46-2054-11/17 Prof Svcs	17-096 20,740.00
	46-2054-11/17 Prof Svcs	17-095 14,560.00
	46-2054-11/17 Prof Svcs	17-094 19,520.00
	GK & ASSOCIATES INC \$	54,820.00
ACH	AQUA BEN CORPORATION RP1-18,400 Lbs Polymer 750A	36765 25,311.85
	DAFT-4,600 Lbs Polymer 748E	36764 4,163.46
	RP1-18,400 Lbs Hydrofloc 750A	36676 25,311.85
	RP1-36,800 Lbs Hydrofloc 750A	36710 50,623.71
	AQUA BEN CORPORATION \$	105,410.87
ACH	HASCO OIL COMPANY, INC. RP5-Mobil SHC 629-1 Drum	0215621-IN 4,107.69
	RP5-Mobil SHC 626-1 Drum	0215505-IN 3,973.16
	RP5-Mobil SHC 630-1 Drum	0215547-IN 4,107.69
	HASCO OIL COMPANY, INC. \$	12,188.54
ACH	NAPA GENUINE PARTS COMPANY Reman Alternator	3973-884953 378.84
	NAPA GENUINE PARTS COMPANY \$	378.84
ACH	MCMaster-CARR SUPPLY CO V-Belts A60 & B97	54456500 179.53
	12 Extreme-Force Vibration Leveling Moun	54326169 193.34
	Brass Float Valve, Elbow Body 3/4 NPT Ma	54456499 75.30
	MCMaster-CARR SUPPLY CO \$	448.17

Check	Payee / Description	Amount
ACH	INLAND EMPIRE REGIONAL 12/17 Biosolids 90021434	321,031.76
	INLAND EMPIRE REGIONAL \$	321,031.76
ACH	PARSONS WATER & INFRASTRUCTURE EN19006/EN19001-11/4-12/1 Prof Svcs 1712B822	687,697.49
	PARSONS WATER & INFRASTRUCTURE\$	687,697.49
ACH	APRISA TECHNOLOGY LLC 4 KVM Switch,32 Interface Module,8 Trans 42838 11,435.90 2 Dell Poweredge Server,2 Poweredge Modu 42840 34,368.89 Dell Poweredge Server,Poweredge Module 42842 23,649.92	
	APRISA TECHNOLOGY LLC \$	69,454.71
ACH	SAP PUBLIC SERVICES INC 1/18-12/18 BSI US Payroll Tax Maint Supp 6065036158 5,443.20 1/18-12/18 mySAP Business Suite Enterpri 6065036330 131,867.94 1/18-12/18 SAP Business Suite Ltd Pro Su 6065036162 6,523.00 1/18-12/18 SSO License Maint Enterprise 6065036161 4,365.90 1/18-12/18 SAP BusObj Enterprise Support 6065036160 16,839.90 1/18-12/18 SAP BusObj Enterprise Support 6065036159 20,838.61	
	SAP PUBLIC SERVICES INC \$	185,878.55
ACH	EVOQUA WATER TECHNOLOGIES LLC 1/1/18-3/31/2018 DI Tank Rental 903385725	104.25
	EVOQUA WATER TECHNOLOGIES LLC \$	104.25
ACH	AMAZON BUSINESS Return-1 Varidesk Monitor Mount 1YXG-FYRG-NGQ 210.11- 4 Sustainable Asset Management 19PT-YCDN-L77 260.36	
	AMAZON BUSINESS \$	50.25
ACH	SHELL ENERGY NORTH AMERICA LP RP1-12/1-12/31 2450 Phila St 9/1-9/30 Ad 2042 12/17 132,104.21 RP2/RP5-12/1-12/31 16400 El Prado Rd 9/1 2044 12/17 9,372.64	
	SHELL ENERGY NORTH AMERICA LP \$	141,476.85
ACH	FOUNDATION HA ENERGY GENERATIO RP4/RWPS-12/1-12/31 12811 6th St-Wind Po 2251 13,952.26	
	FOUNDATION HA ENERGY GENERATIO\$	13,952.26
ACH	DISCOVERY BENEFITS INC December 2017 Admin Fees 0000832670-IN 161.50	
	DISCOVERY BENEFITS INC \$	161.50
ACH	UNIVAR USA INC TP1-12,812 Lbs Sodium Bisulfite LA597633 2,766.48 TP1-12,024 Lbs Sodium Bisulfite LA601213 2,596.44 PradoLS-12,064 Lbs Sodium Bisulfite LA601540 2,605.09	

Check	Payee / Description	Amount
	RP5-12,089 Lbs Sodium Bisulfite LA601542	2,610.48
	UNIVAR USA INC \$	10,578.49
ACH	WESTERN MUNICIPAL WATER DISTRI 11/17-11/30 Free Sprinkler Nozzle Progra IEUA-1498	350.00
	WESTERN MUNICIPAL WATER DISTRI\$	350.00
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem HEALTH PREM	499.68
	ESTRADA, JIMMIE J \$	499.68
ACH	LICHTI, ALICE Reim Monthly Health Prem HEALTH PREM	183.34
	LICHTI, ALICE \$	183.34
ACH	MORASSE, EDNA Reim Monthly Health Prem HEALTH PREM	183.34
	MORASSE, EDNA \$	183.34
ACH	NOWAK, THEO T Reim Monthly Health Prem HEALTH PREM	499.68
	NOWAK, THEO T \$	499.68
ACH	SONNENBURG, ILSE Reim Monthly Health Prem HEALTH PREM	183.34
	SONNENBURG, ILSE \$	183.34
ACH	DYKSTRA, BETTY Reim Monthly Health Prem HEALTH PREM	183.34
	DYKSTRA, BETTY \$	183.34
ACH	TORRES, ROBERT G Reim Monthly Health Prem HEALTH PREM	183.34
	TORRES, ROBERT G \$	183.34
ACH	MUELLER, CAROLYN Reim Monthly Health Prem HEALTH PREM	183.34
	MUELLER, CAROLYN \$	183.34
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem HEALTH PREM	183.34
	GRIFFIN, GEORGE \$	183.34
ACH	CANADA, ANGELA Reim Monthly Health Prem HEALTH PREM	183.34
	CANADA, ANGELA \$	183.34

Check	Payee / Description	Amount
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM 183.34
	CUPERSMITH, LEIZAR	\$ 183.34
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM 316.34
	DELGADO-ORAMAS JR, JOSE	\$ 316.34
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM 158.17
	GRANGER, BRANDON	\$ 158.17
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 158.17
	GADDY, CHARLES L	\$ 158.17
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 25.17
	BAKER, CHRIS	\$ 25.17
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 133.00
	WEBB, DANNY C	\$ 133.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 158.17
	HUMPHREYS, DEBORAH E	\$ 158.17
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 158.17
	MOUAT, FREDERICK W	\$ 158.17
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 133.00
	MORGAN, GARTH W	\$ 133.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 25.17
	ALLINGHAM, JACK	\$ 25.17
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 491.57
	MAZUR, JOHN	\$ 491.57
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 25.17
	RUDDER, LARRY	\$ 25.17

Check	Payee / Description	Amount
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 133.00
	HAMILTON, MARIA	\$ 133.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM 183.34
	PICENO, TONY	\$ 183.34
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 25.17
	RAMOS, CAROL	\$ 25.17
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 133.00
	FISHER, JAY	\$ 133.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 25.17
	KING, PATRICK	\$ 25.17
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 25.17
	HOWARD, ROBERT JAMES	\$ 25.17
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM 133.00
	DIETZ, JUDY	\$ 133.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM 25.17
	DAVIS, GEORGE	\$ 25.17
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM 25.17
	MONZAVI, TAGHI	\$ 25.17
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 183.34
	PETERSEN, KENNETH	\$ 183.34
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 183.34
	TRAUTERMAN, HELEN	\$ 183.34
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 959.04

Check	Payee / Description	Amount
	TIEGS, KATHLEEN	\$ 959.04
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 499.68
	DIGGS, GEORGE	\$ 499.68
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 499.68
	HAYES, KENNETH	\$ 499.68
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 158.17
	HUNTON, STEVE	\$ 158.17
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 158.17
	RODRIGUEZ, LOUIS	\$ 158.17
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 642.70
	VARBEL, VAN	\$ 642.70
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 509.70
	CLIFTON, NEIL	\$ 509.70
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 133.00
	DELGADO, FRANCOIS	\$ 133.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 642.70
	WELLMAN, JOHN THOMAS	\$ 642.70
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 25.17
	SPEARS, SUSAN	\$ 25.17
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 183.34
	TROXEL, WYATT	\$ 183.34
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 491.57
	CORLEY, WILLIAM	\$ 491.57
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 345.53

Check	Payee / Description	Amount
	CALLAHAN, CHARLES	\$ 345.53
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 183.34
	LESNIAKOWSKI, NORBERT	\$ 183.34
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 478.53
	VER STEEG, ALLEN J	\$ 478.53
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 479.52
	HACKNEY, GARY	\$ 479.52
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 25.17
	CAREL, LARRY	\$ 25.17
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 183.34
	TOL, HAROLD	\$ 183.34
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 533.80
	BANKSTON, GARY	\$ 533.80
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 133.00
	ATWATER, RICHARD	\$ 133.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 491.57
	FIESTA, PATRICIA	\$ 491.57
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 632.68
	DIGGS, JANET	\$ 632.68
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM 188.35
	CARAZA, TERESA	\$ 188.35
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM 499.68
	ANDERSON, JOHN	\$ 499.68
ACH	SANTA CRUZ, JACQUELYN	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	866.84
	SANTA CRUZ, JACQUELYN	\$	866.84
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM	25.17
	HECK, ROSELYN	\$	25.17
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM	316.34
	SOPICKI, LEO	\$	316.34
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM	133.00
	GOSE, ROSEMARY	\$	133.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM	133.00
	KEHL, BARRETT	\$	133.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM	133.00
	RITCHIE, JANN	\$	133.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM	509.70
	LONG, ROCKWELL DEE	\$	509.70
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM	133.00
	FATTAHI, MIR	\$	133.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM	316.34
	VERGARA, FLORENTINO	\$	316.34
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM	183.34
	WARMAN, RALPH	\$	183.34
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM	183.34
	ROGERS, SHIRLEY	\$	183.34
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM	321.35
	WALL, DAVID	\$	321.35

Check	Payee / Description	Amount
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 158.17
	CHUNG, MICHAEL	\$ 158.17
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 183.34
	ADAMS, PAMELA	\$ 183.34
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 509.70
	BLASINGAME, MARY	\$ 509.70
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 158.17
	ANDERSON, KENNETH	\$ 158.17
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 25.17
	MOE, JAMES	\$ 25.17
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 835.51
	POLACEK, KEVIN	\$ 835.51
ACH	ELROD, SONDR Reim Monthly Health Prem	HEALTH PREM 321.35
	ELROD, SONDR	\$ 321.35
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 200.40
	FRAZIER, JACK	\$ 200.40
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 133.00
	HOAK, JAMES	\$ 133.00
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 200.40
	DEZHAM, PARIVASH	\$ 200.40
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 188.35
	FOLEY III, DANIEL J.	\$ 188.35
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 133.00
	CLEVELAND, JAMES	\$ 133.00

Check	Payee / Description	Amount
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 666.86
	LANGNER, CAMERON	\$ 666.86
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 188.35
	HAMILTON, LEANNE	\$ 188.35
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 133.00
	HOOSHMAND, RAY	\$ 133.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 133.00
	SCHLAPKOHL, JACK	\$ 133.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 188.35
	POOLE, PHILLIP	\$ 188.35
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 158.17
	ADAMS, BARBARA	\$ 158.17
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 539.33
	RUESCH, GENECE	\$ 539.33
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 533.80
	VANDERPOOL, LARRY	\$ 533.80
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 642.70
	AMBROSE, JEFFREY	\$ 642.70
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 478.53
	MERRILL, DIANE	\$ 478.53
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 636.70
	HOUSER, ROD	\$ 636.70
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 188.35

Check	Payee / Description	Amount
	RUSSO, VICKI	\$ 188.35
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 509.70
	HUSS, KERRY	\$ 509.70
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 702.51
	BINGHAM, GREGG	\$ 702.51
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 133.00
	CHARLES, DAVID	\$ 133.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 133.00
	YEBOAH, ERNEST	\$ 133.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 346.52
	ALVARADO, ROSEMARY	\$ 346.52
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 133.00
	BARELA, GEORGE	\$ 133.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 835.51
	FETZER, ROBERT	\$ 835.51
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 188.35
	SPAETH, ERIC	\$ 188.35
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 188.35
	DAVIS, MARTHA	\$ 188.35
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 188.35
	BRULE, CHRISTOPHER	\$ 188.35
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 509.70
	ROOS, JAMES	\$ 509.70
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 321.35

Check	Payee / Description	Amount
	MULLANEY, JOHN	\$ 321.35
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 509.70
	VALENZUELA, DANIEL	\$ 509.70
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 509.70
	PACE, BRIAN	\$ 509.70
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 133.00
	KING, JOSEPH	\$ 133.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 188.35
	VILLALOBOS, HECTOR	\$ 188.35
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 321.35
	BAXTER, KATHLEEN	\$ 321.35
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM 509.70
	PENMAN, DAVID	\$ 509.70
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM 509.70
	ANGIER, RICHARD	\$ 509.70
ACH	MERRILL, DEBORAH Reim Monthly Health Prem	HEALTH PREM 358.57
	MERRILL, DEBORAH	\$ 358.57
ACH	O'DEA, KRISTINE Reim Monthly Health Prem	HEALTH PREM 158.17
	O'DEA, KRISTINE	\$ 158.17
ACH	OAKDEN, LISA Reim Monthly Health Prem	HEALTH PREM 866.84
	OAKDEN, LISA	\$ 866.84
ACH	LAUGHLIN, JOHN Reim Monthly Health Prem	HEALTH PREM 133.00
	LAUGHLIN, JOHN	\$ 133.00
ACH	HUGHBANKS, ROGER	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	188.35
	HUGHBANKS, ROGER	\$	188.35
ACH	SPENDLOVE, DANNY Reim Monthly Health Prem	HEALTH PREM	158.17
	SPENDLOVE, DANNY	\$	158.17

Grand Total Payment Amount: \$ 3,231,996.28

Attachment 2D

Vendor Wires
(excludes Payroll)

Check	Payee / Description	Amount
Wire	PUBLIC EMPLOYEES' RETIREMENT S 1/18 Health Ins-Retirees, Employees 15148860 1/18 1/18 Health Ins-Board 15148863 1/18	271,941.56 5,574.10 ----- 277,515.66
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 1 1/5/18 Deferred Comp HR 0064600	46,889.60 ----- 46,889.60
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 1 1/5/18 Taxes HR 0064600 P/R 1 1/5/18 Taxes HR 0064600	71,280.05 12,523.45 ----- 83,803.50
Wire	INTERNAL REVENUE SERVICE P/R 1 1/5/18 Taxes HR 0064600	405,135.49 ----- 405,135.49
Wire	STATE DISBURSEMENT UNIT P/R 1 1/5/18 HR 0064600 P/R 1 1/5/18 HR 0064600	1,145.06 198.00 ----- 1,343.06
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R DIR 1 1/12/18 Taxes HR 0065100	392.13 ----- 392.13
Wire	INTERNAL REVENUE SERVICE P/R DIR 1 1/12/18 Taxes HR 0065100	2,486.91 ----- 2,486.91
Wire	CALPERS GASB-68 Reports & Schedules 1000000151724	2,250.00 ----- 2,250.00
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 26 12/22/17 PERS P/R 26 ADJUST P/R 26 12/22/17 PERS P/R 26 ADJSTM P/R 26 12/22/17 PERS HR 0064200	1,370.94 89.07 176,343.13 ----- 177,803.14
Wire	STATE BOARD OF EQUALIZATION 12/17 Sales Tax Deposit 23784561 12/1	7,318.00 ----- 7,318.00
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 2 1/19/18 Deferred Comp HR 0065200	22,307.57 -----

Check	Payee / Description	Amount
	PUBLIC EMPLOYEE'S RETIREMENT S\$	22,307.57
Wire	STATE DISBURSEMENT UNIT	
	P/R 2 1/19/18 HR 0065200	198.00
	P/R 2 1/19/18 HR 0065200	1,145.06
	STATE DISBURSEMENT UNIT \$	1,343.06
Wire	EMPLOYMENT DEVELOPMENT DEPARTM	
	P/R 2 1/19/18 Taxes HR 0065200	13,048.42
	P/R 2 1/19/18 Taxes HR 0065200	54,127.31
	EMPLOYMENT DEVELOPMENT DEPARTM\$	67,175.73
Wire	INTERNAL REVENUE SERVICE	
	P/R 2 1/19/18 Taxes HR 0065200	330,333.67
	INTERNAL REVENUE SERVICE \$	330,333.67
Wire	PUBLIC EMPLOYEES RETIREMENT SY	
	P/R 1 1/5/18 PERS P/R 1 ADJUSTM	295.76-
	P/R 1 1/5/18 PERS HR 0064600	175,824.52
	PUBLIC EMPLOYEES RETIREMENT SY\$	175,528.76
Wire	SUMITOMO MITSUI BANKING CORP	
	08B 10/1/17-12/31/17 LOC Fees NY-091282 122	41,843.62
	SUMITOMO MITSUI BANKING CORP \$	41,843.62
Wire	METROPOLITAN WATER DISTRICT	
	November 2017 Water Purchase 9203	3,791,698.41
	METROPOLITAN WATER DISTRICT \$	3,791,698.41

Grand Total Payment Amount: \$ 5,435,168.31

Attachment 2E

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR JANUARY 12, 2018
PRESENTED AT BOARD MEETING ON MARCH 21, 2018

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$3,586.35	\$893.96
STEVEN ELIE	\$4,409.53	\$1,505.92
JASMIN HALL	\$2,767.03	\$1,662.42
PAUL HOFER	\$0.00	\$0.00
KATHERINE PARKER	\$3,500.68	\$1,687.69
TOTALS	\$14,263.59	\$5,749.99

TOTAL EFTS PROCESSED	3
BEGINNING CHECK NO.	110154
ENDING CHECK NO.	110154
TOTAL CHECKS PROCESSED	1

IEUA DIRECTOR PAYSHEET

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Workshop	Yes	\$247.50
12-07-17	Southern Coalition/Inland Caucus	Yes	\$247.50
12-07-17	CBWM Reception to Welcome IEUA's New General Manager Halla Razak	Yes (same day)	\$-0-
12-13-17	Engineering, Ops. & Water Resources Committee meeting	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Awards Presentations	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$1,237.50
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			7
Total No. of Meetings Paid			5

DIRECTOR
SIGNATURE



 Approved by:

 Steven J. Elie
 President, Board of Directors

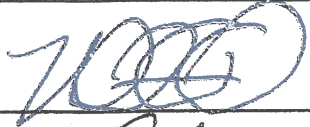
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	Regional Policy Committee Meeting.	No	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17.) IEUA pays Regional Policy Committee members (total amount of \$247.50, should reflect on timesheet))			\$-0-
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR
SIGNATURE**



Approved by:



Steven J. Elie
President, Board of Directors

DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE

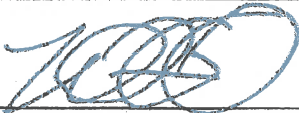
ON MWD BOARD

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-11-17	MWD Standing Committee	Yes	\$247.50
12-12-17	MWD Standing Committee Meetings and Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17).			\$495.00
Total No. of Meetings Attended			2
Total No. of Meetings Paid			2

DIRECTOR
SIGNATURE



Approved by:



Steven J. Elie
President, Board of Directors

IEUA DIRECTOR PAYSHEET

STEVEN J. ELIE

EMPLOYEE NO. 1175

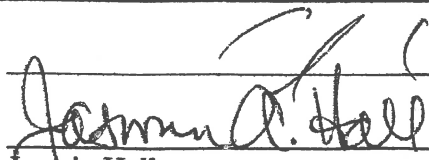
ACCOUNT NO. 10200 110100 100000 501010

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-17	Facility tour for Assembly Member Phillip Chen	Yes	\$247.50
12-02-17	Chino Hills Tree Lighting Ceremony	Yes	\$247.50
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-05-17	WaterNow Alliance--Call with CEO Cynthia Koehler	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	CBWM Reception to Welcome new General Manager Halla Razak	Yes	\$247.50
12-11-17	IEUA Audit Committee	Yes	\$247.50
12-11-17	Meeting w/General Manager Halla Razak	Yes (staff)	\$-0-
12-12-17	NWRI Operations meeting (via telecon)	Yes	\$247.50
12-19-17	WaterNow Alliance Steering Committee telecon	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Awards presentation	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$2,475.00
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			12
Total No. of Meetings Paid			10

DIRECTOR
SIGNATURE

Approved by:



 Jasmin Hall
 Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA
ON WATERMASTER BOARD**

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

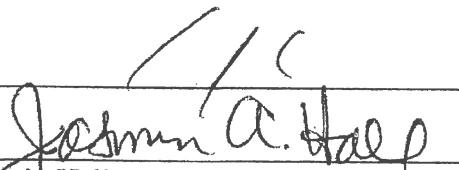
DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-28-17	CBWM Board Meeting	No (cancelled)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance. (i.e., \$122.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50 (eff. 7/01/17). 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. Record full amount on timesheet for attendance by alternates			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

***Decline IEUA portion**

DIRECTOR
SIGNATURE

Approved by:


Jasmin Hall
Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY (ALTERNATE)**

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-7-17	CDA Board Meeting	No	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$97.50 – difference between CDA (\$150.00 and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet.			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR
SIGNATURE _____

Approved by: Jasmin Hall
Jasmin Hall
Secretary/Treasurer

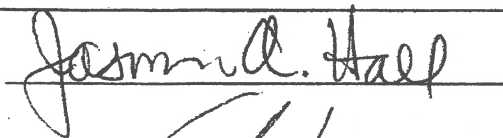
IEUA DIRECTOR PAYSHEET

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-17	ACWA Fall Conference	No (3 day max pymt on conf.)	\$-0-
12-01-17	CASA Federal Legislative Committee Conference Call	Yes	\$247.50
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	BIA Baldy View Chapter Holiday Gala	Yes (same day)	\$-0-
12-09-17	Fontana Holiday Parade	Yes	\$247.50
12-11-17	ASBCSD Dinner Meeting	Yes	\$247.50
12-13-17	IEUA Special Finance & Administration Committee	Yes	\$247.50
12-14-17	Supervisor Janice Rutherford Holiday Reception	Yes	\$247.50
12-20-17	IEUA Board Meeting	No	\$-0-
TOTAL REIMBURSEMENT			
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			\$1,732.50
Total No. of Meetings Attended			8
Total No. of Meetings Paid			7

DIRECTOR
SIGNATURE



Approved by:


Steven J. Elie, President, Board of Directors

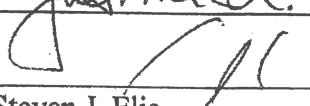
**DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION**

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-05-17	SAWPA Commission Workshop	Yes	\$47.50
12-05-17	Welcome Reception for IEUA new General Manager Halla Razak	Yes (same day)	\$-0-
12-18-17	OWOW Disadvantage and Tribal Communities Pillars	Yes	\$47.50
12-19-17	SAWPA Reg. Commission Meeting	No	\$-0-
TOTAL REIMBURSEMENT			\$95.00
Up to 10 days of service per month per Ordinance No. 105), i.e., \$47.50 – difference between SAWPA (\$200.00 (eff. 5/01/17) and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE 

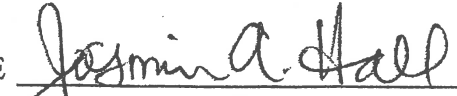
Approved by: 
Steven J. Elie
President, Board of Directors

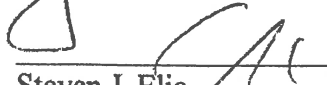
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY**

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	CDA Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT			\$247.50
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17). Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency. Record full amount on timesheet. CDA pays both primary and alternate for attendance.			
Total No. of CDA Meetings Attended			1
Total No. of CDA Meetings Paid			1

DIRECTOR SIGNATURE 

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

IEUA DIRECTOR PAYSHEET

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-17	IEUA Board Meeting	Yes	\$-0-
12-07-17	CBWM Reception to Welcome new General Manager Halla Razak	Yes	\$-0-
12-13-17	IEUA Special Finance and Administration Committee	Yes	\$-0-
12-20-17	IEUA Board Meeting	Yes	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			\$-0-
Total No. of Meetings Attended			4
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE

Approved by:

 Steven J. Elie
 President, Board of Directors

Director Hofer has waived all stipend payments.

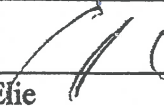
IEUA DIRECTOR PAYSHEET

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	CBWM Reception for new General Manager Halla Rezak	Yes (same day)	\$-0-
12-11-17	IEUA Audit Committee	Yes	\$247.50
12-13-17	Engineering, Operations & Water Resources Committee	Yes	\$247.50
12-14-17	Meeting with new General Manager Halla Rezak	Yes (staff)	\$-0-
12-18-17	Meeting with Facilitator from Kearns & West - Regional Contract	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Award presentation	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$1,485.00
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			9
Total No. of Meetings Paid			6

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


DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	Regional Policy Committee Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT			
(Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17.) IEUA pays Regional Policy Committee members (total amount of \$247.50, should reflect on timesheet))			\$247.50
Total No. of Meetings Attended			1
Total No. of Meetings Paid			1

**DIRECTOR
SIGNATURE**



Approved by:



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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-05-17	SAWPA Commission Workshop	Yes	\$47.50
12-19-17	SAWPA Regular Commission Meeting	Yes	\$47.50
TOTAL REIMBURSEMENT			\$95.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$47.50 – difference between SAWPA (\$200.00 (eff. 5/01/17) and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-28-17	CBWM Board Meeting	No (cancelled)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$122.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. 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. Record full amount on timesheet for attendance by alternates			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

DIRECTOR SIGNATURE 

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

Attachment 2F

Payroll-Net Pay-Employees

Non-Board Member	PP 1 CHECKS	PP 1 EFTS	PP 2 CHECKS	PP 2 EFTS	JANUARY
NET PAY TO EMPLOYEES	\$ -	\$ 775,979.01	\$ -	\$ 714,628.92	\$ 1,490,607.93

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR JANUARY 5, 2018

PRESENTED AT BOARD MEETING ON MARCH 21, 2018

GROSS PAYROLL COSTS	\$1,537,798.63
DEDUCTIONS	(\$761,819.62)
NET PAYROLL	<u>\$775,979.01</u>

CHECKS USED	-
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	367
TOTAL PAYROLL PROCESSED	<u>367</u>

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR JANUARY 19, 2018

PRESENTED AT BOARD MEETING ON MARCH 21, 2018

GROSS PAYROLL COSTS	\$1,331,006.91
DEDUCTIONS	(\$616,377.99)
NET PAYROLL	<u>\$714,628.92</u>

CHECKS USED	-
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	365
TOTAL PAYROLL PROCESSED	<u>365</u>

**CONSENT
CALENDAR
ITEM**

4C

Date: March 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

###

Committee: Engineering, Operations & Water Resources

03/14/18

Executive Contact: Randy Lee, Executive Manager of Operations/AGM

Subject: Purchase of New Vehicles

Executive Summary:

The Agency's 110 fleet vehicles and rolling equipment services the 242-square mile service area. The Agency's vehicle policy provides for the replacement of utility vehicles after ten years or 100,000 miles of service. In accordance with this policy, staff recommends that 14 Agency vehicles be replaced. The vehicles proposed to be replaced are between 10 to 13 years old.

The Agency has elected to participate in the National Joint Powers Alliance for the National Auto Fleet Group that will provide the Agency the best overall supplier government pricing through a national purchasing cooperative program, with a reduction of 20 to 25 percent in price.

Staff's Recommendation:

1. Authorize the purchase of 14 new fleet vehicles from National Auto Fleet Group for a not-to-exceed amount of \$500,000 (including tax and delivery); and
2. Authorize the General Manager to execute the purchase.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval: \$ 500,000

Account/Project Name:

Regional Operations and Maintenance (RO) Fund, Project EP18004 Agency-Wide Vehicle Replacement.

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On June 21, 2017, Board approved the Agency's Biennial Budget, which included Project EP18004 Agency-Wide Vehicle Replacement authorizing the purchase of replacement Agency vehicles through the standard procurement process.

Environmental Determination:

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This project qualifies as a rates, tolls, fares and charges as defined in Section 15273(a)(2) of the State CEQA Guidelines.

Business Goal:

The purchase of the new vehicles aligns with the Agency's environmental stewardship goal to enhance and promote environmental sustainability.

Attachments:

Attachment A: National Joint Powers Alliance for the National Auto Fleet Group agreement

Attachment A



National Joint Powers Alliance® (herein NJPA)

REQUEST FOR PROPOSAL (herein RFP)

for the procurement of

VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES

RFP Opening

DECEMBER 8, 2016 |

8:30 a.m. Central Time

At the offices of the

National Joint Powers Alliance®

202 12th Street Northeast, Staples, MN 56479

RFP #120716

The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential member agencies, which includes all governmental, higher education, K-12 education, not-for-profit, tribal government, and all other public agencies located in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution for the procurement of #120716 VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES. Details of this RFP are available beginning October 21, 2016. Details may be obtained by letter of request to Jonathan Yahn, NJPA, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until December 7, 2016 at 4:30 p.m. Central Time at the above address and opened December 8, 2016 at 8:30 a.m. Central Time.

RFP Timeline

- October 21, 2016** Publication of RFP in the print and online version of *USA Today*, in the print and online version of the *Salt Lake Tribune* within the State of Utah, in the print and online version of the *Daily Journal of Commerce* within the State of Oregon (note to OR entities: this pertains to <http://www.njpacoop.org/oregon-advertising>), in the print and online version of *The State* within the State of South Carolina, the NJPA website, MERX, Noticetobidders.com, PublicPurchase.com, Biddingo, and Onvia.
- November 16, 2016** Pre-Proposal Conference (the webcast/conference call). The connection information will be sent to all inquirers two business days before the conference.
- November 30, 2016** Deadline for RFP questions.
- December 7, 2016** Deadline for Submission of Proposals. Late responses will be returned unopened.
- December 8, 2016** Public Opening of Proposals.
- 10:00 a.m. CT
- 4:30 p.m. CT
- 8:30 a.m. CT

Direct questions regarding this RFP to: Jonathan Yahn at jonathan.yahn@njpacoop.org or (218)895-4144.

TABLE OF CONTENTS

1. DEFINITIONS
 - A. Contract
 - B. Proposer
 - C. Sourced Good of Open Market Item
 - D. Vendor
2. ADVERTISEMENT OF RFP
3. INTRODUCTION
 - A. About NJPA
 - B. Joint Exercise of Powers Laws
 - C. Why Respond to a National Cooperative Procurement Contract
 - D. The Intent of This RFP
 - E. Scope of This RFP
 - F. Expectations for Equipment/Products and Services Being Proposed
 - G. Solutions Based Solicitation
4. INSTRUCTIONS FOR PREPARING YOUR PROPOSAL
 - A. Inquiry Period
 - B. Pre-Proposal Conference
 - C. Identification of Key Personnel
 - D. Proposer's Exceptions to Terms and Conditions
 - E. Proposal Format
 - F. Questions & Answers About This RFP
 - G. Modification or Withdrawal of a Submitted Proposal
 - H. Proposal Opening Procedure
 - I. NJPA's Rights Reserved
5. PRICING
 - A. Line-Item Pricing
 - B. Percentage Discount From Catalog or Category
 - C. Cost Plus a Percentage of Cost
 - D. Hot List Pricing
 - E. Ceiling Price
 - F. Volume Price Discounts/ Additional Quantities
 - G. Total Cost of Acquisition
 - H. Sourced Equipment/Products/ Open Market Items
 - I. Price and Product Changes
 - J. Payment Terms
 - K. Sales Tax
 - L. Shipping
6. EVALUATION OF PROPOSALS
 - A. Proposal Evaluation Process
- B. Proposer Responsiveness
- C. Proposal Evaluation Criteria
- D. Other Consideration
- E. Cost Comparison
- F. Marketing Plan
- G. Certificate Of Insurance
- H. Order Process and/or Funds Flow
- I. Administrative Fees
- J. Value Added
- K. Waiver of Formalities
7. POST AWARD OPERATING ISSUES
 - A. Subsequent Agreements
 - B. NJPA Member Sign-up Procedure
 - C. Reporting of Sales Activity
 - D. Audits
 - E. Hub Partner
 - F. Trade-Ins
 - G. Out of Stock Notification
 - H. Termination of a Contract resulting from this RFP
8. GENERAL TERMS AND CONDIITONS
 - A. Advertising a Contract Resulting From This RFP
 - B. Applicable Law
 - C. Assignment of Contract
 - D. List of Proposers
 - E. Captions, Headings, and Illustrations
 - F. Data Practices
 - G. Entire Agreement
 - H. Force Majeure
 - I. Gratuities
 - J. Hazardous Substances
 - K. Licenses
 - L. Material Suppliers and Sub-Contractors
 - M. Non-Wavier of Rights
 - N. Protests of Awards Made
 - O. Suspension or Disbarment Status
 - P. Affirmative Action and Immigration Status Certification
 - Q. Severability
 - R. Relationship of Parties
9. FORMS
10. PRE-SUBMISSION CHECKLIST
11. PRICE & PRODUCT CHANGE REQUEST FORM
12. APPENDIX A

1 DEFINITIONS

A. CONTRACT

Contract means this RFP, current pricing information, fully executed Forms C, D, F, & P from the Proposer's response pursuant to this RFP, and a fully executed Form E ("Acceptance and Award") with final terms and conditions. Form E will be executed after a formal award and will provide final clarification of terms and conditions of the award.

B. PROPOSER

A Proposer is a company, person, or entity delivering a timely response to this RFP. This RFP may also use the terms "respondent" or "proposed Vendor," which is interchangeable with Proposer as the context allows.

C. SOURCED GOOD or OPEN MARKET ITEM

A Sourced Good or Open Market Item is a product within the RFP's scope 1) that is not currently available under the Vendor's NJPA contract, 2) that a member wants to buy under contract from an awarded Vendor, and 3) that is generally deemed incidental to the total transaction or purchase of contract items.

D. VENDOR

A Proposer whose response has been awarded a contract pursuant to this RFP.

2 ADVERTISEMENT OF RFP

2.1 NJPA advertises this solicitation: 1) in the hard copy print and online editions of the USA Today; 2) once each in Oregon's Daily Journal of Commerce, South Carolina's The State and Utah's Salt Lake Tribune; 3) on NJPA's website; and 4) on other third-party websites deemed appropriate by NJPA. Other third-party advertisers may include Onvia, PublicPurchase.com, MERX, and Biddingo.

2.2 NJPA also notifies and provides solicitation documentation to each state-level procurement departments for possible re-posting of the solicitation within their systems and at their option for future use and to meet specific state requirements.

3 INTRODUCTION

A. ABOUT NJPA

3.1 The National Joint Powers Alliance® (NJPA) is a public agency serving as a national municipal contracting agency established under the Service Cooperative statute by Minnesota Legislative Statute §123A.21 with the authority to develop and offer, among other services, cooperative procurement services to its membership. Eligible membership and participation includes states, cities, counties, all government agencies, both public and non-public educational agencies, colleges, universities and non-profit organizations.

3.2 Under the authority of Minnesota state laws and enabling legislation, NJPA facilitates a competitive solicitation and contracting process on behalf of the needs of itself and the needs of current and potential member agencies nationally. This process results in national procurement contracts with various Vendors of products/equipment and services which NJPA Member agencies desire to procure. These procurement contracts are created in compliance with applicable Minnesota Municipal Contracting Laws. A complete listing of NJPA cooperative procurement contracts can be found at www.njpacoop.org.

3.3 NJPA is a public agency governed by publicly elected officials that serve as the NJPA Board of Directors. NJPA's Board of Directors oversees and authorizes the calls for all new proposals and holds those resulting Contracts for the benefit of its own and its Members use.

3.4 NJPA currently serves over 50,000 member agencies nationally. Both membership and utilization of NJPA contracts continue to expand, due in part to the increasing acceptance of Cooperative Purchasing throughout the government and education communities nationally.

B. JOINT EXERCISE OF POWERS LAWS

3.5 NJPA cooperatively shares those contracts with its Members nationwide through various Joint Exercise of Powers Laws or Cooperative Purchasing Statutes established in Minnesota, other states and Canadian provinces. The Minnesota Joint Exercise of Powers Law is Minnesota Statute §471.59 which states "Two or more governmental units...may jointly or cooperatively exercise any power common to the contracting parties..." This Minnesota Statute allows NJPA to serve Member agencies located in all other states. Municipal agencies nationally can participate in cooperative purchasing activities under their own state law. These laws can be found on our website at <http://www.njpacoop.org/national-cooperative-contract-solutions/legal-authority/>.

C. WHY RESPOND TO A NATIONAL COOPERATIVE PROCUREMENT CONTRACT

3.6 National Cooperative Procurement Contracts create value for Municipal and Public Agencies, as well as for Vendors of products/equipment and services in a variety of ways:

3.6.1 National cooperative contracts potentially save time and effort for municipal and public agencies, who otherwise would have to solicit vendor responses to individual RFPs, resulting in individual contracts, to meet the procurement needs of their respective agencies. Considerable time and effort is also potentially saved by the Vendors who would have had to otherwise respond to each of those individual RFPs. A single, nationally advertised RFP, resulting in a single, national cooperative contract can potentially replace thousands of individual RFPs for the same equipment/products/services that might have been otherwise advertised by individual NJPA member agencies.

3.6.2 NJPA contracts offer our Members nationally leveraged volume purchasing discounts. Our contract terms and conditions offer the opportunity for Vendors to recognize individual member procurement volume commitment through additional volume based contract discounts.

3.7 State laws that permit or encourage cooperative purchasing contracts do so with the belief that cooperative efficiencies will result in lower prices, better overall value, and considerable time savings.

3.8 The collective purchasing power of thousands of NJPA Member agencies nationwide offers the opportunity for volume pricing discounts. Although no sales or sales volume is guaranteed by an NJPA Contract resulting from this RFP, substantial volume is anticipated and volume pricing is requested and justified.

3.9 NJPA and its Members desire the best value for their procurement dollar as well as a competitive price. Vendors have the opportunity to display and highlight value-added attributes of their company, equipment/products and services without constraints of a typical individual proposal process.

D. THE INTENT OF THIS RFP

3.10. National contract awarded by NJPA: NJPA seeks the most responsive and responsible Vendor relationship(s) to reflect the best interests of NJPA and its Member agencies. Through a competitive proposal and evaluation process, the NJPA Proposal Evaluation Committee recommends vendors for a national contract awarded by the action of the NJPA Chief Procurement Officer. NJPA's primary intent is to establish and provide a national cooperative procurement contract that offer opportunities for NJPA and our current and potential Member agencies throughout the United States and Canada to procure quality product/equipment and services as desired and needed. The contracts will be marketed nationally through a cooperative effort between the awarded vendor(s) and NJPA. Contracts are expected to offer price levels reflective of the potential and collective volume of NJPA and the nationally established NJPA membership base.

3.11 Beyond our primary intent, NJPA further desires to:

3.11.1 Award a four-year contract with a fifth-year contract option resulting from this RFP. Any fifth-year extension is exercised at NJPA's discretion and results from NJPA's contracting needs or from Member requests; this extension is not intended merely to accommodate an awarded Vendor's request. If NJPA grants a fifth-year extension, it may also terminate the contract (or cause it to expire) within the fifth year if the extended contract is replaced by a resolicited or newly solicited contract. In exigent circumstances, NJPA may petition NJPA's Board of Directors to extend the contract term beyond five years. This rarely used procedure should be employed only to avoid a gap in contract coverage while a replacement contract is being solicited;

3.11.2 Offer and apply any applicable technological advances throughout the term of a contract resulting from this RFP;

3.11.3 Deliver “Value Added” aspects of the company, equipment/products and services as defined in the “Proposer’s Response”;

3.11.4 Deliver a wide spectrum of solutions to meet the needs and requirements of NJPA and NJPA Member agencies; and

3.11.5 Award an exclusive contract to the most responsive and responsible vendor when it is deemed to be in the best interest of NJPA and the NJPA Member agencies.

3.12 Exclusive or Multiple Awards: Based on the scope of this RFP and on the responses received, NJPA may award either an exclusive contract or multiple contracts. In some circumstances, a single national supplier may best meet the needs of NJPA Members; in other situations, multiple vendors may be in the best interests of NJPA and the NJPA Members and preferred by NJPA to provide the widest array of solutions to meet the member agency’s needs. NJPA retains sole discretion to determine which approach is in the best interests of NJPA Member agencies.

3.13 Non-Manufacturer Awards: NJPA reserves the right to make an award under this RFP to a non-manufacturer or dealer/distributor if such action is in the best interests of NJPA and its Members.

3.14 Manufacturer as a Proposer: If the Proposer is a manufacturer or wholesale distributor, the response received will be evaluated on the basis of a response made in conjunction with that manufacturer’s authorized dealer network. Unless stated otherwise, a manufacturer or wholesale distributor Proposer is assumed to have a documented relationship with their dealer network where that dealer network is informed of, and authorized to accept, purchase orders pursuant to any Contract resulting from this RFP on behalf of the manufacturer or wholesale distributor Proposer. Any such dealer will be considered a sub-contractor of the Proposer/Vendor. The relationship between the manufacturer and wholesale distributor Proposer and its dealer network may be proposed at the time of the submission if that fact is properly identified.

3.15 Dealer/Reseller as a Proposer: If the Proposer is a dealer or reseller of the products and/or services being proposed, the response will be evaluated based on the Proposer’s authorization to provide those products and services from their manufacturer. When requested by NJPA, Proposers must document their authority to offer those products and/or services.

E. SCOPE OF THIS RFP

3.16 Scope: The scope of this RFP is to award a contract to a qualifying vendor defined as a manufacturer, provider, or dealer/distributor, established as a Proposer, and deemed responsive and responsible through our open and competitive proposal process. Vendors will be awarded contracts based on the proposal and responders demonstrated ability to meet the expectations of the RFP and demonstrate the overall highest valued solutions which meet and/or exceed the current and future needs and requirements of NJPA and its Member agencies nationally within the scope of | VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES. |

3.17 Additional Scope Definitions: For purposes of the scope of this solicitation:

3.17.1 In addition to |VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES, | **this solicitation should be read to include, but not to be limited to:**

3.17.1.1 Automobile Category: mini, subcompact, compact, coupe, sedan, gas, diesel, hybrid, electric, alternative fuel

Utility Category: two-wheel drive, four-wheel drive, gas, diesel, hybrid, electric, alternative fuel

Van Category: cargo, passenger, gas, diesel, hybrid, electric, alternative fuel

Police, Safety and Rescue Category: mini, subcompact, compact, coupe, sedan, van, utility, truck, motorcycle, gas, diesel, hybrid, electric, alternative fuel
Truck Category: half ton, three-quarter ton, one ton, gas, diesel, hybrid, electric, alternative fuel.

3.17.2 NJPA reserves the right to limit the scope of this solicitation for NJPA and current and potential NJPA member agencies.

3.17.2.1 RFP respondents may include in their response vehicles that are larger than the vehicles listed in Section 3.17.1.1 above, provided that these offerings are merely complementary to the respondent's primary offering.

Respondents may include "related equipment, accessories, and services" in their response to the extent that these solutions are an incidental portion of their proposal. The primary focus of this solicitation is on vehicles, cars, vans, SUVs, and light trucks and not on a respondent's ability to provide turnkey solutions by upfitting for a particular purpose.

This RFP should NOT be construed to include responses that contain school buses or city transit vehicles. Any portions of a response including such solutions will be disregarded.

3.18 Overlap of Scope: When considering equipment/products/services, or groups of equipment/products/services submitted as a part of your response, and whether inclusion of such will fall within a "Scope of Proposal," please consider the validity of an inverse statement.

3.18.1 For example, pencils and post-it-notes can generally be classified as office supplies and office supplies generally include pencils and post-it-notes.

3.18.2 In contrast, computers (PCs and peripherals) can generally be considered office supplies; however, the scope of office supplies does not generally include computer servers and infrastructure.

3.18.3 In conclusion: With this in mind, individual products and services must be examined individually by NJPA, from time to time and in its sole discretion, to determine their compliance and fall within the original "Scope" as intended by NJPA.

3.19 Best and Most Responsive – Responsible Proposer: It is the intent of NJPA to award a Contract to the best and most responsible and responsive Proposer(s) offering the best overall quality and selection of equipment/products and services meeting the commonly requested specifications of the NJPA and NJPA Members, provided the Proposer's Response has been submitted in accordance with the requirements of this RFP. Qualifying Proposers who are able to anticipate the current and future needs and requirements of NJPA and NJPA member agencies; demonstrate the knowledge of any and all applicable industry standards, laws and regulations; and possess the willingness and ability to distribute, market to and service NJPA Members in all 50 states are preferred. NJPA requests proposers submit their entire product line as it applies and relates to the scope of this RFP.

3.20 Sealed Proposals: NJPA will receive sealed proposal responses to this RFP in accordance with accepted standards set forth in the Minnesota Procurement Code and Uniform Municipal Contracting Law. Awards may be made to responsible and responsive Proposers whose proposals are determined in writing to be the most advantageous to NJPA and its current or qualifying future NJPA Member agencies.

3.21 Use of Contract: Any Contract resulting from this solicitation shall be awarded with the understanding that it is for the sole convenience of NJPA and its Members. NJPA and/or its members reserve the right to

obtain like equipment/products and services solely from this contract or from another contract source of their choice or from a contract resulting from their own procurement process.

3.22 Awarded Vendor's interest in a contract resulting from this RFP: Awarded Vendors will be able to offer to NJPA, and current and potential NJPA Members, only those products/equipment and services specifically awarded on their NJPA Awarded Contract(s). Awarded Vendors may not offer as "contract compliant," products/equipment and services which are not specifically identified and priced in their NJPA Awarded Contract.

3.23 Sole Source of Responsibility- NJPA desires a "Sole Source of Responsibility" Vendor. This means that the Vendor will take sole responsibility for the performance of delivered equipment/products/ services. NJPA also desires sole responsibility with regard to:

3.23.1 Scope of Equipment/Products/Services: NJPA desires a provider for the broadest possible scope of products/equipment and services being proposed over the largest possible geographic area and to the largest possible cross-section of NJPA current and potential Members.

3.23.2 Vendor use of sub-contractors in sourcing or delivering equipment/product/services: NJPA desires a single source of responsibility for equipment/products and services proposed. Proposers are assumed to have sub-contractor relationships with all organizations and individuals whom are external to the Proposer and are involved in providing or delivering the equipment/products/services being proposed. Vendor assumes all responsibility for the equipment/products/services and actions of any such Sub-Contractor. Suggested Solutions Options include:

3.24.1 Multiple solutions to the needs of NJPA and NJPA Members are possible. Examples could include:

3.24.1.1 Equipment/Products Only Solution: Equipment/Products Only Solution may be appropriate for situations where NJPA or NJPA Members possess the ability, either in-house or through local third party contractors, to properly install and bring to operation those equipment/products being proposed.

3.24.1.2 Turn-Key Solutions: A Turn-Key Solution is a combination of equipment/products and services that provides a single price for equipment/products, delivery, and installation to a properly operating status. Generally this is the most desirable solution because NJPA and NJPA Members may not possess, or desire to engage, personnel with the necessary expertise to complete these tasks internally or through other independent contractors

3.24.1.3 Good, Better, Best: Where appropriate and properly identified, Proposers may offer the choice "of good, better, best" multiple-grade solutions to meet NJPA Members' needs.

3.24.1.4 Proven – Accepted – Leading-Edge Technology: Where appropriate and properly identified, Proposers may provide a spectrum of technology solutions to complement or enhance the proposed solutions to meet NJPA Members' needs.

3.24.2 If applicable, Contracts will be awarded to Proposer(s) able to deliver a proposal meeting the entire needs of NJPA and its Members within the scope of this RFP. NJPA prefers Proposers submit their complete product line of products and services described in the scope of this RFP. NJPA reserves the right to reject individual, or groupings of specific equipment/products and services proposals as a part of the award.

3.25 Geographic Area to be Proposed: This RFP invites proposals to provide VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES to NJPA and NJPA Members throughout the entire United States and possibly internationally. Proposers will be expected to express willingness to explore service to NJPA Members located abroad; however the lack of ability to serve Members outside of the United States will not be cause for non-award. The ability and willingness to serve Canada, for instance, will be viewed as a value-added attribute.

3.26 Contract Term: At NJPA's option, a Contract resulting from this RFP will become effective either on the date awarded by the NJPA Board of Directors or on the day following the expiration date of an existing NJPA procurement contract for the same or similar product/equipment and services.

3.26.1 NJPA is seeking a Contract base term of four years as allowed by Minnesota Contracting Law. Full term is expected. However, one additional one-year renewal/extension may be offered by NJPA to Vendor beyond the original four year term if NJPA deems such action to be in the best interests of NJPA and its Members. NJPA reserves the right to conduct periodic business reviews throughout the term of the contract.

3.27 Minimum Contract Value: NJPA anticipates considerable activity resulting from this RFP and subsequent award; however, no commitment of any kind is made concerning actual quantities to be acquired. NJPA does not guarantee usage. Usage will depend on the actual needs of the NJPA Members and the value of the awarded contract.

3.28 [This section is intentionally blank.]

3.29 Contract Availability: This Contract must be available to all current and potential NJPA Members who choose to utilize this NJPA Contract to include all governmental and public agencies, public and private primary and secondary education agencies, and all non-profit organizations nationally.

3.30 Proposer's Commitment Period: In order to allow NJPA the opportunity to evaluate each proposal thoroughly, NJPA requires any response to this solicitation be valid and irrevocable for ninety (90) days after the date proposals are opened.

F. EXPECTATIONS FOR EQUIPMENT/PRODUCTS AND SERVICES BEING PROPOSED

3.31 Industry Standards: Except as contained herein, the specifications or solutions for this RFP shall be those accepted guidelines set forth by the VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES industry, as they are generally understood and accepted within that industry across the nation. Submitted products/equipment, related services and accessories, and their warranties and assurances are required to meet and/or exceed all current, traditional and anticipated standards, needs, expectations, and requirements of NJPA and its Members.

3.31.1 Deviations from industry standards must be identified by the Proposer and explained how, in their opinion, the equipment/products and services they propose will render equivalent functionality, coverage, performance, and/or related services. Failure to detail all such deviations may comprise sufficient grounds for rejection of the entire proposal.

3.31.2 Technical Descriptions/Specifications. Excessive technical descriptions and specifications that unduly enlarge the proposal response may cause NJPA to reduce the evaluation points awarded on Form G. Proposers must supply sufficient information to:

3.31.2.1 demonstrate the Proposer's knowledge of industry standards and Member agency needs and expectations;

3.31.2.2 identify the equipment/products and services being proposed as applicable to the needs and expectations of NJPA Member agencies; and

3.31.2.3 differentiate equipment/products and services from other industry manufacturers and providers.

3.32 New Current Model Equipment/Products: Proposals submitted shall be for new, current model equipment/products and services with the exception of certain close-out products allowed to be offered on the Proposer’s “Hot List” described herein.

3.33 Compliance with laws and standards: All items supplied on this Contract shall comply with any current applicable safety or regulatory standards or codes.

3.34 Delivered and operational: Products/equipment offered herein are to be proposed based upon being delivered and operational at the NJPA Member’s site. Exceptions to “delivered and operational” must be clearly disclosed in the “Total Cost of Acquisition” section of the proposal.

3.35 Warranty: The Proposer warrants that all products, equipment, supplies, and services delivered under this Contract shall be covered by the industry standard or better warranty. All products and equipment should carry a minimum industry standard manufacturer’s warranty that includes materials and labor. The Proposer has the primary responsibility to submit product specific warranty as required and accepted by industry standards. Dealer/Distributors agree to assist the purchaser in reaching a solution in a dispute over warranty’s terms with the manufacturer. Any manufacturer’s warranty that is effective past the expiration of the warranty will be passed on to the NJPA member. Failure to submit a minimum warranty may result in non-award.

3.36 Additional Warrants: The Proposer warrants that all products/equipment and related services furnished hereunder will be free from liens and encumbrances; defects in design, materials, and workmanship; and will conform in all respects to the terms of this RFP including any specifications or standards. In addition, Proposer/Vendor warrants the products/equipment and related services are suitable for and will perform in accordance with the ordinary use for which they are intended.

G. SOLUTIONS-BASED SOLICITATION

3.37 The NJPA solicitation and contract award process is not based on detailed specifications. Instead, this RFP is a “Solutions-Based Solicitation.” NJPA expects respondents to understand and anticipate the current and future needs of NJPA and its members—within the scope of this RFP—and to propose solutions that are commonly desired or required by law or industry standards. Proposal will be evaluated in part on your demonstrated ability to meet or exceed the needs and requirements of NJPA and our member agencies within the defined scope of this RFP.

3.38 While NJPA does not typically provide product and service specifications, the RFP may contain scope refinements and industry-specific questions. Where specific items are specified, those items should be considered the minimum required, which the proposal can exceed in order to meet Members’ needs. NJPA may award all of the respondent’s proposal or may limit the award to a subset of the proposal.

4 INSTRUCTIONS FOR PREPARING YOUR PROPOSAL

A. INQUIRY PERIOD

4.1 The inquiry period begins on the date of first advertisement and continues until to the Deadline for Submission.” RFP packages will be distributed to potential Vendors during the inquiry period.

B. PRE-PROPOSAL CONFERENCE

4.2 A pre-proposal conference will be held at the date and time specified in the timeline on page one of this RFP. Conference information will be sent to all potential Proposers, and attendance is optional. The purpose of this conference is to allow potential Proposers to ask questions regarding this RFP and NJPA's competitive contracting process. Only answers issued in writing by NJPA to questions asked before or during the pre-proposal conference are binding on the parties to an awarded contract.

C. IDENTIFICATION OF KEY PERSONNEL

4.3 Awarded Vendors will designate one senior staff member to represent the Vendor to NJPA. This contact person will correspond with members for technical assistance, questions, or concerns that may arise, including instructions regarding different contacts for different geographical areas or product lines.

4.4 These designated individuals should also act as the primary contact for marketing, sales, and any other area deemed essential by the Proposer and NJPA.

D. PROPOSER'S EXCEPTIONS TO TERMS AND CONDITIONS

4.5 Any exceptions, deviations, or contingencies regarding this RFP that a Proposer requests must be documented on Form C, Exceptions To Proposal, Terms, Conditions And Solutions Request.

4.6 Exceptions, deviations or contingencies requested in the Proposer's response, while possibly necessary in the view of the Proposer, may result in lower scoring or disqualification of a proposal.

E. PROPOSAL FORMAT

4.7 All Proposers must examine the entire RFP package to seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a proposal.

4.8 All proposals must be properly labeled and sent to "The National Joint Powers Alliance, 202 12th Street NE Staples, MN 56479."

4.9 All proposals must be physically delivered to NJPA at the above address with all required hard copy documents and signature forms/pages inserted as loose pages at the front of the Vendor's response. The proposal must include these items.

4.9.1 Hard copy original of completed, signed, and dated Forms C, D, F; hard copy of the signed signature-page only from Forms A and P from this RFP;

4.9.2 Signed hard copies of all addenda issued for the RFP;

4.9.3 Hard copy of Certificate of Insurance verifying the coverage identified in this RFP; and

4.9.4 A complete copy of your response on a flash drive (or other approved electronic means). The electronic copy must contain completed Forms A, B, C, D, F, and P, your statement of products and pricing (including apparent discount), and all appropriate attachments. In order to ensure that your full response is evaluated, you must provide an electronic version of any material that you provide in a hard copy format.

As a public agency, NJPA's proposals, responses, and awarded contracts are a matter of public record, except for such data that is classified as nonpublic. Accordingly, public data is available for review through a properly submitted public records request. To redact nonpublic information from your proposal (under Minnesota Statute §13.37), you must make your request within thirty (30) days of the contract award or non-award date.

4.10 All Proposal forms must be submitted in English and must be legible. All appropriate forms must be executed by an authorized signatory of the Proposer. Blue ink is preferred for signatures.

4.11 Proposal submissions should be submitted using the electronic forms provided. Proposers that use alternative documents are responsible for ensuring that the content is substantially similar to the NJPA form and that the document is readable by NJPA.

4.12 The Proposer must ensure that the proposal is in the physical possession of NJPA before the submission deadline.

4.12.1 Proposals must be submitted in a sealed envelope or box properly addressed to NJPA and prominently identifying the proposal number, proposal category name, the message “**Hold for Proposal Opening,**” and the deadline for proposal submission. NJPA is not responsible for untimely proposals. Proposals received by the deadline for proposal submission will be opened and the name of each Proposer and other appropriate information will be publicly read.

4.13 Proposers are responsible for checking directly with the NJPA website for any addendums to this RFP. Addendums to this RFP can change the terms and conditions of the RFP, including the proposal submission deadline.

F. QUESTIONS AND ANSWERS ABOUT THIS RFP

4.14 Upon examination of this RFP document, Proposer should promptly notify NJPA of any ambiguity, inconsistency, or error they may discover. Interpretations, corrections, and changes to this RFP will be considered by NJPA through a written addendum. Interpretations, corrections, or changes that are made in any other manner are not binding, and Proposers must not rely on them.

4.15 Submit all questions about this RFP, in writing, referencing **VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES** to Jonathan Yahn at NJPA 202 12th Street NE, Staples, MN 56479 or to RFP@njpacoop.org. You may also call Jonathan Yahn at (218) 895-4144. NJPA urges potential Proposers to communicate all concerns well in advance of the submission deadline to avoid misunderstandings. Questions received within seven (7) days before the submission deadline generally cannot be answered. NJPA may, however, field purely procedural questions, questions about NJPA-issued addenda, or questions involving a Proposer withdrawing its response before the RFP submission deadline.

4.16 If NJPA deems that its answer to a question has a material impact on other potential Proposers or on the RFP itself, NJPA will create an addendum to this RFP.

4.17 If NJPA deems that its answer to a question merely clarifies the existing terms and conditions and does not have a material impact on other potential Proposers or the RFP itself, no further documentation of that question is required.

4.18 Addenda are written instruments issued by NJPA that modify or interpret the RFP. All addenda issued by NJPA become a part of the RFP. Addenda will be delivered to all Potential Proposers using the same method of delivery of the original RFP material. NJPA accepts no liability in connection with the delivery of any addenda. Copies of addenda will also be made available on the NJPA website at www.njpacoop.org (under “Current and Pending Solicitations”) and from the NJPA offices. All Proposers must acknowledge their receipt of all addenda in their proposal response.

4.19 Any amendment to a submitted proposal must be in writing and must be delivered to NJPA by the RFP submission deadline.

4.20 through 4.21 [These sections are intentionally blank.]

G. MODIFICATION OR WITHDRAWAL OF A SUBMITTED PROPOSAL

4.22 A submitted proposal must not be modified, withdrawn, or cancelled by the Proposer for a period of ninety (90) days following the date proposals were opened. Before the deadline for submission of proposals, any proposal submitted may be modified or withdrawn by notice to the NJPA Contracts and Compliance Manager. Such notice must be submitted in writing and must include the signature of the Proposer. The notice must be delivered to NJPA before the deadline for submission of proposals and must be so worded as not to reveal the content of the original proposal. The original proposal will not be physically returned to the potential Proposer until after the official proposal opening. Withdrawn proposals may be resubmitted up to the time designated for the receipt of the proposals if they fully conform with the proposal instructions.

H. PROPOSAL OPENING PROCEDURE

4.23 Sealed and properly identified responses for this RFP entitled **VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES** will be received by Jonathan Yahn, Contracts and Compliance Manager, at NJPA Offices, 202 12th Street NE, Staples, MN 56479 until the deadline identified on page one of this RFP. All Proposal responses must be submitted in a sealed package. The outside of the package must plainly identify **VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES** and the RFP number. To avoid premature opening, the Proposer must label the Proposal response properly. **NJPA documents the receipt of proposals by immediately time- and date-stamping them with an atomic clock.** At the time of the public opening, the NJPA Director of Contracts and Marketing or a representative from the NJPA Proposal Evaluation Committee will read the Proposer's names aloud and will determine whether each submission has met Level-1 responsiveness.

I. NJPA'S RIGHTS RESERVED

4.24 NJPA may exercise the following rights with regard to the RFP.

4.24.1 Reject any and all proposals received in response to this RFP;

4.24.2 Disqualify any Proposer whose conduct or proposal fails to conform to the requirements of this RFP;

4.24.3 Duplicate without limitation all materials submitted for purposes of RFP evaluation, and duplicate all public information in response to data requests regarding the proposal;

4.24.4 Consider and accept for evaluation a late modification of a proposal if 1) the proposal itself was submitted on time, 2) the modifications were requested by NJPA, and 3) the modifications make the terms of the proposal more favorable to NJPA or its members;

4.24.5 Waive any non-material deviations from the requirements and procedures of this RFP;

4.24.6 Extend the Contract, in increments determined by NJPA, not to exceed a total Contract term of five years;

4.24.7 Cancel the Request for Proposal at any time and for any reason with no cost or penalty to NJPA;

4.24.8 Correct or amend the RFP at any time with no cost or penalty to NJPA. If NJPA corrects or amends any segment of the RFP after submission of proposals and before the announcement of the awarded Vendor, all proposers will be afforded a reasonable opportunity to revise their proposals in order to accommodate the RFP amendment and the new submission dates. NJPA will not be liable for any errors in the RFP or other responses related to the RFP; and

4.24.9 Extend proposal due dates.

5 PRICING

5.1 NJPA requests that potential Proposers respond to this RFP only if they are able to offer a wide array of products and services at lower prices and with better value than what they would ordinarily offer to a single government agency, a school district, or a regional cooperative.

5.2 This RFP requests pricing for an indefinite quantity of products or related services with potential national sales distribution and service. While most RFP categories represent significant sales opportunities, NJPA makes no guarantees about the quantity of products or services that members will purchase. **The estimated annual value of this contract is \$150 Million. Vendors are expected to anticipate additional volume of potential government, education and non-profit agencies that would find value in a NJPA national contract awarded by NJPA.**

5.3 Regardless of the payment method selected by NJPA or an NJPA member, the total cost associated with any purchase option of the products and services must always be disclosed in the proposal and at the time of purchase.

5.4 All proposers must submit “Primary Pricing” in the form of either “Line-Item Pricing,” or “Percentage Discount from Catalog Pricing,” or a combination of these pricing strategies. Proposers are also encouraged to offer optional pricing strategies such as “Hot List,” “Sourced Products,” and “Volume Discounts,” as well as financing options such as leasing. All pricing documents should include a clear effective date.

A. LINE-ITEM PRICING

5.5 Line-item pricing is a pricing format in which individual products or services are offered at specific Contract prices. Products or services are individually priced and described by characteristics such as manufacture name, stock or part number, size, or functionality. This method of pricing may offer the least amount of confusion, but Proposers with a large number of items may find this method cumbersome. In these situations, a percentage discount from catalog or category pricing model may make more sense and may increase the clarity of the contract pricing format.

5.6 All line-item pricing items must be numbered, organized, sectioned (including SKUs, when applicable), and prepared to be easily understood by the Evaluation Committee and members.

5.7 Submit Line-Item Pricing items in an Excel spreadsheet format and include all appropriate identification information necessary to discern the line item from other line items in each Responder’s proposal.

5.8 Line-item pricing must be submitted to NJPA in a searchable spreadsheet format (e.g., Microsoft® Excel®) in order to facilitate quickly finding any particular item of interest. For that reason, Proposers are responsible for providing the appropriate product and service identification information along with the pricing information that is typically found on an invoice or price quote for such product or services.

5.9 All products or services typically appearing on an invoice or price quote must be individually priced and identified on the line-item price sheet, including any and all ancillary costs.

5.10 Proposers should provide both a published “List Price” as well as a “Proposed Contract Price” in their pricing matrix. Published List Price will be the standard “quantity of one” price currently available to government and educational customers, excluding cooperative and volume discounts.

B. PERCENTAGE DISCOUNT FROM CATALOG OR CATEGORY

5.11 This pricing model involves a specific percentage discount from a catalog or list price, defined as a published Manufacturer’s Suggested Retail Price (MSRP) for the products or services being proposed.

5.12 Individualized percentage discounts can be applied to any number of defined product groupings.

5.13 A percentage discount from MSRP may be applied to all elements identified in MSRP, including all manufacturer options applicable to the products or services.

5.14 When a Proposer elects to use “Percentage Discount from Catalog or Category,” Proposer will be responsible for providing and maintaining current published MSRP with NJPA, and this pricing must be included in its proposal and provided throughout the term of any Contract resulting from this RFP.

C. COST PLUS A PERCENTAGE OF COST

5.15 “Cost plus a percentage of cost” as a primary pricing mechanism is not desirable. It is, however, acceptable for pricing sourced goods or services.

D. HOT LIST PRICING

5.16 Where applicable, a Vendor may opt to offer a specific selection of products or services, defined as “Hot List” pricing, at greater discounts than those listed in the standard Contract pricing. All product and service pricing, including the Hot List Pricing, must be submitted electronically in a format that is acceptable to NJPA. Hot List pricing must be submitted in a line-item format. Products and services may be added or removed from the Hot List at any time through an NJPA Price and Product Change Form.

5.17 Hot List program and pricing may also be used to discount and liquidate close-out and discontinued products and services as long as those close-out and discontinued items are clearly labeled as such. Current ordering process and administrative fees apply. This option must be published and made available to all NJPA Members.

E. CEILING PRICE

5.18 Proposal pricing is to be established as a ceiling price. At no time may the proposed products or services be offered under this Contract at prices above this ceiling price without a specific request and approval by NJPA. Contract prices may be reduced at any time, for example, to reflect volume discounts or to meet the needs of an NJPA Member.

5.19 [This section is intentionally blank.]

F. VOLUME PRICE DISCOUNTS / ADDITIONAL QUANTITIES

5.20 through 5.23 [These sections are intentionally blank.]

G. TOTAL COST OF ACQUISITION

5.24 The Total Cost of Acquisition for the equipment/products and related services being proposed, including those payable by NJPA Members to either the Proposer or a third party, is the cost of the proposed equipment/products product/equipment and related services delivered and operational for its intended purpose in the end-user’s location. For example, if you are proposing equipment/products FOB Proposer’s dock, your proposal should reflect that the contract pricing does not provide for delivery beyond Proposer’s dock, nor any set-up activities or costs associated with those delivery or set-up activities. Any additional costs for delivery and set-up should be clearly disclosed. In contrast, a proposal could state that there are no additional costs of acquisition if the product is delivered to and operational at the end-user’s location.

H. SOURCED GOOD or OPEN MARKET ITEM

5.25 A Sourced Good or an Open Market Item is a product that a member wants to buy under contract that is not currently available under the Vendor's NJPA contract. This method of procurement can be satisfied through a contract sourcing process. Sourcing options serve to provide a more complete contract solution to meet our members' needs. Sourced items are generally deemed incidental to the total transaction or purchase of contract items.

5.26 NJPA or NJPA Members may request products, equipment, and related services that are within the related scope of this RFP, even if they are not included in an awarded Vendor's line-item price list or catalog. These items are known as Sourced Goods or Open Market Items.

5.27 An awarded Vendor may source such items to the extent that the items are identified as "Sourced Products/Equipment" or "Open Market Items" on any quotation issued in reference to an NJPA awarded contract, and that this information is provided to either NJPA or an NJPA Member. NJPA is not responsible for determining whether a Sourced Good is an incidental portion of the overall purchase or whether a Member is able to consider a Sourced Good a purchase under an NJPA contract.

5.28 "Cost plus a percentage" pricing is an acceptable option in pricing of Sourced Goods.

I. PRODUCT & PRICE CHANGES

5.29 Awarded Vendors may request product or service changes, additions, or deletions at any time throughout the contract term. All requests must be made in written format by completing the NJPA Price and Product Change Request Form (located at the end of this RFP and on the NJPA website), signed by an authorized Vendor representative. All changes are subject to review and approval by NJPA. Submit your requests through email to your assigned Contract Manager and to PandP@njpacoop.org.

5.30 NJPA will determine whether the request is both within the scope of the original RFP and in the best interests of NJPA and NJPA Members. Approved Price and Product Change Request Forms will be returned to the Vendor contact through email.

5.31 The Vendor must 1) complete this change request form and individually list or attach all items subject to change, 2) provide a sufficiently detailed explanation and documentation for the change, and 3) include a complete restatement of pricing document in appropriate format (preferably Excel). The pricing document must identify all products and services being offered and must conform to the following NJPA product and price change naming convention: (Vendor Name) (NJPA Contract #) (effective pricing date); for example, "COMPANY 012411-CPY effective 02-12-2016."

5.32 The new pricing restatement must include *all* products and services offered, even for those items whose pricing remains unchanged, and must include a new effective date on the pricing documents. This requirement reduces confusion by providing a single, current pricing sheet for each vendor and creates a historical record of pricing.

5.33 ADDITIONS. New products and related services may be added to a Contract resulting from this RFP at any time during that Contract term to the extent that those products and related services are within the scope of this RFP. Allowable new products and related services generally include updated models of products and enhanced services that reflect new technology and improved functionality.

5.34 DELETIONS. New products and related services may be deleted from a contract if an item is no longer available.

5.35 PRICE CHANGES. A Vendor may request pricing changes by providing reasonable justification for the change. For example, a request for a 3% increase in a product line that relies heavily on petroleum products may be reasonable if the raw cost of required petroleum products has increased substantially. Conversely, a request for a 3% increase in prices based only on a 3% increase in a cost-of-living index may be considered unreasonable. Although NJPA is sensitive to the possibility of fluctuations in raw material

costs, prospective Vendors should make every reasonable attempt to account for normal cost changes by proposing pricing that will be effective throughout the duration of the four-year Contract.

5.35.1 *Price decreases:* NJPA expects Vendors to propose their very best prices and anticipates price reductions that are due to advancement in technology and marketplace efficiencies.

5.35.2 *Price increases:* A Vendor must include reasonable documentation for price-increase requests, along with both current and proposed pricing. Appropriate documentation should be attached to the Price and Product Change Request Form, including letters from suppliers announcing price increases. Price increases must not exceed the industry standard.

5.36 through 5.37 [These sections are intentionally blank.]

5.38 Proposers representing multiple manufacturers, or carrying multiple related product lines may also request the addition of new manufacturers or product lines to their Contract to the extent they remain within the scope of this RFP.

5.39 through 5.43 [These sections are intentionally blank.]

K. SALES TAX

5.44 Sales and other taxes should not be included in the prices quoted. The Vendor will charge state and local sales and other applicable taxes on items for which a valid tax-exemption certification has not been provided. Each NJPA Member is responsible for providing verification of tax-exempt status to the Vendor. When ordering, NJPA Members must indicate that they are tax-exempt entities. Except as set forth herein, no party is responsible for taxes imposed on another party as a result of or arising from the transactions under a Contract resulting from this RFP.

L. SHIPPING

5.45 Shipping costs can constitute a significant portion of the overall cost of procurement. Consequently, significant weight will be given to the quality of a prospective Vendor's shipping program. Shipping charges should reasonably reflect the actual cost of shipping. NJPA understands that Vendors may use other shipping cost methods for simplicity or for transparency. But to the extent that shipping costs are determined to disproportionately increase a Vendor's profit, NJPA may reduce the points awarded in the "Pricing" criteria.

5.46 through 5.47 [These sections are intentionally blank.]

5.48 All shipping and restocking fees must be identified in the price program. Certain industries providing made-to-order products may not allow returns. Proposals will be evaluated not only on the actual costs of shipping, but on the relative flexibility extended to NJPA Members relating to restocking fees, shipping errors, customized shipping requirements, the process for rejecting damaged or delayed shipments, and similar subjects.

5.49 through 5.50 [These sections are intentionally blank.]

5.51 Delivered products must be properly packaged. Damaged products may be rejected. If the damage is not readily apparent at the time of delivery, the Vendor must permit the products to be returned within a reasonable time at no cost to NJPA or NJPA Member. NJPA and NJPA Members reserve the right to inspect the products at a reasonable time subsequent to delivery where circumstances or conditions prevent effective inspection of the products at the time of delivery.

5.52 The Vendor must deliver Contract-conforming products in each shipment and may not substitute products without the express approval from NJPA or the NJPA Member.

5.53 NJPA reserves the right to declare a breach of Contract if the Vendor intentionally delivers substandard or inferior products that are not under Contract and described in its paper or electronic price lists or sourced upon request of any Member under this Contract. In the event of the delivery of nonconforming products, the NJPA Member will notify the Vendor as soon as possible and the Vendor will replace nonconforming products with conforming products that are acceptable to the NJPA member.

5.54 Throughout the term of the Contract, Proposer agrees to pay for return shipment on products that arrive in a defective or inoperable condition. Proposer must arrange for the return shipment of the damaged products.

6 EVALUATION OF PROPOSALS

A. PROPOSAL EVALUATION PROCESS

6.1 The NJPA proposal evaluation committee will evaluate proposals received based on a 1,000 point evaluation system. The committee establishes both the evaluation criteria and designates the relative weight of each criterion by assigning possible scores for each category on Form G of this RFP. The committee may adjust the relative weight of the criteria for each RFP. (For example, if the “Warranty” criterion does not apply to a particular RFP, the points normally awarded under “Warranty” may be used to increase the number of potential points in another evaluation category or categories.) The “Pricing” criterion will contain at least a plurality of points for every RFP.

6.2 NJPA uses a scoring system that gives primary importance to “Pricing.” But pricing includes more than just the absolute lowest initial cost of purchasing, for example, a particular product. Other considerations include the total cost of the acquisition and whether the Proposer’s offering represents the best value. The evaluation committee may consider such factors as life-cycle costs, total cost of ownership, quality, and the suitability of an offering in meeting NJPA Members’ needs. Pricing points may be awarded based on pricing clarity and ease of use. NJPA may also award points based on whether a response contains exceptions, exclusions, or limitations of liabilities.

6.3 The NJPA Board of Directors will consider making awards to the selected Proposer(s) based on the recommendations of the proposal evaluation committee. To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set forth under “Proposer Responsiveness,” found just below.

B. PROPOSER RESPONSIVENESS

6.4 All responses are evaluated for Level-One and Level-Two Responsiveness. If a response does not substantially conform to substantially all of the terms and conditions in the solicitation, or if it requires unreasonable exceptions, it may be considered nonresponsive.

6.5 All proposals must contain suitable responses to the questions in the proposal forms. The following requirements must be satisfied in order to meet Level-One Responsiveness, which is typically ascertained on the proposal opening date. If these standards are not met, your response may be disqualified as nonresponsive.

6.6 Level-One Responsiveness means that the response

6.6.1 is received before the deadline for submission or it will be returned unopened;

6.6.2 is properly addressed and identified as a sealed proposal with a specific RFP number and an opening date and time;

6.6.3 contains a pricing document (with apparent discounts) and all other forms fully completed, even if “not applicable” is the answer;

6.6.4 includes the original (hard copy) completed, dated, and signed RFP forms C, D, and F. In addition, the response must include the hard-copy signed signature page only from RFP Forms A and P and, if applicable, all signed addenda that have been issued in relation to this RFP;

6.6.5 contains an electronic (CD, flash drive, or other suitable) copy of the entire response; and

6.7 Level-Two Responsiveness (including whether the response is within the RFP’s scope) is determined while evaluating the remaining items listed under Proposal Evaluation Criteria below. These items are not arranged in order of importance. Each item draws from multiple questions, and a Proposer’s responses may affect scoring in multiple evaluation criteria. For example, the answers to Industry-Specific Questions may help determine scoring relative to a Proposer’s marketplace success, ability to sell and service nationwide, and financial strength. Any questions not answered without an explanation will likely result in a loss of points and may lead to a nonaward if the proposal evaluation committee cannot effectively review your response.

C. PROPOSAL EVALUATION CRITERIA

6.8 Forms A and P include a series of questions that address the following categories:

6.8.1 Company Information and Financial Strength

6.8.2 Industry Requirements and Marketplace Success

6.8.3 Ability to Sell and Deliver Service Nationwide

6.8.4 Marketing Plan

6.8.5 Other Cooperative Procurement Contracts

6.8.6 Value-Added Attributes

6.8.7 Payment Terms and Financing Options

6.8.8 Warranty

6.8.9 Equipment/Products/Services

6.8.10 Pricing and Delivery

6.8.11 Industry-Specific Questions

6.9 [This section is intentionally blank.]

D. OTHER CONSIDERATIONS

6.10 In evaluating RFP responses, NJPA has no obligation to consider information that is not provided in the Proposer’s response. NJPA may, however, consider additional information outside the Proposer’s response. This research may include such sources as the Proposer’s website, industry publications, listed references, and user interviews.

6.11 NJPA may organize RFP responses into separate classes or subcategories, depending on the range of responses. For example, NJPA might receive numerous submissions for “Widgets and Related Products and Services.” NJPA may organize these responses into subcategories, such as manufacturers of fully operational Widgets, manufacturers of component parts for Widgets, and providers of parts and service for Widgets. NJPA reserves the right to award Proposers in some or all of such subcategories without regard to the evaluation score given to Proposers in another subcategory. This specifically allows NJPA to award

Vendors that might not have, for instance, the breadth of products of Proposers in another subcategory, but that nonetheless meet a substantial and articulated need of NJPA Members.

6.12 [This section is intentionally blank.]

6.13 NJPA reserves the right to request and test equipment/products and related services and to seek clarification from Proposers. Before the Contract award, the Proposer must furnish the requested information within three (3) days (or within another agreed-to time frame) or provide an explanation for the delay along with a requested time frame for providing the requested information. Proposers must make reasonable efforts to supply test products promptly. All Proposer products remain the property of the Proposer, and NJPA will return such products after the evaluation process. NJPA may make provisional contract awards, subject to a Proposer's proper response to a request for information or products.

6.14 A Proposer's past performance under previously awarded contracts to schools, governmental agencies, and not-for-profit entities is relevant in evaluating a Proposer's current response. Past performance includes the Proposer's record of conforming to published specifications and to standards of good workmanship, as well as the Proposer's history for reasonable and cooperative behavior and for commitment to Member satisfaction. Incumbency as an awarded Vendor does not, by itself, merit positive consideration for a future Contract award.

6.15 NJPA reserves the right to reject any or all proposals.

E. COST COMPARISON

6.16 NJPA may use a variety of evaluation methods, including cost comparisons of specific products. NJPA reserves the right to use this process when the proposal evaluation committee determines that this will help to make a final determination.

6.17 This direct cost comparison process will award points for being low to high Proposer for each cost evaluation item selected. A "Market Basket" of identical (or substantially similar) equipment/products and related services may be selected by the proposal evaluation committee, and the unit cost will be used as a basis for determining the point value. NJPA will select the "Market Basket" from all appropriate product categories as determined by NJPA.

F. MARKETING PLAN

6.18 A Proposer's marketing plan is a critical component of the RFP response. An awarded Vendor's sales force will likely be the primary source of communication with NJPA Members and will directly affect the contract's success. Marketing success depends on communicating the contract's value, knowing the contract thoroughly, and communicating the proper use of contracted products and services to the end user. Much of the success and sales reward is a direct result of the commitment to the contract by the awarded Vendor's sales teams. NJPA reserves the right to deem a Proposer Level-Two nonresponsive or not to award a contract based on an unacceptable or incomplete marketing plan.

6.19 NJPA marketing expectations include the following components.

6.19.1 An awarded Vendor must demonstrate the ability to deploy a national sales force or dealer network. The best RFP responses demonstrate the ability to sell, deliver, and service products through acceptable distribution channels to NJPA members in all 50 states. Proposers' responses should fully demonstrate their sales and service capabilities, should outline their national sales force network (both numerically geographically), and should describe their method of distribution of the offered products and related services. Service may be independent of the product sales pricing, but NJPA encourages related services to be a part of Proposers' response. Despite its preference for awarding contracts to Vendors that demonstrate nationwide sales and service, NJPA reserves the right to award contracts that meet specific Member needs locally or regionally.

6.19.2 Proposers are invited to demonstrate their ability to successfully market, promote, and communicate the benefits of an NJPA contract to current and potential Members nationwide. NJPA desires a marketing plan that communicates the value of the contract to as many Members as possible.

6.19.3 Proposers are expected to be receptive to NJPA trainings. Awarded Vendors must provide an appropriate training venue for both management and the sales force. NJPA commits to providing training on all aspects of communicating the value of the awarded contract, including the authority of NJPA to offer the contract to its Members, the value and utility the contract delivers to NJPA Members, the scope of NJPA Membership, the authority of Members to use NJPA procurement contracts, the preferred marketing and sales methods, and the successful use of specific business sector strategies.

6.19.4 Awarded Vendors are expected to demonstrate a commitment to fully embrace the NJPA contract. Proposers should identify both the appropriate levels of sales management and sales force that will need to understand the value of the NJPA contract, as well as the internal procedures needed to deliver the appropriate messaging to NJPA Members. NJPA will provide a general schedule and a variety of methods describing when and how those individuals should be trained.

6.19.5 Proposers should outline their proposed involvement in promoting an NJPA contract through applicable industry trade show exhibits and related customer meetings. Proposers are encouraged to consider participation with NJPA at NJPA-endorsed national trade shows.

6.19.6 Proposers must exhibit the willingness and ability to actively market and develop contract-specific marketing materials including the following items.

6.19.6.1 Complete Marketing Plan. Proposers must submit a marketing plan outlining how they will launch the NJPA contract to current and potential NJPA Members. NJPA requires awarded Vendors to embrace and actively promote the contract in cooperation with the NJPA.

6.19.6.2 Printed Marketing Materials. Awarded Vendors will produce and maintain full color print advertisements in camera-ready electronic format, including company logos and contact information to be used in the NJPA directory and other approved marketing publications.

6.19.6.3 Contract announcements and advertisements. Proposers should outline in the marketing plan their anticipated contract announcements, advertisements in industry periodicals, and other direct or indirect marketing activities promoting the awarded NJPA contract.

6.19.6.4 Proposer's Website. Proposers should identify how an awarded Contract will be displayed and linked on the Proposer's website. An online shopping experience for NJPA Members is desired whenever possible.

6.19.7 An NJPA Vendor contract launch will be scheduled during a reasonable time frame after the award and held at the NJPA office in Staples, MN unless the Vendor and NJPA agree to a different location.

6.20 Proposer shall identify their commitment to develop a sales/communication process to facilitate NJPA membership and establish status of current and potential agencies/members. Proposer should further express their commitment to capturing sufficient member information as is deemed necessary by NJPA.

G. CERTIFICATE OF INSURANCE

6.21 Proposers must provide evidence of liability insurance coverage identified below in the form of a Certificate of Insurance (COI) or an ACORD binder form with their proposal. Upon an award issued under this RFP and before the execution of any commerce relating to such award, the awarded Vendor must provide verification, in the form of a Certificate of Insurance, identifying the coverage required below and identifying NJPA as a “Certificate Holder.” The Vendor must maintain such insurance coverage at its own expense throughout the term of any contract resulting from this solicitation.

6.22 Any exceptions or assumptions to the insurance requirements must be identified on Form C of this RFP. Exceptions and assumptions will be considered as part of the evaluation process. Any exceptions or assumptions that Proposers submit must be specific. If a Proposer does not include specific exceptions or assumptions when submitting the proposal, NJPA will typically not consider any additional exceptions or assumptions during the evaluation process. Upon contract award, the awarded Vendor must provide the Certificate of Insurance identifying the coverage as specified.

6.23 Insurance Liability Limits. The awarded Vendor must maintain, for the duration of its contract, \$1.5 million in general liability insurance coverage or general liability insurance in conjunction with an umbrella for a total combined coverage of \$1.5 million. Work on the Contract will not begin until after the awarded Vendor has submitted acceptable evidence of the required insurance coverage. Failure to maintain any required insurance coverage or an acceptable alternative method of insurance will be deemed a breach of contract.

6.23.1 Minimum Scope and Limits of Insurance. An awarded Vendor must provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a “following form” basis.

6.23.1.1 Commercial General Liability—Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability and XCU coverage.

6.23.1.2 Each Occurrence \$1,500,000

6.24 Insurance Requirements: The limits listed in this RFP are minimum requirements for this Contract and in no way limit any indemnity covenants contained in this Contract. NJPA does not warrant that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the performance of the work under this Contract by the Vendor, its agents, representatives, employees, or subcontractors, and the Vendor is free to purchase additional insurance as may be determined necessary.

6.25 Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Minnesota and with an “A.M. Best” rating of not less than A- VII. NJPA does not warrant that the above required minimum insurer rating is sufficient to protect the Vendor from potential insurer solvency.

6.26 Subcontractors: Vendors’ certificate(s) must include all subcontractors as additional insureds under its policies, or the Vendor must furnish to NJPA separate certificates for each subcontractor. All coverage for subcontractors are be subject to the minimum requirements identified above.

H. ORDER PROCESS AND/OR FUNDS FLOW

6.27 NJPA Members typically issue a purchase order directly to a Vendor under a Contract resulting from this RFP. Alternatively, a separate contract may be created to facilitate acquiring products or services offered in response to this RFP. Nothing in this Contract restricts the Member and Vendor from agreeing

to add terms or conditions to a purchase order or a separate contract provided that such terms or conditions must not be less favorable to NJPA's Members.

6.28 [This section is intentionally blank.]

I. ADMINISTRATIVE FEES

6.29 Vendors will pay to NJPA an administrative fee in exchange for NJPA facilitating this Contract with its current and potential Members. NJPA may grant a conditional contract award to a Proposer if the proposed administrative fee is unclear, inadequate, or unduly burdensome for NJPA to administer. Sales under this Contract should not be processed until the parties resolve the administrative fee issue.

6.29.1 The administrative fee is typically calculated as a percentage of the dollar volume of all products and services by NJPA Members under this Contract, including anything represented to NJPA Members as falling under this Contract.

6.29.2 The administrative fee is included in, and not added to, the pricing included in Proposer's response to the RFP. Awarded Vendors must not charge NJPA Members more than permitted in the then current price list in order to offset the administrative fee.

6.29.3 The administrative fee is designed to cover the costs of NJPA's involvement in contract management, facilitating marketing efforts, Vendor training, and any order processing tasks relating to the Contract. Administrative fees may also be used for other purposes as allowed by Minnesota law.

6.29.4 The typical administrative fee under this Contract is two percent (2%). While NJPA does not dictate the particular fee percentage, we require that the Proposer articulate a specific fee in its response. For example, merely stating that "we agree to pay an administrative fee" is considered nonresponsive. NJPA acknowledges that the administrative fee percentage may differ between vendors, industries, and responses.

6.29.5 NJPA awarded Vendors are responsible for paying the administrative fee at least quarterly and for generating all related reporting. Vendors agree to cooperate with NJPA in auditing these reports to ensure that the administrative fee is paid on all items purchased under the Contract.

6.29.6 For Texas motor vehicle sales, the administrative fee cannot be based on the amount purchased by a member under the contract. Accordingly, the administrative fee in such cases will be \$400 per purchase order (PO), irrespective of the number of vehicles included in the PO.

6.30 through 6.32 [This section is intentionally blank.]

J. VALUE-ADDED ATTRIBUTES

6.33 Desirability of Value-Added Attributes: Value-added attributes in an RFP response will be given positive consideration in NJPA's evaluation process. Such attributes may increase the benefit of a product or service by improving functionality, performance, maintenance, manufacturing, delivery, energy efficiency, ordering, or other items while remaining within the scope of this RFP.

6.34 Women and Minority Business Enterprise (WMBE), Small Business, and Other Favored Businesses: Some NJPA Members give formal preference to certain types of vendors or contractors. Proposers should document WMBE (or other) status for both their organization and for any affiliates (e.g., supplier networks) involved in fulfilling the terms of this RFP. The ability of a Proposer to provide preferred business entity "credits" to NJPA and NJPA Members under a Contract will be evaluated positively by NJPA and reflected in the "value added" area of the evaluation.

6.35 Environmentally Preferred Purchasing Opportunities: Many NJPA Members consider the environmental impact of the products and services they purchase. “Green” characteristics demonstrated by Proposers will be evaluated positively by NJPA and reflected in the “value added” area of the evaluation. Please identify any green characteristics of any offering in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which products have been certified as green and by which certifying agency.

6.36 Online Requisitioning Systems: When applicable, online requisitioning systems will be viewed as a value-added characteristic. Proposers should demonstrate how their system makes online ordering easier for NJPA Members, including how Members could integrate their current e-Procurement or enterprise resource planning (ERP) systems into the Proposer’s ordering process.

6.37 Financing: The ability of the Proposer to provide financing solutions to Members for the products and services being proposed will be viewed as a value-added attribute.

6.38 Technology: Technological advances that appreciably improve the proposed products or services will be considered value-added attributes.

K. WAIVER OF FORMALITIES

6.39 NJPA reserves the right to waive minor formalities (or to accept minor irregularities) in any proposal, when it determines that considering the proposal may be in the best interest of its Members.

7 POST-AWARD OPERATING ISSUES

A. SUBSEQUENT AGREEMENTS

7.1 Purchase Order. Purchase orders for products and services may be executed between NJPA Members and the awarded Vendor (or Vendor’s sub-contractors) under this Contract. NJPA Members and Vendors must indicate on the face of such purchase orders that “This purchase order is issued under NJPA contract #XXXXXX” (insert the relevant contract number). Purchase order flow and procedure will be developed jointly between NJPA and an awarded Vendor after an award is made.

7.2 Governing Law. Purchase orders must be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the Member. (See also Section 8.5 of this RFP.) All provisions required by law to be included in the purchase order should be read and enforced as if they were included. If through mistake or otherwise any such provision is not included, then upon application of either party the Contract shall be physically amended to make such inclusion or correction. The venue for any litigation arising out of disputes related to purchase order will be a court of competent jurisdiction with respect to the Member.

7.3 Additional Terms and Conditions. Additional terms and conditions to a purchase order may be proposed by NJPA, NJPA Members, or Vendors. Acceptance of these additional terms and conditions is optional to all parties to the purchase order. One purpose of these additional terms and conditions is to address job- or industry-specific requirements of law such as prevailing wage legislation. Additional terms and conditions may also include specific local policy requirements and standard business practices of the issuing Member or the Vendor. Such additional terms and conditions are not considered valid to the extent that they interfere with the general purpose, intent, or currently established terms and conditions contain in this RFP document. For example, a Vendor and Member may agree to add a “net 30” payment requirement to the purchase order instead of applying a “net 10” requirement. But the added terms and conditions must not be less favorable to the Member unless NJPA, the Member, and the Vendor agree to a Contract amendment or similar modification.

7.4 Specialized Service Requirements. In the event that the NJPA Member desires service requirements or specialized performance requirements (such as e-commerce specifications, specialized delivery

requirements, or other specifications and requirements) not addressed in the Contract resulting from this RFP, the NJPA Member and the Vendor may enter into a separate, standalone agreement, apart from a Contract resulting from this RFP. Any proposed service requirements or specialized performance requirements require pre-approval by the Vendor. Any separate agreement developed to address these specialized service or performance requirements is exclusively between the NJPA Member and Vendor. NJPA, its agents, and employees shall not be made a party to any claim for breach of such agreement. Product sourcing is not considered a service. NJPA Members will need to conduct procurements for any specialized services not identified as a part of or within the scope of the awarded Contract.

7.5 Performance Bond. At the request of the Member, a Vendor will provide all performance bonds typically and customarily required in their industry. These bonds will be issued pursuant to the requirements of purchase orders for products and services. If a purchase order is cancelled for lack of a required performance bond by the member agency, NJPA recommends that the current pending purchase order be canceled. Each Member has the final decision on purchase order continuation. Any performance bonding required by the Member, the Member's state laws, or by local policy is to be mutually agreed upon and secured between the Vendor and the Member.

7.6 Asset Management Contracts: Asset Management-type Contracts can be initiated under a Contract resulting from this RFP at any time during the term of this Contract. Such a contract could involve, for example, picking up, storing, repairing, inventorying, salvaging, and delivery products falling within the scope of this Contract. The intention in using Asset Management Contracts is to promote the long-term efficiency of NJPA's contracts by (among other things) extending the use and re-use of products. Asset Management Contracts cannot be created under this Contract unless they are executed within the authorized term of a Contract resulting from this RFP. The actual term of the Asset Management Contract may, however, extend beyond the expiration date of this Contract.

B. NJPA MEMBER SIGN-UP PROCEDURE

7.6 Awarded Vendors are responsible for familiarizing their sales and service forces with the various forms of NJPA membership documentation and will encourage and assist potential Members in establishing membership with NJPA. NJPA membership is available at no cost, obligation, or liability to the Member or the Vendor.

C. REPORTING OF SALES ACTIVITY

7.7 Awarded Vendors must report at least quarterly the total gross dollar volume of all products and services purchased by NJPA Members as it applies to this RFP and Contract. This report must include the name and address of the purchasing agency, Member number, amount of purchase, and a description of the items purchased.

7.7.1 Zero sales reports: Awarded Vendors must provide a quarterly Contract sales report regardless of the amount of sales.

D. AUDITS

7.8 NJPA relies substantially on the reasonable auditing efforts of both Members and awarded Vendors to ensure that Members are obtaining the products, services, pricing, and other benefits under all NJPA contracts. Nonetheless, the Vendor must retain and make available to NJPA all order and invoicing documentation related to purchases that Members make from the Vendor under the awarded Contract. NJPA must not request such information more than once per calendar year, and NJPA must make such requests in writing with at least fourteen (14) days' notice. NJPA may employ an independent auditor at its own expense or conduct an audit on its own. In either event, the Vendor agrees to cooperate fully with NJPA or its agents in order to ensure compliance with this Contract.

E. HUB PARTNER

7.9 Hub Partner: NJPA Members may request special services through a “Hub Partner” for the purpose of complying with a law, regulation, or rule that an NJPA Member deems to apply in its jurisdiction. Hub Partners may bring value to the proposed transactions through consultancy, through qualifying for disadvantaged business entity credits, or through other means.

7.10 Hub Partner Fees: NJPA Members are responsible for any transaction fees, costs, or expenses that arise under this Contract for special service provided by the Hub Partner. The fees, costs, or expenses levied by the Hub Vendor must be clearly itemized in the transaction documentation. To the extent that the Vendor stands in the chain of title during a transaction resulting from this RFP, the documentation must clearly indicate that the transaction is “Executed for the Benefit of [NJPA Member name].”

F. TRADE-INS

7.11 The value in US Dollars for Trade-ins will be negotiated between NJPA or an NJPA Member, and an Awarded Vendor. That identified “Trade-In” value shall be viewed as a down payment and credited in full against the NJPA purchase price identified in a purchase order issued pursuant to any Awarded NJPA procurement contract. The full value of the trade-in will be consideration.

G. OUT OF STOCK NOTIFICATION

7.12 The Vendor must immediately notify NJPA Members when they order an out-of-stock item. The Vendor must also tell the Member when the item will be available and whether there are equivalent substitutes. The Member must have the option of accepting the suggested substitute or canceling the item from the order. Under no circumstance may the Vendor make unauthorized substitutions. Unfilled or substituted items must be indicated on the packing list.

H. CONTRACT TERMINATION FOR CAUSE AND WITHOUT CAUSE

7.13 NJPA reserves the right to cancel all or any part of this Contract if the Vendor fails to fulfill any material obligation, term, or condition as described in the following procedure. Before any such termination for cause, the NJPA will provide written notice to the Vendor, an opportunity to respond, and a reasonable opportunity to cure the breach. The following are some examples of material breaches.

7.13.1 The Vendor provides products or services that do not meet reasonable quality standards and that are not remedied under the warranty;

7.13.2 The Vendor fails to ship the products or to provide the services within a reasonable amount of time;

7.13.3 NJPA reasonably believes that the Vendor will not or cannot perform to the requirements or expectations of the Contract, NJPA issues a request for assurance, and the Vendor fails to respond;

7.13.4 The Vendor fails to fulfill any of the material terms and conditions of the Contract;

7.13.5 The Vendor fails to follow the established procedure for purchase orders, invoices, or receipt of funds as established by NJPA and the Vendor;

7.13.6 The Vendor fails to properly report quarterly sales;

7.13.7 The Vendor fails to actively market this Contract within the guidelines provided in this RFP and defined in the NJPA contract launch.

7.14 Upon receipt of the written notice of breach, the Vendor will have ten (10) business days to provide a satisfactory response to NJPA. If the Vendor fails to reasonably address all issues in the written notice, NJPA may terminate the Contract immediately. If NJPA allows the Vendor more time to remedy the breach, such forbearance does not limit NJPA's authority to immediately terminate the Contract for continued breaches for which notice was given to the Vendor. Termination of the Contract for cause does not relieve either party of the financial, product, or service obligations incurred before the termination.

8.2 [This section is intentionally blank.]

7.16 NJPA may terminate the Contract if the Vendor files for bankruptcy protection or is acquired by an independent third party. The Vendor must disclose to NJPA any litigation, bankruptcy, or suspensions/disbarments that occur during the Contract period. Failure to disclose such information authorizes NJPA to immediately terminate the Contract.

7.17 NJPA may terminate the Contract without cause by giving the Vendor sixty (60) days' written notice of termination. Termination of the Contract without cause does not relieve either party of the financial, product, or service obligations incurred before the termination.

7.18 NJPA may immediately terminate any Contract without further obligation if any NJPA employee significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of NJPA has colluded with any Proposer for personal gain. NJPA may also immediately cancel a Contract if it finds that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor, to any employee of NJPA. Such terminations are effective upon written notice from NJPA or at a later date designated in the notice. Termination of the Contract does not relieve either party of the financial, product, or service obligations incurred before the termination.

8 GENERAL TERMS AND CONDITIONS

8. ADVERTISING A CONTRACT RESULTING FROM THIS RFP

8.1 Proposer/Vendor must not advertise or publish information concerning this Contract before the award is announced by NJPA. Once the award is made, a Vendor is expected to advertise the awarded Contract to both current and potential NJPA Members.

B. APPLICABLE LAW

8.2 [This section is intentionally blank.]

8.3 NJPA Compliance with Minnesota Procurement Law: NJPA has designed its procurement process to comply with best practices in the State of Minnesota. NJPA's solicitation methods are also created to comply with many of the various requirements that our Members must satisfy in their own procurement processes. But these requirements may differ considerably and may change from time to time. So each NJPA Member must make its own determination whether NJPA's solicitation process satisfies the procurement rules in the Member's jurisdiction.

8.4 Governing law with respect to delivery and acceptance: All applicable portions of the Minnesota Uniform Commercial Code, all other applicable Minnesota laws, and the applicable laws and rules of delivery and inspection of the Federal Acquisition Regulations (FAR) laws will govern NJPA contracts resulting from this solicitation.

8.5 Jurisdiction: Any claims that arise against NJPA pertaining to this RFP, and any resulting contract that develops between NJPA and any other party, must be brought only in courts in Todd County in the State of Minnesota unless otherwise agreed to.

8.5.1 Purchase orders or other agreements created pursuant to a contract resulting from this solicitation must be construed in accordance with, and governed by, the laws of the issuing Member. Any claim arising from such a purchase order or agreement must be filed and venued in a court of competent jurisdiction of the Member unless otherwise agreed to.

8.6 through 8.7 [This section is intentionally blank.]

8.8 Indemnification: Each party is responsible for its own acts and is not responsible for the acts of the other party and the results thereof. NJPA's liability is governed by the Minnesota Tort Claims Act (Minn. Stat. §3.736) and other applicable law.

8.9 Prevailing wage: The Vendor must comply with applicable prevailing wage legislation in effect in the jurisdiction of the NJPA Member. The Vendor must monitor the prevailing wage rates as established by the appropriate federal governmental entity during the term of this Contract and adjust wage rates accordingly.

8.10 Patent and copyright infringement: The Vendor agrees to indemnify and hold harmless NJPA and NJPA Members against any and all suits, claims, judgments, and costs instituted or recovered against the Vendor, NJPA, or NJPA Members by any person on account of the use or sale of any articles by NJPA or NJPA Members if the Vendor supplied such articles in violation of applicable patent or copyright laws.

C. ASSIGNMENT OF CONTRACT

8.11 No right or interest in this Contract may be assigned or transferred by the Vendor without prior written permission by the NJPA. No delegation of any duty of the Vendor under this Contract may be made without prior written permission of the NJPA. NJPA will notify Members by posting approved assignments on the NJPA website (www.njpacoop.org).

8.12 If the original Vendor sells or transfers all assets or the entire portion of the assets used to perform this Contract, a successor-in-interest must perform all obligations under this Contract. NJPA reserves the right to reject the acquiring entity as a Vendor. A change of name agreement will not change the contractual obligations of the Vendor.

D. LIST OF PROPOSERS

8.13 NJPA will not maintain a list of interested proposers, nor will it automatically send RFPs to them. All interested proposers must request the RFP as a result of NJPA's national solicitation advertisements. Because of the wide scope of the potential Members and qualified national suppliers, NJPA has determined this to be the best method of fairly soliciting proposals.

E. CAPTIONS, HEADINGS, AND ILLUSTRATIONS

8.14 The captions, illustrations, headings, and subheadings in this RFP are for convenience and ease of understanding and in no way define or limit the scope or intent of this request.

F. DATA PRACTICES

8.15 All materials submitted in response to this RFP become NJPA's property and become public records (under Minn. Stat. §13.591) after the evaluation process is completed. If the Proposer submits information in response to this RFP that it requests to be classified as nonpublic information (as defined by the Minnesota Government Data Practices Act, Minn. Stat. §13.37), the Proposer must meet the following requirements.

8.15.1 The Proposer must make the request within thirty (30) days of the award/nonaward notification, and include the appropriate statutory justification. Pricing, marketing plans, and

financial information is generally not redactable. The NJPA Legal Department will review the request to determine whether the information can be withheld or redacted. If NJPA determines that it must disclose the information upon a proper request for such information, NJPA will inform the Proposer of such determination.

8.15.2 The Proposer must defend any action seeking release of the materials that it believes to be nonpublic information, and it must indemnify and hold harmless NJPA, its agents, and employees, from any judgments or damages awarded against NJPA in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the term of any contract awarded under this RFP. In submitting a response to this RFP, the Proposer agrees that this indemnification survives as long as NJPA possesses the confidential information.

8.16 [This section is intentionally blank.]

G. ENTIRE AGREEMENT

8.17 This Contract, as defined herein, constitutes the entire agreement between the parties to this Contract. A Contract resulting from this RFP is formed when the NJPA Board of Directors approves and signs the applicable Contract Award & Acceptance document (Form E).

H. FORCE MAJEURE

8.18 Except for payments of sums due, neither party is liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented due to force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence including, but not limited to, the following: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, snow, earthquakes, tornadoes or violent wind, tsunamis, wind shears, squalls, Chinooks, blizzards, hail storms, volcanic eruptions, meteor strikes, famine, sink holes, avalanches, lockouts, injunctions-intervention-acts, terrorist events or failures or refusals to act by government authority and/or other similar occurrences where such party is unable to prevent by exercising reasonable diligence. The force majeure is deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and is deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with a Contract resulting from this RFP. Force majeure does not include late deliveries of products and services caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or other similar occurrences. If either party is delayed at any time by force majeure, then the delayed party must (if possible) notify the other party of such delay within forty-eight (48) hours.

8.19 through 8.20 [These sections are intentionally blank.]

K. LICENSES

8.21 The Vendor must maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with NJPA and NJPA Members.

8.22 All responding Proposers must be licensed (where required) and must have the authority to sell and distribute the offered products and services to NJPA and NJPA Members. Documentation of the required licenses and authorities, if applicable, should be included in the Proposer's response to this RFP.

L. MATERIAL SUPPLIERS AND SUB-CONTRACTORS

8.23 The awarded Vendor must supply the names and addresses of sourcing suppliers and sub-contractors as a part of the purchase order when requested by NJPA or an NJPA Member.

M. NON-WAIVER OF RIGHTS

8.24 No failure of either party to exercise any power given to it hereunder, nor a failure to insist upon strict compliance by the other party with its obligations hereunder, nor a custom or practice of the parties at variance with the terms hereof, nor any payment under a Contract resulting from this RFP constitutes a waiver of either party's right to demand exact compliance with the terms hereof. Failure by NJPA to take action or to assert any right hereunder does not constitute a waiver of such right.

N. PROTESTS OF AWARDS MADE

8.25 And protests must be filed with NJPA's Executive Director and must be resolved in accordance with appropriate Minnesota rules. Protests will only be accepted from Proposers. A protest of an award or nonaward must be filed in writing with NJPA within ten (10) calendar days after the public notice or announcement of the award or nonaward. A protest must include the following items.

- 8.25.1** The name, address, and telephone number of the protester;
- 8.25.2** The original signature of the protester or its representative (you must document the authority of the representative);
- 8.25.3** Identification of the solicitation by RFP number;
- 8.25.4** Identification of the statute or procedure that is alleged to have been violated;
- 8.25.5** A precise statement of the relevant facts;
- 8.25.6** Identification of the issues to be resolved;
- 8.25.7** The aggrieved party's argument and supporting documentation;
- 8.25.8** The aggrieved party's statement of potential financial damages; and
- 8.25.9** A protest bond in the name of NJPA and in the amount of 10% of the aggrieved party's statement of potential financial damages.

O. SUSPENSION OR DISBARMENT STATUS

8.26 If within the past five (5) years, any firm, business, person or Proposer responding to an NJPA solicitation has been lawfully terminated, suspended, or precluded from participating in any public procurement activity with a federal, state, or local government or education agency, the Proposer must include a letter with its response setting forth the name and address of the public procurement unit, the effective date of the suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. Any failure to supply such a letter or to disclose pertinent information may result in the termination of a Contract. By signing the proposal affidavit, the Proposer certifies that no current suspension or debarment exists.

P. AFFIRMATIVE ACTION AND IMMIGRATION STATUS CERTIFICATION

8.27 An Affirmative Action Plan, Certificate of Affirmative Action, or other documentation regarding Affirmative Action may be required by NJPA or NJPA Members relating to a transaction from this RFP. Vendors must comply with any such requirements or requests.

8.28 Immigration Status Certification may be required by NJPA or NJPA Members relating to a transaction from this RFP. Vendors must comply with any such requirements or requests.

Q. SEVERABILITY

8.29 In the event that any of the terms of a Contract resulting from this RFP are in conflict with any rule, law, or statutory provision, or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms will be deemed stricken from the Contract, but such invalidity or unenforceability shall not invalidate any of the other terms of an awarded Contract resulting from this RFP.

R. RELATIONSHIP OF PARTIES

8.30 No Contract resulting from this RFP may be considered a contract of employment. The relationship between NJPA and an awarded Vendor is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. The parties neither intend the proposed Contract to create, nor is to be construed as creating, a partnership, joint venture, master-servant, principal-agent, or any other, relationship. Except as provided elsewhere in this RFP, neither party may be held liable for acts of omission or commission of the other party and neither party is authorized or has the power to obligate the other party by contract, agreement, warranty, representation, or otherwise in any manner whatsoever except as may be expressly provided herein.

9 FORMS

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PROPOSER QUESTIONNAIRE- General Business Information
(Products, Pricing, Sector Specific, Services, Terms and Warranty are addressed on **Form P**)

Proposer Name: _____ Questionnaire completed by: _____

Please identify the person NJPA should correspond with from now through the Award process:

Name: _____ E-Mail address: _____

Please answer the questions below using the Microsoft Word® version of this document. This allows NJPA evaluators to cut and paste your answers into a separate worksheet. Place your answer directly below each question. NJPA prefers a brief but thorough response to each question. Please do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; mark “NA” if the question does not apply to you (preferably with an explanation). Please create a response that is easy to read and understand. For example, you may consider using a different font and color to distinguish your answer from the questions.

Company Information & Financial Strength

- 1) Provide the full legal name, mailing and email addresses, tax identification number, and telephone number for your business.
Provide a brief history of your company, including your company’s core values, business philosophy, and longevity in the **VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES** industry.
- 2) Provide a detailed description of the products and services that you are offering in your proposal.
- 3) What are your company’s expectations in the event of an award?
- 4) Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters.
- 5) What is your US market share for the solutions that you are proposing? What is your Canadian market share, if any?
- 6) Has your business ever petitioned for bankruptcy protection? Please explain in detail.
- 7) How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.
 - a) If your company is best described as a distributor/dealer/reseller (or similar entity), please provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?
 - b) If your company is best described as a manufacturer or service provider, please describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?
- 8) If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.
- 9) Provide all “Suspension or Disbarment” information that has applied to your organization during the past ten years.
- 10) Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.

Industry Recognition & Marketplace Success

- 11) Describe any relevant industry awards or recognition that your company has received in the past five years.
- 12) Supply three references/testimonials from your customers who are eligible for NJPA membership. At a minimum, please include the entity's name, contact person, and phone number.
- 13) Provide a list of your top five governmental or educational customers (entity name is optional), including entity type, the state the entity is located in, scope of the projects, size of transactions, and dollar volumes from the past three years.
- 14) Indicate separately what percentages of your sales are to the government and education sectors in the past three years?
- 15) List any state or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?
- 16) List any GSA contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?

Proposer's Ability to Sell and Deliver Service Nationwide

- 17) Describe your company's capability to meet NJPA Member's needs across the country. Your response should address at least the following areas.
 - a) Sales force.
 - b) Dealer network or other distribution methods.
 - c) Service force.

Please include details, such as the locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employers (or employees of a third party), and any overlap between the sales and service functions.
- 18) Describe in detail the process and procedure of your customer service program, if applicable. Please include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.
- 19)
 - a) Identify any geographic areas of the United States that you will NOT be fully serving through the proposed contract.
 - b) Identify any NJPA Member sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Please explain your answer. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?
- 20) Define any specific contract requirements or restrictions that would apply to our Members in Hawaii and Alaska and in US Territories.

Marketing Plan

- 21) If you are awarded a contract, how will you train your sales management, dealer network, and direct sales teams (whichever apply) to ensure maximum impact? Please include how you will communicate your NJPA pricing and other contract detail to your sales force nationally.
- 22) Describe your marketing strategy for promoting this contract opportunity. Please include representative samples of your marketing materials in electronic format.
- 23) Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.
- 24) In your view, what is NJPA's role in promoting contracts arising out of this RFP? How will you integrate an NJPA-awarded contract into your sales process?

25) Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.

Value-Added Attributes

26) Describe any product, equipment, maintenance, or operator training programs that you offer to NJPA Members. Please include details, such as whether training is standard or optional, who provides training, and any costs that apply.

27) Describe any technological advances that your proposed products or services offer.

28) Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.

29) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations that your company or hub partners have obtained.

30) What unique attributes does your company, your products, or your services offer to NJPA Members? What makes your proposed solutions unique in your industry as it applies to NJPA members?

31) Identify your ability and willingness to provide your products and services to NJPA member agencies in Canada.

NOTE: Questions regarding Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, and Industry Specific Items are addressed on Form P.

Signature: _____ Date: _____



PROPOSER INFORMATION

Company Name: _____

Address: _____

City/State/Zip: _____

Phone: _____ Fax: _____

Toll-Free Number: _____ E-mail: _____

Website Address: _____

COMPANY PERSONNEL CONTACTS

Authorized signer for your organization

Name: _____

Email: _____ Phone: _____

The person identified here must have proper signing authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer.

Who prepared your RFP response?

Name: _____ Title: _____

Email: _____ Phone: _____

Who is your company's primary contact person for this proposal?

Name: _____ Title: _____

Email: _____ Phone: _____

Other important contact information

Name: _____ Title: _____

Email: _____ Phone: _____

Name: _____ Title: _____

Email: _____ Phone: _____

Form C

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: _____

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS

Proposer's Signature: _____ Date: _____

NJPA's clarification on exceptions listed above:

Contract Award
RFP #120716

FORM D



Formal Offering of Proposal
(To be completed only by the Proposer)

[VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES]

In compliance with the Request for Proposal (RFP) for **[VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES]**, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: _____ Date: _____

Company Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Authorized Signature: _____

(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA #120716 _____

Proposer's full legal name

Your proposal is hereby accepted, and a Contract is awarded. As an awarded Proposer, you are now bound to provide the defined products and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your response, and any exceptions accepted by NJPA.

The effective start date of the Contract will be _____, 20____ and continue until _____ (no later than the later of four years from the expiration date of the currently awarded contract or four years from the NJPA Board's contract award date). This contract may be extended for a fifth year at NJPA's discretion.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____
NJPA Executive Director (Name printed or typed)

Awarded this _____ day of _____, 20____ NJPA Contract Number #120716

NJPA Authorized signature: _____
NJPA Board Member (Name printed or typed)

Executed this _____ day of _____, 20____ NJPA Contract Number #120716

The Proposer hereby accepts this Contract award, including all accepted exceptions and NJPA clarifications.

Vendor Name _____

Vendor Authorized signature: _____
(Name printed or typed)

Title: _____

Executed this _____ day of _____, 20____ NJPA Contract Number #120716

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: _____

Address: _____

City/State/Zip: _____

Telephone Number: _____

E-mail Address: _____

Authorized Signature: _____

Authorized Name (printed): _____

Title: _____

Date: _____

Notarized

Subscribed and sworn to before me this _____ day of _____, 20 _____

Notary Public in and for the County of _____ State of _____

My commission expires: _____

Signature: _____



OVERALL EVALUATION AND CRITERIA

For the Proposed Subject VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES

Conformance to RFP Terms and Conditions	50	
Financial Viability and Marketplace Success	75	
Ability to Sell and Deliver Service Nationwide	100	
Marketing Plan	50	
Value-Added Attributes	75	
Warranty	50	
Depth and Breadth of Offered Products and Related Services	200	
Pricing	400	
TOTAL POINTS	1000	

Reviewed by: _____ Its _____
 _____ Its _____



Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: _____

Questionnaire completed by: _____

Payment Terms and Financing Options

- 1) What are your payment terms (e.g., net 10, net 30)?
- 2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?.
- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.
- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.
 - Do your warranties cover all products, parts, and labor?
 - Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
 - Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
 - Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will NJPA Members in these regions be provided service for warranty repair?
 - Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
 - What are your proposed exchange and return programs and policies?
- 6) Describe any service contract options for the items included in your proposal.

Pricing, Delivery, Audits, and Administrative Fee

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.
- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.
- 10) The pricing offered in this proposal is
 - _____ a. the same as the Proposer typically offers to an individual municipality, university, or school district.
 - _____ b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
 - _____ c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
 - _____ d. other than what the Proposer typically offers (please describe).
- 11) Describe any quantity or volume discounts or rebate programs that you offer.
- 12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.
- 13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.
- 14) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.
- 15) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.
- 16) Describe any unique distribution and/or delivery methods or options offered in your proposal.
- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.
- 18) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor’s sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member’s cost of goods. (See RFP Section 6.29 and following for details.)

Industry-Specific Questions

- 19) Identify any features in your response that are different from your standard vehicle offering or that are unique to your proposal.
- 20) Demonstrate your processes to handle vehicles on order with NJPA members that are subject to a recall or that have open service campaigns.
- 21) Demonstrate your NJPA member communication processes from P.O. generation to the delivery of vehicle in order to meet member expectations.

Signature: _____ Date: _____



10 PRE-SUBMISSION CHECKLIST

Check when Completed	Contents of Your Bid Proposal	Hard Copy Required Signed and Dated	Electronic Copy Required - CD or Flash Drive
	Form A: Proposer Questionnaire with all questions answered completely	X - signature page only	X
	Form B: Proposer Information		X
	Form C: Exceptions to Proposal, Terms, Conditions, and Solutions Request	X	X
	Form D: Formal Offering of Proposal	X	X
	Form E. Contract Acceptance and Award		X
	Form F: Proposers Assurance of Compliance	X	X
	Form P: Proposer Questionnaire with all questions answered completely	X-signature page only	X
	Certificate of Insurance with \$1.5 million coverage	X	X
	Copy of all RFP Addendums issued by NJPA	X	X
	Pricing for all Products/Equipment/Services within the RFP being proposed		X
	Entire Proposal submittal including signed documents and forms.		X
	All forms in the Hard Copy Required Signed and Dated should be inserted in the front of the submitted response, unbound.		
	Package containing your proposal labeled and sealed with the following language: "Competitive Proposal Enclosed, Hold for Public Opening XX-XX-XXXX"		
	Response Package mailed and delivered prior to deadline to: NJPA, 202 12th St NE, Staples, MN 56479		

11 NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

Section 1. Instructions for Vendor

Requests for product or service changes, additions, or deletions will be considered at any time throughout the awarded contract term. All requests must be made in writing by completing sections 2, 3, and 4 of this NJPA Price and Product Change Request Form and signed by an authorized Vendor representative in section 5. All changes are subject to review by the NJPA Contracts & Compliance Manager and to approval by NJPA’s Chief Procurement Officer. Submit request through email to your assigned NJPA Contract Administrator.

NJPA will determine whether the request is 1) within the scope of the original RFP, and 2) in the best interests of NJPA and NJPA Members. Approved Price and Product Change Request Forms will be signed and emailed to the Vendor contact.

The Vendor must complete this change request form and individually list or attach all items or services subject to change, must provide sufficiently detailed explanation and documentation for the change, and must include a complete restatement of pricing documentation in an appropriate format (preferably Microsoft® Excel®). The pricing document must identify all products and services being offered and must conform to the following NJPA product/price change naming convention: (Vendor Name) (NJPA Contract #) (effective pricing date); for example, “Acme Widget Company #012416-AWC eff. 01-01-2017.”

NOTE: New pricing restatements must include all products and services offered regardless of whether their prices have changed and must include a new “effective date” on the pricing documents. This requirement reduces confusion by providing a single, current pricing sheet for each Vendor and creates a historical record of pricing.

ADDITIONS. New products and related services may be added to a contract if such additions are within the scope of the original RFP.

DELETIONS. New products and related services may be deleted from a contract if, for example, they are no longer available or have been modified to a point where they are outside the scope of the RFP.

PRICE CHANGES: Vendors may request price changes if they provide sufficient rationale for the change. For example, a Vendor that manufactures products that require substantial petroleum-related material might request a 3% price increase because of a 20% increase in petroleum costs.

Price decreases: NJPA expects Vendors to propose their very best prices and anticipates that price reductions might occur because of improved technologies or marketplace efficiencies.

Price increases: Acceptable price increases typically result from specific Vendor cost increases. The Vendor must include reasonable justification for the price increase and must not, for example, offer merely generalized statements about an increase in a cost-of-living index. Appropriate documentation should be attached to this form, including such items as letters from suppliers announcing price increases.

Refer to the RFP for complete “Pricing” details.

Section 2. Vendor Name and Type of Change Request

CHECK ALL CHANGES THAT APPLY:

AWARDED VENDOR NAME:

NJPA CONTRACT NUMBER:

- Adding Products/Services
- Deleting Products/Services
- Price Increase
- Price Decrease

Section 3. Detailed Explanation of Need for Changes

List the products and/or services that are changing or being added or deleted from the previous contract price list, along with the percentage change for each item or category. (Attach a separate, detailed document if changing more than 10 items.)

Provide a general statement and documentation explaining the reasons for these price and/or product changes.

EXAMPLES: 1) "All pricing for paper products and services are increased 5% because of increased raw material and transportation costs (see attached documentation of fuel and raw materials increase)." 2) "The 6400 series floor polisher is being added to the product list as a new model, replacing the 5400 series. The 6400 series 3% increase reflects technological changes that improve the polisher's efficiency and useful life. The 5400 series is now included in the "Hot List" at a 20% discount from the previous pricing until the remaining inventory is liquidated."

If adding products, state how these are within the scope of the original RFP.

If changing prices or adding products or services, state how the pricing is consistent with existing NJPA contract pricing.

Section 4. Complete Restatement of Pricing Submitted

A COMPLETE restatement of the pricing, including all new and existing products and services is attached and has been emailed to the Vendor's Contract Administrator.

Yes No

Section 5. Signatures

Vendor Authorized Signature

Date

Print Name and Title of Authorized Signer

Jeremy Schwartz, NJPA Director of Cooperative Contracts and Procurement/CPO

Date



Appendix A

NJPA The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential Member agencies, which includes all governmental, higher education, K-12 education, not-for-profit, tribal governmental, and all other public agencies located in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution.

For your reference, the links below include some, but not all, of the entities included in this proposal.

http://www.usa.gov/Agencies/Local_Government/Cities.shtml

<http://nces.ed.gov/globallocator/>

<https://harvester.census.gov/imls/search/index.asp>

<http://nccsweb.urban.org/PubApps/search.php>

<http://www.usa.gov/Government/Tribal-Sites/index.shtml>

<http://www.usa.gov/Agencies/State-and-Territories.shtml>

<http://www.nreca.coop/about-electric-cooperatives/member-directory/>

[Oregon](#)

[Hawaii](#)

[Washington](#)



ADDENDUM ONE (1)
To that certain
NJPA RFP #120716
Issued by
National Joint Powers Alliance®
For the procurement of

VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES

Consider the following to be part of the above-titled RFP: Pre-Proposal Conference.

Because some prospective vendors may have had difficulty accessing our originally scheduled pre-proposal conference, we are providing another conference. You do not need to attend this conference in order to respond to the RFP, but it is highly recommended. It will be held **November 23, 11 a.m. CT.**

Topic: Vehicles, Cars, Vans, SUVs, & Light Trucks with Related Equipment, Accessories, and Services
Host: National Joint Powers Alliance

Date and Time:

Wednesday, November 23, 2016 11:00 am, Central Standard Time (Chicago, GMT-06:00)
Wednesday, November 23, 2016 12:00 pm, Eastern Standard Time (New York, GMT-05:00)
Wednesday, November 23, 2016 9:00 am, Pacific Standard Time (San Francisco, GMT-08:00)
Wednesday, November 23, 2016 10:00 am, Mountain Standard Time (Arizona, GMT-07:00)
Event number: 660 414 994
Registration password: This event does not require a password for registration

To view in other time zones or languages, please click the link:

<https://njpa.webex.com/njpa/onstage/g.php?MTID=e1d362d785372a206a9e12e120811c627>

To join the audio conference only

US TOLL: +1-415-655-0001

Global call-in numbers: <https://njpa.webex.com/njpa/globalcallin.php?serviceType=EC&ED=491351762&tollFree=0>

Access code: 660 414 994

For assistance

You can contact National Joint Powers Alliance at:

vidcon@njpacoop.org

<https://www.webex.com>

IMPORTANT NOTICE: This WebEx service includes a feature that allows audio and any documents and other materials exchanged or viewed during the session to be recorded. By joining this session, you automatically consent to such recordings. If you do not consent to the recording, discuss your concerns with the meeting host prior to the start of the recording or do not join the session. Please note that any such recordings may be subject to discovery in the event of litigation.

Acknowledgment of Addendum One (1) to RFP 120716 emailed on November 16, 2016.

COMPANY NAME: _____

SIGNATURE: _____

DATE: _____

Please include this signed Addendum with your RFP response.

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)


NJPA Contract #: 120716-NAF

Proposer's full legal name: 72 Hour LLC, dba National Auto Fleet Group

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

The effective date of the Contract will be January 17, 2017 and will expire on January 17, 2021 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

NJPA Authorized Signatures:


NJPA DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)


NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on January 16, 2017

NJPA Contract # 120716-NAF

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name 72 HOUR LLC, National Auto Fleet Group

Authorized Signatory's Title FLEET MANAGER


VENDOR AUTHORIZED SIGNATURE

JESSE COOLE
(NAME PRINTED OR TYPED)

Executed on 1-16, 2017

NJPA Contract # 120716-NAF

**CONSENT
CALENDAR
ITEM**

4D

Date: March 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Engineering, Operations & Water Resources

HHR
03/14/18

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

Subject: RP-5 DynaSand Filter Rehabilitation Construction Contract Award

Executive Summary:

The Regional Water Recycling Plant No. 5 (RP-5) DynaSand Filter Rehabilitation Project, which is a part of the asset management program, rehabilitates the filter system by replacing airlift pumps/miscellaneous parts and cleaning/replenishing the existing sand filter media. RP-5's tertiary filtration system utilizes a proprietary process called the DynaSand Filters which is manufactured by the Parkson Corporation. The system provides continuous filter cleaning (or backwashing) while removing suspended solids to reduce the turbidity. However, after over 15 years of use, these filters require rehabilitation to maintain system compliance.

On February 13, 2018, IEUA received two construction bids. GSE Construction Co., was the lowest responsive, responsible bidder, with a bid price of \$476,800.

Staff's Recommendation:

1. Award a construction contract for the RP-5 DynaSand Filter Rehabilitation Project, to GSE Construction Co., in the amount of \$476,800; and
2. Authorize the General Manager to execute the contract.

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

Account/Project Name:

RP-5 DynaSand Filter Rehabilitation Project

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

None.

Environmental Determination:

Statutory Exemption

CEQA exempts a variety of project from compliance with the statute. This project qualifies for a General Rule Statutory Exemption as defined in Section 15061(b)(3) of the State CEQA Guidelines. There is no possibility that the rehabilitation project may have a significant effect on the environment.

Business Goal:

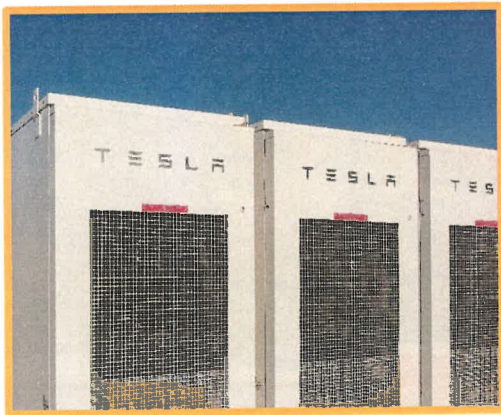
The RP-5 DynaSand Filter Rehabilitation Project is consistent with the IEUA's Business Goal of Wastewater Management, specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

RP-5 DynaSand Filter Rehabilitation Construction Contract Award



Joel Ignacio, P.E.
March 2018

Project Location



RP-5 Aerial Photograph

The Project

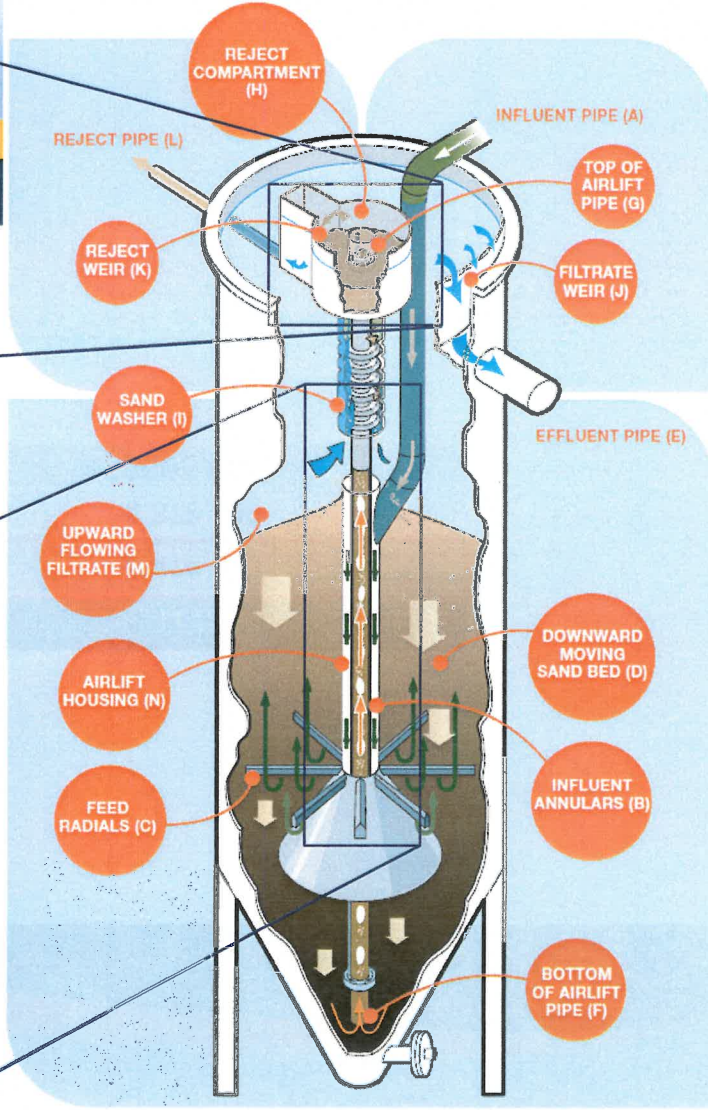
- Clean all 72 filters
- Clean/replenish filter sand media
- Install new air lift pumps
- Clean all filter components
- Condition assessment by Parkson Engineer



Reject Compartment



3 Air Lift Housing



DynaSand Filter Schematic

Contractor Selection

Two bids were received on February 13, 2018:

Bids Received

Bidder's Name	Total
GSE Construction Co.	\$ 476,800
PCL Construction, Inc.	\$ 579,880
Engineer's Estimate	\$505,000

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Design Services	\$10,000	Construction	
IEUA Design Services (estimated cost)	\$10,000	Construction Contract Award	March 2018
		Construction Completion	July 2018
Construction Services	\$20,000		
IEUA Construction Services	\$20,000		
Construction	\$673,082		
Pre-purchase Air Lift Pumps (Purchased)	\$50,565		
Pre-purchase Media & Components (Purchased)	\$98,037		
Construction Contract (this action)	\$476,800		
Contingency (10%)	\$47,680		
Total Project Cost:	*\$703,082		

*Operations and Maintenance Department's budget is being utilized to fund this project.

Recommendation

- Award a construction contract for the RP-5 DynaSand Filter Rehabilitation Project, to GSE Construction Co., in the amount of \$476,800; and
- Authorize the General Manager to execute the contract.

The RP-5 DynaSand Filter Rehabilitation Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.



CONTRACT NUMBER: 4600002494

FOR

RP-5 DYNASAND FILTER REHABILITATION

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2018 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 interchangeably as "IEUA" and "Agency") and G.S.E. Construction Company, Inc., with offices located in Livermore, California (hereinafter referred to as "Contractor"), for the RP-5 Dynasand Filter Rehabilitation Project.

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

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

Project Manager: James Spears, Associate Engineer
Address: 6075 Kimball Avenue, Building "B"
Chino, CA 91708
Telephone: (909) 993-1851
Email: jspears@ieua.org
Facsimile: (909) 993-1982

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

Project Manager: Richard Harte
Address: 26027 Huntington Lane, Unit "D"
Valencia, CA 91355
Telephone: (661) 295-4960
Email: rharte@gseconstruction.com
Facsimile: (661) 295-5031

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
 - A. Amendments to Contract number 4600002494.
 - B. Contract number 4600002494 General Terms and Conditions.
 - C. Agency's Invitation for Bid IFB-RW-18-011 and all germane Addenda, incorporated herein by this reference.
 - D. Contractor's bid dated February 13, 2018 (**Attachment 1**).
4. **SCOPE OF WORK AND SERVICES:** Contractor services and responsibilities shall include and be in accordance with the Agency's Invitation for Bid IFB-RW-18-011, incorporated herein by this reference.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate on June 29, 2018, unless agreed to by both parties, reduced to writing, and amended to this Contract.
6. **PAYMENT, INVOICING AND COMPENSATION:** The Contractor shall submit once-monthly invoicing, basis materials and labor completed to-date. IEUA shall pay the Contractor's invoice within thirty (30) days following receipt of the approved invoice. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

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

Contractor shall provide with their invoice certified payroll verifying that Consultant has paid prevailing wage in accordance with the Department of Industrial Relations requirements as stipulated in SB-854 [<http://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html>].

Effective January 1, 2015: The call for bids and contract documents must include the following information:

- 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. As such, a PWC-100 will be generated.

As compensation for the work performed under this Contract, Agency shall pay Contractor a ***not-to-exceed maximum \$476,800.00*** for all work satisfactorily provided hereunder in accordance with **Attachment 1**, referenced herein, attached hereto, and made a part hereof.

7. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant'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.
 - a. The insurance shall include coverage for each of the following hazards:
 - Premises – Operations
 - Owners and Contractors Damage
 - Broad Form Property Damage
 - Contractual for Specific Contract
 - Severability of Interests or Cross-Liability
 - XCU [Explosion, Collapse and Underground] Hazards
 - Personal Injury – with the "Employee" Exclusion Deleted
2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant 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.
4. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
5. Payment, Labor & Material, and Performance Bonds: Bonding is required, per Public Contract Code Article 121, Section 21565, for public works projects. All construction-related labor for this project is designated as the

public works portion of this project and therefore subject to prevailing wage. Contractor and subcontractor shall furnish bonding with the use of IEUA forms as furnished by Project Manager or their designee.

- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Agency, 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 Consultant including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
 - b. Primary Coverage: The Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Consultant'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 Agency, its officers, officials, employees or volunteers.
 - d. The Consultant'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 Consultant may satisfy the limit requirements in a single policy or multiple policies. Any such 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**

The insurer hereby grants to Agency a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Agency by virtue of the payment of any loss under such insurance. Consultant 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 Agency 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, 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 Agency.

D. Acceptability of Insurers: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Consultant shall furnish the Agency 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 Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Agency 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: Consultant 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, California 91709
email awitte@ieua.org

8. CONTROL OF THE WORK: Contractor shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule 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 Work Schedule.

9. 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 rendering the services described herein, and is not an employee of the Agency.
- 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 authority 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 Agency, 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 or its employees.

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:

<http://www.dir.ca.gov/DIRNews/2014/2014-55.pdf>

D. Confined Space Work:

I. Precautions and Programs:

- a. 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.
- b. 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.
- c. 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 authority, then the provisions of said state act shall control.

d. 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:

1) All employees on the work or work site and other persons and organizations who may be affected thereby;

2) All the work and materials and equipment to be incorporated therein, whether in storage or on or off the work site; and

3) All other property at the site.

e. 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:

1) *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:*

2) *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.*

f. 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.

- E. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- F. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution 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.
- G. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

- H. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- I. Indemnification: Contractor shall indemnify IEUA, its directors, employees, agents, and assigns, and shall defend and hold them harmless from all liability, demands, actions, claims, losses, and expenses, including reasonable attorney's fees, which arise out of or are related to the negligence, recklessness or willful misconduct of Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.
- J. Conflict of Interest: No official of the Agency who is authorized in such capacity and on behalf of the Agency 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.
- K. 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.
- L. Disputes:
1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of 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 during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the

Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). 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 hereto 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 Agency 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 Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency 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. Joinder in Mediation/Arbitration: The Agency 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 joinder shall be initiated by written notice from the Agency's representative to the Contractor.
- N. Workers' Legal Status: For performance against this Contract, Supplier 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.

- O. 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 [<http://www.dir.ca.gov/Public-Works/PublicWorks.html>].

10. FITNESS FOR DUTY:

- A. Fitness: Consultant and its Subcontractor personnel on the Jobsite:
1. shall report for 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 Agency.
- B. Compliance: Consultant shall advise all contractor and subcontractor 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. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency 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 Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

12. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency 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 Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. NON-CONFORMING WORK AND WARRANTY: Contractor represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Contractor by Agency, or any other person or entity.
13. 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:

Agency: Inland Empire Utilities Agency, a Municipal Water District
Attn: Mr. Warren T. Green
Manager of Contracts and Procurement
P.O. Box 9020
Chino Hills, California 91709-0902

Contractor: G.S.E. Construction Company, Inc.
Attn: Ms. Sue Gutierrez
Secretary and Chief Financial Officer
6950 Preston Avenue
Livermore, CA 94551

Any notice given hereunder 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 with the United States Postal Service.

15. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, 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 Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

16. INTEGRATION: The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. 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 Agency and the Contractor.
17. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California.
18. TERMINATION FOR CONVENIENCE: The Agency 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 Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
19. RIGHT TO AUDIT: The Agency 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 Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
20. 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.
21. LIQUIDATED DAMAGES: Liquidated Damages, in the amount of \$500.00 per day, may be assessed by the Agency for each calendar day that the Contractor fails to complete this project in accordance with its final, contractually-committed delivery schedule. Any and all Liquidated Damages assessed by the Agency will be taken as a direct credit against the Contractor's invoice for this project. The Contractor's acceptance of a contract subsequently issued in conjunction with this solicitation, shall serve to indicate acceptance of this Liquidated Damages clause, and the daily assessment of damages expressed herein.
22. CHANGES: The Agency 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 Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.
23. NOTICE TO PROCEED: No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Contractor.

AS WITNESS HEREOF, 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)

G.S.E. CONSTRUCTION COMPANY, INC.:

Halla H. Razak
General Manager

(Date)



L. Orlando Gutierrez
President

2/27/18
(Date)

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**CONSENT
CALENDAR
ITEM**

4E

Date: March 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Engineering, Operations & Water Resources

03/14/18

HR

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

Subject: RP-1 Power System Upgrades Phase II Construction Contract Award

Executive Summary:

Regional Water Recycling Plant No. 1 (RP-1) tertiary treatment facility operates a recycled water pump station (RWPS) that delivers recycled water to the IEUA service area. Currently, there is insufficient power capacity to run all the recycled water pumps simultaneously in addition to a lack of a back-up power source. As a result, the RP-1 Power System Upgrades Project will upgrade the existing power system at the tertiary treatment facility to provide adequate power to the RWPS and to accommodate future capital projects. Phase I constructed conduits to connect the power reliability building to a manhole in preparation for Phase II. Phase II (this project) will expand the existing 12kV switchboard by installing new cabinets, power distribution panels, and replace one transformer concrete pad at the tertiary treatment facility.

On February 8, 2018, IEUA received four construction bids from pre-qualified contractors on the under \$2 million list. Henkels & McCoy was the lowest responsive, responsible bidder with a bid price of \$358,812.54.

Staff's Recommendation:

1. Award a construction contract for the RP-1 Power System Upgrades Phase II, Project No. EN13048, to Henkels & McCoy in the amount of \$358,812.54; and
2. Authorize the General Manager to execute the contract.

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

Account/Project Name:

EN13048/RP-1 Power System Upgrades Phase II

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

On February 15, 2017, the Board of Directors approved an amendment for additional design efforts for the RP-1 Power System Upgrades, Project No. EN13048, to Tetra Tech, Inc., for the not-to-exceed amount of \$205,825.

On April 15, 2015, the Board of Directors approved the consulting engineering services contract for the RP-1 Power System Upgrades, Project No. EN13048, to Tetra Tech, Inc., for the not-to-exceed amount of \$269,380.

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 RP-1 Power System Upgrades Project is consistent with IEUA's Business Goal of Water Reliability of commitment to providing a reliable and cost-effective water supply; and promoting sustainable water use throughout the region.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

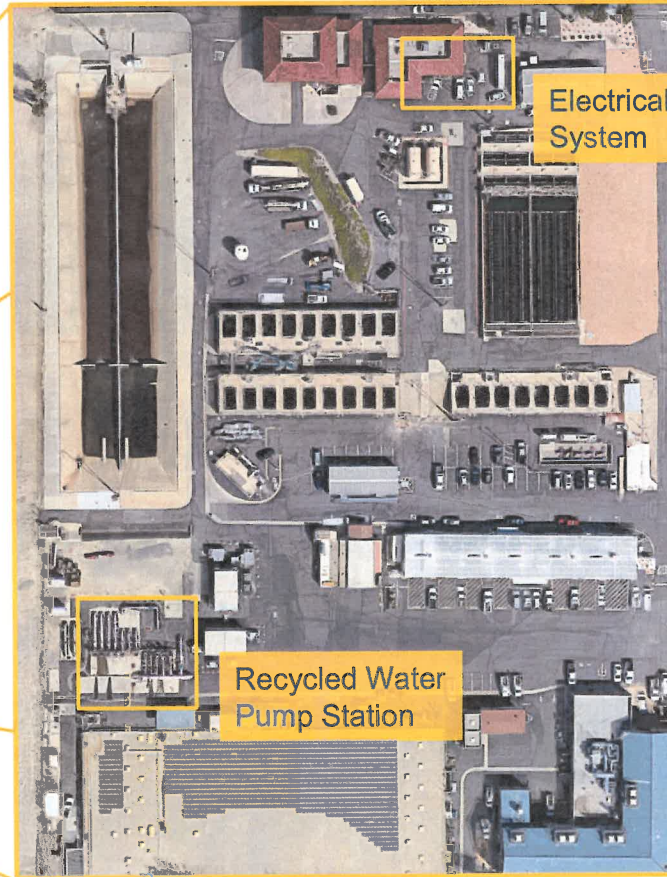
RP-1 Power System Upgrades (Phase II) Construction Contract Award Project No. EN13048



Project Location



RP-1



Electrical Distribution System

Recycled Water Pump Station

RP-1 Tertiary Plant

The Project

- Install new conduits to the 12kV switchboard
- Expand the 12kV switchboard to accommodate new feeds
- Replace the following:
 - Distribution panel in the control building basement
 - East wall switchboard
 - Spalled concrete transformer pad
 - Aluminum wiring



Spalled Concrete Transformer Pad



Distribution Panel at T-Plant Basement

Contractor Selection

Four bids were received on February 8, 2018:

Bids Received

Bidder's Name	Total
Henkels & McCoy	\$358,813
Davis Electric	\$393,690
Southern Contracting	\$396,440
CSI Electrical Contractors, Inc	\$511,000
Engineer's Estimate	\$ 510,000

Project Budget and Schedule

Description	Estimated Cost
Design Services	\$515,000
Design Contract Ph I & Ph II (actual cost)	\$330,000
IEUA Design Services (actual cost)	\$185,000
Construction Services	\$54,000
Engineering Services During Construction (~10%)	\$36,000
IEUA Construction Services (~5%)	\$18,000
Construction	\$394,813
Construction Contract (this action)	\$358,813
Contingency (10%)	\$36,000
Total Project Cost (Ph II):	\$963,813
Total Project Budget (Ph I)	\$55,000
Total Project Budget:	\$1,600,000
Remaining Budget:	\$581,187

Project Milestone	Date
Construction	
Construction Contract Award	March 2018
Construction Completion	October 2018

Recommendation

- Award a construction contract for the RP-1 Power System Upgrades (Phase II), Project No. EN13048, to Henkels & McCoy in the amount of \$358,812.54; and
- Authorize the General Manager to execute the contract.

The RP-1 Power System Upgrades Project is consistent with *IEUA's Business Goal of Water Reliability* of commitment to providing a reliable and cost-effective water supply; and promoting sustainable water use throughout the region.

SECTION D - CONTRACT AND RELEVANT DOCUMENTS

1.0 CONTRACT

THIS CONTRACT, made and entered into this **21st day of March 2018**, by and between **Henkies and McCoy, 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 the **RP-1 POWER SYSTEM UPGRADES PHASE II**, 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: **Three Hundred Fifty-Eight Thousand Eight Hundred Twelve Dollars and Fifty-Four Cents; \$358,812.54**

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 **210 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 **Three thousand (\$3,000) 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,*Agency,*~~
San Bernardino County, California.

By _____
General Manager

Contractor
HEUXELS + MCCOY
OPERATIONS MANAGER


Title

**CONSENT
CALENDAR
ITEM**

4F

Date: March 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Engineering, Operations & Water Resources

03/14/18

HRP

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

Subject: RP-1 Disinfection Improvements Consultant Contract Amendment

Executive Summary:

In September 2016, IEUA awarded an engineering services contract to Carollo Engineers for the preliminary design report on the Regional Water Recycling Plant No. 1 (RP-1) Disinfection Improvements Project. In March 2017, IEUA issued amendment no. 1 to Carollo Engineers for final design services. In September 2017, amendment no. 2 was issued for additional AC paving, in-ground vault replacements, and area lighting modifications requested by Operations. During the final design efforts, value engineering was pursued to reduce overall construction costs resulting in several design changes. The design changes consisted of the elimination of a secondary dosing location, relocation of the old effluent structure mixing station to the pressure outfall pump station, elimination of unnecessary gates, modified control strategy, elimination of excess mixing pumps, and coordination with the SCADA migration project. The elimination of the items above from the project lowers project cost by approximately \$1 million.

The expanded scope of work from the value engineering recommendations will require an additional level of effort by the design consultant. A contract amendment is requested for an amount of \$56,354 to cover the additional engineering design services, increasing Carollo's contract from \$535,971 to \$592,325.

Staff's Recommendation:

1. Approve a consultant contract amendment for the RP-1 Disinfection Improvements, Project No. EN11039, to Carollo Engineers for a not-to-exceed amount of \$56,354; and
2. Authorize the General Manager to execute the contract amendment subject to non-substantive changes.

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

Account/Project Name:

EN11039/RP-1 Disinfection Improvements Project

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

On March 15, 2017, the Board of Directors approved a contract amendment for engineering consulting services for the RP-1 Disinfection Improvements, Project No. EN11039, to Carollo Engineers for a not-to-exceed amount of \$398,324.

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 RP-1 Disinfection Improvements Project is consistent with IEUA's Business Goal of Wastewater Management, specifically the Asset Management and Water Quality objectives that IEUA will ensure that systems are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use to protect public health, the environment, and meet anticipated regulatory requirements.

Attachments:

Attachment 1 - Consultant Contract Amendment



Date: December 12, 2017
Consultant: Carollo Engineers, Inc.

Amendment 3 to Task Order Number: 01
Contract Number: 4600002052

Project / Task Description: Regional Water Reclamation Plant No. 1 TP-1 Disinfection Pump Improvements

I. RECITALS

This Task Order Amendment is issued for the procurement of additional on-call engineering support services needed in conjunction with an Inland Empire Utilities Agency ("Agency") facilities Project EN11039.00.

Agency and Consultant previously entered into Master Services Contract No. 4600002052. Except as otherwise specified herein, the terms and conditions of that Agreement are incorporated into this Task Order via this reference.

II. TASK ORDER AMENDMENT AGREEMENTS

1. **Scope Of Work Is Changed To Read:** Consultant shall furnish the additional qualified personnel and equipment necessary to perform the work at the Regional Plant Number One (RP-1) as requested by Agency staff and as listed in Consultant's Proposal dated December 11, 2017, attached hereto and made a part hereof as **Attachment 2**.
2. **Period Of Performance Is Changed To Read:** From date of Project Manager's Notice to Proceed through written acceptance by Project Manager of all work performed. All work is to be performed in a timely manner and in accordance with the Project Manager's schedule, unless agreed to by both parties, reduced to writing, and amended to this Task Order.
3. **Compensation Is Changed To Read:** Authorized total payments to Consultant for performance of this Task Order shall sum to a **not-to-exceed maximum total of \$592,325.00**. This represents an increase of \$56,354.00 (NOTE: Labor rates are based on submitted rates included in the Master contract.)

Balance Of This Task Order Remains Unchanged.

[Signature Page Immediately Follows]

III. SIGNATURES

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

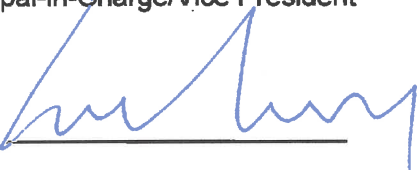
CAROLLO ENGINEERS, INC.:

Halla H. Razak
General Manager

12/21/17

Dr. Graham J. G. Juby, PE
Principal-in-Charge/Vice President

Date: _____

Date:  _____



Eric M. Mills, P.E.
Senior Vice President

Date: December 18, 2017

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Attachment 2

December 11, 2017

Mr. Matthew A. Poeske, P.E.
Construction Project Manager
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: RP-1 Disinfection Improvements Project (EN11039) - Amendment No. 3 Justification and Request

Dear Mr. Poeske:

As requested, Carollo Engineers, Inc. (Carollo), has drafted a request for Amendment No. 3 for the RP-1 Disinfection Improvements Project (EN11039) for additional Value Engineering scope of work that was added to the project in order to evaluate ways to reduce the capital cost estimate. This work resulted in capital cost savings of about \$1.5 million.

Background

In September 2016, Carollo was selected by the Inland Empire Utilities Agency (IEUA) for the preliminary design of the RP-1 Disinfection Improvements Project. Following the preliminary design, Amendment No. 1 was issued to Carollo for Final Design services. During the course of the final design, Carollo began working with Engineering and Operations staff to value engineer the project to reduce the overall cost. As a result of this work several design changes were made to achieve the capital cost savings:

- i. Value Engineering Design Changes
 - a. Elimination of the secondary sodium hypochlorite dosing location,
 - b. Relocation of the Old Effluent Structure (OES) Flash Mix Pump Station to the existing Pressure Outfall Pump Station,
 - c. Elimination of the Out-of-Compliance Gates and T-BV-1 Valve Vault and evaluation of the updated diversion strategy.
 - d. Elimination of the OES and NES Flash Mixing Pump VFDs
- ii. SCADA Migration Project
 - a. Coordination with the current RP-1 SCADA Migration Project to match schedules and provide equipment tagging updates.

Carollo has developed a detailed estimate to arrive at a list of additional drawings, additional engineering time and additional Project Management time to complete the value engineering effort, which totals approximately \$56,000.

Design Scope Modifications due to Value Engineering - Project EN11039

Following the 50% design submittal, Carollo worked with IEUA Engineering and Operations staff to evaluate four Value Engineering ideas. Although these changed the direction of the project from that shown in the Preliminary Design Report, they resulted in approximately \$1,500,000 of savings to the total project construction cost. Details are presented below:

- a. The need for the secondary sodium hypochlorite dosing location was brought into question by IEUA Operations and Engineering staff. Subsequently, the secondary sodium hypochlorite dosing location was removed from the project to provide overall cost savings. This facility included a vault structure, static mixers, and chemical injection. Prior to removal, the facility was approximately 70% complete. The removal of these facilities resulted in a net reduction to the scope of work for the project, and a resulting credit in engineering time.
- b. IEUA Operations staff recommended the use of the Pressure Outfall Pump Station for the location of the new OES Flash Mixing Pumps as an alternative to constructing a new vault. Carollo was directed to investigate the potential of eliminating Pressure Outfall Pumps No. 1 and 2, relocating Pressure Outfall Pumps No. 4 and 5, and locating the new OES flash mix pumps within the existing Pressure Outfall Pump Station. These modifications were evaluated by Carollo and determined to be technically feasible and cost effective. Subsequently, these modifications were implemented into the project design. The changes resulted in the elimination of three drawings from the design: one structural drawing, one mechanical drawing, and one electrical drawing. The three removed drawings were at various levels of completion: 60% for structural, 75% for mechanical, and 30% for electrical. This modification required, one additional site visit, one additional demolition drawing, one additional mechanical drawing, and one additional electrical drawing.
- c. Later, during preparation of the 85% design submittal, Carollo was directed by IEUA Engineering and Operations staff to investigate the elimination of the out-of-compliance gates and T-BV-1 Valve Vault and update the out-of-compliance control strategy detailed in the Preliminary Design Report. Carollo developed an hydraulic model of TP-1 downstream of the secondary clarifiers to the tertiary filter influent weirs to determine whether the out-of-compliance gates and T-BV-1 Valve Vault could be removed. The analysis showed that the gates can be removed and Carollo will update the specification and drawings accordingly and submit the changes with the 95% submittal.
- d. More recently, IEUA Engineering staff recommended removing the VFDs from the OES and NES Flash Mix Pumps. Carollo is still completing the design and will remove the VFDs from the drawings and specifications and provide an across-the-line starter.
- e. Working with IEUA Engineering and Operations staff, it was noted that the SCADA Migration Project was developing plans and specifications to convert the existing Foxboro system to a new Allen Bradley control system. Since this project will occur in the same time frame at EN11039, it made sense to coordinate the projects and the design limits of each. This saved writing one specification, but resulted in added scope in terms of additional meetings that were required - a total of six meetings to date. In addition, updates were required to the Front End and Division 17 Specifications and to the P&IDs.

Schedule

The original schedule had Carollo completing the 100 % design and issuing the bidding set before the end of 2018. Amendment No. 2 resulted in delays to the project of approximately two months. The changes to the scope of work resulting from the Value Engineering effort and, in particular, the coordination efforts for the SCADA migration project, for which there was a meeting as recently as November 29, 2017 have resulted in additional delays to the project. We anticipate that the bid set will now be issued in April 2018, approximately four months behind the original schedule.

Amendment Estimate

Carollo identified the additional engineering services to develop and deliver the necessary contract documents for the projects. We developed estimates for additional project management and design services for each project element using a bottoms-up approach. This approach includes identification of project elements and tasks necessary to complete design and construction of the project followed by level-of-effort hours estimate for each project element and task. General project elements and tasks for the bottoms-up level-of-effort estimation approach include:

- o Drawings, specifications and calculations.
- o Construction cost estimates.
- o Project management and meetings.

Our proposed engineering effort estimate for the additional scope of work described above is summarized below and described in detail in the attached table. Table 1 summarizes the additional engineering effort required to complete the Value Engineering tasks and the resulting design modifications associated with the impacts of the SCADA migration coordination described above.

Table 1 Amendment No. 3 - Value Engineering Scope Summary and Budget

Project Scope Item	Budget	
	Total Hours	Dollars
Design Services		
<i>Value Engineering Design Changes</i>		
<i>Removal of Secondary SH Dosing Location</i>	-32	(\$5,438)
<i>P.O. Pump Station</i>	135	\$25,024
<i>Out-of-Compliance</i>	85	\$15,967
<i>Flash Mix Pumps VFDs</i>	27	\$4,992
<i>SCADA Migration Coordination and Design</i>	70	\$15,810
Total - Design Services	285	\$56,354

Mr. Matthew A. Poeske, P.E.
Inland Empire Utilities Agency
December 11, 2017

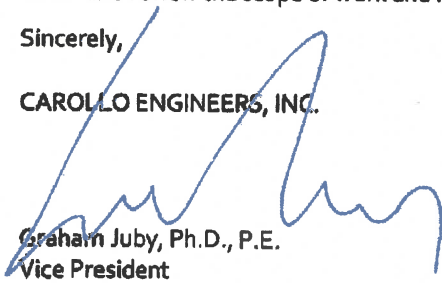
Page 4

Based on our review of additional scope of work resulting from the Value Engineering effort and the impacts of the SCADA migration project, Carollo requests that IEUA review the attached document and scope of work for discussion. Once the final scope of work and fee has been agreed upon, an amendment to the existing Agreement will be required.

Please let the undersigned know if you have any questions, information requests, or if you would like to sit down and review the scope of work and fee.

Sincerely,

CAROLLO ENGINEERS, INC.



Graham Juby, Ph.D., P.E.
Vice President



Andrew D. Wiesner, P.E.
Project Manager

Inland Empire Utilities Agency
 Carollo Engineers, Inc.
RP-1 DISINFECTION IMPROVEMENTS PROJECT (EN11039)
 Professional Engineering and Design Services
 Amendment No. 3
LABOR AND COST ESTIMATE - Value Engineering Tasks and SCADA Migration
 December 11, 2017

Task Description	Labor Costs											Travel		ODGs Incl PECE		Task Total	
	Senior Project Professional	Project Professional	Professional	Assistant Professional	CAD Technicians	Support Staff	Carollo Engineers	PECE	Trips	Amount	Cost	Cost	Cost	Cost			
Task 5: 100% Design	\$273	\$230	\$184	\$159	\$140	\$108											
5.6 SCADA Migration Coordination and Design		40	24	5	1		70	\$ 14,791	\$ 819	4	\$ 50	\$1,019	\$ 15,810				
Task 5 Subtotal	0	40	24	5	1	0	70	\$ 14,791	\$ 819			\$1,019	\$ 15,810				
Task 10: Value Engineering Tasks																	
10.1 Removal of Secondary SH Dosing Location			-8	-8	-16		-32	\$ (5,084)	\$ (374)				-\$374	\$ (5,438)			
10.2 P.O. Pump Station	2	20	30	40	40	3	135	\$ 23,244	\$ 1,580	4	\$ 50	\$1,780	\$ 25,024				
10.3 Out-of-Compliance	2	12	20	34	17		85	\$ 14,972	\$ 985			\$985	\$ 15,957				
10.4 Fresh Mix Pumps VFDs	1	4	5	7	10		27	\$ 4,676	\$ 316			\$316	\$ 4,992				
Task 6 Subtotal	5	36	47	73	51	3	215	\$ 37,828	\$ 2,516			\$2,716	\$ 40,544				
NOT TO EXCEED TOTAL	5	76	71	78	62	3	285	\$52,619				\$3,735	\$56,354				

**CONSENT
CALENDAR
ITEM**

4G

Date: March 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HR

Committee:

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Adoption of Resolution for the USBR Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant

Executive Summary:

In January 2018, U.S. Bureau of Reclamation (USBR) announced the Bay Delta Restoration Program: CALFED Water Use Efficiency Grants (CALFED Grant Program). The grant opportunity will support projects emphasizing water use efficiency and conservation activities that result in benefits for the California-Bay Delta. This grant program offers \$750,000 maximum per project with the same amount required as match share. A resolution is mandatory for the CALFED Grant Program application.

IEUA and Chino Basin Watermaster (CBWM) are jointly proposing the Montclair and Victoria Basins Improvement Projects for Groundwater Storage, part of the 2013 Chino Basin Recharge Master Plan Update (RMPU). The Victoria Basin improvement will raise mid-level outlet and extend lysimeters to provide greater water depth for recharge and allow an increase in stormwater capture from Day Creek Channel. The Montclair Basin Improvement consists of constructing two new diversion structures along the San Antonio Creek to divert flow into Montclair Basins 2 and 3. The Project will capture an additional 171 acre-feet per year (AFY) of stormwater and 120 AFY of recycled water. The two projects will cost a total of \$1,956,900.

Staff's Recommendation:

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2018-3-1, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior - Bureau of Reclamation for the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant; and,
2. Authorize the General Manager to execute the financial assistance agreement, any amendments and any grant related documents thereto.

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

Account/Project Name:

This project is part of the RMPU project included in the FY2017/18 TYCIP under Project No. EN18007 (RMPU Construction). The Montclair and Victoria Basins Improvement Project for Groundwater storage is a project name for the grant application only.

Fiscal Impact (explain if not budgeted):

Project No. EN18007 has an approved budget of \$38,622,500 in IEUA's Ten-Year Capital Improvement Plan (TYCIP). This application will request \$750,000 in grant funding as a contribution to these total costs. Upon approval by USBR, the TYCIP and annual appropriations will be revised to align with the new grant and total project budget.

Full account coding (internal AP purposes only): - - - Project No.:

Prior Board Action:

On July 16, 2014, the Board of Directors approved the Master Cost Sharing Agreement between IEUA and CBWM.

On October 16, 2013, the Board of Directors approved the 2013 Chino Basin Recharge Master Plan Update.

Environmental Determination:

Program Environmental Impact Report (Finding of Consistency)

Additional Environmental information for each individual project location has also been completed.

Business Goal:

This action supports the Agency's mission of promoting sustainable use of groundwater and increasing the local water supply. It is also consistent with the Agency's mission of pursuing grants and low-interest financing.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Resolution No. 2018-3-1

Background

Subject: Adoption of Resolution for the USBR Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant

In January 2018, U.S. Bureau of Reclamation (USBR) announced the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grants (CALFED Grant Program) to fund projects emphasizing water use efficiency and conservation activities that result in benefits for the California Bay-Delta. This funding opportunity will fund projects that will improve ecosystem health, provide water supply reliability or water quality of the California Bay-Delta through water use efficiency and conservation that would result in quantifiable and sustained water savings or improved water management. This grant offers \$750,000 maximum per project with 50 percent match funding. There is a preference for projects that can be completed by December 31, 2020.

On March 15, 2018, IEUA submitted a grant application for a proposal for the Montclair Basin and Victoria Basin Improvement Projects for Groundwater Storage under the CALFED Grant Program. These projects are identified in the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU). The proposed improvements within the existing basins will allow an additional 291 acre-feet per year (AFY) of recharge.

Victoria Basin improvements include the abandonment of a mid-level uncontrolled outlet, extending lysimeters and basin grading. This project will increase the operable storage in the basin, thereby retaining more stormwater, reducing stormwater discharges in the Etiwanda and San Sevaine Creek channels, Santa Ana River, and Prado Dam flood control reservoir, and providing improved water quality in these water bodies in storm-weather periods through the diversion and recharge of stormwater runoff. The proposed improvements within the existing basin will be able to store and recharge an additional 75 AFY of stormwater and 120 AFY of recycled water. The total capital cost for the improvements to Victoria Basin is expected to be \$168,800.

Montclair Basin improvements include the construction of new inlets from San Antonio Creek to Montclair Basins Nos. 2 and 3 and basin grading; in aggregate, the improvements will allow for the complete use of the operable storage in the Montclair Basins for flood control and stormwater recharge. This project will reduce stormwater discharges in the San Antonio Creek channel, Santa Ana River, and Prado Dam flood control reservoir, and improve water quality in these water bodies during storm events through the diversion and recharge of storm water runoff. The proposed improvements within the existing basin will increase storage in the basin allowing for the additional recharge of 96 AFY of stormwater. The cost for the improvements to Montclair Basin is expected to be \$1,788,100.

This Project combines two of the priority projects identified in the 2013 RMPU and provides benefits to both IEUA and Chino Basin Watermaster.

Montclair Basin and Victoria Basin Improvements for Groundwater Storage



Grant Funding and Proposed Project

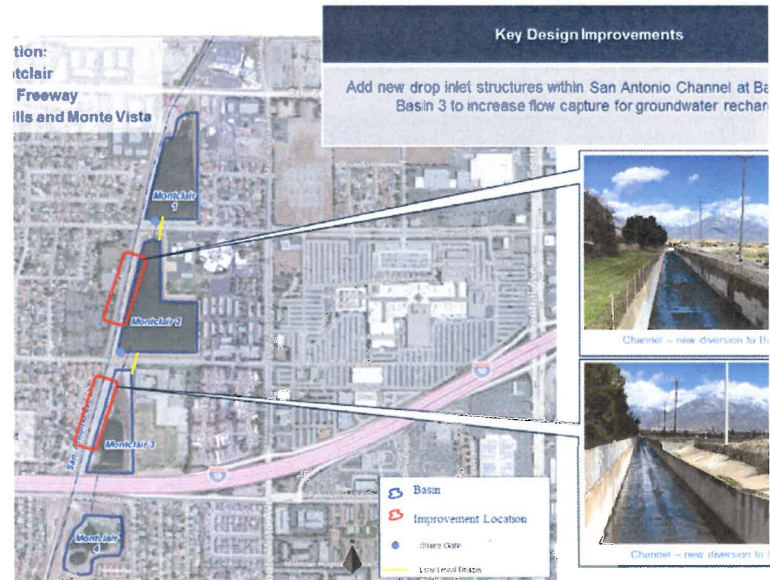
- CALFED Water Use Efficiency Grant
- \$750,000 Grant with 50% Local Match
- Improve Water Supply Reliability or Water Quality
- Improve California Bay-Delta Ecosystem Health

Project Benefit, Cost and Grant Funding

Project	Benefits (AFY)		Applications		Total Cost (100%)
	Storm water	Recycled Water	SRF Loan	USBR Grant	
Montclair Basin	96		\$1,102,794	\$581,200	\$1,788,100
Victoria Basin	75	120		\$168,800	\$168,800
Total	171	120	\$1,102,794	\$750,000	\$1,956,900

Montclair Basin Improvement

Cost: \$1,788,100
Benefit: 96 AFY
Completion: 9/30/2020
Grant: \$581,200



Victoria Basin Improvements

Cost: \$168,800
Benefit: 195 AFY
Completion: 9/30/2020
Grant: \$168,800



Recommendation

- Adopt Resolution No. 2018-3-1, authorizing the Agency to enter into a financial assistance agreement with USBR for the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant; and
- Authorize the General Manager to execute the financial assistance agreement, any amendments & any related documents thereto.

This action supports the Agency's mission of promoting sustainable use of groundwater and increasing the local water supply. It is also consistent with the Agency's mission of pursuing grants and low-interest financing.

RESOLUTION NO. 2018-3-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE BAY-DELTA RESTORATION PROGRAM: CALFED WATER USE EFFICIENCY GRANTS WITH THE U.S. DEPARTMENT OF INTERIOR - BUREAU OF RECLAMATION AND AUTHORIZING THE AGENCY TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO

BE IT RESOLVED, that the Inland Empire Utilities Agency* is authorized to enter into a financial assistance agreement under the Bay-Delta Restoration Program: CALFED Water Use Efficiency Grants with the U.S. Department of Interior - Bureau of Reclamation; and

BE IT RESOLVED, that the Board of Directors authorizes the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto; and

BE IT RESOLVED, that the Inland Empire Utilities Agency has the capacity to provide the amount of funding and/or in-kind contributions specified in the funding plan; and

BE IT RESOLVED, that the Agency will work with the Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement.

ADOPTED this 21st day of March, 2018.

Steven J. Elie, President of the Inland Empire Utilities Agency* and Board of Directors thereof

ATTEST:

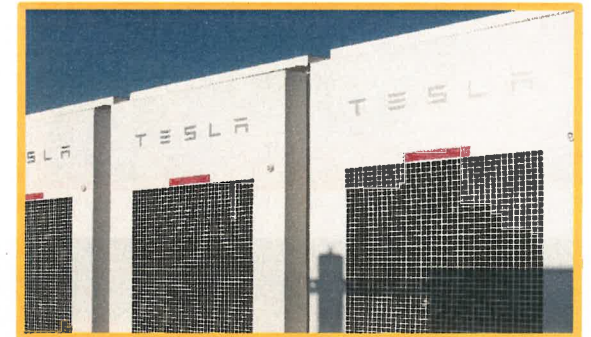
Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

*A Municipal Water District

**INFORMATION
ITEM**

5A

Engineering and Construction Management Project Updates

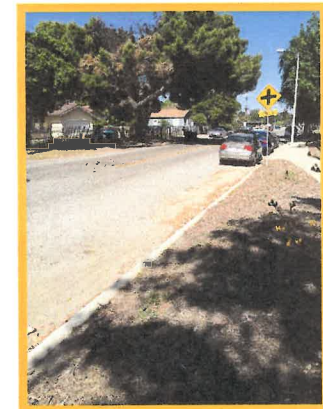


EN22002 – East End Flow Meter

- **Project Goal:** Provide a more accurate flow meter to meet current Los Angeles County Sanitation District standards
- **Current Phase:** Design
- **Design Engineer:** Civiltec Engineering, Inc.
- **Contract Amount:** \$214 K
 - Amendments: \$0/0.0%
- **Total Project Budget:** \$2.0 M
- **Project Completion:** November 2019
- **Percentage Complete:** 50%
- **Current Activities:**
 - 50% submittal review
 - LACSD review: March through June



Existing Flow Meter Manhole



New Flow Meter Vault Location

WR15021 – Napa Lateral

- **Project Goal:** Provide recycled water to CSI and Auto Club Speedway for industrial and landscape irrigation
- **Current Phase:** Bid and Award
- **Design-Build Contractor:** TBD
- **Contract Amount:** \$0 M
 - Amendments: \$0/0.0%
- **Total Project Budget:** \$6.0 M
- **Project Completion:** August 2019
- **Percentage Complete:** 20%
- **Current Activities:**
 - Advertising for design-build services
 - Bid opening in March 2018



Proposed Alignment



Auto Club Speedway Connection Point

EP17003 – RP-1 Training Room

- **Project Goal:** Convert paint room to training room and office
- **Current Phase:** Construction
- **Contractor:** New Millennium Construction Services
- **Contract Amount:** \$267 K
- **Change Orders:** \$5,722/2.1%
 - Agency Requested: \$5,349/2.0%
 - Changed Conditions: \$373/0.1%
- **Total Project Budget:** \$425 K
- **Project Completion:** July 2018
- **Percentage Complete:** 30%
- **Current Activities:**
 - Install structural steel around new HVAC unit
 - Frame interior walls



New Drain Pipe Trench



Current Training Room

EN16024 - RP-1 Mixed Liquor Return Pumps

- **Project Goal:** Improve the biological treatment and plant capacity at the aeration system
- **Current Phase:** Construction
- **Contractor:** J.F. Shea Construction, Inc.
- **Contract Amount:** \$4.8 M
- **Change Orders:** \$604,688/12.4%
 - Agency Requested: \$32,372/0.4%
 - Changed Conditions: \$572,316/12.0%
- **Total Project Budget:** \$7.2 M
- **Project Completion:** April 2018
- **Percentage Complete:** 85%
- **Current Activities:**
 - Contractor is working on Train No. 5; Start-up and acclimation period is scheduled for March
 - MLR Pumps in Train No's. 1 - 4 are currently operational



Train No. 5 Drained and Cleaned



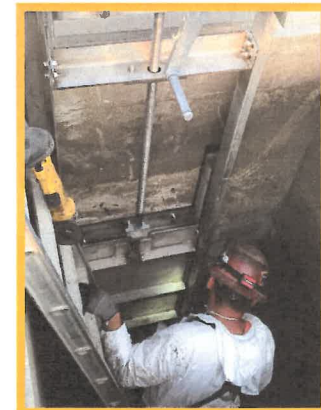
New 36" Dia. MLR Piping installed

EN17063.01 – Anoxic Splitter Box Gates

- **Project Goal:** Replace old slide gates and provide safe access to operate them
- **Current Phase:** Construction
- **Contractor:** W.A. Rasic
- **Contract Amount:** \$76 K
- **Change Orders:** \$0/0.0%
 - Agency Requested: \$0/0.0%
 - Changed Conditions: \$0/0.0%
- **Total Project Budget:** \$100 K
- **Project Completion:** March 2018
- **Percentage Complete:** 90%
- **Current Activities:**
 - Gates installed
 - Contractor is preparing final design drawings for catwalk modifications



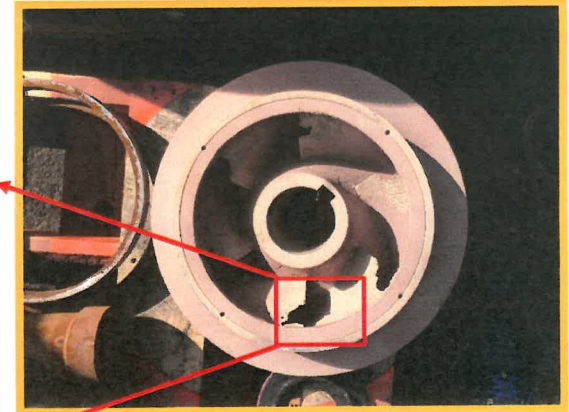
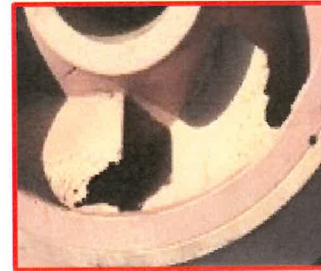
Setting New Gate in Place



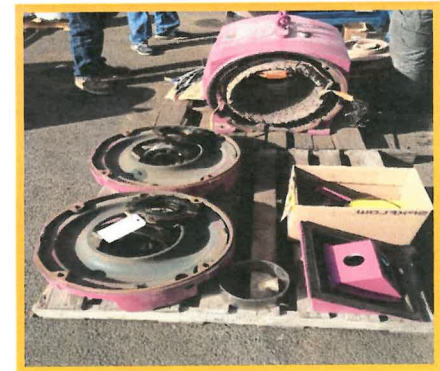
Sealing Gate as Final Installation

EN16070.01/EN17053.01 – Agency-Wide Pumps Efficiency Improvements Ph II

- **Project Goal:** Improve pumps' efficiencies and lower energy consumption
- **Current Phase:** Project acceptance and closeout
- **Contractor:** Vaughn's Industrial
- **Contract Amount:** \$195 K
- **Change Orders:** \$0/0.0%
 - Agency Requested: \$0/0.0%
 - Changed Conditions: \$0/0.0%
 - Expected SCE Incentives for Phase II: \$82,486
- **Total Project Budget:** \$300 K
- **Project Completion:** December 2017
- **Percentage Complete:** 100%
- **Current Activities:**
 - Warranty and close out



930-Zone RW Pump No. 2 Impeller Before Replacement



1050 RW Pump No. 2 Disassembled at the Contractor Shop

**INFORMATION
ITEM**

5C

Date: March 21, 2018

To: The Honorable Board of Directors

Committee: Finance & Administration

#HR
From: Halla Razak, General Manager

03/14/18

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

Subject: Treasurer's Report of Financial Affairs

Executive Summary:

The Treasurer's Report of Financial Affairs for the month ended January 31, 2018 is submitted in a format consistent with the State requirement.

For the month of January 2018, total cash, investments, and restricted deposits of \$198,274,151 reflects a decrease of \$4,297,835 compared to the total of \$202,571,986 reported for December 2017. The decrease was primarily due to higher monthly disbursements to vendors than collections from customers and other funding sources. This reduction in unrestricted cash was partially offset by an increase of \$2 million in restricted cash from wastewater connection fees. As a result, the average days of cash on hand for the month ended January 31, 2018 decreased from 290 days to 266 days.

The Agency's investment portfolio yield in January 2018 was 1.332%, an increase of 0.146% compared to the December yield of 1.186%. The increase was primarily due to the transfer of \$15 million of funds from the Agency's Citizens Business Bank Repurchase (Sweep) account with yield of 0.70% to the Local Agency Investment Fund (LAIF) account with yield of 1.350% and the California Asset Management Program (CAMP) account with yield of 1.43%.

Staff's Recommendation:

The Treasurer's Financial Affairs Report for the month ended January 31, 2018 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):

Interest earned on the Agency's investment portfolio increases the Agency's overall reserves.

Prior Board Action:

On February 21, 2018, the Board of Directors approved the Treasurer's Financial Affairs Report for the month ended December 31, 2018.

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 - January 2018 Financial Affairs Report

Background

Subject: Treasurer's Report of Financial Affairs

The Treasurer's Report of Financial Affairs for the month ended January 31, 2018 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).

Agency total cash, investments, and restricted deposits for the month ended January 31, 2018 was \$198.3 million, a decrease of \$4.3 million from the \$202.6 million reported for the month ended December 31, 2017. The decrease was primarily due to higher monthly disbursements to vendors than collections from customers and other funding sources. This reduction in unrestricted cash was partially offset with an increase of \$2 million of unrestricted cash from wastewater connection fees.

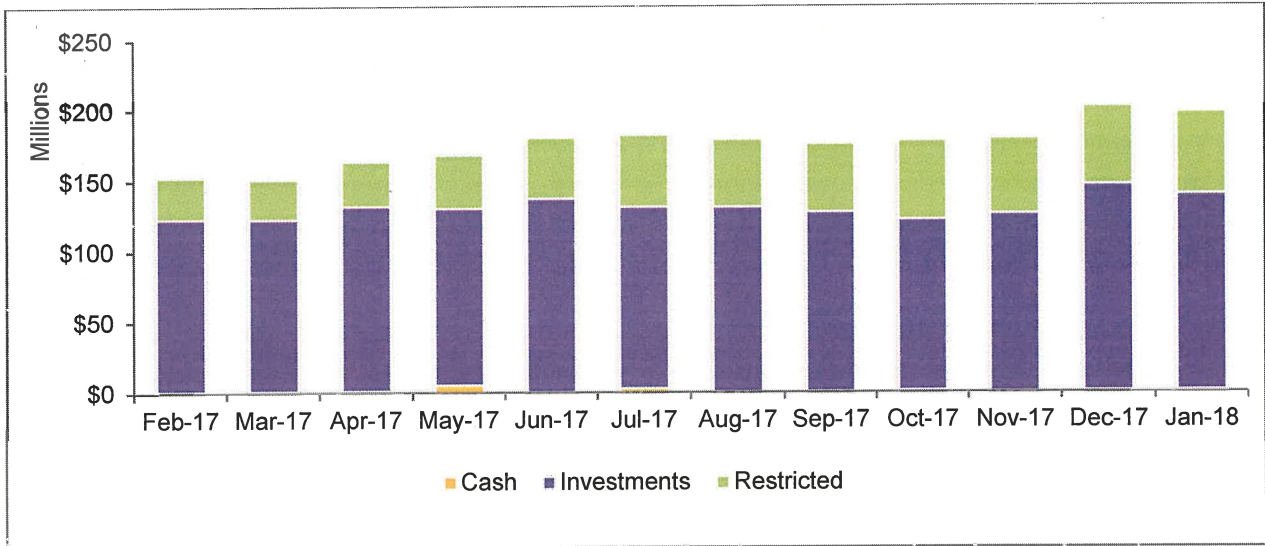
Table 1 represents the Agency portfolio, by authorized investment and duration, with total portfolio amount of \$139.1 million. The Agency portfolio excludes restricted deposits in the amount of \$59.2 million held by member agencies and with fiscal agents.

Table 1: Agency Portfolio

Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of January 31, 2018 (\$ million)				Average Yield	Portfolio % (Unrestricted)
		Under 1 Year	1-3 Years	Over 3 Years	Total		
LAIF	\$65	\$42.37			\$42.37	1.35%	30.47%
CalTrust	n/a	\$15.26	\$5.98		\$21.24	1.64%	15.27%
CAMP	n/a	\$23.30			\$23.30	1.43%	16.76%
Citizens Business Bank – Sweep	40%	\$16.63			\$16.63	0.70%	11.96%
Brokered Certificates of Deposit	30%	\$0.48	\$0.73		\$1.21	1.73%	0.87%
Medium Term Notes	10%	\$7.07	\$4.01		\$11.08	1.32%	7.97%
Municipal Bonds	10%		\$1.00		\$1.00	1.75%	0.72%
US Treasury Notes	n/a		\$1.99		\$1.99	1.35%	1.43%
US Gov't Securities	n/a	\$1.0	\$19.24		\$20.24	1.33%	14.55%
Total		\$106.11	\$32.95	\$0.00	\$139.06	1.33%	100.00%

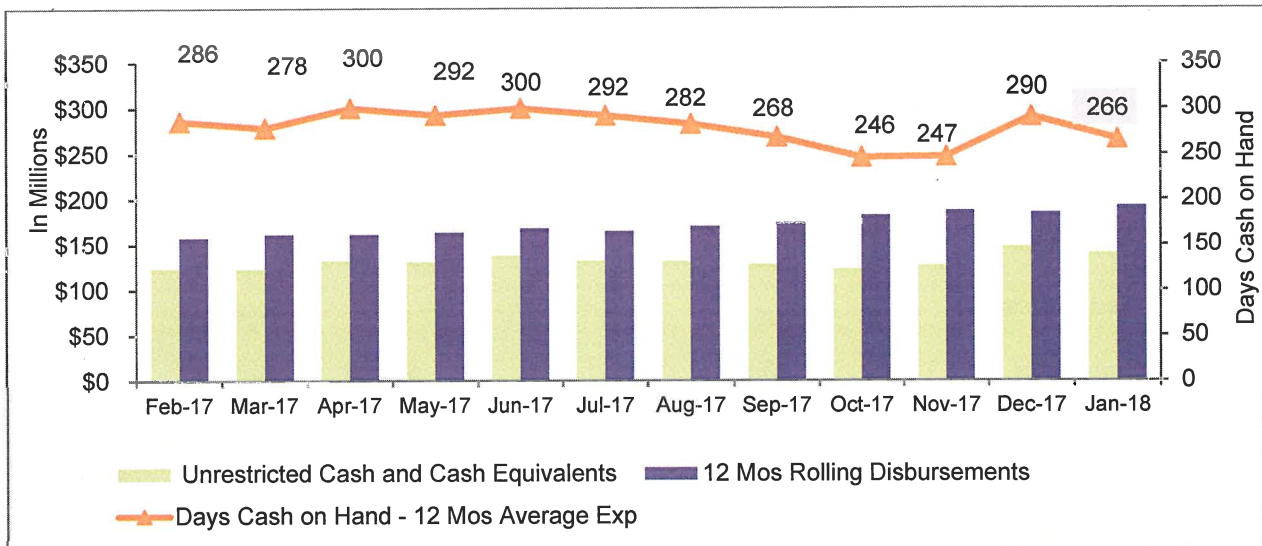
For the month of January 2018, total cash, investments, and restricted deposits reflects a decrease of \$4.3 million compared to the December 2017 total, as reported in Figure 1. Unrestricted cash and cash equivalents decreased by \$7.0 million from the prior month, and restricted cash increased by \$2.7 million.

Figure 1: Cash, Investments, and Restricted Deposits



Average days cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency’s cash flow. The decrease in unrestricted cash and investments resulted in a decrease in the Average Days Cash on Hand from 290 days at the end of December to 266 days at the end of January as shown in Figure 2.

Figure 2: Days Cash on Hand – 12 Month Rolling Average



Monthly cash and investment summaries are available on the Agency’s website at www.ieua.org/fy-2017-18-cash-and-investment/.

Treasurer's Report of Financial Affairs for January 31, 2018



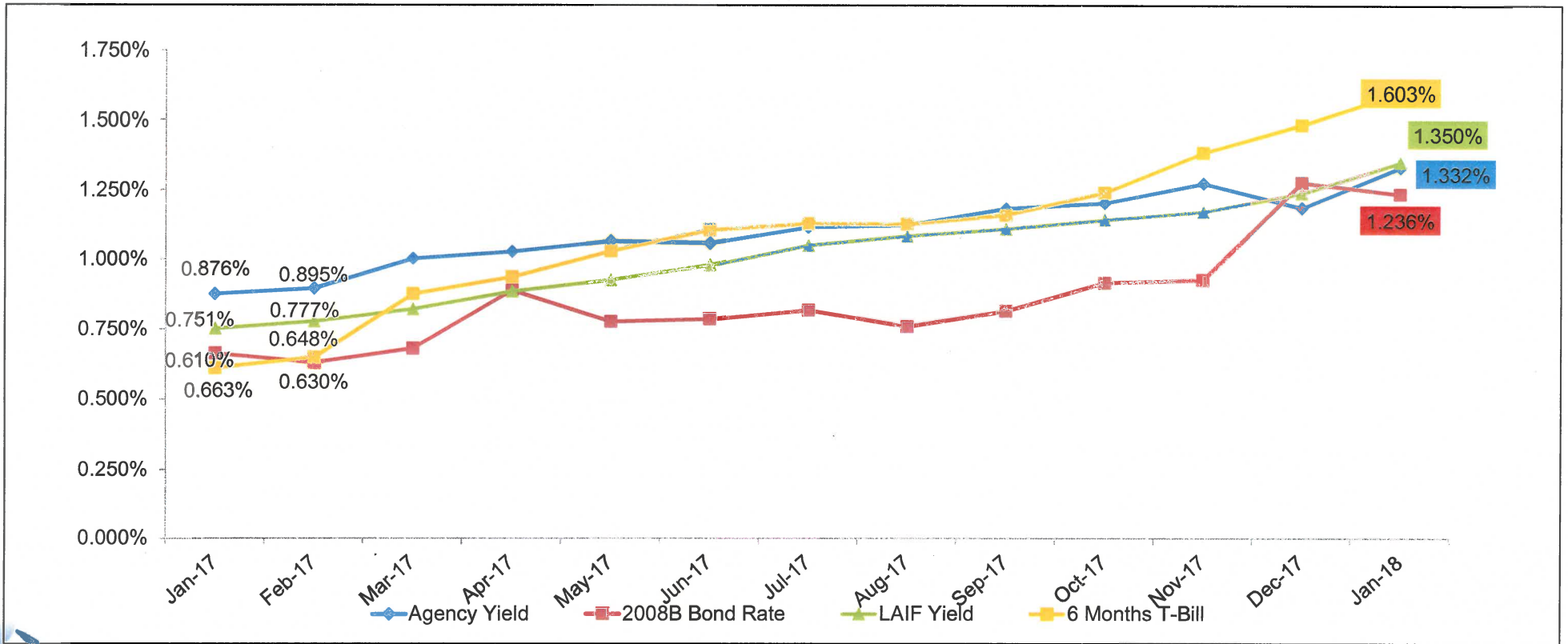
Agency Liquidity

- Decrease in total portfolio is mainly due to disbursements to vendors higher than collections from customers
- Increase in total yield is attributed to the transfer of \$15 million from CBB to the Local Agency Investment Fund and the California Asset Management Program accounts
- Decrease in average cash on hand as a result of decrease in unrestricted cash and investments

Liquidity			
Description	January (\$ million)	December (\$ million)	Increase (Decrease) (\$ million)
Total Cash, Investments, and Restricted Deposits	\$198.3	\$202.6	(\$4.3)
Total Investment Portfolio	\$139.1	\$146.3	(\$7.2)
Investment Portfolio Yield	1.332%	1.186%	0.146%
Weighted Average Duration (Years)	0.72	0.71	0.01
Average Cash on Hand (days)	266	290	(24)

Monthly cash and investment summaries available at: www.ieua.org/fy-2017-18-cash-and-investment/

Month End Portfolio Yield Comparison



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 January 31, 2018



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
January 31, 2018

	<u>January</u>	<u>December</u>
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>	<u>\$1,051,598</u>	<u>\$811,276</u>
<u>Investments</u>		
Citizens Business Bank (CBB) Repurchase (Sweep)	\$16,628,768	\$36,784,350
Local Agency Investment Fund (LAIF)	42,371,018	32,268,927
CalTrust	21,241,025	21,236,878
California Asset Management Program (CAMP)	23,305,155	18,277,539
Certificates of Deposit	1,205,000	1,925,000
Municipal Bonds	998,020	997,913
Medium Term Notes	11,077,616	12,580,220
U.S. Treasury Notes	1,994,078	1,993,700
U.S. Government Sponsored Entities	20,236,942	20,236,280
Total Investments	<u>\$139,057,622</u>	<u>\$146,300,807</u>
 Total Cash and Investments Available to the Agency	 <u>\$140,109,220</u>	 <u>\$147,112,083</u>
 <u>Restricted Deposits</u>		
Debt Service Accounts	\$3,022,064	\$2,552,397
Capital Capacity Reimbursement Account (CCRA) Deposits Held by Member Agencies	42,072,267	39,962,389
California Employers' Retirement Benefit Trust Account - CERBT (Other Post Employment Benefits - OPEB)	12,377,068	12,305,591
Escrow Deposits	693,532	639,526
Total Restricted Deposits	<u>\$58,164,931</u>	<u>\$55,459,903</u>
 Total Cash, Investments, and Restricted Deposits	 <u><u>\$198,274,151</u></u>	 <u><u>\$202,571,986</u></u>

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2018

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Negative offset by CBB Sweep Balance)	\$906,411
CBB Payroll Account	-
CBB Workers' Compensation Account	57,798
Subtotal Demand Deposits	\$964,209

Other Cash and Bank Accounts

Petty Cash	\$2,250
Subtotal Other Cash	\$2,250

US Bank Pre-Investment Money Market Account

\$85,139

Total Cash and Bank Accounts

\$1,051,598

Investments

CBB Repurchase (Sweep) Investments

Federal Home Loan Bank (FHLMC)	12,495,089
Fannie Mae Bank (FNMA)	\$4,133,679
Subtotal CBB Repurchase (Sweep)	\$16,628,768

Local Agency Investment Fund (LAIF)

LAIF Fund	\$42,371,018
Subtotal Local Agency Investment Fund	\$42,371,018

CalTrust

Short Term	\$15,260,291
Medium Term - Restricted	5,980,734
Subtotal CalTrust	\$21,241,025

California Asset Management Program (CAMP)

Pool	\$23,305,155
Subtotal CAMP	\$23,305,155

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2018

Investments Continued

Brokered Certificates of Deposit

Brokered Certificates of Deposit	\$1,205,000
Subtotal Brokered Certificates of Deposit	\$1,205,000

Municipal Bonds

State and Local Municipal Bonds	\$998,020
Subtotal Municipal Bonds	\$998,020

Medium Term Notes

Toyota Motor Credit Corp.	999,900
JP Morgan Chase & Co.	2,008,107
Johnson & Johnson	2,057,892
Microsoft	1,002,969
Exxon Mobil	3,008,748
Wells Fargo Bank N.A.	2,000,000
Subtotal Medium Term Notes	\$11,077,616

U.S. Treasury Notes

Treasury Note	\$1,994,078
Subtotal U.S. Treasury Notes	\$1,994,078

U.S. Government Sponsored Entities

Fannie Mae Bank	\$3,749,737
Freddie Mac Bank	5,489,117
Federal Farm Credit Bank	7,999,316
Federal Home Loan Bank	2,998,772
Subtotal U.S. Government Sponsored Entities	\$20,236,942

Total Investments	\$139,057,622
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INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2018

Restricted Deposits

Debt Service

2008B Debt Service Accounts	\$2,553,080
2010A Debt Service Accounts	468,375
2017A Debt Service Accounts	609
	\$3,022,064
Subtotal Debt Service	\$3,022,064

CCRA Deposits Held by Member Agencies

City of Chino	\$6,486,456
Cucamonga Valley Water District	5,045,439
City of Fontana	6,684,096
City of Montclair	1,115,534
City of Ontario	14,001,222
City of Chino Hills	7,050,439
City of Upland	1,689,081
	\$42,072,267
Subtotal CCRA Deposits Held by Member Agencies	\$42,072,267

CalPERS

CERBT Account (OPEB)	\$12,377,068
Subtotal CalPERS Accounts	\$12,377,068

Escrow Deposits

Kemp Brothers Construction	\$693,532
Subtotal Escrow Deposits	\$693,532

Total Restricted Deposits

\$58,164,931

Total Cash, Investments, and Restricted Deposits as of January 31, 2018

\$198,274,151

Total Cash, Investments, and Restricted Deposits as of 1/31/18

\$198,274,151

Less: Total Cash, Investments, and Restricted Deposits as of 12/31/17

202,571,986

Total Monthly Increase (Decrease)

(\$4,297,835)

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
January 31, 2018

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	January	January	% Coupon	% Yield to Maturity	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Amortization	Value			Date	Value

Cash, Bank Deposits, and Bank Investment Accounts

Citizens Business Bank (CBB)

Demand Account*		\$906,411	\$906,411	N/A	N/A	\$906,411	N/A	N/A	\$906,411
Payroll Checking		0	0	N/A	N/A	0	N/A	N/A	0
Workers' Compensation Account		57,798	57,798	N/A	N/A	57,798	N/A	N/A	57,798
Subtotal CBB Accounts		\$964,209	\$964,209			\$964,209			\$964,209

US Bank (USB)

Federated Automated MMA		\$85,139	\$85,139	N/A	N/A	\$85,139	0.86%	N/A	\$85,139
Subtotal USB Account		\$85,139	\$85,139			\$85,139	0.86%		\$85,139

Petty Cash

		\$2,250	\$2,250	N/A	N/A	\$2,250	N/A	N/A	\$2,250
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Total Cash, Bank Deposits and Bank Investment Accounts

		\$1,051,598	\$1,051,598			\$1,051,598			\$1,051,598
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*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance

Investments

CBB Daily Repurchase (Sweep) Accounts

Federal Home Loan Bank		\$12,495,089	\$12,495,089	N/A	N/A	\$12,495,089	0.70%	N/A	\$12,495,089
Fannie Mae Bank		\$4,133,679	\$4,133,679			\$4,133,679	0.70%		\$4,133,679
Subtotal CBB Repurchase Accounts		\$16,628,768	\$16,628,768			\$16,628,768	0.70%		\$16,628,768

LAIF Accounts

Non-Restricted Funds		\$42,371,018	\$42,371,018	N/A	N/A	\$42,371,018	1.350%	N/A	\$42,371,018
Subtotal LAIF Accounts		\$42,371,018	\$42,371,018			\$42,371,018	1.350%		\$42,371,018

CALTRUST Accounts

Short-Term		\$15,260,291	\$15,260,291	N/A	N/A	\$15,260,291	1.51%	N/A	\$15,260,291
Medium-Term (Self Insurance Reserves)		5,980,734	5,980,734	N/A	N/A	5,980,734	1.97%	N/A	5,980,734
Subtotal CalTrust Accounts		\$21,241,025	\$21,241,025			\$21,241,025	1.640%		\$21,241,025

CAMP Accounts

Short-Term		\$23,305,155	\$23,305,155	N/A	N/A	\$23,305,155	1.43%	N/A	\$23,305,155
Subtotal CAMP Accounts		\$23,305,155	\$23,305,155			\$23,305,155	1.43%		\$23,305,155

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
January 31, 2018

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	January	January	% Coupon	% Yield to Maturity	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Amortization	Value			Date	Value
Investments (continued)													
Brokered Certificates of Deposit (CDs)													
American Express Bank	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	239,916
American Express Centurion	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	239,916
Ally Bank	N/A				243,000	243,000	722		243,000	1.45%	1.45%	03/11/19	241,841
Wells Fargo Bank	N/A				242,000	242,000	729		242,000	1.55%	1.55%	03/15/19	241,085
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.25%	2.25%	10/02/20	239,688
Subtotal Brokered CDs					\$1,205,000	\$1,205,000		\$0	\$1,205,000		1.73%		\$1,202,446
US Treasury Note													
US Treasury Note					\$2,000,000	\$1,990,000	808	379	\$1,994,078	1.125%	1.35%	05/31/19	\$1,976,400
Subtotal US Treasuries					\$2,000,000	\$1,990,000		\$379	\$1,994,078		1.35%		\$1,976,400
U.S. Government Sponsored Entities													
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,000,380	713	(16)	1,000,185	1.25%	1.23%	01/18/19	993,760
Federal Farm Credit Bank	AA+	Aaa			3,000,000	3,000,000	1,079		3,000,000	1.15%	1.15%	02/22/19	2,973,810
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,003,132	1,023	(95)	1,001,249	1.25%	1.14%	03/15/19	991,940
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,411	720	25	1,499,655	1.40%	1.42%	03/27/19	1,489,545
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,400	720	25	1,499,661	1.40%	1.42%	03/27/19	1,489,545
Federal Home Loan Bank	AA+	Aaa			2,000,000	1,997,600	801	92	1,998,587	1.375%	1.43%	05/24/19	1,983,300
Federal Farm Credit Bank	AA+	Aaa			2,000,000	2,000,000	1,460		2,000,000	1.52%	1.52%	06/24/19	1,983,800
Freddie Mac Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.15%	1.15%	07/26/19	1,479,525
Fannie Mae Step Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.00%	1.33%	07/26/19	1,484,325
Fannie Mae Bond	AA+	Aaa			900,000	899,460	1,153	14	899,737	1.25%	1.27%	08/23/19	883,710
Fannie Mae Bond	AA+	Aaa			1,350,000	1,350,000	1,157		1,350,000	1.25%	1.25%	08/26/19	1,332,113
Freddie Mac Bond	AA+	Aaa			3,000,000	2,972,928	1,359	618	2,987,868	1.25%	1.50%	10/02/19	2,956,110
Subtotal U.S. Gov't Sponsored Entities					\$20,250,000	\$20,222,311		\$663	\$20,236,942		1.33%		\$20,041,483
(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
January 31, 2018

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	January	January	% Coupon	% Yield to Maturity	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Amortization	Value			Date	Value
Municipal Bonds													
San Diego Redevelopment Agency	AA	N/R			\$1,000,000	\$996,800	934	\$106	\$998,020	1.625%	1.75%	09/01/19	\$983,300
Subtotal State and Local Municipal Bonds					\$1,000,000	\$996,800		\$106	\$998,020		1.75%		\$983,300
Medium Term Notes													
Toyota Motor Credit Corp	AA-	Aa3			2,000,000	2,000,000	1,045		2,000,000	1.10%	1.10%	04/25/18	1,992,960
JP Morgan Chase & Co	A-	A3			1,000,000	999,000	1,037	30	999,900	1.625%	1.66%	05/15/18	999,280
Johnson & Johnson	AAA	Aaa			2,000,000	2,027,480	1,044	(816)	2,008,107	1.65%	1.16%	12/05/18	1,992,440
Microsoft	AAA	Aaa			2,050,000	2,076,691	1,045	(792)	2,057,892	1.625%	1.16%	12/06/18	2,043,420
Exxon Mobil	AA+	Aaa			1,000,000	1,005,750	763	(234)	1,002,969	1.708%	1.43%	03/01/19	994,860
Exxon Mobil	AA+	Aaa			1,500,000	1,506,285	712	(271)	1,503,566	1.819%	1.59%	03/15/19	1,495,605
Wells Fargo Bank	AA-	Aa2			1,500,000	1,511,655	1,061	(336)	1,505,182	1.75%	1.48%	05/24/19	1,489,080
Subtotal Medium Term Notes					\$11,050,000	\$11,126,861		(2,419)	\$11,077,616		1.32%		\$11,007,645
Total Investments					\$139,050,966	\$139,086,938			\$139,057,622				\$138,757,240
<i>(Source of Investment Market Value: US Bank)</i>													
Restricted Deposits													
Debt Service and Arbitrage Accounts													
2008B Debt Service Accounts					\$2,553,080	\$2,553,080	N/A	N/A	\$2,553,080		0.79%		\$2,553,080
2010A Debt Service Accounts					468,375	468,375	N/A	N/A	468,375		0.20%		468,375
2017A Debt Service Accounts					609	609	N/A	N/A	609		0.20%		609
Total Debt Service Accounts					\$3,022,064	\$3,022,064			\$3,022,064		0.70%		\$3,022,064

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
January 31, 2018

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	January	January	% 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					\$6,486,456	\$6,486,456	N/A	N/A	\$6,486,456		N/A	N/A	\$6,486,456
City of Chino Hills					7,050,439	7,050,439	N/A	N/A	7,050,439		N/A	N/A	7,050,439
Cucamonga Valley Water District					5,045,439	5,045,439	N/A	N/A	5,045,439		N/A	N/A	5,045,439
City of Fontana					6,684,096	6,684,096	N/A	N/A	6,684,096		N/A	N/A	6,684,096
City of Montclair					1,115,534	1,115,534	N/A	N/A	1,115,534		N/A	N/A	1,115,534
City of Ontario					14,001,222	14,001,222	N/A	N/A	14,001,222		N/A	N/A	14,001,222
City of Upland					1,689,081	1,689,081	N/A	N/A	1,689,081		N/A	N/A	1,689,081
<i>Subtotal CCRA Deposits Held by Member Agencies</i>					\$42,072,267	\$42,072,267			\$42,072,267				\$42,072,267
<i>Reported total as of December 2017</i>													
CalPERS Deposits													
CERBT Account (OPEB)					\$11,000,000	\$11,000,000	N/A	N/A	\$12,377,068		N/A	N/A	\$12,377,068
Subtotal CalPERS Deposits					\$11,000,000	\$11,000,000			\$12,377,068				\$12,377,068
As of December 31st, the 1 year net return is 10.06%													
Escrow Deposits													
Kemp Brothers Construction Escrow					\$693,532	\$693,532	N/A	N/A	\$693,532		N/A	N/A	\$693,532
Subtotal Escrow Deposits					\$693,532	\$693,532			\$693,532				\$693,532
Total Restricted Deposits					\$56,787,254	\$56,787,254			\$58,164,931				\$58,164,322
Total Cash, Investments, and Restricted Deposits as of January 31, 2018					\$196,889,818	\$196,925,790			\$198,274,151				\$197,973,160

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 January 31, 2018

January Purchases

No.	Date	Transaction	Investment Security	Type	Par Amount Purchased	Investment Yield
			<i>None</i>			
					<u>\$ -</u>	

January Investment Maturities, Calls & Sales

No.	Date	Transaction	Investment Security		Par Amount Matured/Sold	Investment Yield to Maturity
1	01/16/18	Matured	Capital One Bank	CD	\$240,000	1.35%
2	01/16/18	Matured	Goldman Sachs Bank USA	CD	\$240,000	1.40%
3	01/17/18	Matured	BMW Bank of North America	CD	\$240,000	1.40%
4	01/22/18	Matured	Wells Fargo Bank	Medium Term Note	\$1,500,000	1.44%
					<u>\$ 2,220,000</u>	

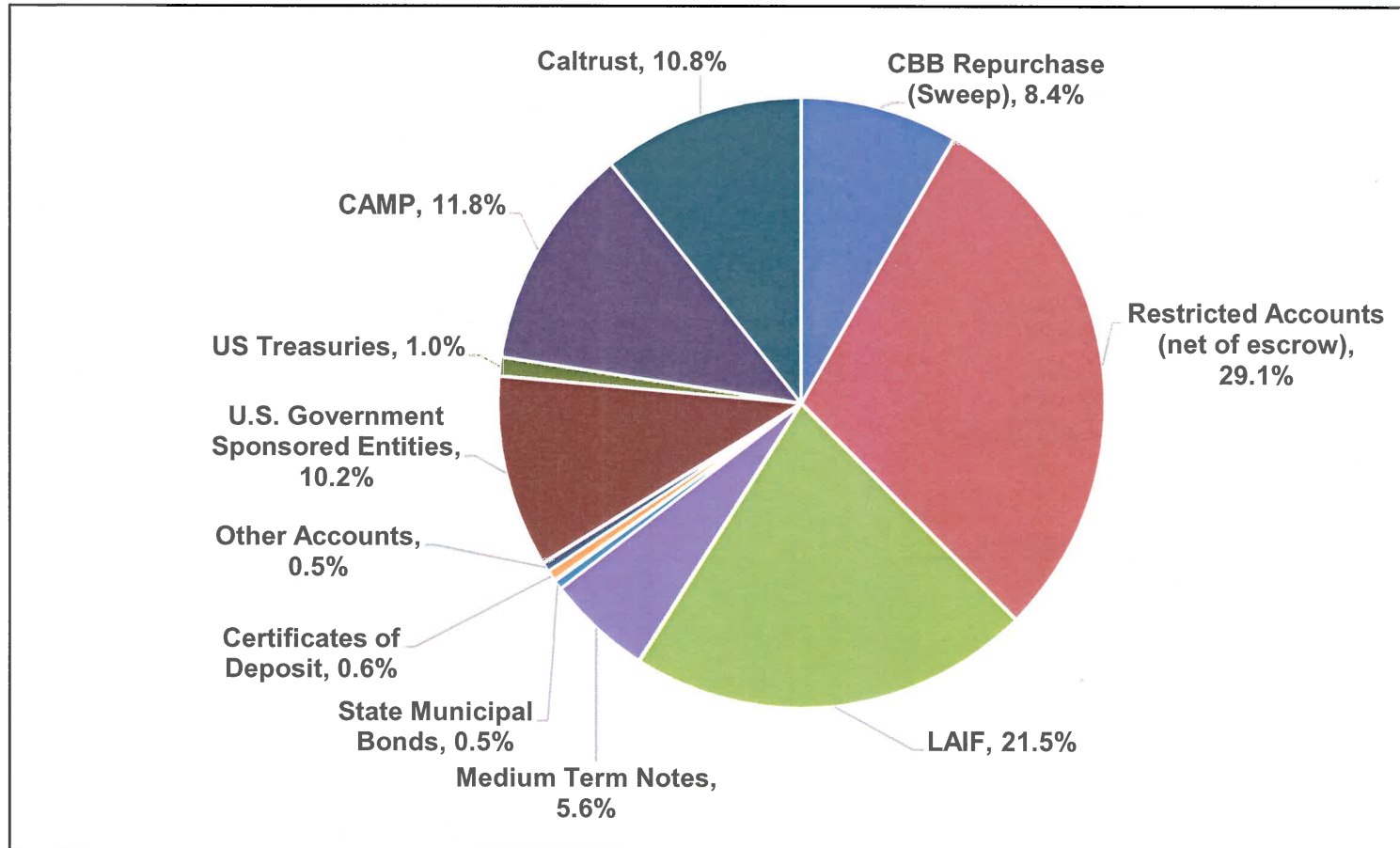
INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2018

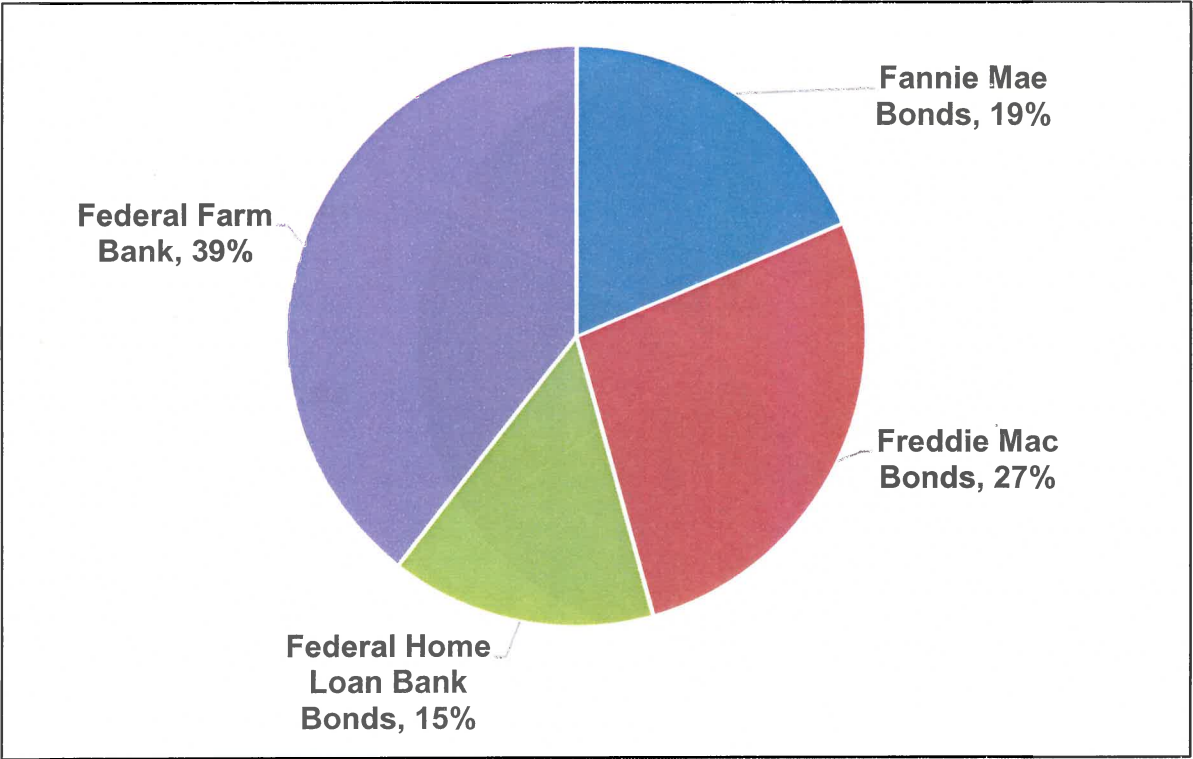
<u>Directed Investment Category</u>	<u>Amount Invested</u>	<u>Yield</u>
CBB Repurchase (Sweep)	\$16,628,768	0.700%
LAIF	42,371,018	1.350%
CalTrust	21,241,025	1.640%
CAMP	23,305,155	1.430%
Brokered Certificates of Deposit	1,205,000	1.729%
Medium Term Notes	11,077,616	1.321%
Municipal Bonds	998,020	1.753%
US Treasury Notes	1,994,078	1.352%
U.S. Government Sponsored Entities	20,236,942	1.335%
Total Investment Portfolio	\$139,057,622	
Investment Portfolio Rate of Return		1.332%
<u>Restricted/Transitory/Other Accounts</u>	<u>Amount Invested</u>	<u>Yield</u>
CCRA Deposits Held by Member Agencies	\$42,072,267	N/A
CalPERS OPEB (CERBT) Account	\$12,377,068	N/A
US Bank - 2008B Debt Service Accounts	\$2,553,080	0.790%
US Bank - 2010A Debt Service Accounts	\$468,375	0.200%
US Bank - 2017A Debt Service Accounts	\$609	0.200%
US Bank - Pre-Investment Money Market Account	\$85,139	0.860%
Citizens Business Bank - Demand Account	\$906,411	N/A
Citizens Business Bank - Workers' Compensation Account	\$57,798	N/A
Other Accounts*	\$2,250	N/A
Escrow Account	\$693,532	N/A
Total Restricted/Transitory/Other Accounts	\$59,216,529	
Average Yield of Other Accounts		0.703%
Total Agency Directed Deposits	\$198,274,151	

*Petty Cash

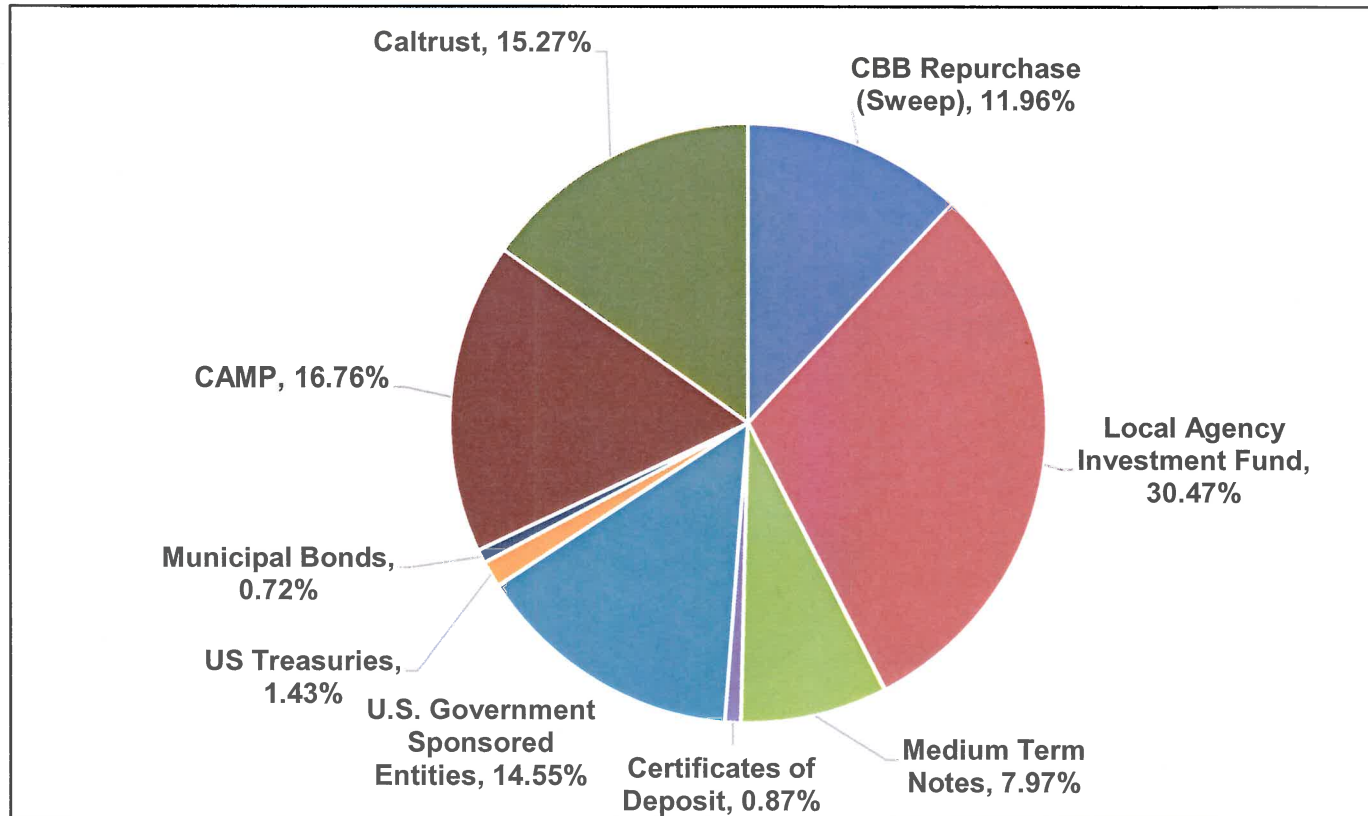
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2018
Agency Investment Portfolio (Net of Escrow Accounts)
\$197,580,619



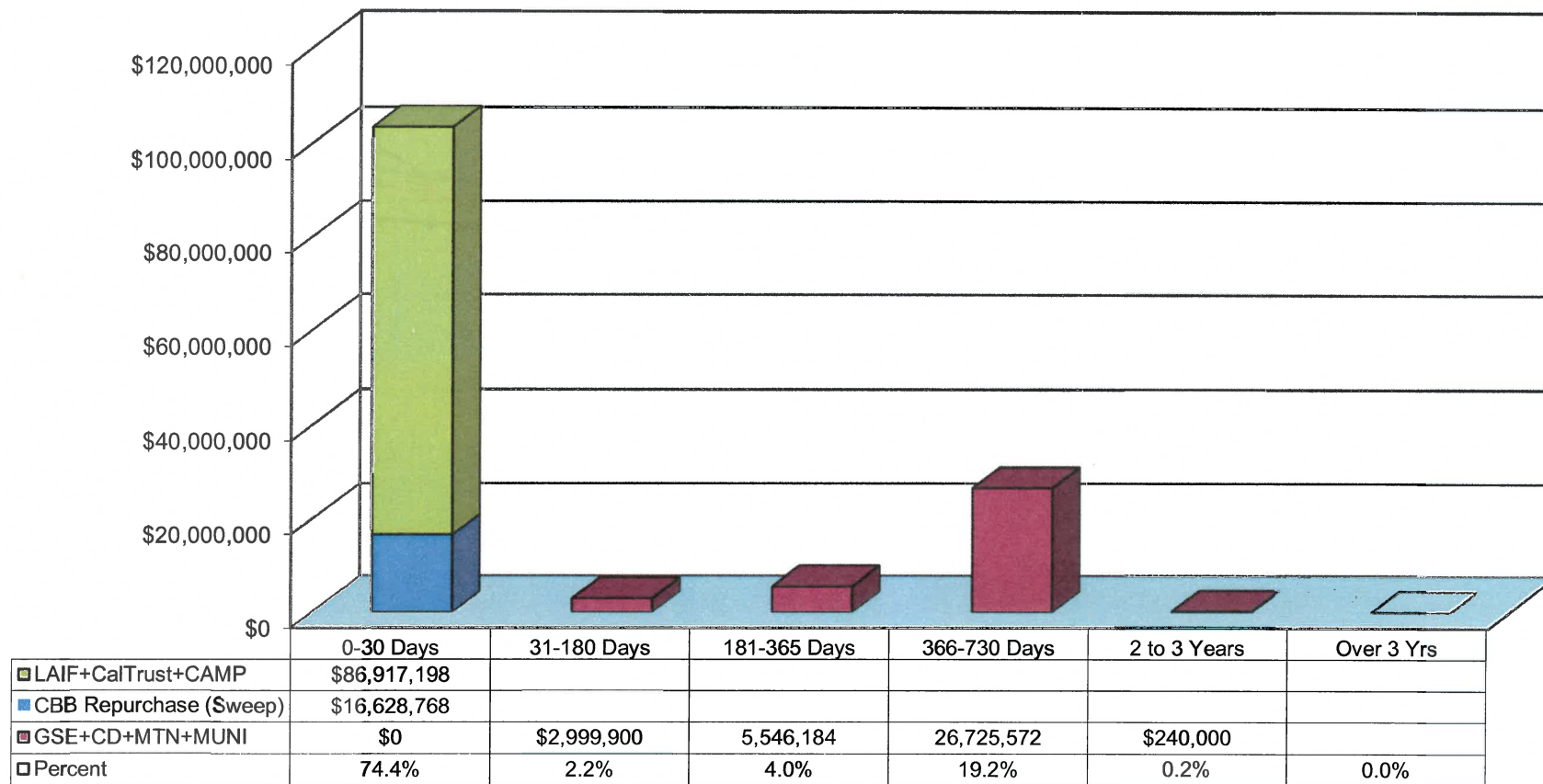
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2018
U.S. Government Sponsored Entities Portfolio
\$20,236,942



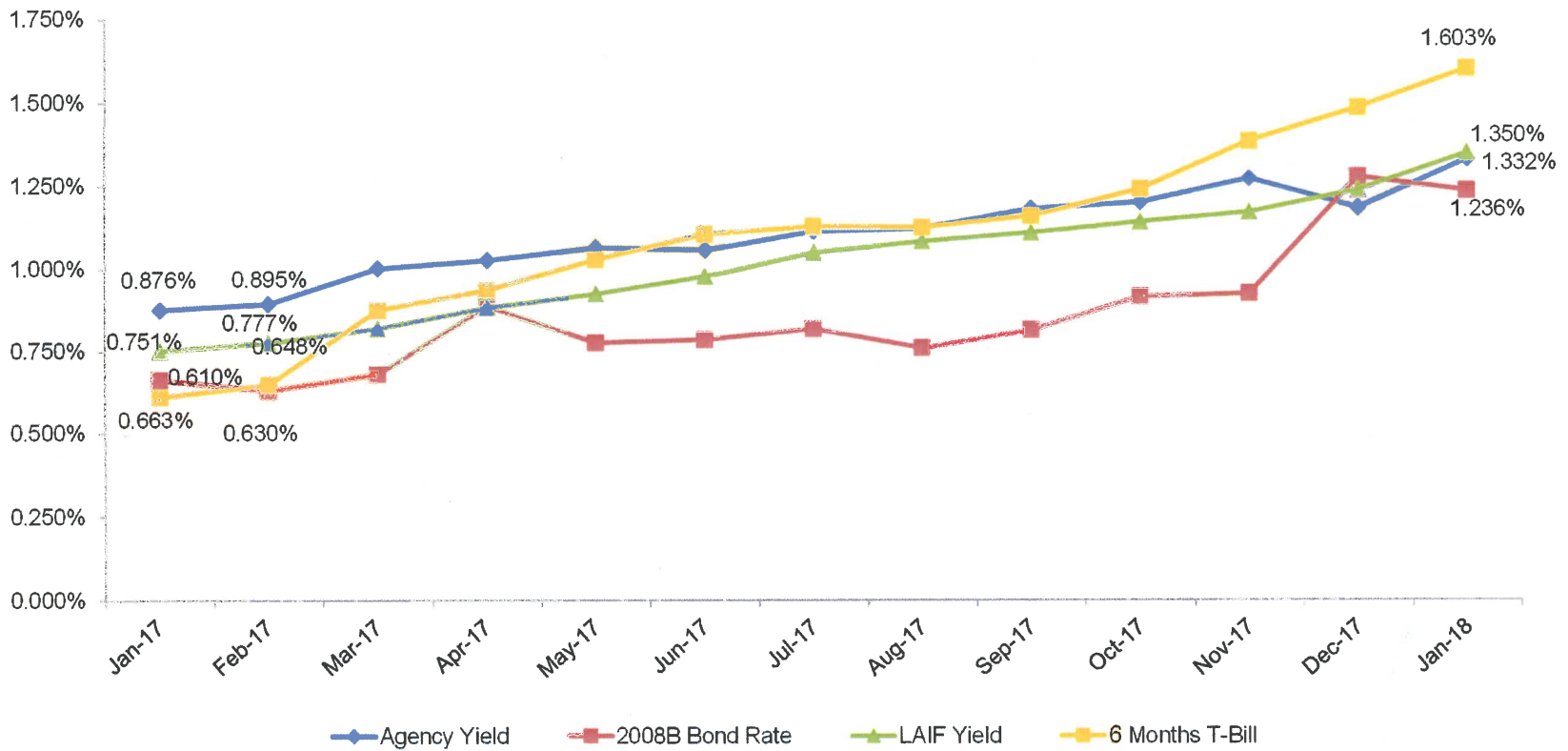
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2018
Unrestricted Agency Investment Portfolio
\$139,057,622



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2018
Agency Investment Portfolio Maturity Distribution (Unrestricted)
\$139,057,622



**Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2018
Agency Investment Portfolio Yield Comparison**



**INFORMATION
ITEM**

5D

Date: March 21, 2018

To: The Honorable Board of Directors

Committee: Finance & Administration

From: Halla Razak, General Manager

HR

03/14/18

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

Subject: Fiscal Year 2017/18 Second Quarter Budget Variance, Performance Goal Updates, and Budget Transfers

Executive Summary:

The Budget Variance report presents the Agency's financial performance through the second quarter ended December 31, 2017, and various analyses provided in the attachments.

The Agency's total revenues and other funding sources were \$128.8 million, or 56.0 percent of the amended budget of \$229.9 million. The favorable variance reflects higher than projected revenue level for: imported potable water sales, pass-through rates and charges by the Southern California Metropolitan Water District; new equivalent dwelling unit (EDU) connection fees and new water connections; and direct and groundwater recharged recycled water sales.

The Agency's total expenses and uses of funds were \$108.6 million, or 43.5 percent of the amended budget of \$249.5 million. Timing and deferral of capital project execution and certain professional services primarily accounted for the favorable variance.

The net change of the total revenues and other funding sources over the total expenses and other uses of funds is \$20.2 million, resulting in year to date total reserves of \$204.3 million.

Staff's Recommendation:

The Fiscal Year (FY) 2017/18 Second Quarter Budget Variance, Performance Goal Updates, and Budget Transfers is an informational item for the Board of Directors to receive and file.

Budget Impact *Budgeted (Y/N): Y* *Amendment (Y/N): Y* *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 \$20.2 million resulted in a total estimated fund balance of \$204.3 million for the quarter ended December 31, 2017.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

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- Q2 Budget Variance Summary Report
- Exhibit A- Q2 Budget Variance Detail Report
- Exhibit B- Business Goals and Objectives Report by Department
- Exhibit C-1 Summary of Annual Budget Transfers in the second quarter
- Exhibit C-2 Summary of the GM Contingency account activity
- Exhibit D- Project Budget transfers for capital & non-capital projects
- Exhibit E- Financial overview of individual Agency's funds for FY 2017/18

Attachment 2 - PowerPoint

Attachment 1

Background

Background

Subject: Fiscal Year 2017/18 Second Quarter Budget Variance, Performance Goal Updates, and Budget Transfers

The Budget Variance report presents the Agency's financial performance through the end of second quarter ending December 31, 2017, includes the following highlights:

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency received total revenues and other funding sources for the second quarter of FY 2017/18 of \$128.8 million, or 56 percent of the amended budget (Exhibit A detail). The following section highlights key variances:

- **User Charges** – Total user charges were \$40.2 million or 51.7 percent of the amended budget. This category includes equivalent dwelling unit (EDU) volumetric charges of \$31.5 million, \$6.0 million of non-reclaimable wastewater fees paid by industrial and commercial users connected to the Agency's brine line system, and \$2.7 million of user charges for potable water deliveries.
- **Property Taxes** – Tax receipts at the end of the second quarter were \$25.2 million or 54.5 percent of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor (County) was \$17.1 million and "pass-through" incremental Redevelopment Agencies (RDA) taxes received was \$8.1 million. Tax revenue stream is projected based on valuation projected by the county, increased home sales, and anticipated adjustments in property tax distribution due to the dissolution of the RDA agencies.
- **Recycled Water Sales** – Recycled water sales at the end of the second quarter were \$10.0 million, or 58.0 percent of the amended budget. Direct sales were \$6.2 million at 13,105 acre feet (AF) and groundwater recharge sales were \$3.8 million at 7,247 AF. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability. A dry winter season may impact future deliveries due to high demand for recycled water and increase recharged deliveries to groundwater basins. If deliveries continue at the current pace, total deliveries may exceed the 35,500 AF budgeted for the fiscal year.
- **MWD Imported Water Sales** – Total MWD pass-through imported water revenue was \$27.4 million or 80.3 percent of amended budget. A total of 41,198 AF of pass through imported water was delivered at year to date and are projected to exceed the 50,000 AF budgeted for the fiscal year.
- **Connection Fees** – Total connection fee receipts of \$13.9 million, or 47.2 percent of the amended budget. Included in the actual receipts is \$10.4 million for new regional wastewater system connections (equivalent dwelling unit, EDU), and \$3.5 million for new water connections (meter equivalent unit, MEU). New EDU connections reported through

second quarter were 1,646 EDU, compared to the amended budget of 4,000 EDU, which was adjusted from the adopted budget of 3,000 EDU based on member agencies' updated forecast. The 879 new water connections recorded in the second quarter account for 83 percent of the \$4.2 million water connection fee budget for FY 2017/18.

- **Grants & Loans** – Total receipts of \$6.3 million or 41.2 percent of the amended budget were received during the second quarter. Amended budget comprised of \$6.0 million in grants and \$9.3 million of SRF loan proceeds. Grant receipts consists of reimbursements from Federal and State programs, and may contain pass-through funding for other agencies. Grants and loan receipts are primarily reimbursable in nature and dependent on related capital project expenditures.
- **Other Revenues** – Total other revenues were \$2.3 million, or 91.6 percent of the \$2.5 million amended budget. Total other revenues include \$0.9 million from California Steel Industries and Prologis for their share of capital costs associated with the San Bernardino gravity sewer line permanent connection. Reimbursement also includes \$0.7 million from Chino Basin Watermaster (CBWM) for their share of the 2008B variable bond debt service costs and project reimbursements. Also included is \$0.7 million received from local government agencies in project reimbursements, lease revenue, and unrealized net gain/loss from investments accounting entry.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses and uses of funds through the end of the second quarter were \$108.6 million, or 43.5 percent of the amended budget. The amended budget includes \$14.0 million of encumbrances and commitments carried forward from FY 2016/17 comprised of \$2.0 million for O&M expenses, \$6.9 million for special projects (non-capital), and \$5.1 million for capital projects. In accordance with Agency Policy A-81 (Fiscal Year Carry Forward Encumbrances and Related Budget), carry forward encumbrances, commitments and related budget not expended by December 31st are subject to cancellation unless approved by Executive Management. At the end of December 31, 2017, unspent carry forward was \$10.0 million of which \$8.5 million was extended and \$1.5 million was returned as shown in Table 1.

Table 1: FY 2016/17 Encumbrance Carry Forward Status

	Capital & Special Projects	O&M	Total
Carried Forward-September 2017	\$12,000,113	\$1,969,462	\$13,969,575
Remaining Carry Forward subject to Reversal	\$8,542,132	\$1,490,128	\$10,032,260
Carry Forward Requested for Extension	\$7,231,629	\$1,301,062	\$8,532,691
Encumbrance Returned – January 2018	\$1,310,503	\$189,066	\$1,499,569

Key expense variance highlights are:

- **Employment Expenses** – Employment expenses were \$22.3 million or 48.1 percent of the amended budget of \$46.4 million. The Agency support succession planning through the vacancy factor positions and reclassification of existing positions. Based on current recruitments, employment expense is projected to be in line with the budget at the end of

the fiscal year. At the end of the second quarter, total actual filled positions were 271 compared to the 274 funded positions and 290 authorized positions.

- **Professional Fees & Services** – Total expenses were \$2.7 million, or 23.0 percent of the amended budget. The positive variance can be attributed to the timing of contracts and services deferred and anticipated to be executed in the subsequent months.
- **Debt Service** – Debt service in the second quarter totaled \$13.0 million or 58.9 percent of the amended budget. Actual expenses included \$9.4 million paid towards the principal and interest for the 2008B and 2010A bonds. Other notes and loan principal and interest payments were \$3.5 million, and the remaining \$0.1 million was for financial administration fees.
- **O&M (Non-capital) Projects** – O&M and reimbursable project costs were \$5.8 million or 23 percent of the amended budget. These costs are projected to increase in the subsequent period due to the awarding of construction contracts approved by the board in December 2017. The actual expenses include \$2.5 million of pass through grant proceeds that were remitted to the Chino Basin Desalter Authority (CDA).
- **Capital Projects** – Total capital project expenditures through the end of the second quarter were \$20.6 million or 28.8 percent when compared to the amended budget of \$71.5 million. The amended budget includes encumbrances of \$5.1 million of budget carried forward from FY 2016/17. Favorable variance in capital spending is largely driven by changes in the project scope and schedule, construction bid results, regulatory issues, and external resources associated with such undertakings. Capital project costs related to the regional wastewater program through the second quarter were \$17.3 million, or 34 percent of the \$51.6 million program budget. Recycled water capital projects accounted for \$1.2 million, or 10 percent of \$12.9 million budget.

A detailed explanation of significant revenue and expenses are included in the attached Exhibit A.

FUND BALANCES AND RESERVES

The net increase of \$20.2 million in total fund balance in the second quarter resulted in an unaudited ending fund balance of \$204.3 million.

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 2017/18 Amended Budget	Quarter Ended 12/31/17	Actual % of Amended Budget
Operating Revenue	\$138.6	\$82.3	59.3%
Operating Expense	\$155.5	\$74.7	48.1%
Operating Net Increase/(Decrease)	(\$16.9)	\$7.6	
Non- Operating			
Non-Operating Revenue	\$91.3	\$46.5	51.0%
Non-Operating Expense	\$93.9	\$33.9	36.0%
Non-Operating Net Increase/(Decrease)	(\$2.6)	\$12.6	
Total Sources of Funds	\$229.9	\$128.8	56.0%
Total Uses of Funds	\$249.4	\$108.6	43.5%
Total Net Increase/(Decrease)	(\$19.5)	\$20.2	
Beginning Fund Balance	\$184.1	\$184.1	
Ending Fund Balance	\$164.6	\$204.3	

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 second quarter. 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 the second quarter accounted for \$3.4 million as detailed in Exhibit C-1.

The *General Manager (GM) Contingency Account* adopted budget of \$300,000 was in the Administrative Services Fund. At the end of the second quarter, \$1,880 was utilized to support the unexpected but necessary expenses as listed in Exhibit C-2.

Capital and O&M projects total project budget transfers accounted for approximately \$2.0 million as listed in Exhibit D.

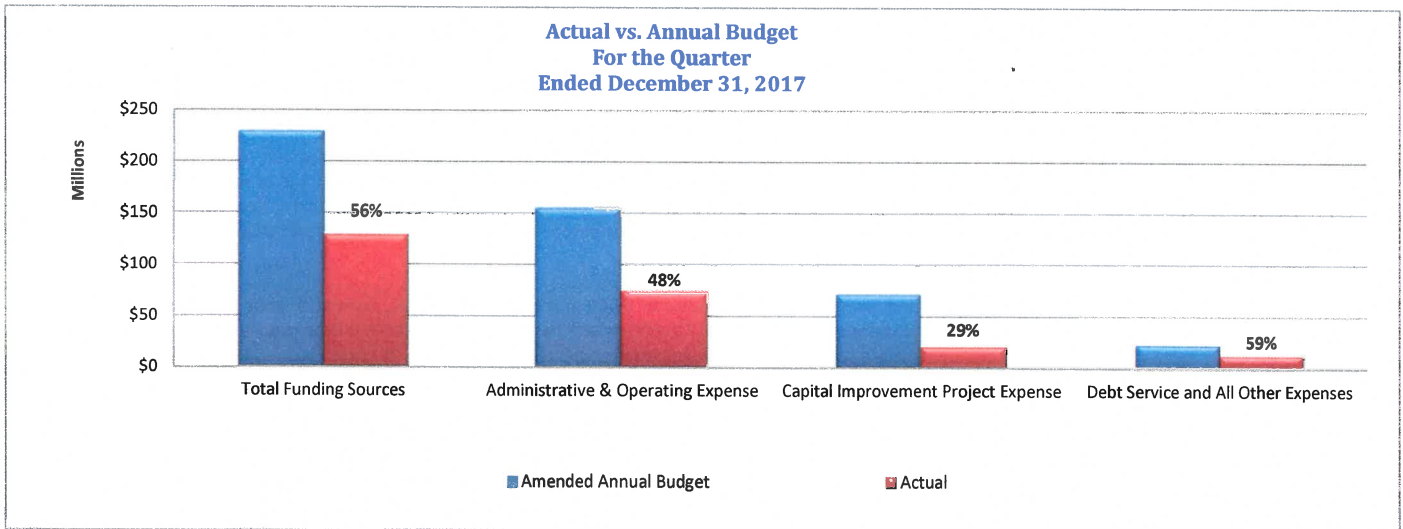
The budget variance analysis report is consistent with the Agency's business goal of Fiscal Responsibility: to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

IMPACT ON BUDGET

The net change in total expenses over total revenues in the amount of \$20.2 million resulted in a total estimated fund balance of \$204.3 million for the second quarter ended December 31, 2017.

I. Actual vs. Budget Summary:

Quarter Ended December 31, 2017					% of the Year Elapsed: 50%
	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$138,657,646	\$138,657,646	\$82,278,483	(\$56,379,163)	59.3%
Non-Operating (Other Sources of Fund)	84,970,077	91,279,078	46,518,927	(44,760,151)	51.0%
TOTAL FUNDING SOURCES	223,627,723	229,936,724	128,797,410	(101,139,314)	56.0%
Administrative & Operating Expense	(143,803,515)	(155,480,714)	(74,719,654)	80,761,060	48.1%
Capital Improvement Project Expense	(69,150,198)	(71,533,766)	(20,576,499)	50,957,267	28.8%
Debt Service and All Other Expenses	(23,681,051)	(22,455,617)	(13,296,876)	9,158,741	59.2%
TOTAL USES OF FUNDS	(236,634,764)	(249,470,097)	(108,593,029)	140,877,068	43.5%
Surplus/(Deficit)	(\$13,007,041)	(\$19,533,373)	\$20,204,381	\$39,737,754	



2. Actual Revenue vs. Budget:

					% of the Year Elapsed: 50%
Quarter Ended December 31, 2017					
	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues:					
User Charges	\$77,755,499	\$77,755,499	\$40,223,565	(\$37,531,934)	51.7%
Recycled Water Sales	17,245,000	17,245,000	10,000,350	(7,244,650)	58.0%
MWD Water Sales	34,167,480	34,167,480	27,437,801	(6,729,679)	80.3%
Property Tax - O&M	1,972,200	1,972,200	1,127,598	(844,602)	57.2%
Cost Reimbursement	6,355,334	6,355,334	3,216,297	(3,139,037)	50.6%
Interest	1,162,133	1,162,133	272,872	(889,261)	23.5%
OPERATING REVENUES	138,657,646	138,657,646	82,278,483	(56,379,163)	59.3%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$44,073,800	\$44,073,800	\$24,035,221	(\$20,038,579)	54.5%
Connection Fees	23,095,710	29,404,710	13,877,514	(15,527,196)	47.2%
Grants & Loans	15,284,858	15,284,858	6,301,142	(8,983,716)	41.2%
Other Revenue	2,515,709	2,515,710	2,305,050	(210,660)	91.6%
NON-OPERATING REVENUES	84,970,077	91,279,078	46,518,927	(44,760,151)	51.0%
Total Revenues	\$223,627,723	\$229,936,724	\$128,797,410	(\$101,139,314)	56.0%

- User Charges, 51.7%** User charges were \$40.2 million, or 51.7% of the amended budget. The category includes equivalent dwelling unit (EDU) volumetric charges of \$31.5 million, \$6.0 million non-reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system, and \$2.7 million of monthly meter charges (Meter Equivalent Unit - MEU) imposed on all potable water connections, Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charges to meet our Readiness-to-Serve obligation from Metropolitan Water District (MWD), and water use efficiency program receipts.

- Property Tax/ AdValorem, 54.5%** Tax receipts at the end of the second quarter were \$25.2 million or 54.5% of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assesor (County) was \$17.1 million and "pass-through" incremental Redevelopment Agencies (RDA) taxes were \$8.1 million. Tax revenue stream is projected based on valuation projected by the county, increased home sales, and anticipated adjustments in property tax distribution due to the dissolution of the RDA agencies.

- Recycled Water Sales, 58%** Recycled water direct sales were \$6.2 million for 13,105 acre feet (AF) and groundwater recharge sales were \$3.8 million for 7,247 AF, for a combined total of \$10 million or 20,352 AF. Total deliveries of 35,500 AF f (22,000 AF Direct and 13,500 AF Recharge) are budgeted for the current fiscal year. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability. A dry winter season may impact future deliveries due to high demand for recycled water and increase recharged deliveries to groundwater basins.

- Interest Income, 23.5%** Interest Income is \$0.3 million or 23.5% of the annual budget. The Agency earns interest income by investing funds not immediately required for daily operations. Financial indicators throughtout the market are predicting a slight increase and the strategy for the foreseeable future continues to remain fairly short-term therefore staff focused on the purchase of short term as the results for longer term investment do not have adequate spreads to justify the risk of holding longer term maturities. The Agency's yield on its portfolio is anticipated to increase after contracting an investment advisor who will actively manage the agency's portfolio to achieve better yield while maintaining the preservation of assets and liquidity.

- MWD Water Sales, 80.3%** Total Metropolitan Water District (MWD) pass-through imported water revenue was \$27.4 million or 80.3% of amended budget. Imported water sales at 41,198 AF is projected to exceed the budgeted water demand at 50,000 AF as a result of below average rainfall and higher deliveries.

Connection Fees, 47.2% Total connection fee receipts of \$13.9 million, or 47.2 percent of the amended budget. Included in the actual receipts is \$10.4 million for new regional system connections (equivalent dwelling unit, EDU), and \$3.5 million for new water connections (meter equivalent unit, MEU). New EDU connections reported through second quarter were 1,646 EDU, compared to the amended budget of 4,000 EDU, which was adjusted from the adopted budget of 3,000 EDU based on member agencies' updated forecast. The 879 new water connections recorded in the second quarter account for 83 percent of the \$4.2 million water connection fee budget for FY 2017/18.

Grants and Loans, 41.2% Grant receipts consist of reimbursements from Federal and State programs, and may contain pass-through funding for other agencies. Grants and loan receipts are primarily reimbursable in nature and dependent on related capital project expenditures.
Grants Budget of \$6.0 million includes \$3 million for the South Archibald Trichlorethylene (TCE) Plume Cleanup project Regional Wastewater Operations & Maintenance (RO) Fund, \$2.2 million for Santa Ana River Conservation & Conjunctive Use Program (SARCCUP) project Water (WW) Fund, \$0.4 million for Northeast/Southern project Recycled Water (WC) Fund, and \$0.4 million for the new water quality laboratory (RO fund). *State Revolving Fund (SRF) Loan Proceeds Budget* at \$9.3 million accounts for \$7.9 million for the new water quality laboratory (RO fund) and \$1.4 million for Recharge Master Plan Update Recharge Water (RW) Fund.
Grant Actual receipts for \$3.1 million includes \$2.5 million of grant receipts pass-through to Chino Basin Desalter Authority and \$0.6 million reimbursement from other local agencies.
Actual SRF loan receipts of \$3.2 million was for the regional water quality laboratory.

Cost Reimbursements JPA, 50.6% Total *actual* cost reimbursements were \$3.2 million, or 50.6% of the amended budget. This category actuals include reimbursements of \$1.9 million from the Inland Empire Regional Composting Authority (IERCA) and \$0.8 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included is \$0.5 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 \$6.4 million includes: \$3.8 million from IERCA, \$1.5 million from CDA, and \$1.1 million from CBWM.

Other Revenues, 91.6% Total other revenues and project reimbursements were \$2.3 million, or 91.6% of the \$2.5 million amended budget. Actual includes \$0.9 million from California Steel Industries and Prologis for their share of capital costs associated with the San Bernardino gravity sewer line permanent connection. Reimbursement also includes \$0.7 million from CBWM for their share of the 2008B variable bond debt service costs and project reimbursements. Also included is \$0.7 million received from local government agencies in project reimbursements, lease revenue, and unrealized net gain/loss from investments accounting entry.

3. Actual Operating and Capital Expense vs. Budget:

% of the Year
Elapsed: 50%

Quarter Ended December 31, 2017

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Expenses:					
Employment	\$45,456,563	\$46,427,763	\$22,314,754	\$24,113,009	48.1%
Admin & Operating	98,346,952	109,052,951	52,404,900	\$56,648,051	48.1%
OPERATING EXPENSES	\$143,803,515	\$155,480,714	\$74,719,654	\$80,761,060	48.1%
Non-Operating Expenses:					
Capital	69,150,198	71,533,766	20,576,499	\$50,957,267	28.8%
Debt Service and All Other Expenses	23,681,051	22,455,617	13,296,876	\$9,158,741	59.2%
NON-OPERATING EXPENSES	\$92,831,249	\$93,989,383	\$33,873,375	\$60,116,008	36.0%
Total Expenses	\$236,634,764	\$249,470,097	\$108,593,029	\$140,877,068	43.5%

Employment Expenses net of allocation to projects

Employment, 48.1%

Employment expenses were \$22.3 million or 48.1% of the amended budget. The Agency support succession planning through the vacancy factor positions and reclassification of existing positions. Based on current recruitments, employment expense is projected to be in line with the budget at the end of the fiscal year. At the end of the second quarter, total actual filled positions were 271 compared to the 274 funded positions and 290 authorized positions.

Administrative & Operating Expenses

Office and Administrative, 30.4%

The favorable variance was in part due to the inclusion of \$298,120 General Manager (GM) contingency budget which represents 13% of the overall category budget. The contingency serves as a potential funding source to augment unexpected operating expenses. Out of the \$300,000 in GM contingency only \$1,880 has been committed. Staff continues to assess future training needs and priorities such as in-house training versus hiring consultants; efficient use of collaboration and communication tools to engage in online conferences and meetings; use of less expensive advertising campaign and publications through social and digital media, radio and some outdoor advertising.

Professional Fees & Services, 23%

Favorable variance is attributed to the timing of contracts and services deferred and anticipated to be executed in the subsequent months for work to be performed by contractors and consultants for: legislative consultants; office engineering projects; repair and calibration of critical compliance equipment and treatment process; California Occupational Safety & Health Administration Voluntary Protection Program (CAL OSHA Star VPP) safety program; rehabilitation of clarifiers and aeration basins; grant application support to secure water bonds; software and licensing support costs for business continuity efforts.

Materials & Supplies/Leases/Contribution, 37.8%

The favorable variance was primarily due to staff's effort to monitor operational equipment usage to ensure maximum use from supplies, replacement parts, and consumables used by treatment plants. As a result, operations-related repairs required fewer corrective tasks than were budgeted.

Biosolids Recycling, 45.2%

Biosolids expenses were \$2.0 million or 45.2% of the budget. Biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. Year to date tonnage of the agency's biosolids generated from all its water recycling facilities shipped to IERCA was 30,334 tons at a processing rate of \$56 per ton. Total tonnage hauled from IEUA was approx. 32,300 tons at a blended rate of \$5.80 per ton.

Chemicals, 37.9%

Chemical expenses were \$1.8 million, or 37.9% of budget. Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high quality recycled water. Favorable variance is mainly due to the reduction in consumption on sodium hypochlorite used for disinfection, odor control, and solids thickening to improve the process of performance coupled with less polymer dosage added to the primary clarifier to enhance solids settling and to the sludge to enhance the thickening and dewatering process.

Operating Fees, 46.6%

Spending in this category was \$5.5 million, or 46.6% of the amended budget. Non-reclaimable wastewater system "pass-through" fees from Sanitation District of Los Angeles Count (SDLAC) and Santa Ana Watershed Project Authority (SAWPA) for \$4.1 million account for the majority of this category expenses. This category also includes \$1.4 million of expenses for readiness-to-serve obligation collected by MWD, budgeted at \$3.0 million.

MWD Water Purchases, 80.3%

Total MWD pass-through imported water purchases were \$27.4 million for 41,198 AF or 83% of 50,000 AF budgeted for the fiscal year. Water sales is expected to exceed the budget as a result of below average rainfall and higher deliveries. Water sales is directly correlated to the costs to purchase and treat water.

Utilities, 48.1%

Total category expenses were \$4.7 million of the \$9.7 million amended budget. This category includes the purchase of electricity from Southern California Edison (SCE) or the grid, use of natural gas, and the purchase of renewable energy generated on site from solar and wind. The RP-5 incurred an increase in electricity costs due to the inoperable Renewable Energy Efficiency Project (REEP) at the facility. The increase in electricity expenses was offset by lower solar power, natural gas and disposal service expenses. Current average rate for imported electricity of \$0.115 versus \$0.125/kWh budgeted rate. Blended rates for electricity and natural gas are budgeted at \$0.125 per kWh and \$0.80 per therm, respectively. Mid-year usage was measured at 34,959,059 kWh against annual agency average of 70,000,000 kWh.

O&M and Reimbursable Projects, 22.4% and 31.3%

The combined O&M and reimbursable project costs were \$5.8 million or 23% of their combined amended budget. The amended budget includes \$6.9 million of encumbrances carried forward from FY 2016/17. These costs are projected to increase in the subsequent period due to the awarding of construction contracts approved in December 2017. The actual expenses include \$2.5 million of pass through grant proceeds that were remitted to the Chino Basin Desalter Authority (CDA).

Financial Expenses

Financial Expense, 58.9%

Total financial expenses were \$13.0 million through the end of the second quarter. Actual costs included \$9.4 million paid towards the principal and interest for the 2008B and 2010A bonds. Other notes and loan principal and interest payments were \$3.5 million, and \$0.1 million for financial administration fees.

Other Expenses

Other Expenses, 73.4%

Total other expenses were \$0.3 million or 73.4% compared to budget included annual contributions-in-aid to the Santa Ana Watershed Project Authority.

Capital Expenses

Capital Costs, 28.8%

Total capital project expenditures through the end of second quarter were \$20.6 million or 28.8% of the amended budget of \$71.6 million. The amended budget includes encumbrances of \$5.1 million of budget carried forward from FY 2016/17. Favorable variance in capital spending is largely driven by changes in the project scope and schedule, construction bid results, regulatory issues, and external resources associated with such undertakings. Capital project costs related to the regional wastewater program through the second quarter were \$17.3 million, or 34% of the \$51.6 million program budget. Recycled water capital projects accounted for \$1.2 million, or 10% of \$12.9 million budget.

Summary of major capital and non-capital project expenses and status as of December 31, 2017

Capital Projects		Amended FY 2017/18	YTD Expenditure	Budgeted Amount Remaining
EN15008	<p>Water Quality Laboratory</p> <p>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 is funded in part by State Revolving Fund (SRF) loan proceeds. Currently, the project is in the construction phase and is progressing according to schedule and is projected to be completed near the end of 2018.</p>	11,300,000	6,490,576	4,809,424
EN14019	<p>RP-1 Headworks Gate Replacement</p> <p>This project includes the full replacement of the 17 existing headworks gates at RP-1 with new stainless steel gates. These gates were deemed significantly deficient during a full condition assessment conducted in July of 2009. The project is currently in the construction phase.</p>	4,600,256	164,143	4,436,113
EN13001	<p>San Sevaine Basin Improvements</p> <p>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 Sevaine 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. This project is currently in construction.</p>	4,320,000	71,248	4,248,752
EN17110	<p>RP-4 Process Improvements</p> <p>This project involves improvements to different processes and operational functional flexibility at RP-4. The project's scope of work was expanded during the charter phase and the technical preparation work was placed on hold in order to focus on the Emergency Trident Filter project.</p>	2,847,350	320,039	2,527,311
O&M & Reimbursable Projects		Amended FY 2017/18	YTD Expenditure	Budgeted Amount Remaining
PA17006	<p>Agency-Wide Aeration Panel Replacements</p> <p>The project scope involves the replacement of aeration panels at RP-1, RP-4, RP-5, and CCWRF. The aeration panel replacement will improve oxygen transfer efficiency and operational effectiveness of the wastewater treatment process. Construction contract was awarded in December 2017.</p>	4,048,511	401,090	3,647,421
EN16021	<p>TCE Plume Cleanup</p> <p>In June 2015, IEUA entered into an agreement with the Chino Basin Desalter Authority (CDA) to fund a project designed to remediate the South Archibald Plume. Currently the project faces issues concerning property acquisition that have caused delays in the project's timeline. Mitigation of these delays will be attempted during the design and/or construction phases of the project. The project's budget was amended in the second quarter by \$2.5 million to account for a pass-thru grant remitted to CDA of the same dollar amount.</p>	3,818,000	2,678,829	1,139,171
WR16024	<p>Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)</p> <p>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.</p>	3,138,398	92,357	3,046,041

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2017/18
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended December 31, 2017

	Adopted FY 2017/18 Annual Budget	Amended FY 2017/18 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<u>OPERATING REVENUES</u>					
User Charges	\$77,755,499	\$77,755,499	\$40,223,565	(\$37,531,934)	51.7%
Recycled Water	17,245,000	17,245,000	10,000,350	(7,244,650)	58.0%
MWD Water Sales	34,167,480	34,167,480	27,437,801	(6,729,679)	80.3%
Property Tax - O&M	1,972,200	1,972,200	1,127,598	(844,602)	57.2%
Cost Reimbursement from JPA	6,355,334	6,355,334	3,216,297	(3,139,037)	50.6%
Interest Revenue	1,162,133	1,162,133	272,872	(889,261)	23.5%
TOTAL OPERATING REVENUES	\$138,657,646	\$138,657,646	\$82,278,483	(\$56,379,163)	59.3%
<u>NON-OPERATING REVENUES</u>					
Property Tax	\$44,073,800	\$44,073,800	\$24,035,221	(\$20,038,579)	54.5%
Connection Fees	23,095,710	29,404,710	13,877,514	(15,527,196)	47.2%
Grants	5,970,459	5,970,459	3,128,033	(2,842,426)	52.4%
SRF Loan Proceeds	9,314,399	9,314,399	3,173,109	(6,141,290)	34.1%
Project Reimbursements	1,637,073	1,607,074	1,725,200	118,126	107.4%
Other Revenue	878,636	908,636	579,850	(328,786)	63.8%
TOTAL NON OPERATING REVENUES	\$84,970,077	\$91,279,078	\$46,518,927	(\$44,760,151)	51.0%
TOTAL REVENUES	\$223,627,723	\$229,936,724	\$128,797,410	(\$101,139,314)	56.0%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$24,670,593	\$25,641,793	\$13,397,020	\$12,244,773	52.2%
Benefits	20,785,970	20,785,970	8,917,734	11,868,236	42.9%
TOTAL EMPLOYMENT EXPENSES	\$45,456,563	\$46,427,763	\$22,314,754	\$24,113,009	48.1%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$1,577,192	\$2,319,220	\$705,852	\$1,613,368	30.4%
Insurance Expenses	850,000	845,752	352,051	493,701	41.6%
Professional Fees & Services	11,233,702	11,907,695	2,738,125	9,169,570	23.0%
O&M Projects	15,932,563	24,435,716	5,479,833	18,955,883	22.4%
Reimbursable Projects	775,000	947,499	296,486	651,013	31.3%
TOTAL ADMINISTRATIVE EXPENSES	\$30,368,457	\$40,455,882	\$9,572,347	\$30,883,535	23.7%

Totals may not add up due to rounding

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2017/18
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended December 31, 2017

	Adopted FY 2017/18 Annual Budget	Amended FY 2017/18 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
OPERATING EXPENSES					
Material & Supplies/Leases	\$3,224,862	\$3,766,972	\$1,422,165	\$2,344,807	37.8%
Biosolids Recycling	4,359,942	4,379,680	1,980,340	2,399,340	45.2%
Chemicals	4,549,446	4,653,622	1,763,848	2,889,774	37.9%
MWD Water Purchases	34,167,480	34,167,480	27,437,801	6,729,679	80.3%
Operating Fees/RTS Fees/Exp. Alloc.	11,908,272	11,895,078	5,548,286	6,346,792	46.6%
Utilities	9,768,493	9,734,237	4,680,113	5,054,124	48.1%
TOTAL OPERATING EXPENSES	\$67,978,495	\$68,597,069	\$42,832,553	\$25,764,516	62.4%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$143,803,515	\$155,480,714	\$74,719,654	\$80,761,060	48.1%
<u>NON-OPERATING EXPENSES</u>					
CAPITAL OUTLAY	\$69,150,198	\$71,533,766	\$20,576,499	\$50,957,267	28.8%
FINANCIAL EXPENSES					
Principal, Interest and Financial Expenditure	22,043,492	22,043,492	12,994,404	9,049,088	58.9%
OTHER NON OPERATING EXPENSES	1,637,559	412,125	302,472	109,653	73.4%
TOTAL NON-OPERATING EXPENSES	\$92,831,249	\$93,989,383	\$33,873,375	\$60,116,008	36.0%
TOTAL EXPENSES	\$236,634,764	\$249,470,097	\$108,593,029	\$140,877,068	43.5%
REVENUES IN EXCESS/ (UNDER) EXPENSES					
	(\$13,007,041)	(\$19,533,373)	\$20,204,381	\$39,737,754	
FUND BALANCE SUMMARY					
Beginning Balance, July 01	\$156,653,284	184,106,763	\$184,106,763	\$0	
Surplus/ (Deficit)	(13,007,041)	(19,533,373)	20,204,381	39,737,754	
ENDING BALANCE, June 30	\$143,646,243	\$164,573,390	\$204,311,144	\$39,737,754	

Totals may not add up due to rounding

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year:2018

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
Agency Management														
313	FY 2017/18	Monthly	Agency Management	B	Ensure staff is fully trained on administrative functions and policies included in Administrative Code	In the process of developing the Administrative Handbook and Board of Director Bylaws	Administrative Code will be completed by December 2017	Monthly meetings are held to review/revise the policies. Six to eight policies are reviewed monthly	April Woodruff	February	2018	On Schedule		The Board approved the new Administrative Handbook on January 17, 2018.
311	FY 2017/18	Annual	Agency Management	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values	Staff to complete a course or seminar for professional development annually	Complete notary course/exam by March 2018.	Travel/Expense Reports	April Woodruff	February	2018	On Schedule		Notary Exam was completed by Sally Lee in December 2017.
316	FY 2017/18	Annual	Agency Management	D	Develop regional collaboration for groundwater storage programs.	Develop water bank program for the Chino Basin	Water Bank Authority to be established by the end of the fiscal year	Meeting bi-weekly with parties to review/discuss cost-sharing agreements, budget, and proposals. Selected consultant to develop water bank.	April Woodruff	February	2018	On Schedule		All parties signed the CBWB JPA and will be appointing directors. Second CBWB Workshop for stakeholders was completed on 2/1/18. Parties continue to meet bi-weekly
317	FY 2017/18	Monthly	Agency Management	E	Continue the process of collaborative negotiations in support of reaching mutually agreeable terms for the new Regional Contract.	Renegotiate the Regional Contract set to expire in 2023	Member agencies and the Technical Committee are working towards a development plan. TAC meeting are held monthly.	Track Technical Committee meeting minutes for status updates throughout fiscal year.	April Woodruff	February	2018	On Schedule		Ongoing: Facilitation Team completed interviews and presented their findings to the Technical & Policy Committees of Phase 1.
315	FY 2017/18	Monthly	Agency Management	C	Provide support for positions that would enable the implementation of the Agency's goals.	Update and maintain Board Secretary Handbook	To be completed by June 2018	Monthly handbook review	April Woodruff	February	2018	On Schedule		Ongoing: Project is 80% complete.
314	FY 2017/18	Monthly	Agency Management	C	Provide support for positions that would enable the implementation of the Agency's goals.	Develop a standard operating procedure handbook for the Executive Management Department.	To be completed by June 2018	Complete 3 - 4 SOPs per month	April Woodruff	February	2018	On Schedule		Ongoing: Project is 50% completed.
Contracts and Procurement														
379	FY 2017/18	Semi-Annual	Finance and Administration	C	Conduct lessons learned sessions to evaluate key program implementation.	Increase post project discussion with Agency project managers.	Completed by January 30, 2018	Quarterly meetings will be scheduled with project managers.	Warren Green	February	2018	On Schedule		Staff has established monthly meetings with Project Managers to discuss their activities and get an understanding of upcoming projects.
Engineering														
469	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Develop a monitoring and assessment program to support the implementation of the Asset Management Plan.	Complete Asset Management Plan by November 2019.	Ongoing	Submit progress updates every six months, planned completion by November 2019.	Shaun Stone	February	2018	On Schedule		Currently staff is releasing a request for proposals to seek a qualified firm to evaluate the current AM Program, determine known gaps in the program in comparison to industry standards, and provide a two-year plan to implement necessary additions to the program. In the meantime, the system will continue to gather asset conditions, prepare for further system wide assessments, and implement recommended projects to address known critical assets and/or maintain an assets useful life. Within the next 6-month period, staff will award a service contract for the AM program review and continue with the AM planning for the TYCIP.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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														
465	FY 2017/18	Monthly	Engineering, Planning and Science	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Enhance communication and development during a monthly mentoring meeting with Senior and Junior staff.	Ongoing	Conduct mentoring meetings at least 10 times per year.	Shaun Stone	February	2018	On Schedule		Staff conducted one mentoring session in October; "Field Trip to the Plants w/Operations" to gain first-hand knowledge of plant operations.
473	FY 2017/18	Monthly	Engineering, Planning and Science	E	Implement energy efficient projects and efficiencies into existing facilities and equipment.	Staff are actively reviewing projects for Southern California Edison (SCE) savings programs.	Ongoing over two years	All applicable projects will be sent to SCE for incentives.	Shaun Stone	February	2018	On Schedule		In January, staff reviewed the RP-4 Process Improvements project for potential energy savings on the blowers. Additionally, staff began discussions with The Energy Network about possibly auditing the existing blowers at RP-4
471	FY 2017/18	Monthly	Engineering, Planning and Science	E	Implement projects in a timely and cost-effective manner.	Provide high quality project management	Ongoing	Capital spending within Fiscal Year Budget = 90%, Actual expenditures as a percentage of forecasted expenditures = 90%, Project costs within 110% of the Total Project Budget established in the Project Charter = 90%	Shaun Stone	February	2018	On Schedule		Capital spending within Fiscal Year Budget = 79%, Actual expenditures as a percentage of forecasted expenditures = 86%, Project costs within 110% of the Total Project Budget established in the Project Charter = 4 of 7 projects, 57%
87	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Achieve 20,000 acre feet of recycled water recharge in Dry Years by June 2019	Implement the schedule consistent with the RWPS and the Recharge Master Plan Update	Continuous	Meet the schedules as defined by the RWPS and RMPU	Shaun Stone	January	2018	On Schedule	No	The RWPS was used to develop recommended projects and TYCIP.
91	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Coordinate with the Chino Basin Watermaster on the Recharge Master Plan Update by July 2019	Implement projects by the schedule as identified in the RMPU	continuous	Meet schedule as defined by the RMPU	Shaun Stone	January	2018	On Schedule	No	The 2019 RMPU is discussed at the IEUA/CBWM Quarterly meetings. Focus meeting will be scheduled.
467	FY 2017/18	Monthly	Engineering, Planning and Science	C	Conduct lessons learned sessions to evaluate key program implementation.	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	At a minimum of 10 times per year	Shaun Stone	February	2018	On Schedule		Staff conducted one lessons learned in January; "EN15013 – RP-1 TWAS Pipeline".
External Affairs														
441	FY 2017/18	Quarterly	External Affairs and Policy Development	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Conduct Agency training on department processes that in support of managing electronic records	Staff to train Agency employees on Laserfiche software for Phases 2-3 by June 30, 2018	Measure the percentage of agency staff trained in records management best practices and management of electronic records.	Linda Johnson	January	2018	On Schedule		Each phase will take 4-6 months for completion. On schedule to complete Phases 2-3 by June 30, 2018.
447	FY 2017/18	Quarterly	External Affairs and Policy Development	C	Provide support for positions that would enable the implementation of the Agency's goals.	Continue to cultivate strong working relationships with elected officials and governmental agencies to help ensure IEUA continues to be a regional leader in water, wastewater and renewable energy issues.	Ongoing	Invite elected officials to Agency events and hold a minimum of 3 VIP tours per year.	Kathryn Besser	February	2018	On Schedule		Staff held a VIP tour for Assemblymember Phillip Chen and a staff member in December 2017. Staff continues to reach out to elected officials in efforts to build and maintain crucial relationships.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL

Report Month: October, November, December : Year: 2018

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														
451	FY 2017/18	Monthly	External Affairs and Policy Development	E	Develop and analyze processes related to salinity management.	Continue to audit big box stores' inventory of water softeners and continue to work with planning staff to pass ordinances in remaining cities.	Ongoing	Audit 36 stores per year and present findings at city council meetings.	Kathryn Besser	February	2018	On Schedule		Audits and finding presentations will be completed in future quarters of FY 17/18. Presentations are currently being scheduled.
455	FY 2017/18	Monthly	External Affairs and Policy Development	F	Conduct educational and outreach programs and activities related to the Agency's key areas of business.	Continue to grow and advance the Agency's educational and outreach programs including increasing the number of students participating in the Water Discovery Program, Water is Life Poster Contest, and Garden in Every School® Program. Continue to expand the Agency's social media presence to increase outreach to community members in the region.	Ongoing	Increase outreach to schools within the region. Increase IEUA's posts on social media to continue to increase the Agency's social media following - post 2-3 times per week	Kathryn Besser	February	2018	On Schedule		On average, the External Affairs department has posted 35 times a month, approximately 8 posts per week on both Facebook and Twitter accounts. Staff has continued to increase IEUA's social media following and works to create new media content to bring awareness to current water matters.
439	FY 2017/18	Quarterly	External Affairs and Policy Development	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Provide staff with opportunities for technical and professional training classes.	Obtain Gold Standard in Laserfiche Management Certified Computer Professional (CCP) by December 2017. Attend ARMA International training by October 2017. Attend Laserfiche Conference by February 2018.	Measure the percentage of Records Management staff trained in Records and Information Management disciplines.	Linda Johnson	January	2018	Behind Schedule		This G&O has been reassigned to RM new Specialist who began with the Agency December 2017
443	FY 2017/18	Quarterly	External Affairs and Policy Development	C	Conduct lessons learned sessions to evaluate key program implementation.	Hold department lessons learned meetings to evaluate and improve the effectiveness and efficiency of Agency events and educational programs	Ongoing	Hold 3 per year on major programs/events.	Kathryn Besser	January	2018	On Schedule		Staff conducts a review discussion (in the EA staff meeting) following each event. A review discussion was had after this year's holiday luncheon. Staff has also continued to review and conduct lessons learned from park tours experiences including staffing, curriculum, and outreach methods and materials.
445	FY 2017/18	Monthly	External Affairs and Policy Development	C	Translate complex water/environmental regulations and the IEUA role in protecting regional programs, economy and environment for the general public and elected officials.	Continue to work with community groups and the regional technical and policy committees to relay information and updates on the complex issues that impacting the region.	Ongoing	Attend monthly Regional Policy and Technical Committee meetings. Attend and present 1 community event per quarter.	Kathryn Besser	January	2018	On Schedule		The Executive Manager of External Affairs and Policy Development/AGM continues to attend each Regional Policy and Technical committees. The Executive Manager of External Affairs and Policy Development/AGM also attend the City of Chino's Government Affairs Lunch meeting on 1/25/18.
449	FY 2017/18	Semi-Annual	External Affairs and Policy Development	D	Work to change landscape and agricultural practices of high chemical use to increase use of compost to improve groundwater quality.	Continue to watch legislation as it relates to compost and organics. When applicable participate in promoting legislation that advances this work plan.	Ongoing	Work with state and federal legislative offices to support any proposed bill language or programs that bring awareness and use of compost and organics.	Kathryn Besser	January	2018	On Schedule		Staff and contracted lobbyist continue to monitor and analyze Federal and State legislation.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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														
453	FY 2017/18	Semi-Annual	External Affairs and Policy Development	E	Pursue opportunities for renewable energy development and interconnection with grid.	Continue to monitor legislation and policy as it relates to the use and development of renewable energy, advocating on behalf of the Agency when applicable.	Ongoing	Work with state and federal legislative offices to support any proposed bill language or programs that continue to develop the use of renewable energy.	Kathryn Besser	January	2018	On Schedule		Staff and contracted lobbyist continue to monitor and analyze Federal and State legislation.
Finance and Accounting														
388	FY 2017/18	Semi-Annual	Finance and Administration	A	Continue commitment to sustainable cost containment for operating and capital costs.	Monitoring cost containment for operating and capital costs through budget variance analysis for operating and capital costs.	Ongoing	Verify via analysis and reporting that operating and capital expenditures are on track with annual program fund budgets and adjust if necessary to meet program needs.	Javier Chagoyen-Laz	February	2018	On Schedule		Revenue and expenditures items are monitoring through the quarterly budget variance reporting which is provided for the Committee and Board review. Departments provide explanation and justification according to the budget variance reporting requirements.
390	FY 2017/18	Semi-Annual	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Monitor the receipt of property taxes, optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review via analysis and reporting that operating and capital revenues are on track with annual program fund budgets.	Javier Chagoyen-Laz	February	2018	On Schedule		Monitoring revenue and expenditure items through variance analysis and the FY 2018/19 mid year budget update.
404	FY 2017/18	Semi-Annual	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating.	Work towards to the Agency's long-term credit rating target of AAA and maintain a debt coverage ratio to support such a rating.	Ongoing	Receive AAA rating by June 2019.	Javier Chagoyen-Laz	February	2018	On Schedule		Continue to monitor the Agency's credit rating.
104	FY 2017/18	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 by FY 2017/18	Continue to monitor the Agency's debt coverage ratio and credit rating metrics to ensure the Agency is on track to improving its long term credit rating.	July-2018	Completed by June 2018	Javier Chagoyen -	February	2018	On Schedule	No	Continue to monitor the Agency credit rating and collaborate with financial advisor in developing financing strategies for supporting the Agency's ten year capital improvement plan (TYCIP).
398	FY 2017/18	Monthly	Finance and Administration	A	Optimize the Agency's investment of surplus funds in accordance with the Agency's investment policy.	Monitor Agency's cash flow and invest surplus funds in accordance with the Agency's investment policy.	Ongoing	Review cash flow bi-weekly.	Javier Chagoyen-Laz	February	2018	On Schedule		Biweekly review and discussion of the Agency's cash flow.
408	FY 2017/18	Monthly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Complete assigned safety tailgate training as provided on the department tracker by the Safety department.	Ongoing	Complete 21 safety tailgates annually and provide safety tailgate sign in sheets to the Safety department to keep safety tailgate tracker updated.	Javier Chagoyen-Laz	February	2018	On Schedule		Staff attends required safety and compliance related training regularly.
														Notes Biweekly review and discussion of the Agency's cash flow.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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
<u>Finance and Accounting</u>														
406	FY 2017/18	Monthly	Finance and Administration	A	Monitor the performance of deferred contribution programs.	Monitor and review monthly reports on deferred contribution.	Ongoing	Review performance monthly.	Javier Chagoyen-Laz	February	2018	On Schedule		Review and monitor performance monthly
386	FY 2017/18	Semi-Annual	Finance and Administration	A	Monitor the Agency's cost of service for key Agency programs to ensure rate efficiency related to Non-Reclaimable Wastewater (NRW) System, Regional Wastewater, Recycled Water, Water Resources, Groundwater Recharge, and Organics Management.	Adopt rates that fully meet the cost of service for key Agency programs to ensure rate efficiency related to Non-Reclaimable Wastewater (NRW) System, Regional Wastewater, Recycled Water, Water Resources.	Ongoing	Adopt rates that meet cost of service.	Javier Chagoyen-Laz	February	2018	On Schedule		Staff monitors each program fund's revenue, expenditures, and reserve balances, and provide update through the quarterly budget variance analysis.
396	FY 2017/18	Semi-Annual	Finance and Administration	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Update Long Range Plan of Finance (LRPF) and Ten-Year Capital Improvements Plan (TYCIP).	LRPF December 2017	Present to the Board by June 2018.	Javier Chagoyen-Laz	February	2018	On Schedule		Began the review of FY 2018/19 TYCIP update. Timeline of the preparation of the long range plan of finance (LRPF) is scheduled to start in April through September 2018.
396	FY 2017/18	Semi-Annual	Finance and Administration	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Update Long Range Plan of Finance (LRPF) and Ten-Year Capital Improvements Plan (TYCIP).	LRPF December 2017	Present to the Board by June 2018.	Javier Chagoyen-Laz	February	2018	On Schedule		Began the review of FY 2018/19 TYCIP update. Timeline of the preparation of the long range plan of finance (LRPF) is scheduled to start in April through September 2018.
400	FY 2017/18	Semi-Annual	Finance and Administration	A	Continue to monitor market opportunities to reduce cost of outstanding debt.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing	Verify with Agency's financial advisor at least two times a year.	Javier Chagoyen-Laz	February	2018	On Schedule		Working with Agency's various departments in updating the FY 2018/19 TYCIP and review with financial advisors regarding debt financing to best fit the projected capital expenditures.
<u>Grants Administration</u>														
461	FY 2017/18	Quarterly	External Affairs and Policy Development	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Collaborate with the member agencies, JPA's and regional leaders on projects that can be partially funded by grant or SRF loan programs.	Ongoing	Attend regular meetings and participate in conference calls with member agencies and JPA partners to discuss grant and loan opportunities.	Kathryn Besser	January	2018	On Schedule		Conference calls and coordination emails occurred with staff from CBWM, MVWD, City of Montclair, and City of Upland, regarding potential applications for their agencies. Coordination has continued with JCSD/Webb on the Joint IEUA-JCSD RW Intertie project, as well as with Pomona/MVWD on the Joint IEUA-Pomona-MVWD RW Intertie project. The Manager of Grants has attended most Board and Committee meetings internally.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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 Administration														
459	FY 2017/18	Monthly	External Affairs and Policy Development	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Recommend and pursue potential grant opportunities that align with the Agency mission and financial goals.	Ongoing	Provide update on grant opportunities to Executive Management via the monthly General Manager's board report.	Kathryn Besser	January	2018	On Schedule		Update was provided via the monthly General Manager's board report in October, November, and December.
463	FY 2017/18	Quarterly	External Affairs and Policy Development	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	Work in conjunction with the Chino Basin Desalter Authority to fulfill applications for funding and manage grants received.	Kathryn Besser	January	2018	On Schedule		Regarding the SWRCB/Division of Drinking Water Proposition 50 grant award of \$53.8 million, the final invoice of \$13.8 million was submitted in September 2017, and a final payment of \$13.8 million was received in December 2017.
Human Resources														
427	FY 2017/18	Quarterly	Finance and Administration	B	Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.	Work with Departments to further implement Cal/OSHA required programs outlined on the Cal-VPP Action Log, ensuring an inclusive, supportive, safer work environment.	Ongoing	Monitor 'Action Log' progress by updating the VPP committee and management as appropriate.	Sharmeen Bhojani	January	2018	On Schedule		This item has been placed on hold.
427	FY 2017/18	Quarterly	Finance and Administration	B	Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.	Work with Departments to further implement Cal/OSHA required programs outlined on the Cal-VPP Action Log, ensuring an inclusive, supportive, safer work environment.	Ongoing	Monitor 'Action Log' progress by updating the VPP committee and management as appropriate.	Sharmeen Bhojani	February	2018	On Schedule		The Cal-VPP project has been suspended pending direction from the new General Manager.
427	FY 2017/18	Quarterly	Finance and Administration	B	Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.	Work with Departments to further implement Cal/OSHA required programs outlined on the Cal-VPP Action Log, ensuring an inclusive, supportive, safer work environment.	Ongoing	Monitor 'Action Log' progress by updating the VPP committee and management as appropriate.	Sharmeen Bhojani	February	2018	On Schedule		The Cal-VPP project has been suspended pending direction from the new General Manager.
427	FY 2017/18	Quarterly	Finance and Administration	B	Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.	Work with Departments to further implement Cal/OSHA required programs outlined on the Cal-VPP Action Log, ensuring an inclusive, supportive, safer work environment.	Ongoing	Monitor 'Action Log' progress by updating the VPP committee and management as appropriate.	Sharmeen Bhojani	February	2018	On Schedule		The Cal-VPP project has been suspended pending direction from the new General Manager.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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														
429	FY 2017/18	Quarterly	Finance and Administration	B	Annually review and revise the Workplace Injury Illness Prevention Program to prevent work related injuries/illness and reduce loss of time worked.	Include the Injury Illness Prevention Program as a standing item on the Safety & Health Committee (SHC) Agenda ensuring bimonthly review by members. Integrate additional SHC member safety participation in various areas to promote fewer work related injuries.	Bi-Monthly/Annual	Review SHC participation periodically ensuring all members are provided the opportunity to contribute.	Sharmeen Bhojani	February	2018	On Schedule		The IIPP has been added as a standing item to the SHC agenda. Members are reminded to review periodically and make any recommendations. SHC members are taking part in various annual safety inspections increasing participation.
429	FY 2017/18	Quarterly	Finance and Administration	B	Annually review and revise the Workplace Injury Illness Prevention Program to prevent work related injuries/illness and reduce loss of time worked.	Include the Injury Illness Prevention Program as a standing item on the Safety & Health Committee (SHC) Agenda ensuring bimonthly review by members. Integrate additional SHC member safety participation in various areas to promote fewer work related injuries.	Bi-Monthly/Annual	Review SHC participation periodically ensuring all members are provided the opportunity to contribute.	Sharmeen Bhojani	February	2018	On Schedule		The IIPP has been added as a standing item to the SHC agenda. Members are reminded to review periodically and make any recommendations. SHC members are taking part in various annual safety inspections increasing participation.
431	FY 2017/18	Monthly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Expand employee/management reporting options for incidents, near miss and safety observations. Conduct independent field reviews on staff's knowledge of Safety topics, continuing to provide compulsory and supplemental trainings as requested.	Ongoing	Review reports as submitted providing feedback and follow up. Monitor staff knowledge level of applicable Safety topics.	Sharmeen Bhojani	February	2018	On Schedule		Employees continue to report near miss/safety observations through the on-line system. Submissions continue to be monitored with follow-up and corrective actions provided to the employee and reviewed with the SHC.
431	FY 2017/18	Monthly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Expand employee/management reporting options for incidents, near miss and safety observations. Conduct independent field reviews on staff's knowledge of Safety topics, continuing to provide compulsory and supplemental trainings as requested.	Ongoing	Review reports as submitted providing feedback and follow up. Monitor staff knowledge level of applicable Safety topics.	Sharmeen Bhojani	February	2018	On Schedule		Employees continue to report near miss/safety observations through the on-line system. Submissions continue to be monitored with follow-up and corrective actions provided to the employee and reviewed with the SHC.
426	FY 2017/18	Annual	Finance and Administration	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Move the initial IOC disaster drill timeline to September 2017 to allow a larger number new hires to participate, scheduling future drills at minimum every two years.	September 2017	Complete IOC disaster drills at minimum every two years.	Sharmeen Bhojani	January	2018	On Schedule		The disaster drill was conducted on January 24, 2017.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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														
431	FY 2017/18	Monthly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Expand employee/management reporting options for incidents, near miss and safety observations. Conduct independent field reviews on staffs knowledge of Safety topics, continuing to provide compulsory and supplemental trainings as requested.	Ongoing	Review reports as submitted providing feedback and follow up. Monitor staff knowledge level of applicable Safety topics.	Sharmeen Bhojani	February	2018	On Schedule		Employees continue to report near miss/safety observations through the on-line system. Submissions continue to be monitored with follow-up and corrective actions provided to the employee and reviewed with the SHC.
Integrated Systems Services														
335	FY 2017/18	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Conduct "Team Training" sessions for Process Automation and Control (SCADA) staff. A minimum of 8 sessions will be held during the year to improve staff knowledge	Annual by fiscal year end	Two training sessions per quarter monitored by sign-in sheets	David Malm	January	2018	On Schedule		Team training session on October 26th 2017 (Vantagepoint)
335	FY 2017/18	Annual	Agency Management	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Conduct "Team Training" sessions for Process Automation and Control (SCADA) staff. A minimum of 8 sessions will be held during the year to improve staff knowledge	Annual by fiscal year end	Two training sessions per quarter monitored by sign-in sheets	David Malm	January	2018	On Schedule		We conducted team training in July and September. July session: Amazon EC2 server for config for plant alarm messages. Sept session: Modicon PLC programming with Unity Pro.
339	FY 2017/18	Annual	Agency Management	C	Annually update Emergency Response and Operational Plans for all facilities.	Annually update the technology disaster recovery plans, contingency plans, and cyber security incident response plans	Annual completed by calendar year end	Update plans annually based on test results. Test results and plans will be presented to management for tracking purposes.	David Malm	January	2018	On Schedule		Updates were made after tests conducted (July and December).
336	FY 2017/18	Annual	Agency Management	B	Review and update the Disaster Preparedness Plan and conduct periodic emergency response drills every two years.	Annually test the technology disaster recovery and contingency plans.	Annual by fiscal year end	Conduct offsite SAP recovery test at least once per year and computer lab tests twice per year	David Malm	January	2018	On Schedule		Test was conducted at Cypress (Sungard facility) on December 5th 2017. An incident was discovered with SAP single sign on, and we are using terminal services to address the issue.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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														
343	FY 2017/18	Quarterly	Agency Management	B	Ensure staff 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 the audit scope includes evaluating that Agency processes and systems comply with the Agency's Mission, Vision, Values, best practice operations, processes and programs, Agency policies and procedures, as well as senior management input, as the criteria against which to measure performance and results of the audited business areas.	Report to the Audit Committee on completed audit projects Quarterly: March, June, September, and December	Internal Audits are to provide an independent and objective opinion, and feedback or recommendations for improvement and measure on how closely the criteria (Agency policies, procedures, including Mission, Vision and Values) are met, followed or understood. Provide recommendations to the appropriate personnel where to address gaps identified.	Teresa Velarde	January	2018	On Schedule		During this quarter, IA has completed audits as scheduled through the Board-approved Annual Audit Plan. All audits focus on efficiency and effectiveness as well as compliance and internal controls while keeping cost containment and tighter controls in mind - all reports provided recommendations and suggestions.
349	FY 2017/18	Quarterly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency's business practices.	Promote a strong control environment by conducting independent objective internal and external audits of Agency operations where the focus and scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations, improving customer service at all levels, ensuring safeguarding of Agency Assets, identifying ways to be effective and efficient.	Report to the Audit Committee on completed audit projects Quarterly: March, June, September, and December	Completed audit projects and feedback from the Audit Committee and audited business units.	Teresa Velarde	January	2018	On Schedule		IA completed audits as scheduled through the Annual Audit Plan. All audits focus on efficiency and effectiveness as well as compliance and internal controls while keeping cost containment and tighter controls in mind. During this quarter, IA reviewed Payroll Operations and made recommendations to further safeguard employee personnel records and moving to electronic filing. IA also conducted a comparable agency survey to gather best practices in the industry and shared all results with the HR department and in the final report.

Business Goals & Objectives Report By Department

Department: ALL
Report Month: October, November, December : Year: 2018

FY 2017/18 - 2nd Qtr.

Exhibit B

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														
353	FY 2017/18	Quarterly	Agency Management	B	Ensure staff is fully trained on administrative functions and policies included in the Administrative Code.	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 trends as well as training and knowledge of the Internal Audit Departments Standard Operating Procedures, ensure those procedures as well as the IAD Charter is updated annually, hold staff accountable for understanding their responsibilities under the SOPs, the Charters, Agency Policies and Directives and other policy documents.	Training provided continuously and ongoing, reported quarterly to the Audit Committee.	Completed Training, demonstration of application of the policies	Teresa Velarde	January	2018	On Schedule		Completed and On-going. IA staff members follow the Institute of Internal Auditors (IIA) guidance and professional standards and Ethics Code which require that continuing professional education and enrichment is a mandatory standard for all auditors. IA staff are also held responsible to the Board approved IA Charter which requires that auditors attend training to stay abreast of auditing trends and network with other professionals to develop a circle of resources. All auditors continue to study for higher professional designations and licenses.
355	FY 2017/18	Quarterly	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.	Report quarterly to the Audit Committee and the Board. March, June, September and December.	Resourcefulness of networks.	Teresa Velarde	January	2018	On Schedule		Completed and on-going. IA staff as required to uphold a professional demeanor at all times with all levels of staff. IA staff are required to maintain professional relationships and networks within and outside the organization and leverage the professional relationships, skills and knowledge to improve the service provided to the Agency while maintaining the highest loyalty to IEUA, and continuously seek to assist IEUA in achieving its goals and objectives.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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														
359	FY 2017/18	Quarterly	Agency Management	C	Provide support for positions that would enable the implementation of the Agency's goals.	Promote support for the achievement of Agency goals, objectives, mission and values through audit areas where the goal and scope of the reviews 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 where the focus and the audit scope would be to identify opportunities for improvement and provide support for positions, processes, developments and initiatives at any level of the Agency, that would enable the implementation and support of the Agency goals and the achievement of those goals.	Report quarterly to the Audit Committee and the Board. March, June, September and December.	Completed audit projects and feedback/comments from Agency management and or the Audit Committee and the Board.	Teresa Velarde	January	2018	On Schedule		Completed and on-going. As documented in the Board approved Charter and the IIA Standards, IAs main role is to assist IEUA in achieving its goals and objectives. IA has a reporting line to both the GM and the Board and must conduct work independently and objectively. Through all audit projects, IA seeks to provide objective recommendations for compliance with Agency policies and procedures, contain costs, reduce perceived risks and assist in achieving organizational goals.
341	FY 2017/18	Quarterly	Agency Management	A	Continue commitment to sustainable 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 and make the Agency's processes and programs more efficient.	Report to the Audit Committee on completed audit projects Quarterly: March, June, September, and December	Completed audit projects and feedback from the Audit Committee and audited business units.	David Malm	January	2018	On Schedule		IA has completed audits as scheduled through the Annual Audit Plan. All audits focus on efficiency and effectiveness as well as compliance and internal controls while keeping cost containment and tighter controls in mind.
Laboratory														
537	FY 2017/18	Annual	Engineering, Planning and Science	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Ensure all activities align and are consistent with the Agency's Objectives	Ongoing	Laboratory policies and procedures updated as needed.	Nel Groenveld	January	2018	On Schedule		Ongoing, updates to SOPs as needed
540	FY 2017/18	Annual	Engineering, Planning and Science	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency's business practices.	Conduct annual internal audits of Laboratory practices to meet Environmental Laboratory Accreditation Program (ELAP) requirements	Annual July 31	Meet 100% of criteria	Nel Groenveld	January	2018	On Schedule		Lab internal audit scheduled for May 2018

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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
Laboratory														
543	FY 2017/18	Annual	Engineering, Planning and Science	B	Prepare a plan and timeline to meet the standards of the Cal Star Award program from OSHA.	Update Laboratory Chemical Hygiene Plan (CHP)	Annual - June 30	CHP reviewed and updated to incorporate program award requirements	Nel Groenveld	January	2018	On Schedule		Lab CHP updates to be completed in June 2018
545	FY 2017/18	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Conduct all bi-weekly training per Agency policies	Bi-Weekly	All Laboratory staff to attend all required meetings, at month end review of tailgate sign-in sheets	Nel Groenveld	January	2018	On Schedule		Safety meetings completed
547	FY 2017/18	Quarterly	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Support Engineering during construction phase of Water Quality Laboratory	Ongoing, expected completion August 2018	Respond to CM RFI's in timely manner, causing no delays in construction	Nel Groenveld	January	2018	On Schedule		Attend weekly Water Quality Lab construction meetings.
548	FY 2017/18	Monthly	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Minimal disruption to Laboratory customers during transition from old Laboratory at RP-1 to Water Quality Laboratory located at HQ	August 2018	During month of move from old lab sample turnaround times are met 90% of the time.	Nel Groenveld	January	2018	On Schedule		Not applicable until FY 18/19
549	FY 2017/18	Monthly	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Evaluate new technologies in water analyses, implementing after completion of Water Quality Laboratory	Ongoing	Document implementation with reports	Nel Groenveld	January	2018	On Schedule		Not applicable until FY 18/19
551	FY 2017/18	Quarterly	Engineering, Planning and Science	D	Meet basin plan requirements and objectives in support of the recycled water program.	Meet sample turnaround times in support of recycled water program requirements	Ongoing	100% acceptable TATs	Nel Groenveld	January	2018	On Schedule		Ongoing, met schedule for 2Q
553	FY 2017/18	Monthly	Engineering, Planning and Science	E	Monitor treatment plant performance to meet regulatory requirements.	Meet sample turnaround times in support of Operations process control and NPDES permit requirements.	Ongoing	1 day for "Process Control" samples 10 days after end of month for NPDES compliance samples	Nel Groenveld	January	2018	On Schedule		Ongoing, met timelines for 2Q
555	FY 2017/18	Quarterly	Engineering, Planning and Science	E	Develop a plan to continue maximizing recycled water use by meeting Basin Plan and regulatory water quality requirements such as TOC and TIN objectives.	Support analyses requests for Basin Plan water quality requirements.	Quarterly	100% acceptable TATs	Nel Groenveld	January	2018	On Schedule		Ongoing, met timelines for Q2
557	FY 2017/18	Annual	Engineering, Planning and Science	E	Proactively track and manage constituents of emerging concerns.	Purchase and install LCMSMS instrument to begin analysis of emerging constituents in Water Quality Laboratory	Ongoing, Expected completion in FY 2018/19	Laboratory SOP completed, and complete Initial Demonstration of Capability (IDC)	Nel Groenveld	February	2018	On Schedule		This will be completed after move to the new Water Quality Laboratory, move expected to occur August 2018, completion of this goal by April 2019
559	FY 2017/18	Monthly	Engineering, Planning and Science	E	Operate effective pre-treatment programs to minimize treatment plant upsets.	Support analyses requests for pre-treatment program	Ongoing	100% acceptable TATs	Nel Groenveld	February	2018	On Schedule		Currently meeting TATs for PTSC samples
563	FY 2017/18	Quarterly	Engineering, Planning and Science	F	Comply with all regulatory requirements.	Meet analysis method QC and holding time requirements	Ongoing	>99% acceptable QC	Nel Groenveld	February	2018	On Schedule		QA/QC requirements are met at >99%

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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Laboratory														
565	FY 2017/18	Quarterly	Engineering, Planning and Science	F	Comply with all regulatory requirements.	Begin process of updating Laboratory to new ELAP regulations which will be implemented over the next 6 years	FY 2018/19	IEUA Lab analysis SOP format meeting new ELAP requirements finalized by July 2018, all analysis SOPs updated with new format by July 2023	Nel Groenveld	February	2018	On Schedule		Laboratory SOPs are currently being updated, on schedule for completion July 2018
Operations														
535	FY 2017/18	Quarterly	Operations & Maintenance	F	Comply with all regulatory requirements.	Comply with all Agency regulatory requirements.	Ongoing	Meet 100% compliance throughout the fiscal year.	Chander Letulle/Rick	February	2018	On Schedule		Q2 as reported by Compliance dept. Incident Summary Report states: 8/19 RP-5 Coliform Exceedance (>240 MPN) No other reportable NPDES related issues. SCAQMD compliance: RP-1 NOV Flare, Boilers RP-2 NOV Co-gen Engine RP-5 SHF NOV
517	FY 2017/18	Quarterly	Operations & Maintenance	D	Meet basin plan requirements and objectives in support of the recycled water program.	Ground water recharge (GWR) compliance with water quality and recharge standards.	Quarterly and Ongoing	Meet Chino Basin Desalter Authority (CDA) assigned production goals.	Chander Letulle	February	2018	On Schedule		Chino I Desalter has met all of the production goals set by CDA.
523	FY 2017/18	Quarterly	Operations & Maintenance	D	Work to change landscape and agricultural practices of high chemical use to increase use of compost to improve groundwater quality.	Inland Empire Regional Composting Authority (IERCA) - Promote Model Water Efficiency Landscape Ordinance and the state's Healthy Soil Initiative.	Quarterly and Ongoing	Provide updates on progress of initiatives	Jeff Ziegenbein	January	2018	On Schedule		
531	FY 2017/18	Semi-Annual	Operations & Maintenance	E	Maximize the use of bio-solids, including methods of expanding the use of compost by validating safety and productivity of the wastewater bi-product.	IERCA - Participate and support research to validate compost and biosolids safety.	Ongoing	Participate at least 2 times per year in industry research roundtables and identify opportunities to support research projects such as the use of biosolids on fire-ravaged lands.	Jeff Ziegenbein	January	2018	On Schedule		Participated in Compost Council Education Foundation research workshop in Jan 2018. Fire lands on list of research projects.
512	FY 2017/18	Quarterly	Operations & Maintenance	A	Continue commitment to sustainable cost containment for operating and capital costs.	Work within fiscal year budget.	Quarterly	Work within FY 2017/18 and FY 2018/19 Operations budget. Review and report quarterly via the budget variance report.	Randy Lee	February	2018	On Schedule		Monitor budget variance during bi-weekly Operations Division Manager meetings and complete quarterly Budget Variance reports for Finance.
533	FY 2017/18	Semi-Annual	Operations & Maintenance	E	Help position IEUA as a recognized leader in organics management through study, demonstration and application of wastewater organics in landscapes and agriculture.	IERCA - Develop plan for an agricultural demonstration project to demonstrate the value of IERCA compost.	Complete by June 30, 2018	Written plan to be complete by third quarter of FY 2017/18	Jeff Ziegenbein	January	2018	On Schedule		Plan drafted for review with IERCA Board at Feb 5, 2018 meeting. Two properties identified for further evaluation.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year:2018

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
Operations														
514	FY 2017/18	Quarterly	Operations & Maintenance	B	Ensure staff upholds their role in achieving the Agency's Mission, Vision, and Values.	Clearly communicate the Agency's Mission, Vision, & Values to staff and align their goals accordingly.	Ongoing	Communication with staff through all hands meetings and various staff meetings, and during annual appraisals.	Randy Lee	February	2018	On Schedule		Operations Division All Hands Meeting scheduled for 2/28/18. Continue to have bi-weekly meetings and 1-on-1 meetings with staff. In addition, the O&M Departments meet daily for Yesterday-Today-Tomorrow (YTT) to discuss scheduling and operational requirements.
519	FY 2017/18	Quarterly	Operations & Maintenance	D	Maintain water quality to meet customer needs, optimize recycled water use and minimize service interruptions and complaints (fruit labels, debris, etc.).	GWR to meet NPDES/RW Title 22 permit requirements for Reservoir management. Maintain equipment (uptime) by performing predictive and preventative maintenance.	Ongoing	Meeting 100% permit compliance	Andy Campbell	January	2018	On Schedule		No RW GWR compliance issues occurred the quarter.
519	FY 2017/18	Quarterly	Operations & Maintenance	D	Maintain water quality to meet customer needs, optimize recycled water use and minimize service interruptions and complaints (fruit labels, debris, etc.).	GWR to meet NPDES/RW Title 22 permit requirements for Reservoir management. Maintain equipment (uptime) by performing predictive and preventative maintenance.	Ongoing	Meeting 100% permit compliance	Andy Campbell	February	2018	On Schedule		No RW GWR compliance issues occurred the quarter.
521	FY 2017/18	Quarterly	Operations & Maintenance	D	Maximize the recharge of all sources of water.	GWR - ensure optimization of transmission and capture systems. Update the 2005 GWR Operations Plan and maintain optimal basin maintenance. Appropriately prioritize deliveries of storm, recycled, and imported water.	Ongoing	GWR Operations Plan to be completed December 2017.	Andy Campbell	February	2018	On Schedule		Continued work on ops plan. Dry Year Yield ended January 31 by MWD. Total DYY for GWR is approximately 33,000 AF while maintaining RW GWR flows.
527	FY 2017/18	Quarterly	Operations & Maintenance	E	Develop a plan to continue maximizing recycled water use while meeting Basin Plan and regulatory water quality requirements such as TOC and TIN objectives.	GWR - Continue basin sampling for water quality.	Ongoing	Quarterly GWR water quality sampling.	Andy Campbell	February	2018	On Schedule		Compliance sampling of wells, lysimeters, basins, and pipelines were completed as planned.
516	FY 2017/18	Quarterly	Operations & Maintenance	B	Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Develop pilot mentoring program with the Human Resources department, continue with the Trades Intern Program, continue to hire prior to FTE retirements to provide smooth transition.	Complete by June 30, 2018	Develop a Trades Intern program update spread sheet and replacement intern/volunteer positions will be filled within three months. Fully Initiate pilot program by the end of FY 2017/18.	Chander Letulle	February	2018	On Schedule		Trades Intern Program is on schedule. Recruitment is planned for Q3.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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
Operations														
525	FY 2017/18	Quarterly	Operations & Maintenance	E	Monitor treatment plant performance to meet regulatory requirements.	100% Permit compliance	Ongoing	Meeting 100% Permit compliance.	Chander Letulle/Rick	February	2018	On Schedule		Q2 as reported by Compliance dept. Incident Summary Report states: 8/19 RP-5 Coliform Exceedance (>240 MPN) No other reportable NPDES related issues. SCAQMD compliance: RP-1 NOV Flare, Boilers RP-2 NOV Co-gen Engine RP-5 SHF NOV
Planning and Environmental Compliance														
485	FY 2018/19	Semi-Annual	Engineering, Planning and Science	C	Leverage private/public partnership opportunities.	To provide the highest program value to the agency through fostering more-broad based collaborations.	Ongoing	For each program consider what opportunities exist to collaborate with partners/stakeholders as part of project feasibility.	Sylvie Lee	January	2018	On Schedule		The programs are ongoing and implemented as opportunities arise.
500	FY 2018/19	Quarterly	Engineering, Planning and Science	E	Continue the process of collaborative negotiations in support of reaching mutually agreeable terms for the new Regional Contract.	Develop a mutually agreeable term-sheet for the regional contract	Complete by June 2019	Produce a term-sheet	Sylvie Lee	January	2018	On Schedule		The negotiations with the contracting agencies are currently ongoing with the assistance of a facilitator. Contracting agency committees and IEUA to discuss path forward on the contract negotiation in upcoming meetings/workshops.
489	FY 2018/19	Semi-Annual	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Maintain relationships with industries to be current on latest trends and technology. Identify and participate in opportunities that will further technologies and efficiencies (Pilot/Research Projects).	Ongoing	Stakeholder collaborations and vendor training. Study/Participation	Sylvie Lee	January	2018	On Schedule		Staff recently completed residential landscape guidebook in collaboration with EMWD, Corona, Rancho California WD, and Elsinore Valley MWD in support of IEUA's landscape programming and member agencies. Ongoing participation in the California Data Collaborative to develop dashboards and research projects to support local agencies and statewide efficiency goals.
507	FY 2018/19	Semi-Annual	Engineering, Planning and Science	F	Develop response plans to minimize impacts to affected communities related to storm water Low Impact Development (LID), odor surveys, drought planning, project construction etc.	Develop Stormwater Resources Plan, Odor Surveys, and Regional Drought and Water Shortage Plan	Complete by June 2019	Provide completed plans and survey	Sylvie Lee	January	2018	On Schedule		Staff is currently working in collaboration with the member agencies on completing a regional drought response plan that includes technical and communication workgroups to provide expertise for plan development.
481	FY 2018/19	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Conduct all monthly training required to meet Agency policies.	Monthly	100% employee completion	Sylvie Lee	January	2018	On Schedule		Safety meetings and regulatory trainings are held on a monthly basis and safety topics are completed as necessary.
493	FY 2018/19	Semi-Annual	Engineering, Planning and Science	D	Develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.	Update long term water resource documents and continue development in local supplies	Ongoing	Complete IRP Phase 2 by December 2018 MWD-LRP application by December 2018	Sylvie Lee	January	2018	On Schedule		Modeling work for IRP phase 2 will commence in February 2018. LRP program is on hold pending further discussions with member agencies.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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
497	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Identify opportunities to augment the regional recycled water system.	Evaluate possibility of connecting brackish groundwater to supplement recycled water supply	Complete by June 2019	Develop Plan	Sylvie Lee	January	2018	On Schedule		Prop 1 application has been submitted for advanced water treatment facilities. Discussions are underway with Upper Santa Ana River dischargers to purchase supplemental water to increase IEUA recycled water in the service area working with Pomona and JCSD to potentially bring on external supplies to augment RW.
498	FY 2018/19	Quarterly	Engineering, Planning and Science	D	Meet basin plan requirements and objectives in support of the recycled water program.	Work towards amending the Basin Plan with updated salinity requirements	Complete by June 2019	Monitor progress through meetings regarding Basin Plan Amendment	Sylvie Lee	January	2018	On Schedule		Initiated the basin plan amendment modeling for longer term averaging of Total Dissolved Solids (TDS). Coordinating with the regional board to account for drought related TDS challenges.
501	FY 2018/19	Quarterly	Engineering, Planning and Science	E	Develop and analyze processes related to salinity management.	Work towards amending NPDESs Permit to provide long-term salinity management	Complete by June 2019	Produce the NPDES Permit Amendment	Sylvie Lee	January	2018	On Schedule		Initiated the work on the basin plan amendment modeling. Results will be coordinated with Regional Water Quality Control Board for any updates to the NPDES permits.
511	FY 2018/19	Semi-Annual	Engineering, Planning and Science	F	Participate and develop regional plans that provide a long-term habitat conservation plan.	Develop the Santa Ana River Habitat Conservation Plan	Complete by June 2019	Provide Completed Plan	Sylvie Lee	January	2018	On Schedule		Work on the habitat plan is ongoing. Discussions are underway to setup joint power authority to implement plan and negotiate with wildlife agencies.
476	FY 2018/19	Quarterly	Engineering, Planning and Science	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Integrate projects identified in the various planning documents into the TYCIP.	Expected completion by March 2019	The TYCIP detailed report is prepared every other year. Planning for the FY2018/19 report will commence in the fall of 2017.	Sylvie Lee	January	2018	On Schedule		TYCIP is currently under development and should be completed by April 2018.
496	FY 2017/18	Quarterly	Engineering, Planning and Science	D	Develop plans for regional low-impact development.	Collaborate with local agencies to identify and implement Low-Impact Development (LID) methods and practices	Compleat by June 2018	Adoption of local Ordinances and Resolutions incorporating LID methods.	Sylvie Lee	February	2018	On Schedule		Staff is currently working in collaboration with the member agencies on completing a regional drought response plan that includes technical and communication workgroups to provide expertise for plan development.
504	FY 2018/19	Semi-Annual	Engineering, Planning and Science	E	Implement energy efficient projects and efficiencies into existing facilities and equipment.	Conduct Feasibility studies to evaluate available technologies and estimate cost and benefits	Ongoing	Energy Efficiency Findings reports	Sylvie Lee	January	2018	On Schedule		Continue to work with Southern California Edison and Southern California Regional Energy Network to identify and implement energy efficiency projects such as pump testing, blower optimization, heating, ventilation, and air conditioning.
475	FY 2017/18	Quarterly	Engineering, Planning and Science	A	Integrate projects identified in the long range financial planning documents, such as the Asset Management Plan, Facilities Wastewater Master Plan, Technology Master Plan, Energy Plan, and the Integrated Resources Plan, into the operating and capital budgets.	Integrate projects identified in the various planning documents into the TYCIP.	Ongoing	The TYCIP detailed report is prepared every other year. Planning for the FY2018/19 report will commence in the fall of 2017.	Sylvie Lee	February	2018	On Schedule		TYCIP is currently under development and should be completed by April 2018.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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														
480	FY 2017/18	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Conduct all monthly training required to meet Agency policies.	Monthly	100% employee completion	Sylvie Lee	February	2018	On Schedule		Safety meetings and regulatory trainings are held on a monthly basis and safety topics are completed as necessary.
484	FY 2017/18	Semi-Annual	Engineering, Planning and Science	C	Leverage private/public partnership opportunities.	To provide the highest program value to the agency through fostering more-broad based collaborations.	Ongoing	For each program consider what opportunities exist to collaborate with partners/stakeholders as part of project feasibility.	Sylvie Lee	February	2018	On Schedule		The programs are ongoing and implemented as opportunities arise.
488	FY 2017/18	Semi-Annual	Engineering, Planning and Science	C	Evaluate cutting-edge, innovative projects to ensure the implementation will benefit customers, water supplies and environmental stewardship.	Maintain relationships with industries to be current on latest trends and technology. Identify and participate in opportunities that will further technologies and efficiencies (Pilot/Research Projects).	Ongoing	Stakeholder collaborations and vendor training. Study/Participation	Sylvie Lee	February	2018	On Schedule		Staff recently completed residential landscape guidebook in collaboration with EMWD, Corona, Rancho CA WD, and Elsinore Valley MWD in support of IEUA's landscape programming and member agencies. Ongoing participation in the California Data Collaborative to develop dashboards and research projects to support local agencies and statewide efficiency goals.
492	FY 2017/18	Semi-Annual	Engineering, Planning and Science	D	Develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.	Update long term water resource documents and continue development in local supplies	Ongoing	Complete IRP Phase 2 by December 2018 MWD-LRP application by December 2018	Sylvie Lee	February	2018	On Schedule		Modeling work for IRP Phase 2 will commence in February 2018. The LRP Program is on hold pending further discussions with member agencies.
502	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Operate effective pre-treatment programs to minimize treatment plant upsets.	Revise Regional Wastewater Ordinance. Proactively work with member agencies to identify and permit all Significant Industrial Users. Control the discharges from SIUs by issuing wastewater discharge permits. Conduct an inspection and monitoring program to determine compliance with pretreatment standards and requirements.	Complete by December 2018	Provide a revised Wastewater Ordinance	Sylvie Lee	February	2018	On Schedule		This project is ongoing. Continue to work with member agencies to identify and permit all Significant Industrial Users (SIU). Conduct routine inspections and monitoring programs to determine compliance with pretreatment standards.
506	FY 2017/18	Semi-Annual	Engineering, Planning and Science	F	Develop and update logical, technically-based and defensible local limits for regional significant industrial users.	Develop the Local Limits	Complete by June 2018	Adopt the Local Limits Resolution	Sylvie Lee	February	2018	On Schedule		Local limits were submitted to Regional Water Quality Control Board (RWQCB) in January 2018. A public hearing will be set for the local limits adoption once the RWQCB completes their review process.
508	FY 2017/18	Semi-Annual	Engineering, Planning and Science	F	Develop plans to support environmental stewardship in support of the Agency's key business areas.	Planning & Environmental Resources	Complete by June 2018	Provide completed plan	Sylvie Lee	February	2018	On Schedule		Ongoing participation in the Upper Santa Ana River Conservation Plan. Pursuing opportunities through Prop 1 grant to support local and Bay Delta habitat benefits.

Business Goals & Objectives Report By Department

FY 2017/18 - 2nd Qtr.

Exhibit B

Department: ALL
Report Month: October, November, December : Year: 2018

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
<u>Planning and Environmental Compliance</u>														
503	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Implement energy efficient projects and efficiencies into existing facilities and equipment.	Conduct Feasibility studies to evaluate available technologies and estimate cost and benefits	Ongoing	Energy Efficiency Findings reports	Sylvie Lee	February	2018	On Schedule		Continue to work with Southern California Edison and Southern California Regional Energy Network to identify and implement energy efficiency projects such as pump test, blow optimization, heating, ventilation, and air conditioning.
477	FY 2017/18	Quarterly	Engineering, Planning and Science	A	Complete rate study for wastewater EDU allocation.	Redefine the sewage factors currently used to determine the equivalent dwelling unit (EDU) as defined in Exhibit J of the Regional Contract.	June 2018	Revised Exhibit J Formula	Sylvie Lee	February	2018	On Schedule		Project is currently ongoing and pending input and discussion from Technical Committee via a series of workshops. The anticipated end date is tentatively in the fall of 2018.
505	FY 2017/18	Semi-Annual	Engineering, Planning and Science	E	Implement long term projects in support of long term renewable energy goals and minimize carbon footprint	Update Energy Management Plan	Complete by June 2018	Provide an updated 2018 Energy Management Plan	Sylvie Lee	February	2018	On Schedule		Project is currently ongoing and is expected to be complete pending the outcome of several feasibility studies, and discussion with Power Purchase Agreement (PPA) providers.

Fund	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10200	11/1/2017	514020	Memberships	\$7,800	514020	Memberships	\$7,800	Transfer to cover the membership costs for cost center 125100.	2
	11/2/2017		RO Reserves	\$2,468,000	EN16021	Chino Basin Groundwater Supply Wells	\$2,468,000	Supplement to account for pass-thru grant revenue and expense to CDA .	2
10200	12/12/2017	521410	Comp Sys Maint	\$10,000	502110	Wages	\$10,000	A shortfall of \$1 million is projected in the FY 2017/18	2
10200	12/12/2017	545340	Network Comm Svcs	\$10,000	502110	Wages	\$10,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	511230	Travel - Transportation	\$15,000	502110	Wages	\$15,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	511250	Travel - Lodging	\$5,000	502110	Wages	\$5,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	513010	Meeting Expenses	\$2,000	502110	Wages	\$2,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	513020	Conference Expenses	\$1,500	502110	Wages	\$1,500	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	514020	Memberships - CC Emp	\$1,200	502110	Wages	\$1,200	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	520930	Prof Svcs-Pub In	\$42,500	502110	Wages	\$42,500	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	521310	Graphic Services	\$2,500	502110	Wages	\$2,500	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	511220	Travel - Mileage	\$4,000	502110	Wages	\$4,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	511230	Travel - Transportation	\$5,000	502110	Wages	\$5,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	511250	Travel - Lodging	\$2,500	502110	Wages	\$2,500	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	521080	Other Contract Svcs	\$400,000	502110	Wages	\$400,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	521080	Other Contract Svcs	\$100,000	502110	Wages	\$100,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	521080	Other Contract Svcs	\$120,000	502110	Wages	\$120,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2

Fund	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10200	12/12/2017	512710	Equipment Maint Supp	\$20,000	502110	Wages	\$20,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	516010	Ads Newspaper	\$20,000	502110	Wages	\$20,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	512170	O & M supplies	\$50,000	502110	Wages	\$50,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	521010	Contract Labor	\$30,000	502110	Wages	\$30,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	545110	Electricity	\$60,000	502110	Wages	\$60,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	512410	Fuel	\$20,000	502110	Wages	\$20,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
10200	12/12/2017	570005	O & M Projects	\$50,000	502110	Wages	\$50,000	A shortfall of \$1 million is projected in the FY 2017/18 employment cost budget, due to increased hiring for succession planning and reduced vacancy factor.	2
			Total O&M Transfers Out	\$3,447,000		Total O&M Transfers In	\$3,447,000		

**Inland Empire Utilities Agency
FY 2017/18 GM Contingency Account Activity**

Exhibit C-2

Date	Description		Account/Project No.	Requestor	GM Contingency Budget	Transfers	Balance
7/1/2017	FY 2017/18 Adopted Budget	GG Fund	10200-112100-100000-519010		\$300,000		\$300,000
8/15/2017	Transfer to cover IEUA's portion of new SAWPA director's reception costs	GG Fund	10500-112100-160000-513010	P. Joseph Grindstaff		\$180	\$299,820
8/29/2017	Transfer to cover sales tax associated with Oracle Primavera annual maintenance fee	GG Fund	10900-118100-500000-521410	K. Pantayatiwong		\$1,700	\$298,120
GG Fund GM Contingency					\$300,000	\$1,880	\$298,120
GM CONTINGENCY GRAND TOTAL					\$300,000	\$1,880	\$298,120

cc: Joe Grindstaff, Christina Valencia

Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2017/18

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	10/25/17	Yes	Yes	Yes	IS16021	SAP Roadmap & Strategy	\$150,000	\$0	\$150,000	(\$5,500)	\$144,500	\$150,000	(\$5,500)	\$144,500	IS18031	Transfer to cover the cost of the SSL VPN appliance that will allow ISS/BIS to easily replicate the production system and host it on a separate network while maintaining accessibility without compromising security risks.
						IS18013	SSL VPN Appliance LS	\$0	\$0	\$0	\$5,500	\$5,500	\$0	\$5,500	\$5,500	(IS16021)	
Capital	10/25/17	Yes	Yes	Yes	IS16021	SAP Roadmap & Strategy	\$150,000	(\$5,500)	\$144,500	(\$32,000)	\$112,500	\$144,500	(\$32,000)	\$112,500	IS18014	Transfer to cover the costs for additional SAP Limited Professional licenses needed to meet the surging demand for new hires as part of the succession plan.	
					IS18014	SAP User Licenses	\$0	\$0	\$0	\$32,000	\$32,000	\$0	\$32,000	\$32,000	(IS16021)		
Capital	11/30/17	Yes	Yes	No	IS18003	BizNet Email Service	\$25,000	\$0	\$25,000	(\$300)	\$24,700	\$25,000	(\$300)	\$24,700	IS18012	Transfer to cover the purchase of a new scanner for Records Management. The lowest bid received exceeds the original total project budget by \$216.10.	
					IS18012	BizNet Rec Mgmt Scanner	\$6,000	\$0	\$6,000	\$300	\$6,300	\$6,000	\$300	\$6,300	(IS18003)		
Capital	12/21/17	Yes	Yes	No	CP16005	Headquarters LEED OM Certification	\$75,000	\$0	\$75,000	(\$30,000)	\$45,000	\$30,000	(\$30,000)	\$0	EN16049	Transfer to finalize the remaining miscellaneous conference room costs and staff labor to close out the project.	
					EN16012	CIPO Enhancements	\$175,000	\$0	\$175,000	(\$10,000)	\$165,000	\$175,000	(\$10,000)	\$165,000	EN16049		
					EN16049	Conference Rooms Audio Visual Upgrades	\$1,351,477	\$0	\$1,351,477	\$40,000	\$1,391,477	\$569,927	\$40,000	\$609,927	(CP16005/EN16012)		
Subtotal Administration (GG):							\$1,932,477			\$1,926,977		\$1,100,427		\$1,100,427			
10600	Capital	11/28/17	Yes	Yes	Yes	EN17046	1630 East Pump Station Upgrades	\$300,000	\$0	\$300,000	(\$115,000)	\$185,000	\$202,500	(\$115,000)	\$87,500	EN18054	Transfer to create new project, EN18054, to replace 10 recycled water valves at RP-1 which currently do not operate but will enable plant staff to isolate the system into smaller more manageable loops for maintenance and shutdowns.
						EN18054	RP-1 RW Replacement Ph II	\$0	\$0	\$0	\$115,000	\$115,000	\$0	\$115,000	\$115,000	(EN17046)	
Subtotal Recycled Water (WC):							\$300,000			\$300,000		\$202,500		\$202,500			
10800	Capital	10/10/17	Yes	Yes	Yes	EN17110	RP-4 Process Improvements	\$17,521,763	\$0	\$17,521,763	(\$55,000)	\$17,466,763	\$3,087,350	(\$55,000)	\$3,032,350	EN18052	Transfer from EN17110 for new project, EN18052, requested by Operations for the foam suppression system which is experiencing issues in the southern region of the wet well.
						EN18052	RP-1 Dewatering Building Foam Suppression System Expansion	\$0	\$0	\$0	\$55,000	\$55,000	\$0	\$55,000	\$55,000	(EN17110)	
Capital	10/26/17	Yes	Yes	No	EN17110	RP-4 Process Improvements	\$17,521,763	(\$55,000)	\$17,466,763	(\$70,000)	\$17,396,763	\$3,032,350	(\$70,000)	\$2,962,350	EN17052	Transfer to fund additional construction and engineering services related to the RP-1 Disinfection Project and the installation of the secondary footing at RP-4.	
					EN17052	RP-1 and RP-4 Safety Improvements	\$949,000	\$0	\$949,000	\$70,000	\$1,019,000	\$665,100	\$70,000	\$735,100	(EN17110)		
Capital	11/20/17	Yes	Yes	No	EN17110	RP-4 Process Improvements	\$17,521,763	(\$125,000)	\$17,396,763	(\$45,000)	\$17,351,763	\$2,962,350	(\$45,000)	\$2,917,350	EN17072	Transfer from EN17110 to cover the scope increase of EN17072 and complete the construction phase of the CCWRF Airduct Modifications project.	
					EN17072	CCWRF Airduct Modifications	\$50,000	\$0	\$50,000	\$45,000	\$95,000	\$32,000	\$45,000	\$77,000	(EN17110)		
Capital	12/14/17	Yes	Yes	No	EN17110	RP-4 Process Improvements	\$17,521,763	(\$170,000)	\$17,351,763	(\$30,000)	\$17,321,763	\$2,917,350	(\$30,000)	\$2,887,350	EN17052	Transfer to EN17052 to cover the RP4 wall redesign due to incorrect footing placement and lack of grout in the wall.	
					EN17052	RP-1 and RP-4 Safety Improvements	\$949,000	\$70,000	\$1,019,000	\$30,000	\$1,049,000	\$735,100	\$30,000	\$765,100	(EN17110)		
Subtotal Regional Operations (RO):							\$72,035,052			\$71,755,052		\$13,431,600		\$13,431,600			

Inland Empire Utilities Agency

Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2017/18

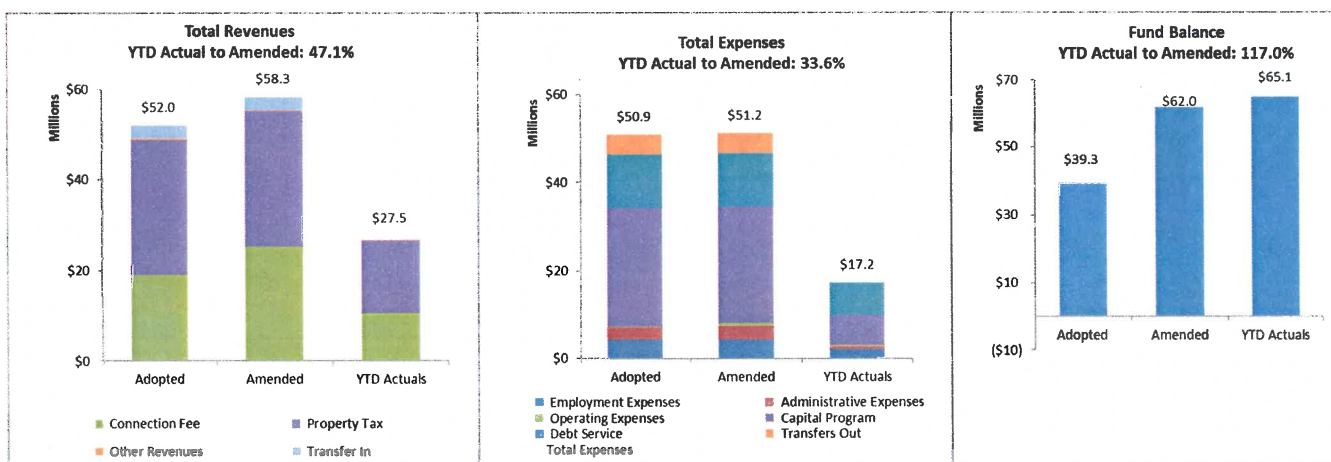
Fund	Capital or Spec Proj?	Transfer Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification			
10900	Capital	11/6/17	Yes	Yes	No	EN14019	RP-1 Headworks Primary and Secondary Upgrades	\$10,440,000	(\$90,000)	\$10,350,000	(\$600,000)	\$9,750,000	\$5,200,256	(\$600,000)	\$4,600,256	EN16024	Transfer from EN14019 to cover increased costs for engineering services during the construction phase of EN16024.			
						EN16024	RP-1 Mixed Liquor Project	\$6,636,000	\$0	\$6,636,000	\$600,000	\$7,236,000	\$1,409,125	\$600,000	\$2,009,125	(EN14019)				
Subtotal Regional Capital (RC)								\$17,076,000			\$16,986,000	\$6,609,381		\$6,609,381						
								Capital Total Project Budget		Capital Total Project Budget		Total Annual Capital Budget								
								Adopted		Adopted		Adopted		Adopted		Adopted				
								\$91,343,529		\$90,968,029		\$21,343,908		\$21,343,908						
10200	O&M Proj	10/10/17	Yes	Yes	No	CP16004	Headquarters LEED OM	\$108,100	\$0	\$108,100	(\$2,000)	\$106,100	\$76,883	(\$2,000)	\$74,883	PA17002	Transfer to cover painting project sales tax charges to be processed.			
						PA17002	Agency Wide Coatings	\$200,000	\$0	\$200,000	\$2,000	\$202,000	\$200,000	\$2,000	\$202,000	(CP16004)				
Subtotal Administration (GG)								\$308,100			\$308,100	\$276,883		\$276,883						
10700	O&M Proj	10/25/17	Yes	Yes	No	WR16008	CII Rebate Incentives FY 15/16	\$500,000	\$0	\$500,000	(\$126,959)	\$373,041	\$126,959	(\$126,959)	\$0	WR18008	Transfer from prior fiscal years' CII Rebate Incentive projects to WR18008 to consolidate unspent rebates to use in the current fiscal year.			
						WR17008	CII Rebate Incentives FY 16/17	\$100,000	\$0	\$100,000	(\$100,000)	\$0	\$100,000	(\$100,000)	\$0	WR18008				
						WR18008	CII Rebate Incentives FY 17/18	\$100,000	\$0	\$100,000	\$226,959	\$326,959	\$100,000	\$226,959	\$326,959	(WR16008/WR17008)				
O&M Proj	10/31/17	Yes	Yes	Yes	WR15022	Water Use Assessments	\$501,915	\$0	\$501,915	(\$36,601)	\$465,314	\$91,796	(\$36,601)	\$55,195	WR18029	Transfer to new project, WR18029, to consolidate unencumbered drought funds collected from the Acre Foot surcharge and Meter Charge between FY 2014/15 and September 30, 2017.				
					WR16003	Technology Based Information Systems	\$200,000	\$0	\$200,000	(\$200,000)	\$0	\$200,000	(\$200,000)	\$0	WR18029					
					WR16019	Water Use Efficiency Tools	\$600,000	\$0	\$600,000	(\$150,000)	\$450,000	\$150,000	(\$150,000)	\$0	WR18029					
					WR16020	Water Use Efficiency Data	\$450,000	\$0	\$450,000	(\$450,000)	\$0	\$450,000	(\$450,000)	\$0	WR18029					
					WR18029	Drought Related Projects	\$0	\$0	\$0	\$836,601	\$836,601	\$0	\$836,601	\$836,601	(WR15022/WR16003/WR16019/WR16020)					
Subtotal Water Resources (WW)								\$2,451,915			\$2,451,915	\$1,218,755		\$1,218,755						
								O&M Total Project Budget		O&M Total Project Budget		Total Annual O&M Project Budget								
								Adopted		Adopted		Adopted		Adopted						
								\$2,760,015		\$2,760,015		\$1,495,637		\$1,495,637						

Total Capital and O&M Project Transfers:	\$2,058,360
Total Project Budget Change - Capital:	-\$375,500
Total Project Budget Change - O&M Proj:	\$0
Total Project Budget - Net Change:	-\$375,500

Financial Overview of Agency's Programs FY 2017/18 quarter ended December 31, 2017 Total Revenues, Expenses, and Fund Balance

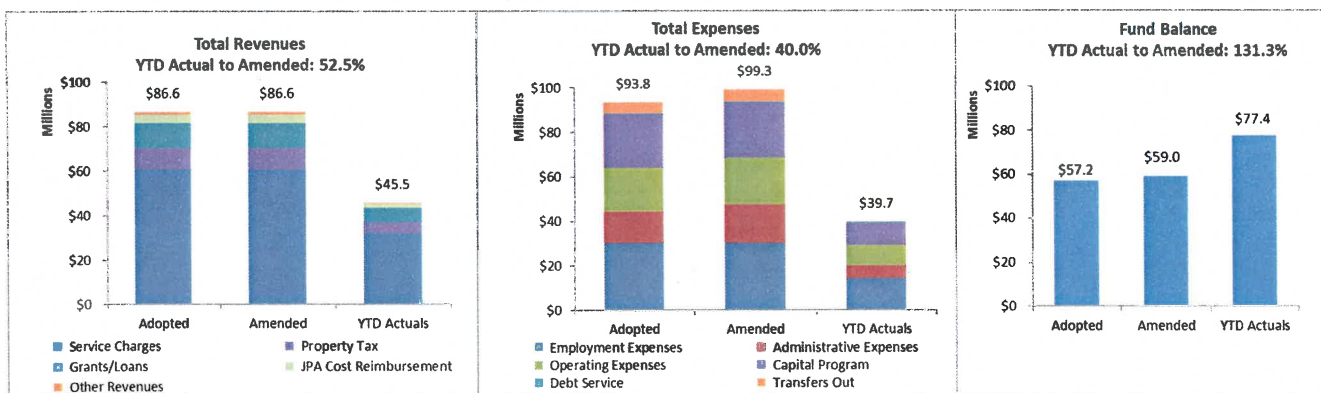
Regional Wastewater Capital Improvement Fund

Actual revenues through the end of the second quarter were \$27.5 million compared to the \$58.3 million amended budget. Actual expenses were \$17.2 million compared to the \$51.2 million amended budget. The positive variance in expenses was mainly due to a delay in capital project execution as a result of changes in project schedules. Inter-fund transfers will be processed at the end of the fiscal year based on actual project and debt service costs. The fund balance reflected an aggregate change of \$10.3 million.



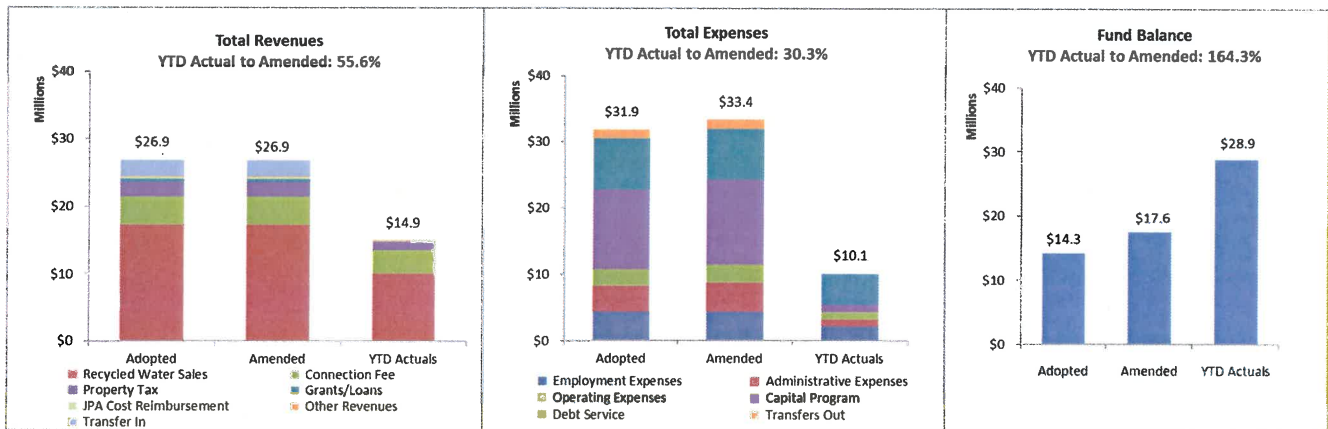
Regional Wastewater Operations and Maintenance Fund

Actual revenues through the end of the second quarter were \$45.5 million compared to the \$86.6 million amended budget. Revenue variance is on track for the quarter at 52.5 percent. Actual expenses were \$39.7 million compared to the \$99.3 million amended budget. The favorable variance in expenses was due to the timing of execution of capital replacement and rehabilitation projects. Inter-fund transfers will be processed at the end of the fiscal year based on actual project, operation, and debt service costs. The fund balance reflected an aggregate change of \$5.8 million.



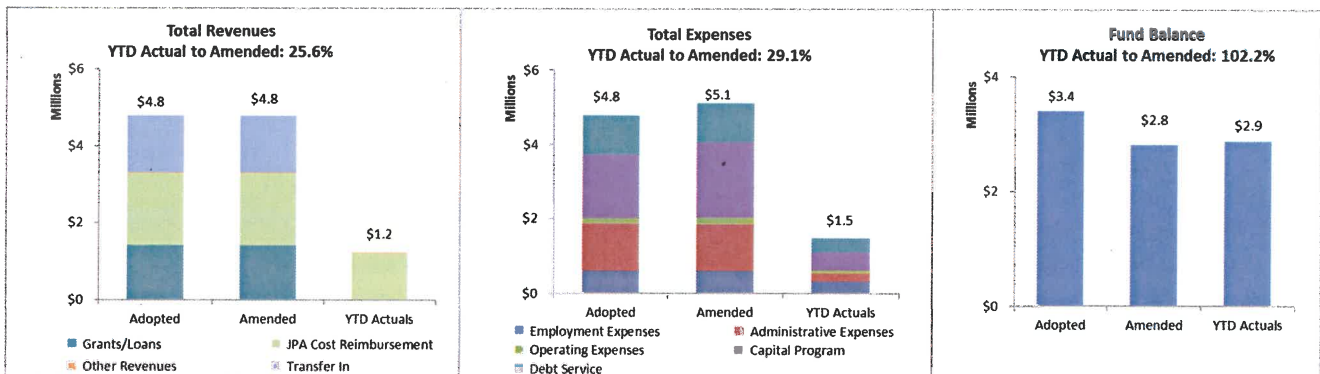
Recycled Water Fund

Actual revenues through the end of the second quarter were \$14.9 million compared to the \$26.8 million amended budget. Revenue variance in on track for the quarter at 55.6 percent. Actual expenses were \$10.1 million compared to the \$33.3 million amended budget. The decrease in expenses was primarily due to the timing of execution of non-capital (O&M) and capital projects. Inter-fund transfers will be processed at the end of the fiscal year based on actual project, operation, and debt service costs. The fund balance reflected an aggregate change of \$4.8 million to \$28.9 million.



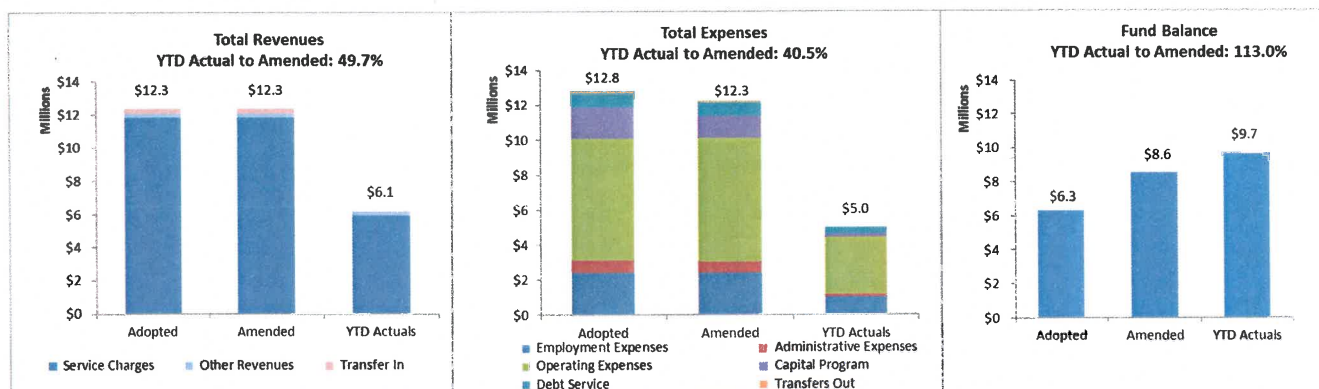
Recharge Water Fund

Actual revenues through the end of the second quarter were \$1.2 million compared to the \$4.8 million amended budget. The lower revenue was mainly due to the delay in anticipated State Revolving Fund (SRF) loan receipts. Actual expenses were \$1.5 million compared to the \$5.1 million amended budget. The decrease in expenses was mainly due to low operational spending and delays in capital project execution. Inter-fund transfers will be processed at the end of the fiscal year based on actual project, operation, and debt service costs. The fund balance reflected an aggregate change of \$0.3 million to \$2.9 million.



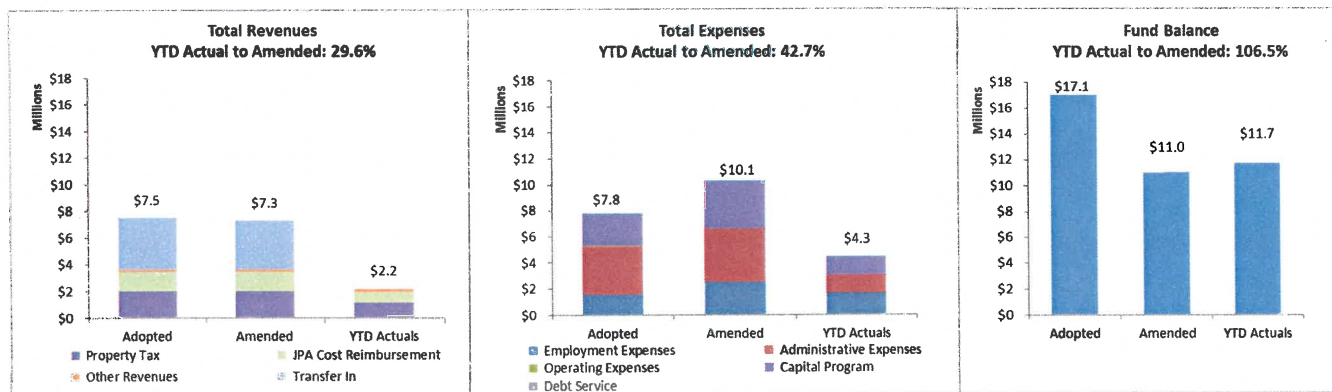
Non-Reclaimable Wastewater Fund

Actual revenues through the end of the second quarter were \$6.1 million compared to the \$12.3 million amended budget. Revenue variance is on track for the quarter at 49.7 percent. Actual expenses were \$5.0 million compared to \$12.3 million amended budget. The decrease in expenses was mainly due to low operational spending and delays in capital project execution. Inter-fund transfers will be processed at the end of the fiscal year based on actual project and operation costs. The fund balance reflected an aggregate change of \$1.1 million to \$9.7 million.



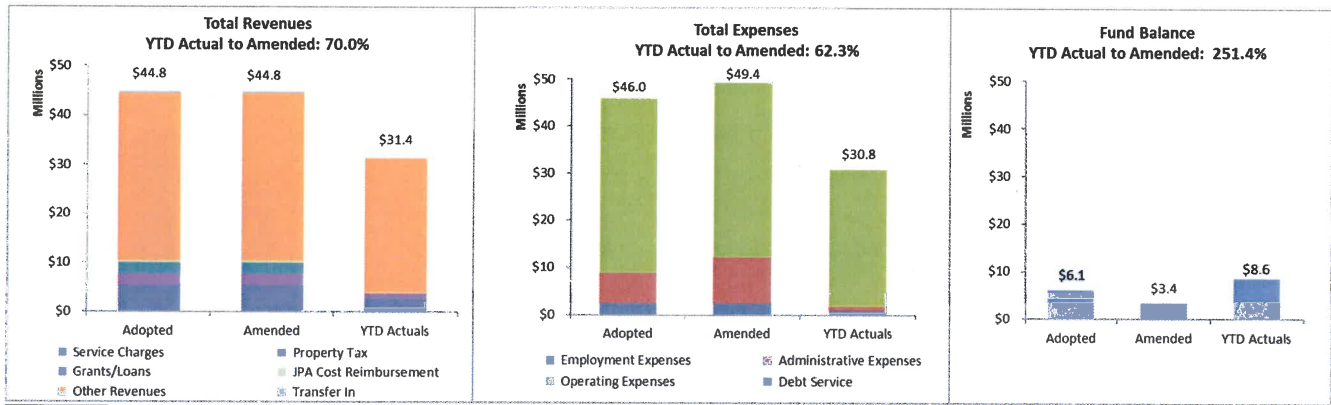
Administrative Services Fund

Actual revenues through the end of the second quarter were \$2.2 million compared to the \$7.3 million amended budget. The lower revenue was mainly due to the timing of inter-fund loan receipts. Actual expenses were \$4.3 million compared to the \$10.2 million amended budget. The lower expense was mainly due to low administrative expenses & delays in capital project execution. Inter-fund transfers will be processed at the end of the fiscal year based on actual project and operation costs. The fund balance reflected an aggregate change of \$2.1 million to \$11.7 million.



Water Resources Fund

Actual revenues through the end of the second quarter were \$31.4 million compared to the \$44.8 million amended budget. Actual expenses were \$30.8 million compared to the \$49.4 million amended budget. The variances in the revenues and expenses were due to higher than anticipated MWD water purchases and related sales. Inter-fund transfers will be processed at the end of the fiscal year based on actual project costs. The fund balance reflected an aggregate change of \$0.6 million to \$8.6 million.



Attachment 2

PowerPoint

FY 2017/18 Budget Variance Report 2nd Quarter Ended December 31, 2017

Board Meeting



FY 2016/17 Carry Forward Status

	Capital & Non-Capital Projects	Operations & Maintenance	Total
Carried Forward – September 2017	\$12.0M	\$2.0M	\$14.0M
Remaining Carry Forward ~ Extended or Returned December 2017	\$8.5M	\$1.5M	\$10.0M
Carry Forward Requested for Extension	\$7.2M	\$1.3M	\$8.5M
Encumbrance Returned – January 2018	\$1.3M	\$0.2M	\$1.5M

FY 2017/18 Q2 Consolidated Fund Balance

Consolidated	FY 2017/18 Amended Budget	Second Quarter Ended 12/31/2017	Actual % of Amended Budget
Total Sources of Funds	\$229.9	\$128.8	56.0%
Total Uses of Funds	\$249.4	\$108.6	43.5%
Total Net Increase/(Decrease)	(\$19.5)	\$20.2	
Beginning Fund Balance	\$184.1	\$184.1	
Ending Fund Balance	\$164.6	\$204.3	

Sources of Fund Variance Highlights

↑ Recycled Water Sales 58%

- \$6.2M compared to Amended Budget \$10M ~ 13,105 AF compared to 22,000 AF
- \$3.8M compared to Amended Budget \$7.2M ~ 7,247 AF compared to 13,500 AF

↑ Property Tax Receipts 54.5%

- \$25.2M compared to Amended Budget \$46M

↑ Wastewater/Water Connection Fees 47.2%

- \$10M compared to Amended Budget \$25.2M ~ 1,646 EDU compared to 4,000 EDU
- \$3.5M compared to Amended Budget \$4.2M ~ 879 MEU

↓ SRF Loan Proceeds 34.1%

- \$3.2M compared to Amended Budget \$9.4M

Uses of Fund Variance Highlights

↑ Employment Expenses 48.1%

- \$22.3M compared to Amended Budget \$46.4M
 - Succession planning supported by vacancy factor and reclassification of existing positions

↑ Financial Expenses 58.9%

- \$13M compared to Amended Budget \$22M
 - \$9.4M 2008B and 2010A bond payments
 - \$3.5M notes and SRF loan payments

↓ Capital and Non-Capital Projects 28.8%

- \$20.6M compared to Amended Budget \$71.5M
 - Changes in project scope and construction
 - Construction bid results
 - Regulatory issues

↓ Professional Fees and Services 23.0%

- \$2.7M compared to Amended Budget \$11.9M
 - Timing of contracts and deferral of services

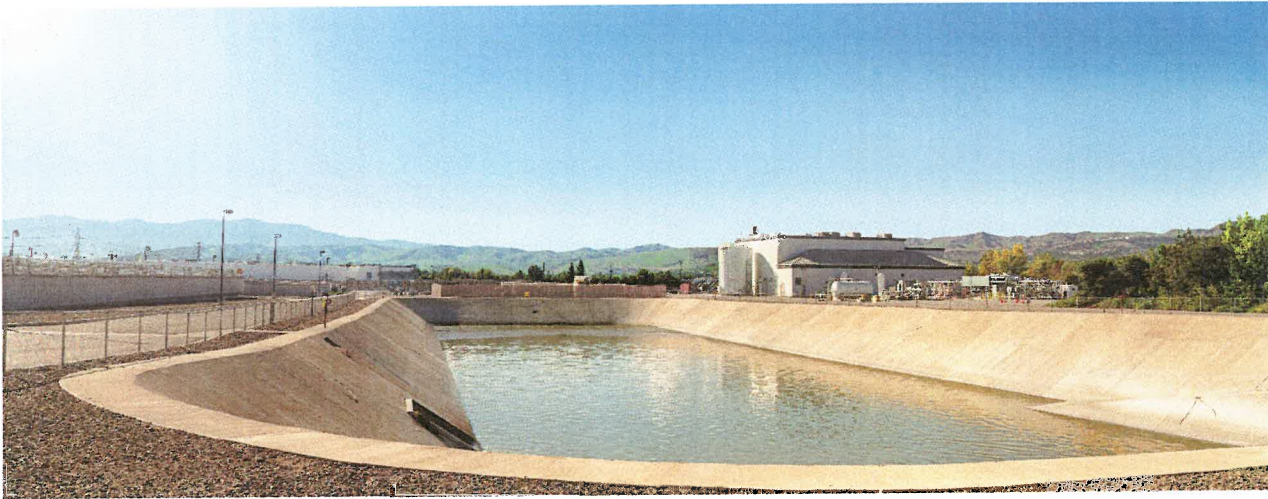
Project Budget Updates

Total Project Budget Change through the Second Quarter

- \$2,058,360 transferred between 31 projects within the same funds*
- \$992,800 transferred between capital projects (21)
- \$1,065,560 transferred between non-capital projects (10)

**Transfer details provided in Exhibit D*

Questions



The Budget Variance Analysis report is consistent with the Agency's business goal of fiscal responsibility.

**INFORMATION
ITEM**

5E

Date: March 21, 2018

To: The Honorable Board of Directors
Committee:

HHR
From: Halla Razak, General Manager

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.

March 19-25 is recognized as Fix a Leak Week.

The Special Districts Dinner-IEUA to host- (Keynote: Halla Razak), will take place on Monday, March 19 at the Panda Inn: 3223 E. Centrelake Drive, Ontario, from 6:00 p.m. – 8:30 p.m.

IEUA will be hosting MWD's "Water is Life" Traveling Student Art Exhibit from March 20-27.

Staff distributed the 2017 Annual Report via social media and email blasts. Staff will be sending hard copies to stakeholders.

The total number of students participating in the Water Discovery field trips including student Earth Day for SY 2017/18 is 4,939.

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

March

- March 19-25, Fix a Leak Week
- March 19 – IEUA Hosted Special Districts Dinner (Keynote: Halla Razak), Panda Inn: 3223 E. Centrelake Drive, Ontario, 6:00 p.m. – 8:30 p.m.
- March 20 – March 27, MWD’s “Water is Life” Traveling Student Art Exhibit, IEUA Building A Lobby
- March 22, World Water Day

April

- April 5, Blood Drive, Building B (Blood Mobile), 8:00 a.m. – 1:00 p.m.
- April 18, Earth Day Event – Student Day, Chino Creek Wetlands and Educational Park, 9:00 a.m. – 2:00 p.m.
- April 19, Earth Day Event – Community Day, Chino Creek Wetlands and Educational Park, 4:00 p.m. – 7:00 p.m.
- April 22 – Earth Day

May

- May 6-12, International Compost Awareness Week

July

- July 18, IEUA Employee Recognition Picnic, IEUA (behind Building A), 11:30 a.m. – 3:00 p.m.

Media and Outreach

- Staff distributed the 2017 Annual Report via social media and email blasts.
- External Affairs staff is working with Agency department leads to update the Agency external website.
- Staff ran an ad in the *Champion Newspaper’s* Spring Home and Garden section on March 10.
- Staff continues to run banner ads with *Fontana Herald News*.
- February: 14 posts were published to the IEUA Facebook page and 14 tweets were sent on the @IEUAwater Twitter handle.
 - The top three Facebook posts, based on reach and engagement, in the month of February were:
 - 2/28: Agency Post: RP-5
 - 2/4: Sewer Bowl Post
 - 2/2: World Wetlands Day
 - The top three tweets, based on reach and engagement, in the month of February were:
 - 2/8: #ThursdayThoughts
 - 2/14: Project W.E.T Reminder
 - 2/2: World Wetlands Day

Education and Outreach Updates

- Staff is continuing to schedule Water Discovery field trips for program year 2017/18. To date, staff has provided field trips and/or scheduled approximately 3,714 students from July 2017 to May 2018. The total number of students participating in the Water Discovery field trips including student Earth Day is 4,939.
- IEUA hosted a Project W.E.T. (Water Education for Teachers) and Garden in Every School® Workshop on February 27. The workshop enabled educators to become Project W.E.T. certified and to qualify for the school year 2018/19 Garden in Every School® grant. The workshop was host to 27 educators from within IEUA's service area. Facilitators included IEUA staff along with member agency representatives. Participants also received an informative presentation from Facilities staff and IERCF staff.
- Student Earth Day is scheduled for Wednesday, April 18, 2018. Currently staff has 12 schools, approximately 1,250 students, scheduled to attend.
- Staff is working with past GIES recipients (2004-2017) to conduct site inspections and take updated photos for a comprehensive evaluation report.
- The deadline to submit posters for the *Water is Life* poster contest is March 28.

**INFORMATION
ITEM**

5F

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Comprehensive Government Relations

MEMORANDUM

To: Halla Razak and Kathy Besser

From: Letitia White, Jean Denton, Shavenor Winters

Date: March 2, 2018

Re: February Monthly Legislative Update

Congress Approves CR, Debt Limit, Spending Cap Deal

Congress approved legislation to fund the government through Friday, March 23 and raise spending caps for defense and domestic programs by approximately \$300 billion over two years under the agreement that was signed into law Friday, February 9.

The measure:

- Suspends the debt limit for about one year,
- Provides \$84 billion for disaster relief and provide tax relief for wildfire victims,
- Extends the Children's Health Insurance Program an additional four years (extending the program to a total of 10 years),
- Repeals a Medicare cost-control panel known as the Independent Payments Advisory Board,
- Renews a number of expired tax provisions that were not addressed in the tax overhaul bill passed in 2017, and
- Increases support for cotton and dairy producers by modifying agriculture programs.

The measure did not address the Deferred Action for Childhood Arrivals (DACA) program, which was a driving force of the three-day government shutdown during January. The Senate attempted to pass immigration legislation after the two-year agreement was signed into law, but the Senate failed to garner the 60-votes necessary to cut off debate on any of the amendments brought to the floor by both Republicans and Democrats.

Debt Limit

The limit on federal borrowing is now suspended through March 1, 2019. Suspending the current limit enables the U.S. government to continue to borrow money to pay for existing obligations. Unless new legislation supersedes the current debt limit, on March 1, 2019 the debt limit will reflect all outstanding U.S. debt.

The limit came back into effect on Friday, December 8, at which point the U.S. had about \$20.5 trillion in outstanding debt, however it didn't have an immediate effect as

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the Treasury Department used “extraordinary measures” to prevent the U.S. from defaulting on its obligations.

The Congressional Budget Office (CBO) has estimated that those measures will be exhausted in the first half of March. The legislation specifies that the government could borrow money only if it “was necessary to fund a commitment incurred pursuant to law” and would bar the Treasury secretary from issuing debt to create a cash reserve.

Spending Caps

The measure increases the discretionary spending caps under the Budget Control Act for fiscal 2018 and 2019. That would clear the way for action on a fiscal 2018 omnibus spending package and ease the appropriations process for next year.

The measure would change the caps as follows:

Caps (in billions)	Caps (old)	Agreement (new)	Increase
2018 defense	\$549.1	\$629	\$79.9
2018 nondefense	\$515.7	\$579	\$63.3
Subtotal	\$1,064.8	\$1,208	\$143.2
2019 defense	\$562	\$647	\$85
2019 nondefense	\$529.1	\$597	\$67.9
Subtotal	\$1,091.2	\$1,244	\$152.9
Total	\$2,156	\$2,452	\$296.1

Note: Numbers may not add due to rounding.

The caps were created under the 2011 Budget Control Act and are enforced through sequestration if spending exceeds the statutory limits. The law also triggered additional reductions to the discretionary caps and sequestration of mandatory spending after negotiations on a deficit reduction deal failed. Congress has since increased the discretionary caps for fiscal 2013 through 2017.

Continuing Resolution

The measure funds the federal government through Friday, March 23 at the fiscal 2017 spending levels and is the fifth continuing resolution for the fiscal year that began on October 1, 2017.

Disaster Aid

The measure provides \$84.3 billion in emergency supplemental funding for hurricane and wildfire relief efforts, which is about twice as much as the White House requested in November and \$3.33 billion more than provided in a disaster aid package that the House passed.

The measure also increases the Medicaid funding cap for Puerto Rico and the U.S. Virgin Islands by as much as \$4.94 billion from Jan. 1, 2018, through Sept. 30, 2019, and waives local cost-sharing requirements.

The bill also includes tax breaks for individuals and businesses affected by recent hurricanes and wildfires and increases support for cotton and livestock producers.

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Community Health Centers

The measure provides community health centers with \$3.8 billion for fiscal 2018 and \$4 billion for 2019. Supplemental grant funds would be established for health centers to implement evidence-based models for increasing access to high-quality primary care services.

Grant terms for operating health centers was reduced to one year, from two years, and applicants for operating grants have to submit an implementation plan that meets general application requirements. Operating grants could also be used to establish new delivery sites for health centers and to expand their existing services.

Battle Over Dreamers Continue

A judge issued an injunction in January forcing the administration to continue the Deferred Action for Childhood Arrivals (DACA) program while lawsuits are heard in various courts throughout the United States challenging the administration's actions. On Monday, February 26, the Supreme Court declined to take up a Trump appeal of a federal district judge ruling that the administration must maintain large portions of the DACA program. That means the program will essentially stay in place for current DACA recipients past the March 5 deadline.

With the Senate rejecting four immigration proposals—including a key bipartisan deal that would have given 1.8 million young Dreamers a path to citizenship and provided \$25 billion for border security—and with no viable back up plan in-sight, lawmakers are poised to hit pause on the issue until at least next month as they go back to the drawing board.

It's a stark contrast from just a few weeks ago, when senators had hoped to gain momentum coming out of what they anticipated to be a free-wheeling floor fight. Instead, both sides are pointing fingers and raising fresh questions about what, if anything, can win over two deeply divided chambers and the White House.

House Speaker Ryan is now pointing to the end of March as the deadline for his chamber to take action on an immigration bill. He's pledged he will only bring up legislation that has the President Trump's support, making it a non-starter for many Democrats.

Meanwhile, some GOP senators are pointing to a March 23 omnibus spending bill as a new goalpost. Sen. John Cornyn (R-TX), the No. 2 Senate Republican, also has not ruled out sticking a short-term extension paired with some border security funding in the omnibus.

House Democrats, meanwhile, are bristling over the late March deadline arguing GOP leadership is showing a lack of urgency over solving DACA. But despite Democrats'

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demand for action it's unclear what proposal could unite Congress either by Monday, March 5 or the end of that month.

President Trump has lashed out at Democrats in the wake of the Senate's failed debate, saying they have treated DACA recipients "badly" and "totally abandoned" them. And the administration is turning its attention to the House, where it's pushing for a conservative proposal spearheaded by Rep. Bob Goodlatte (R-VA).

Rep. Goodlatte's plan would provide DACA recipients with temporary, renewable legal status — rather than citizenship — in exchange for authorizing funding for Trump's border wall, ending family-based migration and scrapping the diversity visa lottery program.

It also includes tough border-enforcement measures: The bill would crack down on so-called sanctuary cities, boost penalties for deported criminals who try to re-enter the U.S. and require that employers use an electronic verification system known as E-Verify to make sure they hire legal workers.

But there's skepticism among House Republicans that the bill will be able to secure 218 votes, and it's widely considered dead on arrival in the Senate. House leaders held a procedural vote earlier this month in an effort to gauge support for the Goodlatte bill. Meanwhile, members of the Senate bipartisan group said they would continue talking amongst themselves about how to win over more support.

President Trump's Unscripted Gun Control Push Puts GOP on the Defense

In the wake of a recent school shooting in Florida, talk of changing the nation's gun laws is a renewed push on Capitol Hill and from President Donald Trump.

On Wednesday, February 28 President Trump gathered lawmakers from both parties at the White House to discuss gun violence in the U.S. and potential legislative and executive actions that can be taken to prevent future tragedies. President Trump tried to break the stalemate by stunning both sides. He endorsed comprehensive legislation to expand background checks, raise the age limit for purchasing some firearms and keep the mentally ill from obtaining weapons.

After the days of debate over just how narrow a gun bill would have to be to get through Congress, prompted by the deadly mass shooting at a Florida high school, President Trump opened the door wide and Democrats were determined to hold it there. Republicans reacted cautiously Thursday, March 1 to President Trump's call for quick and substantial changes to the nation's gun laws, while elated Democrats said they will try to hold President Trump to his promises.

Sen. John Cornyn (R-TX) the No. 2 Republican in the Senate, said Trump hosted "an amazing meeting" about how to respond to the deadly Florida shooting. Sen. Cornyn and other Republicans have resisted a comprehensive approach to gun legislation, even as President Trump and Democrats say more must be done.

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Democrats said they were concerned President Trump's interest may fade quickly. NRA spokeswoman Jennifer Baker said that while the White House meeting "made for great TV, the gun-control proposals discussed would make for bad policy that would not keep our children safe." In addition, President Trump rejected the way Republican leaders in Congress have framed the debate, saying the House-backed bill linking a background check measure with a bill to expand gun rights by allowing gun owners to carry concealed weapons across state lines was not the right approach.

Trump Administration Releases Infrastructure Plan

On February 12, President Donald Trump released his long awaited legislative outline for rebuilding infrastructure in America. Below is an outline of the President's package.

The President proposes to stimulate at least \$1.5 trillion in new investment, shorten project permitting time to two years, improve training to get more qualified workers and boost investment in rural projects. In addition, the proposal calls for allocating \$200 billion in direct federal spending over a decade, mostly as seed money to spur states, localities and the private sector to spend the balance of the promised investment.

The \$200 billion in direct federal spending would be allocated as follows:

- \$100 billion for incentives program to attract non-federal funds:
 - Department of Transportation, Army Corps of Engineers, and the Environmental Protection Agency (EPA) would administer these funds
 - Aid targeted for roads, airports, passenger rail, ports, waterways flood control, water supply, hydropower, drinking water facilities, wastewater treatment, storm water, brownfields and Super Fund sites
- \$50 billion for rural infrastructure:
 - 80% of these funds calculated via formulas would be allocated to state governors
 - 20% of these funds would be for performance grants
 - Aid is for transportation, broadband, water and waste, power and electric and water resources
- \$20 billion for transformative projects:
 - Reserved for projects that would "fundamentally transform the way infrastructure is delivered or operated"
 - These projects would be "ambitious, exploratory and ground-breaking"
 - Commerce Department would administer funds
- \$20 billion set aside to "advance major, complex infrastructure projects" by expanding existing federal credit programs, such as (\$14 billion for the expansion of existing credit programs and \$6 billion for the expansion of Private Activity Bonds):
 - TIFIA (Transportation Infrastructure Finance and Innovation Act) – expanded to include ports and airport infrastructure enhancements
 - RRIF (Railroad Rehabilitation and Improvement Financing)

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- WIFIA (Water Infrastructure Finance and Innovation Act – removed the current lending limit of \$3.2 billion, expands authorization to include non-Federal flood mitigation, navigation and water supply; authorizes Brownfield rehabilitation and cleanup of Superfunds sites; reduce rating agency opinions from two to one for all borrowers; removes the restriction on the ability to reimburse costs incurred prior to loan closing; expands program to authorize eligibility for credit assistance for water system acquisitions and restructurings
- RUS lending (Rural Utilities Service program)
- Private Activity Bonds
- \$10 billion federal capital financing fund
 - Federal agencies would use funds to finance large-dollar, real property purchases
 - Creates funding mechanism similar to capital budget but operates within traditional rules for federal budget
 - Agencies would repay the fund in 15 equal amounts using discretionary appropriations

Congress will now begin the process of drafting legislative proposals and holding hearings with Administration officials to continuing working on a legislative package with the hope of advancing it later this year.

EPA Plan to Delay Obama Water Rule Clears White House

The White House speedily completed its review of a regulation to push back to 2020 an Obama-era rule that expansively defined the reach of the Clean Water Act. The Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers sent the rule to the White House Office of Management and Budget (OMB) for an interagency review on Thursday, January 25, and the review was completed five days later. The rule was first proposed in November.

Issuing this rule took on urgency for the Trump administration after U.S. Supreme Court ruling struck down the nationwide ban on the 2015 Clean Water Rule, also known as Waters of the U.S.

The rule defining which waters and wetlands are protected by the Clean Water Act and subject to federal permits and water quality standards was opposed by 30 states and many business groups. They complained that the 2015 rule expanded federal authority over land-use decisions, making even the smallest ponds and streams subject to costly permitting requirements.

The U.S. Supreme Court unanimously held that litigation over the 2015 Clean Water Rule will be heard in federal district courts across the nation. The ruling struck down a nationwide hold on the regulation put in place by the U.S. Court of Appeals for the Sixth Circuit, leaving the debate for federal district courts. The rule is still blocked in 13 states by a federal district court in North Dakota.

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President Trump's \$4.4 Trillion Budget Request

On February 12, the Trump administration released a \$4.4 trillion budget request for fiscal 2019 that seeks to slash spending on domestic programs for energy research, arts and humanities and even some major infrastructure initiatives, even after caps on non-defense spending were raised.

The proposal calls for \$540 billion in non-military discretionary spending, shy of the \$597 billion limit for the year starting Monday, October 1 that Congress passed as part of the Bipartisan Budget Act. Those numbers are reflected in an addendum to President Trump's request. Before the adjustment, the request had called for only about \$465 billion in non-defense funds.

For defense, the budget request calls for a total of \$716 billion, using emergency Overseas Contingency Operations funds to surpass the \$647 billion limit. Officials had to update the document, which calls for \$4.4 trillion in outlays, to acknowledge Congress's move to raise spending caps under the 2011 Budget Control Act by \$85 billion for defense and \$68 billion for non-defense funds in fiscal 2019. The request calls for \$1.199 trillion in discretionary budget authority. President Trump's request got immediate pushback from Democrats. In the Senate, a fiscal 2019 omnibus spending bill will require bipartisan support and 60 votes. The Department of Interior would be cut by nearly 17 percent with funding being used to create the Public Lands Infrastructure Fund.

Major Cuts

The request calls for the elimination of the Department of Housing and Urban Development's Community Development Block Grant program, for which lawmakers just appropriated an additional \$28 billion in the wake of last year's hurricane season. The Choice Neighborhoods, HOME Investment Partnerships, Self-Help and Assisted Homeownership Opportunity Program are also targeted for elimination. The budget also seeks to eliminate the Transportation Investment Generating Economic Recovery (TIGER) grants, despite the administration calling for a boost in infrastructure funds. Requested eliminations include:

- HUD Community Development Block Grants
- TIGER Grants
- Title 17 Innovative Technology Loan Guarantee Program
- Legal Services Corp.
- National Endowment for the Humanities
- National Endowment for the Arts

Infrastructure

The budget proposal's infrastructure plan includes \$200 billion for infrastructure in the hopes of spurring a total of \$1.5 trillion in investments including state, local and private funds.

The federal figure includes:

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- \$100 billion for an incentive program to attract non-federal funds, administered by the Department of Transportation, the Army Corps of Engineers and the EPA.
- \$50 billion for rural infrastructure.
- \$20 billion for “fundamentally transform the way infrastructure is delivered or operated,” administered by the Commerce Department.
- \$20 billion set aside to “advance major, complex infrastructure projects” by expanding existing federal credit programs, such as: the Transportation Infrastructure Finance and Innovation Act, the Railroad Rehabilitation and Improvement Financing, the Water Infrastructure Finance and Innovation Act, the Rural Utilities Service lending program and Private Activity Bonds.
- \$10 billion for a federal capital financing fund.

Water Infrastructure Among Few EPA Winners in Trump Budget Plan

Water infrastructure funding would be essentially shielded from the deep cuts the Trump administration is seeking in Environmental Protection Agency funding in fiscal 2019, even as the president seeks to eliminate or greatly reduce regional water quality programs.

The president's budget request would provide \$6.15 billion to the EPA for the 2019 fiscal year a reduction of about 25 percent from the fiscal 2017 enacted levels. A proposed cut that deep is expected to encounter resistance from Senate Democrats and even some Republicans.

At the same time, the proposed budget would maintain funding levels for EPA-funded water infrastructure projects. Overall, the EPA's two largest water funds, which provide money to states for infrastructure loans, would receive almost \$2.3 billion in fiscal 2019. This \$2.3 billion allocation is separate from the \$20 billion proposed to go to EPA in the president's infrastructure proposal, which was also released Feb. 12. The \$20 billion in the infrastructure plan would be used as matching funds meant to spur states, cities, and private companies to move forward on projects.

Before Congress reached a two-year budget deal, the administration planned to cut more than \$380 million from the infrastructure fund that goes toward wastewater projects. That would have been a more than 27 percent reduction from fiscal year 2017, the last year for which detailed full-year budget figures exist.

The administration instead kept funding for the wastewater program and for the EPA's drinking water infrastructure program after the budget deal was reached.

State Grant Cuts Sought

The Trump administration also took aim at funding for state grants to reduce nonpoint source pollution, which comes from diffuse sources such as land runoff. The EPA budget proposal would eliminate funding for them in fiscal 2019.

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The White House also is proposing to eliminate funding for beach protection, contending that local governments have acquired expertise and procedures to carry out this program without federal funding and technical assistance.

Whether the EPA will actually see an overall cut in those programs or its overall fiscal year 2019 budget will depend in part on how Congress allocates increased spending it approved as part of a two-year budget deal that boosted both domestic and defense spending. The White House included an addendum in its budget plan to reflect that infusion of funds.

The EPA addendum would provide a boost of \$724 million to the EPA, which is included in the \$6.15 billion the White House requested in total. The White House proposed to use the additional funding for Superfund sites and EPA-funded state and tribal grants for drinking water and wastewater infrastructure projects.

Zinke tweaks Interior reorganization maps after governors' criticisms

Interior Secretary Ryan Zinke has tweaked his maps proposing a reorganized regional structure for his department following criticisms from western-state governors.

The new maps the Secretary sent to governors and lawmakers Friday, February 23 still have 13 regions for the Interior Department's land-management agencies, based heavily on watersheds like the Missouri and Colorado rivers'. But the regions' lines now more closely follow state boundaries, and fewer states would be split into multiple regions.

Zinke has said his chief priority is to draw regions that make ecological sense and to align regional offices for agencies like the National Park Service and the Bureau of Land Management. Currently, the seven agencies have more than 50 regions.

But after an initial draft was released, the bipartisan Western Governors Association complained that it had not been consulted and sent a public letter to Sec. Zinke outlining its objections and concerns.

"The new maps show a hybrid approach using state lines, watersheds and about 12 other natural features to determine best regional boundaries. These maps represent the feedback the department solicited from veteran officials at Interior, Congress and states, and they are the latest draft for discussion."

Secretary Zinke has also said he wants to reduce the staffing and resources at regional offices and push more resources to the local level, including parks and refuges. Congress would likely have to approve at least some of the changes he is seeking.

Net Neutrality

The Federal Communications Commission (FCC) published an order rolling back its net neutrality rules in the Federal Register with an effective date set at Monday, April 23 for

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most provisions, a move that will fuel several legal challenges, some of which have already begun.

The commission ended a ban on broadband providers like Comcast Corp. or AT&T Inc. from blocking or slowing internet traffic. It also began allowing broadband providers to charge content companies more money to move data faster, which had been previously banned. The commission also reversed the Obama FCC's classification of broadband as a common carrier, like a traditional telephone company, under communications law.

Under the order, broadband is now classified as an information service, a more loosely regulated category than telecommunications services. The FCC envisions net neutrality as a consumer protection and competition matter that will be enforced primarily by the Federal Trade Commission.

The FCC released the order in January, a few weeks after the agency's party-line vote to adopt it. The FCC's opponents argue that eliminating net neutrality principles will lead to internet service providers discriminating against some content and poorer service for subscribers.

More than 23 state attorneys general; the pro-net neutrality groups Free Press, Public Knowledge, and New America's Open Technology Institute; and internet browser maker Mozilla Corp. all filed early petitions for review in several federal appeals courts before the order was published.

In addition to the impending legal challenges, Senate Democrats are looking to vote under the Congressional Review Act to reverse the order. They've secured 50 votes in the Senate, one shy of the simple majority the measure would need in that chamber. But the GOP-controlled House is unlikely to pass such a measure, and President Donald Trump is unlikely to sign it.

The White House has largely stayed out of the fray in recent months. But President Trump in 2014 called the prospect of the Democratic-controlled FCC's classification of the internet as a utility service an "attack on the internet" and a "top down power grab." White House Press Secretary Sarah Huckabee Sanders said after the FCC's December vote that the Trump administration "supports the FCC's effort to roll back burdensome regulations."

**INFORMATION
ITEM**

5G



March 2, 2018

To: Inland Empire Utilities Agency
From: Michael Boccadoro
Beth Olhasso
RE: February Legislative Report

Overview:

Members spent the first half of the month working on finalizing legislation to introduce before the February 16 deadline to introduce new bills. Hundreds of bills were introduced in the final days before the deadline, many in “spot” form. New bills cannot be acted upon until they have been in print for 30 days, so committee activity was limited in February. Amendments to the water-use efficiency legislation were released late in the month and seem to uphold the author’s commitment to only making tweaks to the language, no significant changes. Reactions from stakeholders in the water community are forthcoming and will help determine if the bill faces an easy or difficult path to adoption.

On February 21, The California Energy Commission (CEC) adopted the Integrated Energy Policy Report (IEPR). The report noted that in the next ten years, investor-owned utilities could see an 85 percent drop in retail electric load. In addition, the IEPR recommends that the CPUC and other state agencies should consider and adopt policies and incentives, as appropriate, to significantly increase the sustainable production and use of renewable natural gas.

The State Water Resources Control Board (SWRCB) recently held a workshop to hear public comments and consider additional changes to its proposed Wasteful Water Use Regulation. There is still some concern about the Board’s authority to adopt such regulations. Vote on the final regulation was delayed until April.

There has been bill language circulating that would establish standards, or conditions, for any multi-state Regional Transmission Organization (RTO) in order for California electric providers to participate in the RTO. While the discussion over a western or regional energy grid has been ongoing for several years, a new leader of the discussion has emerged in Assembly Utilities and Energy Chair, Chris Holden (D-Pasadena). His bill, AB 813, is the legislative vehicle for the latest attempt.

While there are major storms predicted for the first week of March, an extremely dry February has stirred up conversations about drought conditions across the state. As 2017 ended, about 74 percent of the state was experiencing no drought conditions. That number has since dropped to just 8.5 percent of California.

After multiple water districts, including Westlands Water District, Santa Clara Valley Water District and Kern County Water Agency, balked at the price of Governor Brown’s proposed California WaterFix project, the Administration announced a scaled down, phased approach.

The revised project proposes to build one tunnel, presumably for State Water Project contractors, first with the second coming at a later time if funding materialized.

Inland Empire Utilities Agency Status Report – February 2018

CEC Adopts Integrated Energy Policy Report

On February 21, the California Energy Commission (CEC) adopted the Integrated Energy Policy Report (IEPR). Statute requires CEC to prepare a biennial integrated energy policy report that assesses major energy trends and issues facing the state's electricity, natural gas, and transportation fuel sectors and provides policy recommendations to conserve resources; protect the environment; ensure reliable, secure, and diverse energy supplies; enhance the state's economy; and protect public health and safety.

The report noted that in the next ten years, investor-owned utilities could see an 85 percent drop in retail electric load as Californians install their own rooftop solar systems, companies contract for renewable resources, and local government agencies continue to launch community choice aggregation (CCA) programs.

The report notes how the growth in CCAs and distributed energy generation is leading to fundamental changes in the structure of the electricity sector. These changes affect a wide range of public policies including efforts to increase energy efficiency, access to advanced technologies for all customers, and research and development.

A major focus of the report is implementing SB 350, the 2016 bill that accelerated the Renewable Portfolio Standard (RPS) to 50 percent by 2030 and called for a doubling of energy efficiency by 2030.

SB 1383 also requires the CEC, in consultation with CARB and the CPUC, to “develop recommendations for the development and use of renewable gas, including biomethane and biogas as part of its 2017 IEPR.” The CEC is furthered required to “identify cost-effective strategies that are consistent with existing state policies and climate change goals by considering priority end uses of renewable gas.” The IEPR recommends that the CPUC and other state agencies consider and adopt policies and incentives, as appropriate, to significantly increase the sustainable production and use of renewable gas. Developing mechanisms for long-term market certainty for renewable gas is also identified as an important step.

SWRCB Delays Action on Wasteful Water Use Regulation

The State Water Resources Control Board (SWRCB) recently held a workshop to hear public comments and consider additional changes to its proposed Wasteful Water Use Regulation. There has been some concern over the SWRCB's intention to use its general authority to prevent “waste and unreasonable use” as a means to categorically prohibit water use practices without consideration of specific water use circumstances as required by law. SWRCB attorneys are confident that the board is operating within its authority. There was also significant concern over the provision to ban turf irrigation on medians.

The staff indicated that in coming weeks they intend to release another revised draft for a 15-day public comment period and then schedule it for a hearing and possible action by the State Water Board at its April 17 meeting.

CAISO Re-Org Update

The discussion over a western or regional energy grid has been ongoing for several years. The new leader of the discussion is Assembly Utilities and Energy Chair, Chris Holden (D-Pasadena). His bill, AB 813, is the legislative vehicle for the latest attempt. The language that has been circulating would establish standards, or conditions, that any multi-state Regional Transmission Organization (RTO) would have to meet for California electric providers to participate in the RTO.

The following is a brief description of the key parts of the legislation:

- Part One: Establishes standards that any multi-state RTO must meet in order for a California electric provider to participate.
- Part Two: Identifies the process for joining a multi-state RTO. Specifically, the language requires an entity to submit the documents that govern the multi-state RTO to the CEC for review. The CEC will then consult with the CPUC and CARB and shall hold at least one public workshop and allow comments. The CEC is required to confirm the governing documents – the multi-state RTO’s bylaws – meet the requirements established by Part One of the bill.
- Part Three: Directs the CAISO to submit a plan to the CEC to comply with the Part One standards. CAISO’s proposal would have to include the establishment of a “western states committee” comprised of three representatives from each state. The three California representatives will be appointed by the Governor and confirmed by the Senate. The CEC will review the proposal through a public process, and, if the CEC determines that the proposal meets the Part One criteria, and if there is an MOU with an outside entity to participate in the CAISO, then the CAISO is allowed to move forward with the proposal to become a multi-state RTO.

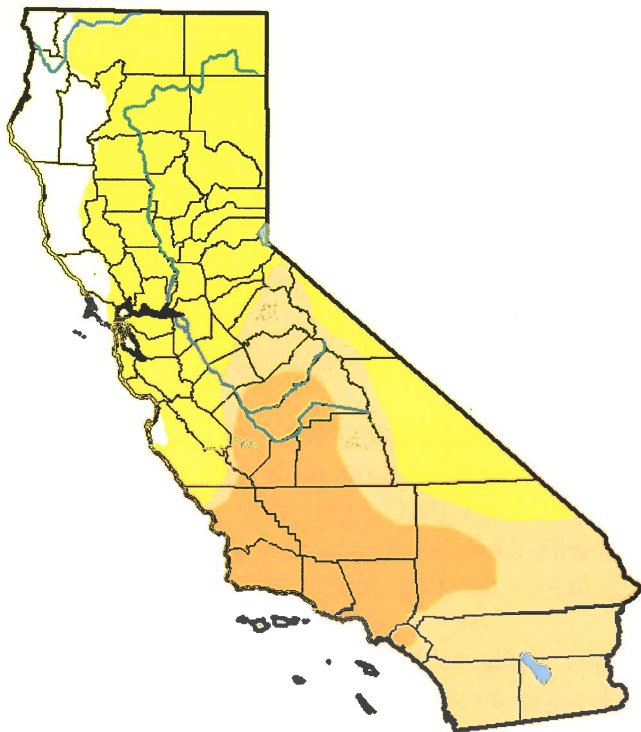
The author has indicated that he will be not requesting an early hearing for this bill and will take as much time as legislative deadlines allow to work with stakeholders on the language. There are many stakeholders involved with a very diverse set of opinions on how to establish a regional grid.

Drought Update

While there are major storms predicted for the first week of March, an extremely dry February has stirred up conversations about drought conditions across the state. As 2017 ended, about 74 percent of the state was experiencing no drought conditions. That number has since dropped to about 8.5 percent of California. Officials have expressed concern, but are not panicking yet, in hopes of a strong precipitation showing as we roll into spring. The National Weather Service is predicting more than seven feet of snow in the Sierras through March 3, with more storms lined up in the beginning of March.

U.S. Drought Monitor California

February 20, 2018
(Released Thursday, Feb. 22, 2018)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	8.43	91.57	47.87	19.98	0.00	0.00
Last Week 02-13-2018	18.29	81.71	45.71	19.98	0.00	0.00
3 Months Ago 11-21-2017	73.98	26.02	8.24	0.00	0.00	0.00
Start of Calendar Year 01-02-2018	55.70	44.30	12.69	0.00	0.00	0.00
Start of Water Year 09-26-2017	77.88	22.12	8.24	0.00	0.00	0.00
One Year Ago 02-21-2017	61.66	38.34	16.87	4.19	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Deborah Bathke
National Drought Mitigation Center



<http://droughtmonitor.unl.edu/>

California WaterFix Update

After multiple water districts, including Westlands Water District, Santa Clara Valley Water District and Kern County Water Agency, balked at the price of Governor Brown’s proposed California WaterFix project, the Administration announced a scaled down, phased approach. The revised project proposes to build one tunnel, presumably for State Water Project contractors, first with the second coming at a later time if funding materialized. The new proposal reduces the number of intakes on the Sacramento River from three to two and would have 6,000 cubic feet per second (cfs) capacity for the first tunnel, instead of the previously proposed 9,000 cfs. The first phase would also include only one intermediate forebay and one pumping station. The second stage would build a third intake with 3,000 cfs capacity, a second tunnel, and second pumping station.

The Department of Water Resources (DWR) estimates the phased project will be \$10.7 billion for the first phase and will require an additional eight months of supplemental environmental review. The cost of both phases remains \$16.3 billion. The state expects to release a cost benefit analysis soon.

The project beneficiaries will have to take the new proposal back to their boards for review and approval.

Metropolitan Water District of Southern California has already begun reviewing alternatives including exploring the feasibility of the agency paying for both tunnels and absorbing the San Joaquin Valley farmers' cost share. Preliminary analyses suggest that the cost to absorb the agricultural agencies' share would increase Metropolitan's costs from \$5.2 billion to around \$11 billion. The other project beneficiaries would pay the remainder of the \$16.7 billion price. The initial request was made by board members to staff in a committee meeting, but recent reports indicate that the board could vote on the proposal as soon as April. Metropolitan, as well as other project beneficiaries, have been in talks with Governor Brown and his staff as the Governor attempts to push the project along before he terms out at the end of this year.

To date, project proponents have spent millions of dollars on environmental studies and permits for the original WaterFix proposal. Legal experts speculate that the phased nature of the project will allow the Administration to continue with ongoing permitting efforts including the water rights permit modification proceedings the State Water Resources Control Board has been conducting for the last year.

However, those proceedings were delayed for two weeks after Save the Delta Alliance and others filed a complaint claiming that water board staff and DWR staff have been illegally engaging in ex parte communications. Tam Doduc and Felicia Marcus reviewed the claims and determined that they were not valid, and that the SWRCB staff had not ran afoul of their legal requirements. Phase 2 of the proceedings, originally scheduled for January 18, resumed February 8.

An additional lawsuit was filed at the end of February by Sacramento County, the City of Stockton, several Delta water agencies, and a group of environmental organizations alleging the SWRCB illegally held private meetings with representatives from DWR and the U.S. Bureau of Reclamation. The lawsuit requests that the hearings be stopped.

Legislative Update

February 16 was the deadline to introduce new bills in Sacramento. Members introduced hundreds of bills in the final days before the deadline, many in "spot" form. Spot bills are bills without any substantive language and serve as a placeholder for language to be added in at a later date. Bills must be in print for 30 days before they can be amended or heard in committee, so the beginning of March will be spent drafting language for spot bills. Committees are starting to meet to discuss the few bills that have already met the 30-day in print deadline and budget sub committees are also setting agendas and beginning the process of reviewing the Governor's 2018-19 budget.

The proponents of SB 606 (Skinner) and AB 1668 (Friedman) related to water use efficiency, spent significant time finalizing language with stakeholders, the authors and other interested legislators, and the Brown Administration. The close-to-final draft was recently released is expected to be quickly taken up for a vote.

Highlights of the recent draft include language to require a process for variances, clarifies that the process to lower the gallons per capita daily (GPCD) standards beyond those outlined in the legislation can only be done by the Legislature. The new language does not include an increase in the potable reuse credit. It remains at ten percent.

The conversation around SB 623 (Monning) continues, especially after the Brown Administration released a budget trailer bill with their proposal for implementing a Safe Drinking Water Fee. The language is consistent with SB 623.

It isn't clear yet which vehicle will move, but the Brown Administration isn't interested in a prolonged fight at the end of session over this issue. Opposition from a significant number of urban water agencies and ACWA remains very strong. With a 2/3 vote required for whichever vehicle ends up as the main safe drinking water fee vehicle, and a number of Democratic vacancies, it is unlikely the bill will move anytime soon.

INFORMATION
ITEM

5H



CALIFORNIA STRATEGIES, LLC

Date: March 5, 2018
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: February Activity Report

1. This month Senator Brulte and John Withers held their monthly meeting on February 5th with the senior staff of the agency. General Manager/CEO Halla Rezek did not participate due to illness.
2. Regional Contract
 - The Joint TAC-Policy Committee met February 01. Issues of trust and the 2014-5 Joint Audit were discussed.
3. Proposition One Grant Application
 - On January 15th a meeting with Water Commission staff to discuss the project proposal.
 - Public Benefit documentation is being prepared by GEI.
 - A need was identified to get support from interested third party stakeholders including but not limited to MET, Environmental Groups including EHL and the Coastkeeper.
4. Chino Basin Water Bank Project
 - Project JPA has been formed for planning and reps of the agencies are selected
 - Project team lead by Ed Means held its second meeting

**INFORMATION
ITEM**

51

Federal Legislation of Significance

Bill Number	Sponsor	Title and/or Summary	Summary/Status
S.2329	Sens. from Sens. John Hoeven (R-ND)	Water Infrastructure Finance and Innovation Reauthorization Act of 2018	<p>This measure is designed to spur investments in water project development across the nation by supplementing federal funding of water infrastructure projects — including wastewater treatment, flood control and storm water management — with long-term, low-cost loans and loan guarantees, reauthorize and amend the Water Infrastructure Finance and Innovation Act of 2014, and double the Environmental Protection Agency’s fiscal year 19 WIFIA authorization to \$90 million and extend the program for five years, through 2024.</p> <p>The legislation was introduced Tuesday, January 23, 2018 was referred to the Committee on Environment and Public Works</p>
H.R.4492	Rep. Brian Mast (R-FL)	Water Infrastructure Finance and Innovation Reauthorization Act of 2017	<p>H.R. 4492 is a companion bill to S.2329 and would spur investments in water project development across the nation by supplementing federal funding of water infrastructure projects.</p> <p>This bill was introduced Thursday, November 30, 2017 and was referred to both the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce.</p>
H.R. 5127	Rep. Grace Napolitano (D-CA)	Water Recycling Investment and Improvement Act	<p>The legislation would assist water agencies with the expansion, planning, designing, and building of water recycling plants and modernizing water infrastructure by making changes to the WIIN Act Title XVI water recycling and reuse program by removing the requirement of funding projects that are in drought or disaster areas, increasing the authorization from \$50 million to \$500 million, making the program permanent rather than sun-setting in 2021, and taking away the requirement that the projects need to be designated in an appropriations legislation.</p> <p>The bill was introduced on Tuesday, February 27, 2018 and referred to the Committee on Natural Resources, and in addition to the Committee on Transportation and Infrastructure.</p>
H.R. 1892	Rep. John Larson (D-CT)	Bipartisan Budget Act of 2018- Vehicle for the Short-Term Continuing Resolution	<p>Government funding continues through Friday, March 23 218, and spending caps increased by about \$300 billion over two years.</p> <p>The measure also suspends the debt limit for about one year. provides \$84 billion for disaster relief and provide tax relief for wildfire victims, extends the Children’s Health Insurance Program an additional four years, repeal a Medicare cost-control panel known as the Independent Payments Advisory Board, renews a litany of expired tax</p>

			<p>provisions, and increases support for cotton and dairy producers by modifying agriculture programs.</p> <p>President Trump signed the legislation on Friday, February 09, 2018.</p>
H.R. 1370	Rep. Michael McCaul (R-TX)	Vehicle for the Short-Term Continuing Resolution	<p>The continuing resolution (CR) to fund the government through Friday, January 19, passed the House 231-188 and the Senate 66-32 on Thursday, December 21. The CR maintains current levels of spending through Jan. 19 and provide \$4.5 billion in emergency funding for missile defense work as well as other Pentagon expenses</p> <p>President Trump signed the legislation into law on Friday, December 22, 2017.</p>
H.R. 4667	Rep. Rodney Frelinghuysen (R-NJ)	Making further supplemental appropriations	<p>Making further supplemental appropriations for the fiscal year ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and calendar year 2017 wildfires, and for other purposes.</p> <p>The House passed the legislation by a vote of 251 to 169. The Senate did not take up the legislation and will revisit the issue in January 2018. The Senate read the second time and the legislation was placed on Senate Legislative Calendar under General Orders on January 4, 2018.</p>
S.1	Sen. Mike Enzi	Tax Cuts and Jobs Act	<p>This bill provides for the reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018. Tax rates would be reduced, dozens of breaks would be eliminated, and the individual mandate from the Affordable Care Act would be eliminated. The corporate income tax rate would be set at 20 percent.</p> <p>S.1 was introduced by the Senate Budget Committee on Tuesday, November 28.</p>
	Sen. Thad Cochran (R-MS)	Fiscal 2018 Appropriations Act	<p>On November 21, 2017, the Senate Appropriations Committee released funding bills for Defense, Homeland Security, Financial Services and the Interior for fiscal year 2018. The remaining eight FY18 bills were approved by the committee prior to November.</p> <p>The committees were given</p>
H.R.1	Rep. Kevin Brady (R-TX)	An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.	<p>This bill amends the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. Tax rates would be reduced, dozens of breaks would be eliminated, and the individual mandate from the Affordable Care Act would be eliminated. The corporate income tax rate would be set at 20 percent.</p> <p>H.R.1 was introduced on Thursday, November 2 by the Committee on Ways and Means. The House voted 227-205 and passed the bill on Thursday, November 16. On</p>

			<p>December 2, the Senate passed an amendment by the Yeas and Nays: 227-207. On December 19, the conference report was agreed in the House with a vote of 227-203. The House agreed to the Senate amendment on December 20 with a vote of 224-201. The legislation became Public Law No: 115-97 on December 22, 2017.</p>
H. Con. Res. 71	Rep. Diane Black (R-TN)	Establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027	<p>Legislation that would change the tax code and increase the deficit by as much as \$1.5 trillion over a decade could be passed with simple majorities in both chambers under the Senate amendment to H. Con. Res. 71.</p> <p>The House agreed to the Senate Amendment and voted 216-212 to resolve. The proposed fiscal 2018 budget resolution would direct the tax-writing panels -- House Ways and Means and Senate Finance -- to produce reconciliation legislation by Monday, November 13, 2017.</p> <p>The plan calls for spending \$3.13 trillion in fiscal 2018, while bringing in \$2.49 trillion in revenue, for a deficit of \$641 billion. Those figures don't include "off-budget" items such as Social Security, which would bring total spending to \$3.99 billion in fiscal 2018. It would seek about \$5.1 trillion in spending reductions over the next decade and \$1.6 trillion in tax cuts.</p> <p>The House adopted its version of H. Con. Res. 71 by a vote of 219-206 on Thursday, October 5. The Senate adopted an amended version by a vote of 51-49 on Thursday, October 19. And, the House passed the Senate amended bill on Thursday, October 26 by a vote of 216-212. It now goes to the White House for the President's expected signature.</p>
H.R. 2266	Rep. John Conyers	Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017	<p>Hurricane and wildfire relief efforts would receive an additional tranche of emergency supplemental funding under a House amendment to the Senate amendment to H.R. 2266.</p> <p>The \$36.5 billion aid package would: Appropriate \$18.7 billion for the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund (DRF). As much as \$4.9 billion could be transferred to FEMA's Community Disaster Loan (CDL) program to help local governments and U.S. territories provide essential services. Cancel \$16 billion in loans to the National Flood Insurance Program (NFIP), which reached its borrowing limit after hurricanes Harvey and Irma. And allow as much as \$1.27 billion in previously appropriated funding to be transferred for emergency nutritional assistance in Puerto Rico.</p>

			The Senate agreed to the House amendment to the Senate amendment to H.R. 2266 by 82-17. On October 26, 2017, the bill became Public Law No: 115-72.
H.R. 3711	Reps. Lamar Smith (R-TX)/Ken Calvert (R-CA) /Bob Goodlatte (R-VA)	The Legal Workforce Act	<p>A bill that would require all U.S. employers to use the E-Verify electronic employment verification system. The requirement would be phased over a two-year period, starting with the largest employers. The agriculture industry would have an additional six months (or 30 months total) to come into compliance.</p> <p>H.R. 3711 was referred to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, and Education and the Workforce on Friday, September 8th. On Wednesday, September 27th, H.R.3711 was referred to Judiciary Subcommittee on Immigration and Border Security. Judiciary Committee Consideration and Mark-up Session was held on Wednesday, October 25th. H.R. 3711 was ordered and reported (amended) by the yeas and nays: 20-10 on October 25, 2017.</p>
H.R. 601	Rep. Nita Lowey (D-NY)	Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017	<p>\$15.25 billion dollar bill for disaster aid following the destruction caused by Hurricane Harvey and anticipated by Hurricane Irma. This bill will also raise the debt limit and includes a continuing resolution funding the government until December 8th.</p> <p>H.R. 601 was passed in the Senate on Thursday, September 7 will additional Hurricane funding and the deficit reduction until December provisions. The House passed the bill on Friday, September 8, 2017, and was signed by the President on the same day (Public Law 115-64).</p>
H.R. 3354	Rep. Ken Calvert (R-CA)	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. The House-passed version of H.R. 3354 includes all 12 appropriations bills, including four that were previously passed in H.R. 3219.</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. was considered and passed by a vote of 211 to 198 on the House Floor on September 14, 2017. The Continuing Resolution, H.R.195, will run until February 8, 2018.</p>

H.R. 3219	Rep. Kay Granger (R-TX)	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 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. H.R. 23 was received in Senate, read twice and referred to the Committee on Energy and Natural Resources on July 18, 2017.</p>
	Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)	Infrastructure Package	<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</p>

			<p>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>
H.R. 1663	Rep. Grace Napolitano (D-CA) / Rep. Rob Wittman (R-VA)	Water Resources Research Amendments Act	<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 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 referred to the Subcommittee on Water, Power and Oceans on March 27, 2017.</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. The bill was referred to the Senate Committee on Energy and Natural Resources on June 28th and no further action has been taken.</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> <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.</p>
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 on May 19, 2017.</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 27. The House Rules Committee on June 20th dictated final amendments for passage on the House Floor; this bill passed the House on June 22 by a vote of 233-180. H.R. 1654 was referred to the Senate Committee on Energy and Natural Resources on June 26 and not further action has been taken.</p>
H.R. 195	Rep. Steve Russell (R-OK)	Continuing resolution through Feb. 8 & CHIP reauthorization	<p>The measure would extend funding for most federal agencies at the reduced fiscal 2017 spending levels initially provided by Public Law 115-56 to keep spending in line with the fiscal 2018 caps. It would be the fourth continuing resolution passed since the fiscal year began on Oct. 1.</p> <p>The legislation also would extend most anomalies and program extensions from the previous continuing resolutions, such as the National Flood Insurance Program.</p> <p>The measure would allow emergency missile defense funding provided under the last CR to be used for intelligence activities that haven't been specifically authorized by Congress.</p> <p>It also includes other anomalies that would allow funding for summer food programs for kids, NASA space exploration, the Energy Department inspector general, and small-business loans, to be apportioned at the rate needed to maintain operations and meet scheduling and other requirements. Additionally, the Housing and Urban Development Department could adjust funding for public housing agencies to administer Section 8 Housing Choice Vouchers in areas where the president declared a disaster in 2017 or 2018.</p> <p>The measure would provide \$21.5 billion for fiscal 2018 for CHIP, increasing to \$25.9 billion by fiscal 2023. The fiscal 2023 amount would come from two semiannual allotments of \$2.85 billion and an additional \$20.2 billion for the first half of the year that would remain available until expended.</p> <p>This House voted 230-197 to pass the legislation on January 18, 2018. The Senate amended the bill and voted 81-18. This legislation was resolved in the House on January 22, 2018 and passed with a vote of 266-150. The President signed the bill into law (Public Law 115-120) on January 22, 2018.</p>

**INFORMATION
ITEM**

5J

State Legislation

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
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.	SUPPORT Senate Rules
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 Senate Natural Resources and Water
AB 1876	Frazier	Sacramento-San Joaquin Delta: Delta Stewardship Council	The Sacramento-San Joaquin Delta Reform Act of 2009 establishes the Delta Stewardship Council, which consists of 7 members, and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. This bill would increase the membership of the council to 13 members, including 11 voting members and 2 nonvoting members, as specified.	OPPOSE Water, Parks and Wildlife 3/20
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 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.	SUPPORT Assembly Floor

SB 952	Anderson	Water Conservation: Local Water Supplies	SPOT BILL: Would state the intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and will ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates.	WATCH
SB 623	Monning	Water Quality: Safe and Affordable Drinking Water Fund	Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.	WATCH Assembly Rules Committee

**INFORMATION
ITEM**

5K

Date: March 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Engineering, Operations & Water Resources

HR
03/14/18

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

Subject: Water Smart Landscaping in the Inland Empire

Executive Summary:

Water Saving Garden Friendly (WSGF) (watersavinggardenfriendly.com) is a program that helps customers find resources to establish water efficient landscaping. WSGF was founded in 2010 by Eastern Municipal Water District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water District, Western Municipal Water District, Chino Basin Water Conservation District, and Rancho Santa Ana Botanical Garden. As a core program initiative, the current team developed a new online Plant Database (www.ie.watersavingplants.com) specific to the entire Inland Empire Region. It includes garden tours, a garden gallery, plant database, search engine for plants, problem solving plant lists, plant and garden information report printouts, a garden resources section, and water conservation tips. WSGF continues its public-private partnership with Home Depot, who host annual plant sale events throughout the Inland Empire to showcase water-wise plant options for landscapes.

The Inland Empire Landscape Guidebook provides a new approach to landscaping by applying a watershed wise approach. This step-by-step instruction book includes the "how-to's" on resilient landscape design, building healthy soils, selecting climate-appropriate plants, and installing efficient irrigation systems that create a sustainable, water-wise garden.

Staff's Recommendation:

This is an informational item for the Board of Directors to receive and file.

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

Account/Project Name:

WR18029.00 / Drought Related Projects

Fiscal Impact (explain if not budgeted):

Water Saving Garden Friendly Website - Climate Appropriate Plant Database -
Total Project Cost: \$8,000 / IEUA Cost: \$2,000

Inland Empire Landscape Guidebook - Total Project Cost: \$35,000 / IEUA Cost: \$7,000

Full account coding (internal AP purposes only): - - - Project No.:

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The projects are consistent with IEUA's Business Goal of increasing Water Reliability by promoting water use efficiency and education to enhance water supplies within the region; and meeting the region's need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.

Attachments:

Link for the online Plant Database is www.ie.watersavingplants.com

**INFORMATION
ITEM**

5L

Laboratory

Semi-Annual Update



Laboratory Activities

- FY 2018 Samples and Analyses (1st half)
 - Samples – 8,913
 - Compliance – 3,211
 - Discretionary – 5,702
 - Analyses – 29,380
 - Compliance – 14,683
 - Discretionary – 14,697
- New Equipment
 - TOC UV/persulfate
 - Ion Chromatograph
- Staffing
 - Vincent Tran promoted to Laboratory Scientist II
 - Krystal Suetani hired as Laboratory Scientist I
 - Chemist retirement, Lisa Oakden (27 years of service)
 - Chemist recruitment in process



Laboratory Certification

- Environmental Laboratory Accreditation Program (ELAP)
 - Attended draft regulations workshop, August 1, 2017
 - Draft regulations delayed to summer 2018
 - Lab assessments with contract assessors for Drinking Water Labs
- IEUA Laboratory
 - Certification extended through October 2018
 - Review of all 35 Technical SOPs
 - 2 new Administrative SOPs completed
 - Updating Quality Control Manual

Key Performance Indicators

- **Customer Service**
 - Met or exceeded expected sample turnaround times
 - Implemented Site specific limits in Laboratory Information Management System, January 1, 2018
- **Safety**
 - No significant findings during Lab safety inspections, July 2017

FY 2018

Performance Indicator		Goal	Actual
Sample Turnaround Time	Compliance	18 days	17
	Process Control	1 day	1
Meet sample holding times		99%	>99%
Quality Control Failures		<1%	<1%
ELAP sample repeats		0	0
Lost time accidents		0	0

Water Quality Laboratory (EN15008)

- Current Laboratory Staff Activities
 - Detailed review of mechanical and electrical requirements
 - Preparing for move
- Schedule
 - Completion: July 2018
 - Move: August 2018



**INFORMATION
ITEM**


5M

Date: March 21, 2018

To: The Honorable Board of Directors

From: Teresa Velarde, Manager of Internal Audit

Committee: Audit


03/12/18

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Wire Transfers Audit Report

Executive Summary:

Internal Audit (IA) completed the Wire Transfers Audit on March 1, 2018 to evaluate internal controls and segregation of duties for the initiation, authorization and fulfillment of wire transfer and EFT payments, to verify that transactions are accurate, complete and timely, and to identify improvements for the effectiveness and efficiency of processing transactions.

The audit found that effective controls are in place and opportunities exist to further strengthen internal controls and improve processes; the following summarizes the audit recommendations:

- Utilize electronic signature technology and digital approval documentation
- Update Wire Transfer Standard Operating Procedures (SOP)
- Evaluate cost/benefit of higher limits for Fraud Funds Transfer Insurance
- Develop standards for documentation and review of supporting information in SAP
- Prepare/update SOP's for electronic transactions related to investments

Staff's Recommendation:

Receive the Wire Transfers Audit report as an information item for the Board of Directors and instruct Agency staff to implement/resolve the audit recommendations.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): Y 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 Department 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 Wire Transfers Audit report 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 - Wire Transfers Audit report



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

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DATE: March 1, 2018

TO: Halla Razak
General Manager

Teresa V. Velarde

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Wire Transfers Audit

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) performed an audit of wire transfer/electronic fund transfer (EFT) payments, policies, procedures and transactions for the period from July 1, 2016 through December 31, 2017. 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 which discusses IA's observations and recommendations.

Audit Scope

The audit objectives were to:

- evaluate internal controls and segregation of duties for the initiation, authorization and fulfillment of wire transfer and EFT payments,
- verify that transactions are accurate, complete and timely, and
- identify improvements for the effectiveness and efficiency of processing transactions.

Audit Techniques Applied

Audit techniques applied during the audit included:

- Interviews of Agency staff
- Walkthroughs of processes and transactions
- Flowchart of the wire transfer process
- Review of supporting documents in SAP and in manual files
- Review of policies and procedures
- Review information in bank statements

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

Halla Razak
General Manager

Audit Results - Executive Summary

The Finance and Accounting Department (FAD) is responsible for wire transfers and EFT transactions at the Agency and has established a variety of internal controls to ensure that these are authorized, supported, accurate, timely and valid. The audit found that FAD has effective controls in place. Detailed observations and recommendations are included in the attached report. IA found opportunities for improvement:

- Currently various manual approvals are required to ensure adequate segregation of duties and internal controls. As the Agency moves toward automated recordkeeping using Laserfiche and possibly other tools, the Agency should consider utilizing electronic signature technology and implementing digital approval documentation.
- FAD is in the process of updating Standard Operating Procedures to meet the most recent Agency format, according to A-51. FAD should finalize the new SOPs to ensure the most current guidance is available.
- The Agency currently has a Fraud Funds Transfer Insurance policy limit of \$2,000,000 per occurrence, but should consider a higher limit. The Insurance provides monetary reimbursement in the event of fraud. Concurrently, the Agency should consider reducing the bank call-back threshold of \$11,000,000 to any amounts that exceed the Agency's insurance policy limit to mitigate risks.
- FAD should develop standards for maintaining documentation and review of information in the automated accounting systems to ensure consistency and completeness.
- Investment-related wire transfers utilize a separate process and the process is changing with a new investment advisor. FAD should develop or update SOPs to document the new processes.

The Wire Transfers Audit is consistent with *the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by providing an independent evaluation of the internal controls, testing transactions and providing recommendations for improvement, cost containment and policy compliance.*

Discussion with Management

Drafts of this audit report were provided to Christina Valencia, Executive Manager of Finance and Administration/Assistant General Manager, Javier Chagoyen-Lazaro, Manager of Finance and Accounting and Tina Cheng, Budget Officer on February 14, 27 and 28, 2018 for their review and comments prior to finalizing.

Acknowledgements

We would like to extend our appreciation to Finance and Accounting Department staff for their cooperation and assistance during this review.

Wire Transfers and Electronic Funds Transfer (EFT) Transactions

The Agency utilizes two types of electronic transactions:

- ***Wire transfers, also known as Electronic Funds Transfer (EFT) transactions.*** Wire transfers are often the most expedient method for transferring funds between bank accounts. Wire transfers are virtually instantaneous. The Agency utilizes two types of wire transfers:
 - ***“Credit” EFT’s*** are the most common. These wire transfers are processed by making a request for payment through messages to the Agency’s bank, primarily Citizen’s Business Bank (CBB) requesting CBB to issue a payment in accordance with the Agency’s instructions. The Agency uses wire transfers for transactions where no cash or check exchange is involved, and predetermined amounts are directly (electronically) transferred from the Agency’s CBB bank account to payees’ bank accounts. These wire transfers are utilized for large payments to vendors such as construction contractors, the monthly Metropolitan Water District payment and certain, generally non-recurring investment transactions during the bond repayment process. During this review, the amounts varied between \$1,200 (for payroll-related items) to \$51 million (unique bond repayment transaction).
 - ***“Debit” EFT’s*** are the other form of wire transfer. These are originated by the Agency and processed by authorizing the payee’s bank to process a predetermined transfer amount from the Agency’s account. For security reasons the Agency uses these wire transfers for a limited number of vendors including employment related payments to CalPERS and for Federal and State taxes.
- ***Automated Clearing House (ACH) transactions:*** ACH transactions are the electronic transfers of funds from the Agency’s bank account to a payee’s checking or savings account through the ACH Network, a highly reliable and efficient nationwide batch-oriented electronic funds transfer system. The National Automated Clearing House Association establishes the NACHA Operating Rules, the standards and procedures that enable participating depository financial institutions to exchange ACH payments on a national basis. Payee-payment records are sent in batches, and settlements do not occur until the next business day. These transactions are processed in batches by banks. The scope of this audit did not include an evaluation of payments through the ACH Network because the risk of issuing payments is considered low. The main risk lies with ensuring that only legitimate vendors are included in the Agency’s vendor master file. The scope of this review did not evaluate vendor files, only controls with wire transactions.

The following is a summary of the total Wire Transfers during our 18-month review period.

Time-Period	Number of Transfers	Total	Transfers over \$2Million	Average number of transfers per week	Average dollar amount of each transfer
7/1/16 - 12/31/16	126	\$ 103,266,036	10	4.85	\$ 819,572
1/1/17 - 6/30/17	142	\$ 118,165,505	7	5.46	\$ 832,151
7/1/17 - 12/31/17	107	\$ 52,819,729	10	4.12	\$ 493,642*

*Average dollar amount declined after Bond refinancing and pay-off.

Process

There are four steps that make up the electronic transactions process:

1. Authorization form
2. Transfer initiation
3. Transfer approval
4. Reconciliation

The processes vary slightly between “credit” and “debit” Wire Transfers.

Credit Wire Transfer/EFT Transactions:

Authorization form: This is the document that initiates all electronic transactions. The Agency’s Financial Analysts have pre-established templates for the various types of electronic transactions. For ACH and “credit” Wire Transfer transactions the template is addressed to Citizen’s Business Bank (CBB). The template provides an explanation of the type of transaction and the relevant details needed for processing. The Authorization form requires two signatures from individuals authorized by the Agency as bank signatories. The signature lines are pre-printed for the Executive Manager of Finance and Administration/Assistant General Manager and Budget Officer’s signatures, but could be authorized by any two Agency bank signatories (including Board Members and/or the General Manager).

Transfer initiation: After obtaining the two signatures on the Agency’s Authorization Form, the next step is initiation of the transaction. There are four Financial Analysts with responsibility for processing electronic transfer information. The four Financial Analysts rotate this responsibility on a weekly basis (this ensures that each Financial Analyst rotates through different weeks of the month during the year, meaning that they do not see the same transactions each period when processing is their responsibility).

Internal audit notes that rotating responsibilities is an internal control “best practice” and notes that this is a good control to have in place.

To initiate the transaction a Financial Analyst logs into the CBB portal with a separate log-in and password. After entering the transfer information, CBB confirms the validity of the entry with a code that the Financial Analyst must confirm with their own code shown on their pre-assigned FOB (small security hardware device with built-in authentication used

to control and secure access to network services and data provided by CBB). Each Financial Analyst has a FOB and keeps it locked when not in use. All wire transfer transactions are processed using the previously established templates.

Transfer approval: For the transaction to be processed, CBB requires a separate approval step. This approval responsibility is limited to the Executive Manager of Finance and Administration/Assistant General Manager, the Budget Officer and the Manager of Finance and Accounting, one of whom must individually log-in to the CBB portal and execute their approval. These approvers do not have access to the CBB "FOB's" that the Financial Analysts use when initiating transfers and therefore, cannot make changes to the transactions initiated by the Financial Analysts.

Reconciliation: After completing the transactions, the files are returned to accounting staff for recording and reconciling in SAP and with the bank statement.

Debit Wire Transfer/EFT Transactions

Authorization form: Debit Wire Transfer transactions utilize the same authorization form as Credit Wire Transfers, except there is no addressee, since the Agency performs the transaction within the recipient's banking portal (ie. Federal and State tax authorities and to CalPers). The form still requires the same approval signatures.

Transfer initiation: Debit Wire Transfer transactions are initiated by the upload of the Payroll file. This initiation is performed by the Payroll Department as part of their routine bi-weekly payroll processing.

Transfer approval: The processing of Debit Wire Transfer transactions is complete once the Financial Analyst has logged into the bank portal for the recipient institution and validated the transaction. This is sufficient, since the transaction was initially uploaded to that institution through the payroll department as part of their normal responsibilities. That, along with the sign-off on the authorization letter constitute adequate authorization for the Financial Analysts to complete the transactions.

Reconciliation: After completing the transactions, the files are returned to accounting staff for recording and reconciling in SAP and with the bank statement.

Observation #1: The process of obtaining approvals to ensure segregation of duties requires multiple manual steps.

The process of obtaining the various required manual signatures indicating approvals can be streamlined to improve efficiency through automation. The Agency is moving toward utilizing automated recordkeeping using Laserfiche and possibly other electronic signature technology tools that meet Federal requirements for accuracy, authenticity and documentation. These tools provide immediate digital approval documentation and eliminate manual processes.

Recommendation #1:

As the Agency moves toward automated recordkeeping using Laserfiche and possibly other tools, the Agency should consider utilizing electronic signature technology and implementing digital approval documentation.

DEPARTMENT RESPONSE: The Agency is in the process of selecting a vendor to provide maintenance for the new Laserfiche program. The requirements include making a recommendation for digital signatures.

Observation #2: FAD is in the process of updating Standard Operating Procedures (SOP's) to the most recent Agency format.

Wire transfers include the largest transactions (in terms of monetary transactions) that the Agency processes. To ensure accurate, timely processing and to provide training tools, it is important that SOP's are up-to-date.

Recommendation #2:

FAD should finalize the new SOPs in the format provided in Agency Policy A-51.

Controls provided by Citizen's Business Bank

IA noted that in addition to segregating the wire transfer process between Agency employees who initiate, authorize, approve and reconcile the wire transfers within FAD, the Agency also has additional "best practices" and controls in place provided by CBB:

- CBB has provided the Agency's FAD Financial Analysts, responsible for entering transactions, with individual key FOBs that generate a code used to verify the identity of the employee initiating the transaction from IEUA. This is a recommended access control for e-transactions.
- Wire transfers are issued with "Positive Pay with Payee Match". This means CBB compares the information on the wire transfer request with information about the payee, which was provided by the Agency when initially setting-up the payee. This information includes name, address, bank routing number and bank account number. The transaction is only processed by CBB if the information on the transaction matches the information initially provided by the Agency. If any of the information does not match, an exception report is generated and communicated to the Agency.
- CBB also performs call-back to IEUA for wire transfer requests that exceed \$11 million in one day. This means that CBB will call and verify by phone that IEUA requested a wire transfer of \$11 million or more. According to the Agency's CBB banking representative this threshold is determined by the banking client.

Internal Audit notes that these controls are "best practices" and notes that they are good controls to have in place.

Fraud Funds Transfer Insurance Coverage

In addition to the segregation of functions documented above, the Agency has purchased a Fraud Funds Transfer Insurance policy with a limit of \$2,000,000 per occurrence. Therefore, if the Agency can provide information to substantiate that a wire transfer was fraudulent the Agency could recover up to \$2,000,000 less a small deductible for losses incurred. The recovery is limited to the \$2 million and if the fraud were a higher amount, the Agency's recovery would be limited to the \$2 million. This indicates that the Agency is willing to accept the risk for amounts above this limit. Recent media reports of examples of fraud have however, exceeded that limit.

Observation #3: The Agency has a Fraud Transfer Insurance policy limit of \$2,000,000. The Agency should consider increasing the limit to have a higher coverage.

There have been multiple recent examples of frauds perpetrated against governmental agencies that exceeded \$2,000,000. The City of Placentia recently lost over \$5 million through an embezzlement scheme that took place over about two years. The City's insurance policy was \$1 million and the city recovered that amount from insurance. A powerline-undergrounding fraud at the City of Pasadena, although not related to wire transfers, totaled \$6.4 million and occurred over a 10-year period (Pasadena had \$5 million in insurance).

Additionally, CBB does not initiate a call-back to the Agency for transactions less than \$11 million. During the 18-month period reviewed by IA, wire transfer transactions of \$2 million or more included two investment transfers, CalPers payments, MWD invoices and the large bond payment. There were 27 transactions in this category totaling approximately \$147 million, only three of which exceeded \$11 million. IA spoke with the Agency's CBB banking representative who indicated that the call-back threshold is Agency-driven and can be changed at any time. The representative noted that they have clients with a variety of call-back thresholds and that one popular option is at \$5 million per transaction.

It is also IA's understanding that the Agency's cost to obtain higher Fraud Transfer Insurance limits would not be significant.

Recommendation #3:

The Agency should evaluate the cost/benefit of obtaining additional coverage and consider a per occurrence limit greater than \$2 million to ensure the Agency has adequate insurance coverage to address the Agency's risk tolerance. In addition, to address potential uncovered losses, the Agency should consider reducing the threshold for a bank call-back to any amounts that exceed the Agency's chosen limit for Fraud Transfer Insurance.

DEPARTMENT RESPONSE: The Finance and Accounting Department will evaluate the cost/benefit of increasing insurance coverage.

Audit Analysis of Wire Transfer Transactions

To obtain an initial understanding, IA prepared an Internal Control Questionnaire, obtained responses from the Finance department staff and held a kick-off meeting to gather information. Additionally, IA flowcharted the processes and performed a walk-through of the steps in processing each transaction type (wire transfer/EFT and Automated Clearing House).

After confirming the steps in the electronic transactions process, IA decided to focus on wire transfer/EFT transactions and perform an extended walkthrough of transactions to confirm that the documentation in SAP and the Accounting files supports the information obtained:

- Selected approximately 25% of transactions greater than or equal to \$2 million.
- Consider separately the bond repayment of \$51,579,861 as tested during the external audit.
- Selected 10 items less than \$2 million

The “Bond Pay-off” transaction is considered separately. This transaction received significant oversight as part of the bond refinancing steps and additional analysis from the external auditors during their audit procedures. IA, therefore, excluded it from the testing sample, but it is part of total transactions for the period.

Overall, IA tested 41% of the dollars transferred greater than or equal to \$2 million. Including the bond pay-off amount would increase the scrutinized percentage to 56% of dollars transferred greater than or equal to \$2 million.

For amounts less than \$2 million, IA tested 4% of dollar amounts. But, IA also reviewed all transactions for unusual items and noted none.

IA reviewed to ensure:

- Authorization from approved individual (bank account signatory)
- Initiation from authorized individual & verification that appropriate forms submitted and completed
- Approval from a responsible supervisor
- Bank processing in a timely manner

Observation #4: When performing detailed testing of wire transfer transactions, IA noted instances where the SAP documentation was not complete.

Although the Agency maintains printed documentation for wire transfer transactions, that documentation is not always maintained electronically as supporting information in the SAP financial systems. As the Agency continues to automate and upgrade digital recordkeeping, keeping complete documentation in the automated accounting system becomes more important. Without complete automated documentation of transactions in

SAP, the Agency must rely on alternative sources of information and/or manual files that may not be readily available.

Recommendation #4:

FAD should develop standards for documentation of transactions in SAP and a process of reviewing transactions once posted to ensure that the information in the accounting records is consistent and complete.

Investments

In evaluating the general control environment and the use of policies and procedures as part of the Agency's internal controls, IA was informed by FAD that the processes and procedures for investment wire transfer transactions differ from those used with CBB transactions. IA did not test investment transactions as part of this audit. Through the course of performing the described procedures, IA noted two non-recurring transfers during the bond repayment process totaling a combined \$45,000,000. Further review noted that these were investment-related. IA has asked for the documented procedures (SOP's) that guide investment-related transactions. Additionally, IA noted that IEUA recently entered into an agreement with an investment advisor which will impact the investment process. IA recommends wire transfer transactions for investments be audited after the Agency has had sufficient experience with the new investment advisor and the new processes and procedures have been in place for a period of time.

Observation #5: The process for initiating and approving wire transfers for investment-related transactions differs from that used for ordinary banking transactions, is in the process of changing and the new process is not formally documented.

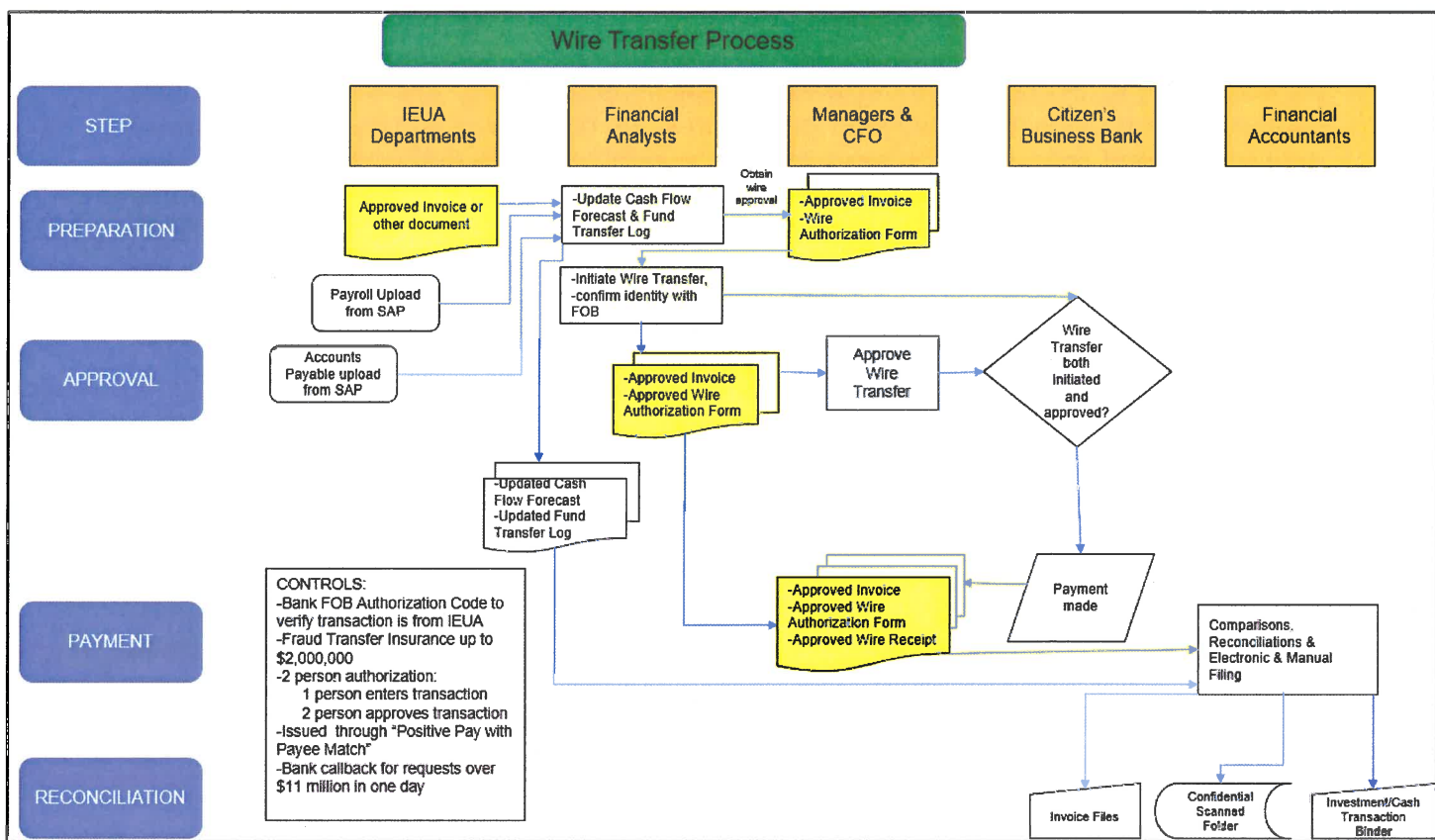
The Agency utilizes a Board-approved Investment Policy to manage its cash resources and has recently entered a new relationship with an investment advisor. This results in wire transfers between investment institutions other than CBB and a different wire transfer process. Without an up-to-date SOP, approved processes are unclear. IA did not test electronic transactions related to investments. As a proactive step, IA provides the recommendation for documenting an up-to-date SOP.

Recommendation #5:

FAD should document or revise a separate SOP that describes the steps in the wire transfer process for investment transactions to provide guidelines for the processing of investment transactions.

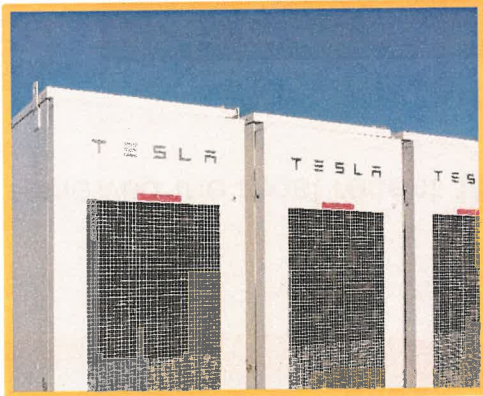
DEPARTMENT RESPONSE: Finance and Accounting disagree with this recommendation. IA explained that IA has a responsibility to comment on matters that came to the Department's attention during the audit and the transactions above came to our attention during the review of electronic disbursements and the general control environment and we would like to provide assurance that documented procedures are available. Please contact IA for additional information.

WIRE TRANSFER PROCESS FLOWCHART



AUDIT COMMITTEE

Wire Transfers Audit



Wire Transfers Audit

IA reviewed the most recent 18 months.

Time-Period	Number of Transfers	Total	Transfers over \$2Million	Average number of transfers per week	Average dollar amount of each transfer
7/1/16 - 12/31/16	126	\$ 103,266,036	10	4.85	\$ 819,572
1/1/17 - 6/30/17	142	\$ 118,165,505	7	5.46	\$ 832,151
7/1/17 - 12/31/17	107	\$ 52,819,729	10	4.12	\$ 493,642*

Internal Controls in Place by Citizen's Business Bank

- Key FOBs that generate a code used to verify the identity of the employee initiating the transaction from IEUA.
- “Positive Pay with Payee Match”. CBB compares the information on the wire transfer request with information about the payee, provided by the Agency.
- CBB performs call-back to IEUA for wire transfer requests that exceed \$11 million.

Internal Controls in Place at IEUA

Segregation of Duties:

- Authorization Form requires two signatures from authorized Agency employees
- Weekly rotation of duties within the Finance Department for Transfer Initiation
- Approval responsibility is limited to the Executive Manager of Finance & Administration/AGM, the Budget Officer and the Manager of Finance and Accounting who must log-in to the CBB portal to execute approval.
- Reconciliation: accounting staff complete the recording and reconciling in SAP and with the bank statement.

Insurance:

- The Agency has purchased a Fraud Funds Transfer Insurance policy with a limit of \$2,000,000 per occurrence.

Audit Recommendations:

- Update/develop separate SOPs to document electronic transactions for investment transactions
- Electronic signature technology and implementing digital approval documentation
- Finalize wire transfer SOPs
- Consider increasing the Fraud Funds Transfer Insurance policy limit of \$2M per occurrence
- Standardize the requirements for the information stored in the Agency's accounting systems to ensure consistency and completeness



Questions or Comments?

The Wire Transfers 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.

**INFORMATION
ITEM**

5N



Date: March 21, 2018

To: The Honorable Board of Directors

Committee: Audit

From: Teresa Velarde, Manager of Internal Audit

03/12/18

Subject: Procurement Card Audit

Executive Summary:

Internal Audit (IA) completed an audit of the Agency's Procurement Card (P-Card) program. The audit identified opportunities to further strengthen internal controls to improve the overall effectiveness and efficiency of the P-Card program, including:

- Update Agency Policy A-89 to provide clearer guidelines on the types of purchases allowable or not allowed and provide additional guidance on its use,
- The role of the P-Card Administrator should be enhanced and strengthened to include duties such as reviewing, monitoring and evaluating transactions and the overall program,
- Adopt processes to improve P-Card transaction approvals and reconciliations through the use of on-line tools either through the US Bank's system or the Agency's in-house systems, and
- Consider consolidation of the various credit card programs to take advantage of rebates given in the form of miscellaneous revenue, centralize credit purchases, standardize the processes of approving, reconciling and recording transactions, and enhance visibility and transparency.

Staff's Recommendation:

Receive the Procurement Card Audit report as an information item for the Board of Directors and instruct Agency staff to implement/resolve the audit recommendations.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): Y 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 Department Charters.

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 Procurement Card Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by having the Internal Audit Department provide an independent evaluation of the P-Card program and provide recommendations for improvements, identify cost containment opportunities, evaluate policy compliance and monitoring the internal control environment of the Agency.

Attachments:

Attachment 1 - Procurement Card Audit report
Attachment 2 - PowerPoint



Inland Empire Utilities Agency

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DATE: March 1, 2018

TO: Halla Razak
General Manager

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Procurement Card Audit

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) performed an audit of the Procurement Card (P-Card) program. The audit was performed under the authority given by the IEUA Board of Directors and the Fiscal Year 2017/18 Annual Audit Plan. This report provides the results of the audit, along with IA's observations and recommendations.

Audit Objective and Scope

The P-Card Audit objectives were to determine whether P-Card purchases comply with the Agency's Procurement Ordinance Number 101 and Agency Policy A-89 *Procurement Card* Program, assess the adequacy of internal controls in place and to identify improvements for the effectiveness and efficiency of the program.

Audit Techniques:

Audit techniques included:

- Interviews of Agency staff
- Review of Agency policies, procedures, and practices
- Walkthroughs of processes and transactions
- Flowchart of the P-Card process
- Analytical review of P-Card transactions
- Review of supporting documents

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Secretary/Treasurer

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Director

Kati Parker
Director

Halla Razak
General Manager

Audit Results – Executive Summary

Section 5.7 of Agency Policy A-89 states: *P-Cards are to be used for purchasing supplies, materials, low-dollar, repetitive, emergency or e-commerce items used for Agency-related business in compliance with the Board-approved Procurement Ordinance.*

The Contracts and Procurement Department (CAP) administers the Agency's P-Card program, which has been an Agency procurement method since 2005. P-Cards work like a credit card and are issued to individual employees. Currently, there are 18 P-Card cardholders. Additionally, there are five other "credit" programs used as a procurement method (discussed later). Cardholders and their supervisors/managers have the responsibility to ensure that all purchases are made for the benefit of the Agency, follow the most appropriate procurement method and ensure transactions are reconciled timely with adequate supporting documentation. The Agency is responsible for the full payment of all purchases made on the P-Cards. The Agency pays US Bank, the credit card issuer, before the due date, with or without a timely reconciliation with the adequate receipts, to avoid late fees, penalties and interest.

The audit identified opportunities to further strengthen internal controls to improve the overall effectiveness and efficiency of the P-Card program.

Details of the observations and recommendations are included in the attached report. The bullet points below provide a summary of audit results:

- **Agency Policy A-89 should be evaluated and updated to provide greater clarity and additional guidance about allowable/un-allowable purchases.** IA's review of P-Card transactions covered a two-year period and found instances of P-Card purchases that, although appear to be for Agency-related expenses, may or may not comply with the guidelines of Agency Policy A-89.
- **The role of the P-Card administrator should be enhanced/strengthened.** The P-Card Administrator's role is established by A-89. The role should include additional duties such as reviewing and monitoring P-Card transactions, communicating with users and supervisors, utilizing online reports and tools from US Bank, making recommendations to enhance the program and participating in training provided by US Bank.
- **Adopting processes to improve P-Card transaction approvals and reconciliations.** According to Policy A-89, reconciliations must be completed with proper supervisory approval within two weeks of receiving the US Bank statement. The audit found that reconciliations are not always completed on time and are sometimes as late as 47 days. The Agency issues full payment to the bank with or without the proper supporting documents and with or without the proper supervisory approvals. The Agency should explore options through SAP or online tools offered by US Bank to streamline the reconciliation and approval process.

- **Consider consolidating Agency credit cards.** The Agency currently uses six different types of credit cards: P-Cards, Travel credit cards, Fuel cards, Home Depot, Smart & Final and Sam's Club. Current Agency policies do not provide sufficient criteria and guidelines over all the different credit cards used. Additionally, there are opportunities to evaluate the benefits of consolidating under the Agency P-Card program. These include, greater visibility for all types of credit-type purchases, online report options, streamlining processes, approvals and reconciliations, and additional earning potential through P-Card rebates. Efficiencies can also be achieved by maximizing business tools available through US Bank for P-Card customers. These include online tools such as supervisor approval, account coding, reconciliation processes, report options and other tools that can make the use of one type of credit card more efficient, centralized and transparent while keeping strong internal controls in place and maximizing rebate earnings.
- **Maximize rebate earnings through consolidating credit programs and early payments.** Rebates are earned based on volume of purchases and the timeliness of payment submitted. By consolidating the various credit cards, the volume rebate can be maximized. By establishing processes that expedite payments, such as electronically receiving the statement and making electronic payments, the timeliness of payment rebate is maximized.
- Additional internal control recommendations are included in this report including recommendations to safeguard gift cards purchased with P-Cards and updating department Standard Operating Procedures (SOPs).

The Procurement Card Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by having the Internal Audit Department provide an independent evaluation of the P-Card program and provide recommendations for improvements, identify cost containment opportunities, evaluate policy compliance and monitoring the internal control environment of the Agency.

Acknowledgements

We would like to extend our appreciation to the Contracts and Procurement Department and the Finance and Accounting Departments' staff for their cooperation and assistance during this review.

Discussions with Management

Drafts of this audit report were provided to Christina Valencia, Executive Manager of Finance and Administration/Assistant General Manager and Warren Green, Manager of CAP, on February 16th and to Ms. Valencia, Mr. Green, and Javier Chagoyen-Lazaro, Manager of Finance and Accounting on February 27th for their review and comments prior to finalizing.

Background

The Inland Empire Utilities Agency (IEUA or Agency) established the Procurement Card (P-Card) program with US Bank in November 2005. The purpose of the P-Cards is to allow flexibility in the acquisition of goods in an efficient manner and in accordance with Agency Policy A-89. The Contracts and Procurement Department (CAP) issues the P-Cards to employees, when requested by a department manager, and provides the initial P-Card training.

IEUA participates in the State of California (State), Department of General Services Procurement Division, Cooperative Agreement (Participating Addendum Agreement No. 7-14-99-22, agreement term September 29, 2014 – December 31, 2018) with US Bank for these purchase card services, also known as the Cal-Card Program. The program provides participating agencies with chip-enabled VISA cards, which are used for the acquisition of goods and services. There are no fees associated with this program, including no annual percentage rate (APR) interest on purchases. Organizations participating in this program include: State agencies, Counties, Cities, Special Districts, School Districts, and other public-sector organizations.

The P-Card works like a personal credit card. It is issued in the employee's name to be used for Agency-related purchases. The purpose of the P-Card is to streamline the procurement process for purchases allowed as established under the Board-approved Procurement Ordinance and other purchasing policies that protect the Agency. As of January 31, 2018, there were 18 P-Card cardholders. Spending limits are set for each employee and vary from \$1,500 to \$5,000 for a single transaction and from \$7,500 to \$20,000 for individual monthly limits.

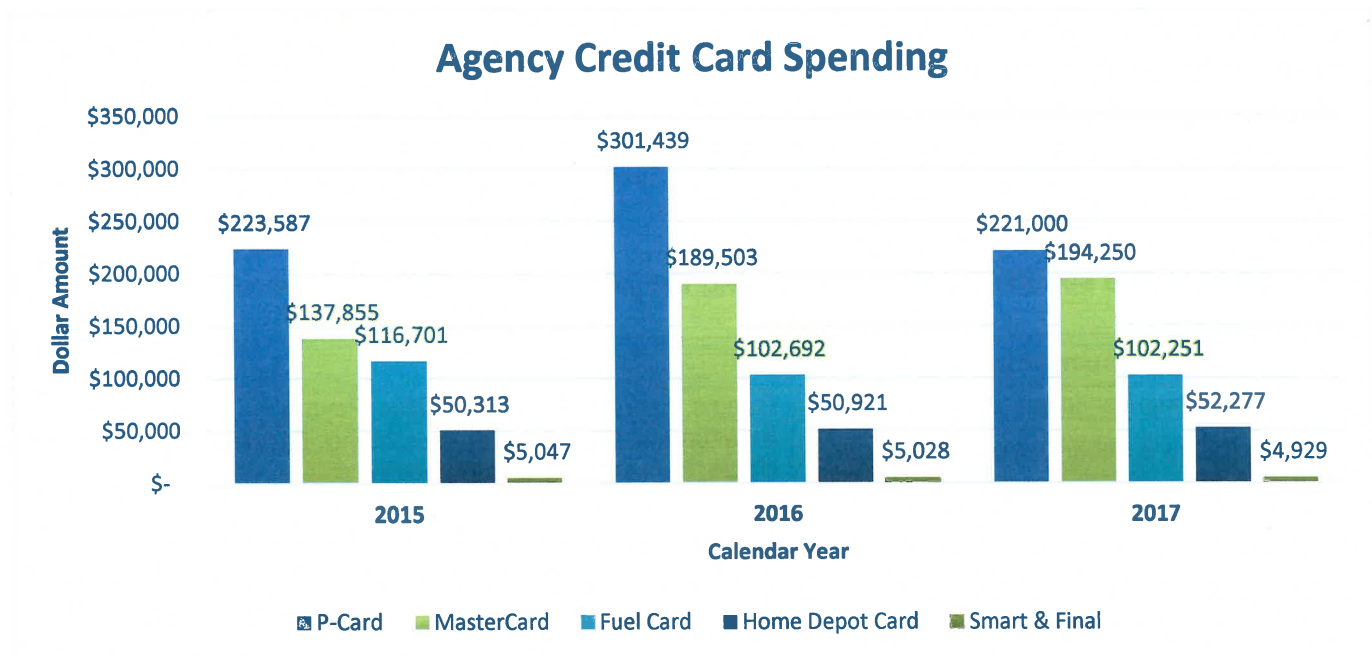
The Agency is responsible for making all payments to US Bank. Payments are made on time so that no fees or penalties are incurred. The P-Card program provides rebates (cash back) to the Agency based on the timeliness of payment and the volume of purchases (more on rebates later in this report).

Agency Credit Cards

This audit focuses on the Agency P-Cards issued through US Bank. IA also performed a limited scope evaluation of other Agency credit card programs. Total Agency spending for the last three calendar years using the various "credit card" programs was:

Credit Card	Vendor	Agency Policy	Number of Cardholders	2015 Spending	2016 Spending	2017 Spending
P-Card (Visa)	US Bank	A-89 January 26, 2016	17-19	\$ 223,587	\$ 301,439	\$ 221,000
Travel Card (Mastercard)	Bank of America	A-55 May 25, 2015	7 -10	138,855	189,503	194,250
Fuel Card	US Bank – Voyager Fleet Systems	A-86 February 4, 2013	177	116,701	102,692	102,251
Home Depot	Home Depot	None	42	50,313	50,921	52,277
Smart & Final	Smart & Final	None	3	5,047	5,028	4,929
Sam’s Club	Sam’s Club	None	1	Not Open	Not Open	No Activity
Totals			Approx. 250	\$ 534,503	\$ 649,583	\$ 574,707

Agency spending among the various Agency credits cards, over the last the three years shown graphically indicates:



Procurement Cards

Total P-Card spending split between IEUA and Inland Empire Regional Composting Authority (IERCA) (information downloaded from SAP) was:

Entity	Calendar Year		
	2015	2016	2017
IEUA	\$ 201,797	\$ 262,860	\$ 208,597
IERCA	21,790	38,579	12,403
Total	\$ 223,587	\$ 301,439	\$ 221,000

(1) = Source: SAP and US Bank P-Card Statements

The review period covers transactions made from January 26, 2016 through December 31, 2017. An analysis of all P-Card transactions, for the 24-month period showed the following distribution among Agency departments by total spending.

Agency Department	Number of Transactions	Total Spending
IEUA		
Contracts and Procurement (CAP)	405	\$ 194,329
Integrated Systems Services (ISS)	674	114,483
External Affairs (EA)	357	110,414
Facilities Management	123	31,882
Human Resources (HR)	54	11,298
Regional Plant #1 – North Maintenance (RP1)	10	4,712
Regional Plant #5 – South Maintenance (RP5)	5	2,789
IERCA	144	50,107
Total	1,772	\$ 520,014

Source: US Bank Access Online system

The top five spending categories, during the 24-month audit period, were as follows:

US Bank Spending Categories	Vendors	Amount
Advertising Services	Google, Facebook, Careerbuilder, Paypal	\$ 80,832
Bookstore & Other Online Purchases	Amazon (mostly computer equipment), Barnes & Noble, Fantastic Snap Photobooth	78,821
Business & Office Services/Purchases	Spirac, Amazon (mostly computer equipment), Win 911 Software/Specter Instruments, EB SAP for Utilities	39,484
Computer Purchases & Online Services	Dell, Microsoft, Hope Industrial Systems, CodeTwo Software Engineering	34,677
Wholesale Industrial Parts & Supplies	Global Industries, BW Allen Company Inc, JCH Inc, Hach Company	24,216

Source: US Bank Access Online – Transaction Detail

Based on the dollars expended, Google was the top vendor used during the two-year audit review period. These were repetitive payments to pay for the advertising campaign for the Water Conservation program called “Kick the Habit”. The second largest vendor used was Amazon, mostly for computer and information technology items/service.

**Top 10 Vendors
 January 1, 2016 – December 31, 2017**

Vendor Name	Description	Number of Transactions	Total Dollar Amount
Google	Advertising Services – Water Conservation advertisements for “Kick the Habit”	156	\$ 77,655
Amazon	Online Purchases – Computer Parts & Accessories (Tablets, Printers, Keyboards, USB Drives, Adapters, Cables, etc.), Cell Phone Accessories, Desk Accessories, Drinking fountain/Bottle filling station, Email Server/Cloud Service, and other supplies	313	65,290
Spirac USA Inc	Industrial Parts & Supplies	2	16,232
Dell	Computer Purchase & Other items	24	12,891
Home Depot	Electric Vehicle Charging Stations	2	6,535
Hope Industrial Systems	Computer & Plant related Equipment	1	6,069
PayPal	Payment Service to Various Vendors, such as JDisc, Alegriafres, Bird Gard, GTBag, etc.	6	6,048
Verizon Wireless	Business Expenses – Data Plan services	14	5,720
Grizzly Coolers	Coolers for Treatment Plants	2	4,887
NTI Global	Industrial Parts & Supplies	1	4,699
Total		521	\$ 206,026

Source: US Bank Access Online – Top Merchant Spend Analysis.

Payment to US Bank

The Agency is required to pay the full monthly balance other than disputed items within 45 calendar days from the billing cycle date. The Agency’s P-Card billing cycle generally ends around the 22nd of each calendar month. IEUA pays the monthly balance in full each month, to avoid late fees/penalties, and no balances are carried forward. Payments are often made without all of the completed reconciliations, supporting receipts and supervisor approvals. For 2017, the Agency paid US Bank between 31 and 50 days, and on average within 40 days from the statement date.

Rebates

The State’s Cal-Card program pays quarterly “cash back” rebates, which are calculated based on the activity of the three previous months. The two types of rebates the Agency consistently qualifies for are the Volume Sales Incentive which is based on the total volume of purchases made multiplied by the incentive rate (1.3%), and the Prompt Payment Incentive which is based on when the payment is received by US Bank (between 0 and 45 days). The sooner US Bank receives the payment the greater the rebate given. Prompt Payment Incentive Rates range between 0.00% to 0.45%. The rebates are received in a check issued to the Agency and recorded to “Miscellaneous Other Revenue.” The table below reflects the rebates received from 2015 to 2017.

IEUA and IERCA

Rebate	2015	2016	2017
Cal Card Rebates	\$2,983	\$3,870	\$5,766

Source: State of California, Department of General Services, Procurement Division website
<http://dgs.ca.gov/pd/programs/CALCard.aspx>

P-Card Process

P-Cards are provided to Agency employees through the following process (**Attachment 1** provides a flowchart of the P-Card process):

- A request is made by a Department Manager to CAP
- CAP issues a P-Card and provides training to the user
- The user signs a P-Card agreement with stated single transaction and monthly limits
- Users make Agency-related purchases
- Users reconcile the purchases receipts to the billing statement, obtain supervisory approval, and submit to Finance and Accounting Department (FAD)
- FAD pays the credit card bill on time (with or without the completed reconciliation to avoid any late payment fees).

Here's what P-Card Users Say:

IA performed a survey about the Agency's P-Cards and five cardholders responded to the 10 questions asked. The purpose was to determine how the Agency's P-Card program is working and how it helps them achieve their job responsibilities. Overall, the users agree that the program provides flexibility to procure items, as needed. Below is a summary of the responses received:

- Cardholders are aware of the Agency's Policy A-89
- Training provided on the P-Card was helpful, but not all questions/concerns were addressed because of the variable purchasing needs
- Cardholders like the P-Card because it is convenient, easy to use, and assists with purchases for urgent/emergency situations
- Purchases on the P-Card allow for meeting quick turnaround times and purchases needed by end-users and the Agency
- Would like to have greater flexibility on the types of allowable purchases
- Cardholders are aware of the special purchase arrangements with certain retailers (Home Depot, Smart & Final, etc.), however, the needs vary and one vendor cannot satisfy all requirements
- Agency Policy needs to be adjusted to complement the current practices
- Current alternatives to the P-Card are antiquated, cumbersome, and do not provide a cost-effective method to procure items
- Cardholders would like online access to review P-Card purchases/charges throughout the month
- Email notifications and/or the P-Card statements were not being received by the Cardholders from US Bank to be able to complete the reconciliation
- Cardholders would like clarification on the P-Card Reconciliation timeline
- Time-period for the P-Card Reconciliation is not long enough

The users indicated a need for either greater flexibility with the program or clarification regarding the Agency Policy.

Observations and Recommendations

The audit identified the several areas that require attention and provide opportunities to improve efficiencies and benefits:

- **Agency Procurement Card Policy:** Updates and revisions to the current P-Card Policy A-89 should be made to ensure current practices are in alignment with Agency goals and requirements, including updating department-specific SOPs. Additionally, the role of the P-Card Administrator should be enhanced. The role should include additional duties such as reviewing and monitoring P-Card transactions, communicating with users and supervisors, utilizing online reports and tools from US Bank, making recommendations to enhance the program and participating in training provided by US Bank.
(Observation #1)
- **Timeliness of the P-Card Reconciliations:** Cardholder reconciliations are not completed according to Policy requirements. Preparing reconciliations ensures timely review of P-Card purchases, supervisory oversight and approvals, and provides for timely processing within the Agency's accounting system (matching to supporting documents, account coding, budget controls, etc.).
(Observation #2)
- **Consolidation of Agency Credit Cards and Rebate potential:** The Agency should consider the benefits of consolidating most Agency Credit cards into the US Bank Procurement Card: 1) to ensure all fall under one Agency Policy, 2) to streamline and consolidate the administration of the programs and 3) to maximize financial incentives to achieve greater monetary rebates.
(Observations #3 & #4)

Agency Procurement Card Policy

Observation 1:

Agency Policy A-89, Procurement Card Program does not reflect current Agency practices, it should be updated to reflect the desired internal controls and guidelines for users.

Good internal controls require written policies and procedures to help ensure that management's directives to mitigate risk and the achievement of Agency objectives are carried out. Additionally, good internal controls provide reasonable assurance of effective and efficient operations, reduce the risk of fraud, waste and errors, and assist in fostering an environment of compliance.

Agency Policy A-89, Procurement Card Program, became effective on January 26, 2016. It sets the guidelines for the use of the P-Cards. IA performed an analytical review of P-Card transactions to determine compliance with the Procurement Ordinance and A-89.

During the 2-year review period since the policy became effective, there were 18-20 P-Cards holders, and approximately 1,700 transactions were processed to procure over \$500,000 in goods/services.

In the same 2-year period an additional \$500,000 in goods/services was purchased with credit on the Bank of America credit card (Travel card), Home Depot and Smart & Final cards which are not covered under Agency Policy A-89. Only the Bank of America (Travel/MasterCard) has a separate Agency Policy, A-55.

The audit determined that, while purchases appear to be for Agency-related business, the current use of the P-Card does not always match the requirements of the current policy, A-89. The policy creates a conflict and may create confusion for users.

Items procured using the P-Card, currently not allowed under Agency Policy A-89
A-89, Section 4.3, defines “**Authorized Purchases**” to include *low-dollar, repetitive, emergency or e-commerce procurements of supplies, services and materials*.

Section 5.7, states that P-Cards are *to be used for purchasing supplies, material, low-dollar, repetitive, emergency or e-commerce items used for Agency-related business in compliance with the Board-approved Procurement Ordinance and not to be used for services unless expressly authorized by the Manager of CFS or designee*.

Section 5.9 states that *the P-Card shall not be used for Agency travel or entertainment expenses*.

Although all purchases made with the P-Card appear to be for Agency business and events, some purchases do not appear to comply with the specific definitions of A-89 or guidelines are absent for such purchases.

**Items purchased with P-Card where Agency Policy A-89 is not clear:
 January 26, 2016 to December 31, 2017**

Types of Purchases	Number of Transactions	Amount	Purpose	Non-compliance Reason:
Advertising	146	\$ 72,654.95	Weekly advertisements for Water Conservation Program	This is considered a service and there was no documented approval. With the volume and amount, an Executed Contract could have been an alternative method if available.
Food & Paperware	59	6,095.81	For various Agency events and meetings	A-89 does not provide specific guidance on expenses for food expenses or events/meetings. It does specify that "entertainment" is not allowed. There are no definitions in either case. There is confusion regarding the allowability of the food items, clarification is needed.
Gift Cards & Raffle Prizes	10	3,402.00	Gift cards for poster contest winners and Disneyland Tickets for Blood drive	A-89 does not provide guidance for awards, gifts, etc. Consideration regarding tax requirements of gifts/awards to employees must be evaluated. Advance notice of events could be handled with an appropriate check request or other payment options, for example a check made to a vendor with a W-9 on file.
Automotive	3	1,057.73	Rental of a bus for Compost Facility tour and car washes	A-89 does not provide guidance for this type of expense. There is an Agency Policy for Vehicle Washes. Advance notice of events could be handled with an appropriate check request or other payment options, for example a check made to a vendor with a W-9 on file.
Memberships	2	797.50	Memberships	A-89 does not provide guidance for memberships; however, these are common Agency expenses paid with an Invoice and/or a Check Request vendor with a W-9 on file.
Total	219	\$84,007.99		

*See Attachment 2 for the list of the transactions in each category.

Advertising

Advertising is considered a "service" and not allowed under A-89 without the express approval of the Manager of CAP. IA did not identify any express authorization.

From January 2016 to June 2017, the External Affairs Department spent approximately \$70K on the P-Card for an advertisement campaign, "Kick the Habit", an Agency Conservation Program. Approximately 145 transactions of \$500 each and 1 transaction of \$154.95 were charged on 3 different P-Cards, all transactions were with the same vendor and for the same type of advertising services. As an alternative to using the P-Card, External Affairs might have worked with CAP to execute an Agency contract with the vendor, stipulating the advertising services, and deliverables, timing, amounts, etc. An Agency contract provides an additional level of protection because it contains the required contract language and clauses, for example liability, insurance, termination, etc. including adding the specific deliverables. Furthermore, payments would have been made with Agency check with the vendor established in Agency's records with a W-9.

Food and Paperware

During the two-year period, the Agency charged approximately \$6,000 on P-Cards for food and paperware for various Agency events such as Earth Day, Agency picnics/luncheon, Outreach programs, Training Lunches/Workshops, Blood Drives, and one employee's business lunch. Agency Policy A-89 specifically disallows "entertainment" expenses; however, it is unclear if "food" is disallowed, as it is not clearly

addressed in the policy. Some food expenses for certain meetings and activities appear to be of a "routine" nature and the policy does allow for "routine" expenditures. Additionally, various events are planned well in advance and therefore, an appropriate check request can be made establishing the vendor in the Agency's records.

It should be noted that similar expenses for "food and paperware" for various Agency-related meetings and events are also charged to the "Travel" MasterCard, which is designated for travel-related expenses and conference registrations. IA did not perform an analysis of those amounts. For management and control of expenditures, it would be appropriate to centralize these purchases using on one type of card consistently. Additionally, clear guidelines and criteria as to when food items are allowed should be provided to prevent misuse or a conflict in policy and practice.

The amounts and the events appear reasonable, however, there is currently no guidance on the parameters, limits or authority for these transactions. IA also noted food purchases through the Smart and Final "credit" program without documentation as to the purpose of the meeting or event. The policy should be clarified to provide clear guidance.

Gift Cards and Raffle Prizes

In the 2-year period reviewed, IA also noted a total of \$3,400 was spent to purchase various gift cards and Disneyland tickets using P-Cards.

Gift cards were purchased from various merchants (Barnes & Noble, Staples, CM School Supply) and for different denominations between \$25 to \$200. The gift cards were for contest programs administered for Water Conservation Programs. Annually, the Agency hosts a poster contest where winners and teachers may earn gift cards as prizes. The gift cards are retained by the department until distributed to the winners.

The amounts spent for Gift Cards was not material or significant. IA did identify two concerns with these items: first, there is no guidance on the allowability of purchasing gift cards since Policy A-89 does not specifically these. Second, there is no guidance for internal controls. Gift cards should be safeguarded like cash, for example, keeping the cards in a locked cash box, and keeping a log with information about who the cards were awarded to, to provide accountability for the gift cards.

Disneyland tickets were purchased as a Raffle prizes to encourage employee participation in the Agency-sponsored blood drive. Amusement park passes and gift cards are not addressed in A-89.

The concern with Disneyland tickets is an IRS guideline that requires employers to tax the value of tickets to the employee that received them as raffle prizes, and include them in taxable income. The Agency should evaluate all aspects of allowing the purchase and raffle of Disneyland tickets as prizes to its employees.

Automotive

In the 24-month review period, IA noted a total of \$1,057 was procured on the P-Card for a vehicle rental and car washes. This vehicle was a very specific rental needed for a “VIP” tour. The car washes were obtained prior to hosting tours of the Agency’s treatment plants and/or composting facility. According to Agency Policy A-34 (Vehicle Maintenance), the Agency has the vehicles routinely washed on site by a contractor, and thus, they should only be washed elsewhere in extenuating circumstances. Since this was a planned event, it was not an emergency and the amount does not appear to be “low dollar” in nature, other procurement methods could have been applied. Policy A-89 should be updated to address these types of Agency needs.

Memberships

IA identified two P-Card transactions for a total of \$797 that were related to memberships. One was a membership to a discount warehouse and the second was for annual renewal of a professional association. Policy A-89 does not provide guidance for the payment of memberships, but in both cases a check written out to a vendor with an appropriate W-9 on file would have been more appropriate. That is what employees are generally asked to do for memberships. This would have then provided a secondary approval prior to the purchase.

Conclusion – Agency Procurement Card Policy

While all purchases appear to be for Agency-related business, the current Agency Policy A-89, does not provide guidance for the noted items. The Agency should explore options for expanding the use of the P-Card and providing clearer guidelines on its use.

2018 Recommendation(s):

- 1. Agency Policy A-89, Procurement Card Program should be updated to reflect desired internal controls and provide clearer guidelines about the proper use of P-Cards. The policy should provide greater clarity about the purchases that are allowed or not allowed (i.e.: food, restaurant meals, training registrations, membership payments, etc.). Additionally, the policy should provide instructions for users to follow when there are situations that are unusual and note the additional written justification that is necessary. Lastly, A-89 should direct users to seek CAP’s guidance when there is a unique need, keeping the Agency’s needs in mind and ensuring adequate controls are maintained.***

The Role of the P-Card Administrator

According to the Agency Policy A-89, the P-Card Administrator’s duties include:

- Section 4.5 states that the P-Card Administrator is a designated staff member from the Contracts and Facilities Department authorized to facilitate the P-Card Program, and***
- Section 6.3 states that the P-Card Administrator is responsible for the overall administration of P-Cards, the issuance and training of the P-Card Program.***

The audit noted that the P-Card Administrator role is a staff member from CAP and performs the duties of issuing cards and providing training. The recommendation is to enhance the role of the P-Card Administrator to include additional duties of oversight, monitoring of transactions (or spot checks to look for unusual items) and requesting additional information as warranted. Additionally, the P-Card Administrator could utilize the various online reporting tools available through US Bank *Access Online* to access reports and information useful to analyze spending activity, types of vendors used, limits, lack of use, etc. The online tools can also provide alerts based on specific setting requirements, such as when a card is used on the weekend, a purchase is over a certain dollar threshold, or by types of purchases. US Bank provides many online tools and free webinars about their tools to inform users and administrators about the various products and opportunities to manage and monitor cards. The P-Card Administrator should also be responsible for continuous training for users.

There is also confusion about who is responsible for the collection of P-Cards from employees that separate from Agency service. Currently, the employee separation process resides with Human Resources. Agency Policy A-89 does not define how P-Cards will be retrieved from separated employees. It states that the Cardholder is responsible for returning the P-Card at the request of the Department Manager, the P-Card Administrator, or Division Management. The P-Card administrator should have a level of responsibility for collecting the cards and completing the required forms. In one instance tested, through our audit, there was not adequate documentation that a card was returned and forms completed when an employee separated from Agency service. The risk of not having a designated individual responsible for collecting the card, is that an employee that leaves Agency service may continue to use the card. Therefore, adequate communication should be in place to ensure the Administrator can block access to the card immediately upon separation.

IA recommends that the P-Card Administrator role be enhanced with greater oversight duties to monitor P-Card activities, as well as use the various online reporting and alert tools. Expanding the P-Card Administrator's role, will also enhance the monitoring of P-Card transactions to identify any non-compliance or opportunities to assist the various users to ensure the best procurement option is employed.

2018 Recommendation(s):

- 2. The P-Card Administrator role should be clarified in Policy A-89 and expanded to include greater oversight responsibilities to ensure compliance. The role should include duties to fully utilize the various on-line tools available through US Bank for reports, alerts, training and other controls for reviewing and monitoring activity. Additionally, the P-Card Administrator should provide assistance and give advice on the best procurement method and periodically review statements and identify purchases and transactions that are not aligned with policy and request additional information.***

Standard Operating Procedure (SOP)

Agency Policy A-51 (Standard Operating Procedures, effective November 11, 2013) provides the *guidelines* and *format* to be utilized for documenting SOPs. CAP has a specific SOP related to P-Cards; CAP-0012 – Procurement Cards, Version Number 001, and Version Date August 15, 2013. In this SOP, the process, procedures and content were last updated in 2013, and since that time, the P-Card program has grown and evolved. Additionally, the Agency-wide Policy A-89 was updated in 2016.

Good internal controls require written procedures to ensure consistency and accuracy in applying procedure. SOPs serve as a training tool and manual for other staff. Policies and procedures should be reviewed periodically to ensure they are updated and consistent with current practice. Department SOPs are part of the Agency's internal control framework.

2018 Recommendation(s):

- CAP should update Department-specific SOP CAP-0012 to incorporate any changes in Agency Policy A-89 Procurement Card Program, including any updates to the P-Card Administrator's role and responsibilities. Additionally, CAP should ensure the SOP CAP-0012 complies with the guidelines and format set forth in Agency Policy A-51.***

Timeliness of Approvals and Reconciliation

Prior to IA's review of the P-Card program, IEUA's Lean Team evaluated the P-card processing system for efficiency. Due to the Lean Team's review 1) cardholders now receive their US Bank P-Card statements sooner than before (from approximately 19 days to 1 day), 2) the reconciliation form for users was standardized, and 3) Agency Policy A-89 Procurement Card was adopted.

IA's review was to determine compliance with the criteria and timeline requirements established within A-89 and evaluate transactions after the date of the policy adoption.

Observation 2:

Individual P-Card reconciliations are not being completed and approved by the timeline established in Agency Policy A-89.

According to Policy A-89, within *1 week* of receipt of the P-Card statement notification (by email), the Cardholder must download and print their statement, reconcile all purchases made during the billing cycle, record the information on the P-Card Purchase Log Upload file, sign it, and scan the backup supporting receipts/documents. Once the information has been compiled, the Cardholder submits the P-Card reconciliation and any supporting documentation to the designated approver for review and approval. The designated approver has *1 week* to review, approve and sign-off on the reconciliation and back up

documents. After approval has been obtained, all hardcopy supporting documentation is forwarded to FAD for upload to SAP, the Agency's accounting system.

IA evaluated the two most recent months of statements for compliance with the time requirements as stated in the policy:

Analysis of P-Card Reconciliations	November 2017	December 2017
Total # of Cardholders with purchases during this month	12	10
Total # of days it took cardholders to complete reconciliation	5 to 62 days, Average 17 days	5 to 31 days, Average 16 days
Total # of days it took approvers to review and sign the P-Card Purchase Log after user completed the reconciliation	0 to 12 days, Average 4 days	0 to 15 days, Average 5 days
Total # of reconciliations completed and approved on time (within the 2 weeks as required by A-89)	3 of 12 only 25%	1 of 10 only 10%
Total # of reconciliations completed late, but before the Agency paid the US Bank Statement	6 of 12 only 50%	5 of 10 only 50%
Reconciliations completed after the Agency paid US Bank	1	0
Total # of reconciliations not completed as of January 25, 2018 (approximately 30 and 60 days after the cardholder statement is available to users)	2 of 12 17%	4 of 10 40%

Based on IA's review:

- **Reconciliations (P-Card Purchase Log file) are not always completed within 1 week as required by A-89;** In the 2 months tested, reconciliations were completed in 5 to 62 days and on average in 17 days.
- Of the reconciliations completed, **reconciliations are not always approved by supervisors within 2 weeks of the statement date as required by A-89.** Either the cardholder does not complete their reconciliation on time or the supervisor doesn't provide the approval on time.
- Of the reconciliations completed, IA noted they are not always signed by the cardholder and/or approver.
- Two cardholders are at the managerial level and do not obtain a higher-level signature on the reconciliation. **A-89 does not provide criteria for management employees having to obtain approval for P-Card purchases but it does state that a "designated approver" shall review and verify purchases.**

- US Bank P-Card Statements are not always signed by the Cardholder and/or Approver. IA noted that of completed reconciliations, in November only 2 and in December only 1 cardholder statement was signed. Agency Policy A-89 does not specifically require signature on the US Bank Statement, however, the statement has a line item for signature and the following language “*We certify that all purchases listed on this statement, unless annotated to the contrary, are true, correct and for official business only. Payment is authorized.*” The Agency should consider specifying in the policy if this is a requirement so that there is consistency in the approval process.
- Of the reconciliations reviewed, IA noted that for one month, one user did not include supporting receipts/documentation as required by A-89.
- Noted several instances when P-Card reconciliations were completed, after the Agency had paid for the P-Card purchases.

Reconciliations that are not completed on-time effect when the P-Card transactions are posted into the Agency’s financial system (SAP). Currently P-Card purchases are posted to a Clearing account and remain in this account until ready to be posted to the designated General Ledger (G/L) account as noted on the reconciliation. In addition, FAD has a batch processing system in place to upload P-Card purchases, which means the transactions are gathered and uploaded at one time, rather than as each purchase occurs. The longer Cardholders take to complete the reconciliation, the longer FAD waits to upload the P-Card transactions into SAP. This impacts the timing of posting the transactions and the availability of budgeted funds.

Any errors made in the reconciliation (account numbers, etc) slow down the posting and processing and must be addressed. This increases the amount of time required to post P-Card purchases to GL accounts.

Without timely supervisory review, timely reconciliations and posting to Agency’s financial system, unusual transactions and items can go undetected and can leave the Agency vulnerable to misuse and errors. *The CAP and FAD departments should communicate to designated approvers and cardholders the importance of the timeliness of the P-Card reconciliation and review of monthly transactions.*

IA consulted with US Bank to determine if online tools are available to expedite the P-Card reconciliation process. According to US Bank, several features are available as part of their system that could automate and streamline the supervisor approval and the reconciliation processes to make more it efficient, including online account allocation, electronic routing of approval, and electronic reporting available to upload P-Card transactions into SAP. Additionally, US Bank offers online training for cardholders and administrators on the various tools available.

2018 Recommendations:

4. ***CAP and FAD should work together to utilize any in-house tools and/or on-line tools available through US Bank to make the review, approval, reconciliation and upload of P-Card purchases more efficient with adequate oversight.***

Consolidation of Agency's Credit Cards

Observation 3:

The Agency has different types of credit cards, not all of which are covered by an Agency policy, and do not have the same type of supervisory review, oversight and administration requirements. There are opportunities to maximize the rebate paid to the Agency by consolidating most credit card programs under the P-Card issued through US Bank while also improving efficiency and oversight.

To fulfill the procurement needs of the organization, the Agency has implemented various Credit Card programs to conduct Agency business and make necessary purchases. Currently, IEUA has 6 types of Credit Cards that provide multiple ways to procure the Agency's needs. Approximately \$600,000 is procured annually using these various credit card programs through about 250 cards issued to Agency employees.

IA noted concerns with having multiple credit card programs:

- **Decentralization & policy application:** Currently, the administration of the Agency credit cards is decentralized and handled through various departments such as Executive Administration, CAP and Operations. Only 3 of the 6 Credit Cards types are subject to a relevant Agency Policy that specifies what is or is not allowed. Not all credit cards require the same reconciliations and approvals.
- **Vendor-specific "credit" program & PR/PO process:** Home Depot and Smart & Final are based on a Blanket Purchase Agreement, which is an open account to purchase items, where items are purchased and the bill is sent to the Agency later. Purchases on Home Depot and Smart & Final cards are accounted for and reconciled through the SAP workflow process using the Agency's Purchase Requisition (PR)/Purchase Order (PO) system. The use of the PR/PO system results in automatic entry of the expense into the financial records, making the accounting process smoother for FAD. However, issuing a PR/PO after the purchases are made and items are acquired, is inconsistent with the intent of the PR/PO process, which should be initiated before the purchases are made. Having employees use a P-Card instead would be consistent with actual, current practice.
- **Administration of credit card expenses with on-line tools and reports:** Having different credit card programs does not provide for efficient administration of all purchases. For example, with the US Bank P-Card, administrators have

access to various on-line report tools to sort, review, evaluate and analyze credit card activity. This facilitates and improves the visibility and transparency of expenses. Additionally, it will standardize the procurement, approval and reconciliation processes. Lastly, US Bank, provides various on-line tools to monitor use and create alert notices, and automate the purchases approval process on a transaction level, rather than waiting until the end of the month.

The Agency should consider consolidation of cards into one Agency Credit Card Program, other than the Voyager Fuel Card, all governed under one Agency Policy (keeping the Voyager Fuel card separate provides other benefits such as recording vehicle odometer readings and restrictions on food purchases).

2018 Recommendation(s):

- 5. CAP should take the lead to evaluate the benefits of consolidating credit card programs to utilize P-Cards for all purchases (other than fuel) and to eliminate other vendor-specific credit cards or credit programs. At a minimum, the Agency should ensure all Credit Card programs are governed by an approved Agency policy.**
- 6. CAP should maximize the use of the US Bank online tools for downloading/reviewing reports, creating blocks and alert notices for unusual activity, streamlining the approval, reconciliation and upload/posting process and training end users and approvers.**

Rebates

Observation #4: IA noted there are opportunities for the Agency to achieve greater financial benefits in the form of cash-back revenue.

As part of the State's Cal-Card (P-Card) program, each Participating Agency is eligible to receive rebates. The types of rebates available and the terms and conditions are outlined in the agreement. The Agency receives rebates from US Bank for the Volume Sales Incentive. Another rebate is received for Prompt Payment, but the amount is minimal compared to Volume Sales Incentive.

The Agency currently pays the US Bank P-Card statement with a Vendor Check close to the 45-day term, which is the required due date per the agreement. During our review, payments were made between 31 and 50 days from the date of the Statement for calendar year 2017 (see attachment 4). The payment date may be determined based on the date of the weekly/monthly check runs. There does not seem to be a reason why payment should not be made immediately upon receiving the bill since the Agency pays the bill whether or not the cardholder reconciliations are completed and approved.

The bill can be downloaded on-line or received electronically from US Bank to expedite receipt and review of the bill. The Agency also has the option to pay the bill using ACH or other e-payable system, to expedite the payment and maximize the rebate.

IA recalculated the potential rebate that could have been earned using two scenarios: 1) if credit cards other than the Voyager Fuel Card had been consolidated and 2) if payment was made within the first 15 or 30 days from the statement date, see below:

Credit Card	2015 Total Spending	2016 Total Spending	2017 Total Spending
US Bank P-Card (Visa)	\$ 223,587	\$ 301,439	\$ 221,000
Bank of America Travel Card (Mastercard)	138,855	189,503	194,250
Home Depot	50,313	50,921	52,277
Smart & Final	5,047	5,028	4,929
Total Spending of all Cards	\$417,802	\$546,891	\$472,456
Total Rebates Received based on P-Card Only	\$2,983	\$3,870	\$5,766

Potential Rebates

Scenario # 1 – Payment received 30th day

If all “credit” purchases had been procured using the P-Card and payment to US Bank was made on the 30th date from the date of the statement:

Type of Rebate	2015 Rebate Amount	2016 Rebate Amount	2017 Rebate Amount
Volume Rebate 1.3%	\$5,431	\$7,110	\$6,142
Prompt Payment Rebate 0.30% ⁽¹⁾ (assuming payment is received by US Bank on the 30 th day from the Statement Date)	1,253	1,641	1,417
Total – Potential Rebate based on all Cards	\$6,684	\$8,750	\$7,559

(1) = Attachment 3 has the table with the rates for the Prompt Payment Incentive rates. Note: Calculation is technical, for additional information, contact Internal Audit Department.

Scenario # 2 – Payment received 15th day

If all “credit” purchases had been procured using the P-Card and payment to US Bank was made on the 15th day of the date of the statement:

Type of Rebate	2015 Rebate Amount	2016 Rebate Amount	2017 Rebate Amount
Volume Rebate 1.3%	\$5,431	\$7,110	\$6,142
Prompt Payment Rebate 0.450% ⁽¹⁾ (assuming payment is received by US Bank on the 15 th day from the Statement Date)	1,880	2,461	2,126
Total – Potential Rebate based on all Cards	\$7,311	\$9,571	\$8,268

(1) Attachment 3 has the table with the rates for the Prompt Payment Incentive rates. Note: Calculation is technical, for additional information, contact Internal Audit Department.

Rebates actually received based on P-Card Purchases (payment was made between 24 & 54 days of the Statement Date)	\$2,983	\$3,870	\$5,776
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US Bank also offers other opportunities to maximize rebates earned, such as paying other types of payables/bills through the P-Card. *CAP and FAD should research/evaluate any other programs that could earn additional rebates for the Agency.*

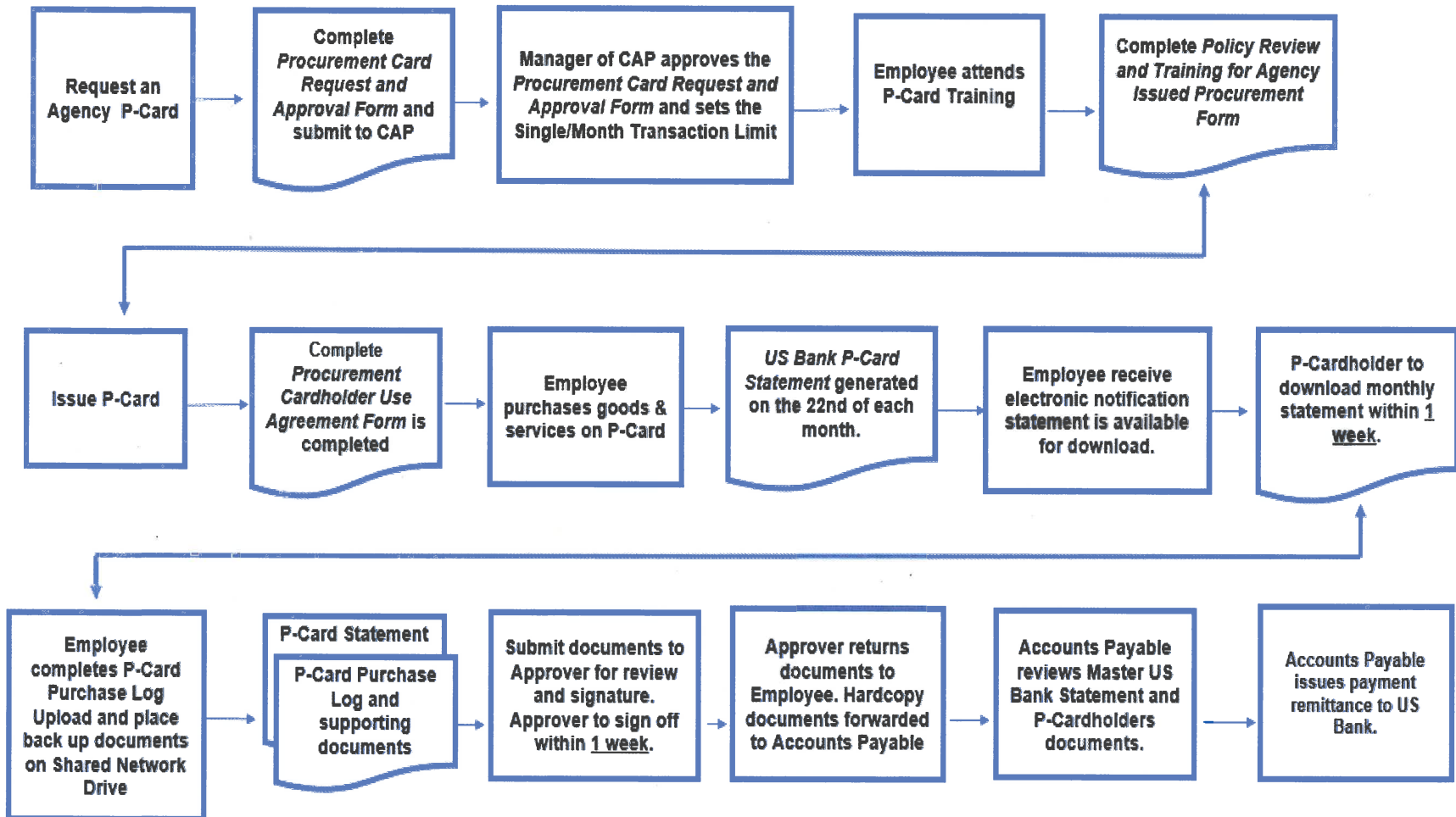
2018 Recommendation(s):

- FAD should evaluate ways for the Agency to increase and/or maximize any rebates received.***

Please contact the Internal Audit Department for additional information related to the analysis' in this report.

Attachment 1 – Procurement Card Process Overview

Source: Agency Policy A-89



**Attachment 2 – Table of Exceptions
 P-Card Purchases Not Within Policy Requirements
 January 26, 2016 to December 31, 2017**

Advertising:				
Transaction Date (Date Range)	Description	Vendor	Amount	Exception
January 28, 2016 to June 9, 2017	Advertising Services – Ad Campaign (Re-occurring charge every 2 to 3 days at \$500-dollar increments, 145 times and 1 time at \$154.95)	Google	\$ 72,654.95	Not Low dollar purchase

Automotive:				
Transaction Date	Description	Vendor	Amount	Exception
May 5, 2017	Bus for 10-year celebration/ Composting Facility Tour (Vehicle Rental)	Cardiff Limousine	\$ 1,023.75	Not materials or supplies
May 5, 2017	Car Wash for VIP Tour	Chino Hills Car Wash	15.99	Not materials or supplies
December 1, 2017	Car Wash for Agency Van for VIP Tour	Chino Hills Car Wash	17.99	Not materials or supplies
Total Automotive			\$ 1,057.73	

Disneyland Tickets:				
Transaction Date	Description	Vendor	Amount	Exception
March 23, 2016	Disneyland Tickets for Blood Drive	Disneyland	\$ 195.00	Entertainment
August 31, 2016	Disneyland Tickets for Blood Drive	Disneyland	215.00	Entertainment
January 12, 2017	Disneyland Tickets for Blood Drive	Disneyland	238.00	Entertainment
April 13, 2017	Disneyland Tickets for Blood Drive	Disneyland	248.00	Entertainment
July 7, 2017	Disneyland Tickets for Blood Drive	Disneyland	248.00	Entertainment
October 25, 2017	Disneyland Tickets for Blood Drive	Disneyland	248.00	Entertainment
Total Disneyland Tickets			\$ 1,392.00	

Gift Cards:				
Transaction Date	Description	Vendor	Amount	Exception
April 4, 2016	Purchase of Gift Cards for "Water is Life" Poster Contest Winners (3 @ \$25, 3 @ \$35, and 3 @ \$50)	Barnes & Nobles Booksellers	\$ 330.00	Gift Cards
April 4, 2016	Purchase of Gift Cards for "Water is Life" Teacher Winners (6 @ \$50 each, 1 @ \$150 each)	CM School Supply	450.00	Gift Cards
April 27, 2016	Purchase of Gift Cards for "Water is Life" Poster Contest Winners (3 @ \$25, 3 @ \$35, and 3 @ \$50)	Barnes & Nobles Booksellers	330.00	Gift Cards
April 27, 2017	Purchase of Gift Cards for "Water is Life" Poster Contest Teacher Appreciation (5 @ \$100 each, 2 @ \$200 each)	Staples	900.00	Gift Cards
Total Gift Cards			\$2,010.00	

Attachment 2 – Table of Exceptions (Continued)

Food & Paperware:				
Transaction Date	Description	Vendor	Amount	Exception
July 19, 2017	Ice for Employee Recognition Picnic	7-Eleven	\$ 49.05	Food Expense
March 24, 2016	Grocery Store – Refreshments for Poster Contest Judging	Albertsons	16.98	Food Expense
April 13, 2016	Grocery Store – Water is Life Pizza Party (Junior High School)	Albertsons	8.97	Food Expense
April 20, 2016	Grocery Store – Ice for Earth Day event	Albertsons	38.82	Food Expense
May 3, 2016	Grocery Store – Water is Life Pizza Party (Elementary School)	Albertsons	7.00	Food Expense
May 11, 2016	Grocery Store – Receipt Lost	Albertsons	10.00	Food Expense
May 18, 2016	Grocery Store – Earth Day Volunteer Luncheon – Sodas/Juice	Albertsons	14.33	Food Expense
May 23, 2016	Grocery Store - Water is Life Pizza Party (Elementary School)	Albertsons	21.98	Food Expense
July 20, 2016	Grocery Store – Ice for Agency Picnic	Albertsons	51.75	Food Expense
July 20, 2016	Grocery Store - Ice for Agency Picnic	Albertsons	51.75	Food Expense
October 20, 2016	Grocery Store – Ice for Dedication Battery Project event	Albertsons	12.94	Food Expense
February 24, 2017	Grocery Store – Water Discovery Program – Supplies	Albertsons	29.46	Food Expense
April 5, 2017	Grocery Store – Water is Life Judging Treats	Albertsons	23.16	Food Expense
April 19, 2017	Grocery Store – Ice for Earth Day event	Albertsons	45.18	Food Expense
July 10, 2017	Grocery Store - Edible Aquifer Activity Food Supplies	Albertsons	16.90	Food Expense
July 25, 2017	Grocery Store – Soda for Training Meeting	Albertsons	22.27	Food Expense
August 23, 2017	Grocery Store – Edible Aquifer Activity Food Supplies	Albertsons	24.56	Food Expense
October 31, 2017	Grocery Store - Edible Aquifer Activity Food Supplies	Albertsons	42.51	Food Expense
November 30, 2017	Grocery Store - Employee Appreciation Treats for tree decorating on 12/5/17	Albertsons	17.17	Food Expense
December 4, 2017	Grocery Store - Gloves for Handling Cookies & Pretzels	Albertsons	5.38	Food Expense
December 18, 2017	Grocery Store - Holiday Luncheon Cookies	Albertsons	475.00	Food Expense
January 25, 2017	Food Purchase - Training Lunch	Corner Bakery	347.89	Food Expense
March 2, 2017	Food Purchase – Project Wet Workshop	Corner Bakery	387.80	Food Expense
July 27, 2017	Food Purchase – Training Lunch	Corner Bakery	209.00	Food Expense
August 22, 2017	Food Purchase – Food for Operations & Maintenance Management Training	Corner Bakery	167.20	Food Expense
May 4, 2016	Food Purchase - Water is Life Pizza Party (Elementary School)	Domino's Pizza	78.72	Food Expense
May 12, 2016	Food Purchase - Water is Life Pizza Party (Elementary School)	Domino's Pizza	76.72	Food Expense
May 24, 2016	Food Purchase - Water is Life Pizza Party (Elementary School)	Domino's Pizza	145.86	Food Expense
January 23, 2017	Food Purchase – Lunch for Interview Panel	Las Cascadas	66.32	Food Expense
December 15, 2017	Holiday Luncheon Game Prize	Logan's Candies	85.00	Food Expense
January 25, 2017	Food Purchase – Training Lunch	Panera Bread	124.90	Food Expense
January 26, 2017	Food Purchase – Training Lunch	Panera Bread	289.13	Food Expense

Procurement Card Audit
 March 1, 2018
 Page 25 of 26

January 26, 2017	Food Purchase – Training Lunch	Panera Bread	119.90	Food Expense
March 2, 2017	Food Purchase – Project Wet Workshop	Panera Bread	162.19	Food Expense
May 18, 2016	Supplies for Earth Day Volunteer Recognition Luncheon - Paperware	Party City	105.59	Paperware Expense
December 4, 2017	Gourmet Applies for Employee Holiday Lunch – Game Prize	QVC	44.20	Food Expense
July 10, 2017	Food Purchase - Edible Aquifer Activity Food Supplies	Ralphs	4.99	Food Expense
May 18, 2016	Supplies for Earth Day Volunteer Recognition Luncheon	Sam's Club	37.96	Food Expense
July 13, 2016	Picnic Supplies for Employee Picnic – Drinks and Paperware	Sam's Club	377.36	Food/Paperware Expense
April 3, 2017	Earth Day Supplies – Snacks and Drinks	Sam's Club	211.23	Food Expense
July 5, 2017	Board Meeting - Snacks	Sam's Club	43.28	Food Expense
July 12, 2017	Supplies for the Employee Appreciation Picnic Paperware Goods	Sam's Club	616.43	Paperware Items
July 17, 2017	Supplies for the Employee Appreciation Picnic Water and Soft Drinks	Sam's Club	213.95	Food Expense
September 18, 2017	Purchase of Paperware for Engineering Pizza Party	Sam's Club	34.61	Food Expense
September 21, 2017	Food Purchase – Pizza – Engineering Pizza Party	Sam's Club	106.55	Food Expense
September 21, 2017	Food Purchase – Pizza – Engineering Pizza Party	Sam's Club	19.98	Food Expense
May 9, 2016	Edible Aquifer Activity Supplies	Smart and Final	56.72	Food Expense
January 10, 2017	Candy for Blood Drive Give away	Smart and Final	48.96	Food Expense
February 24, 2017	Edible Aquifer Activity Supplies	Smart and Final	46.32	Food Expense
April 11, 2017	Candy & Other Snacks for Blood Drive Give away	Smart and Final	36.96	Food Expense
April 12, 2017	Candy & Other Snacks for Blood Drive Give away	Smart and Final	(2.99)	Food Expense
July 11, 2017	Candy for Blood Drive Give away	Smart and Final	37.98	Food Expense
October 23, 2017	Candy for Blood Drive Give away	Smart and Final	30.98	Food Expense
January 16, 2017	Grocery Store – Edible Aquifer Activity Food Supplies	Stater Brothers	41.74	Food Expense
February 14, 2017	Food Purchase - Edible Aquifer Activity Food Supplies	Stater Brothers	21.33	Food Expense
April 12, 2016	Earth Day Supplies – Purchase includes Water, Drinks, Snacks, and other supplies	Walmart	408.66	Food/Paperware Expense
July 19, 2016	Picnic Supplies for Employee Picnic – Water, Drinks, Food, Paperware	Walmart	34.07	Food/Paperware Expense
July 19, 2016	Picnic Supplies for Employee Picnic – Water, Drinks, Food, Paperware	Walmart	142.51	Food/Paperware Expense
April 17, 2017	Earth Day Supplies – Purchase includes Water, Drinks, and Supplies	Walmart	130.65	Food/Paperware Expense
Total Food & Paperware			\$ 6,095.81	

Membership:

Transaction Date (Date Range)	Description	Vendor	Amount	Exception
June 29, 2017	Sam's Club Membership Renewal	Sam's Club	\$ 90.00	Duplicate Membership
August 23, 2017	US Composting Council Renewal	US Composting Council	707.50	Not addressed in Agency Policy A-89
Total Memberships			\$797.50	

**Attachment 3 –
 Prompt Payment Incentive**

Days held	Speed of Pay Rate
0	0.450%
1	0.440%
2	0.430%
3	0.420%
4	0.410%
5	0.400%
6	0.390%
7	0.380%
8	0.370%
9	0.360%
10	0.350%
11	0.340%
12	0.330%
13	0.320%
14	0.310%
15	0.300%
16	0.290%
17	0.280%
18	0.270%
19	0.260%
20	0.250%
21	0.240%
22	0.230%
23	0.220%
24	0.210%
25	0.200%
26	0.190%
27	0.180%
28	0.170%
29	0.160%
30	0.150%
31	0.140%
32	0.130%
33	0.120%
34	0.110%
35	0.100%
36	0.090%
37	0.080%
38	0.070%
39	0.060%
40	0.050%
41	0.040%
42	0.030%
43	0.020%
44	0.010%
45	0.000%

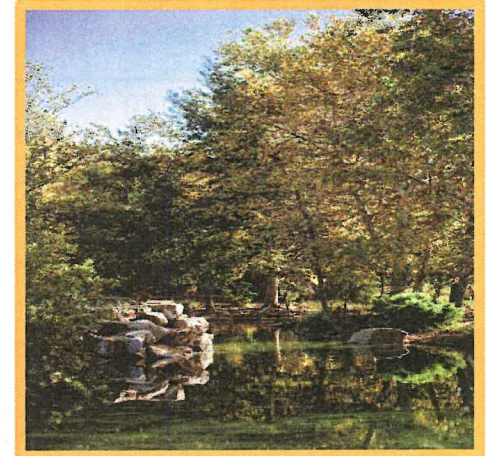
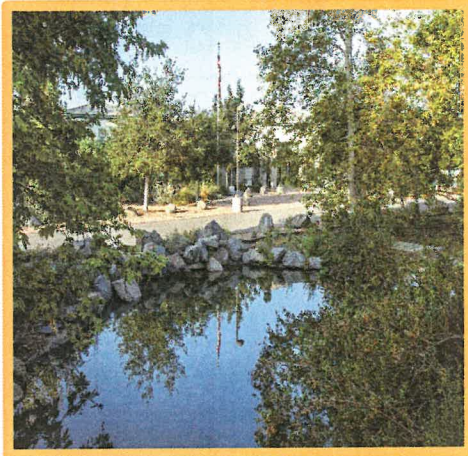
Attachment 4 – Payment Dates to US Bank

IEUA Only

Year	Statement Date	Date Paid by Agency	Number of Days taken to pay US Bank P-Card Statement
2015	January 22, 2015	March 9, 2015	46
	February 23, 2015	April 9, 2015	45
	March 23, 2015	May 7, 2015	45
	April 22, 2015	June 15, 2015	54
	May 22, 2015	July 2, 2015	41
	June 22, 2015	July 16, 2015	24
	July 22, 2015	August 20, 2015	29
	August 24, 2015	September 28, 2015	35
	September 22, 2015	October 29, 2015	37
	October 22, 2015	December 7, 2015	46
	November 23, 2015	December 23, 2015	30
	December 22, 2015	February 11, 2016	51
2016	January 22, 2016	March 8, 2016	46
	February 22, 2016	April 7, 2016	45
	March 22, 2016	May 5, 2016	44
	April 22, 2016	June 9, 2016	48
	May 23, 2016	June 23, 2016	31
	June 22, 2016	July 26, 2016	36
	July 22, 2016	September 1, 2016	41
	August 22, 2016	September 29, 2016	38
	September 22, 2016	November 7, 2016	46
	October 24, 2016	December 1, 2016	38
	November 22, 2016	January 12, 2017	51
	December 22, 2016	February 9, 2017	49
2017	January 22, 2017	March 2, 2017	39
	February 22, 2017	April 6, 2017	45
	March 22, 2017	May 11, 2017	50
	April 24, 2017	June 1, 2017	38
	May 22, 2017	June 29, 2017	36
	June 22, 2017	July 27, 2017	35
	July 24, 2017	August 24, 2017	31
	August 22, 2017	September 28, 2017	37
	September 22, 2017	November 9, 2017	45
	October 23, 2017	December 7, 2017	45
	November 22, 2017	January 4, 2018	43
	December 22, 2017	January 22, 2018	31

Source: Agency's Financial System (FAF)

Procurement Card Audit



All other Credit Programs

Credit Card	Vendor	Agency Policy	Number of Cardholders	2015 Total Spending	2016 Total Spending	2017 Total Spending
P-Card (Visa)	US Bank	A-89 January 28, 2018	17-19	\$ 223,587	\$ 301,439	\$ 221,000
Travel Card (Mastercard)	Bank of America	A-55 May 25, 2015	7 -10	138,855	189,503	194,250
Fuel Card	US Bank – Voyager Fleet Systems	A-86 February 4, 2013	177	116,701	102,692	102,251
Home Depot	Home Depot	None	42	50,313	50,921	52,277
Smart & Final	Smart & Final	None	3	5,047	5,028	4,929
Sam's Club	Sam's Club	None	1	Not Open	Not Open	No Activity
Totals			Approx. 250	\$ 534,503	\$ 649,583	\$ 574,707

IA Review

- Agency Policy A-89
- Role of the P-Card Administrator
- Improve processes for approving and reconciling transactions
- Consolidation of credit cards
- Maximize rebate earnings

Procurement Card Audit

	2016	2017
Rebate Received	\$3,870	\$4,259
Potential Rebate Scenario 1	\$8,750	\$7,559
Potential Rebate Scenario 2	\$9,571	\$8,268



The End Questions or Comments?

The Procurement Card Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by having the Internal Audit Department provide an independent evaluation of the P-Card program and provide recommendations for improvements, identify cost containment opportunities, evaluate policy compliance and monitoring the control environment of the Agency.

**INFORMATION
ITEM**

50

Date: March 21, 2018

To: The Honorable Board of Directors

From: Teresa Velarde, Manager of Internal Audit

Committee: Audit

03/12/18

Subject: Internal Audit Department Quarterly Status Report

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. During this quarter, Internal Audit staff worked on the following major projects:

- Required filings of the Annual Financial Statements and Single Audit Report
- Wire Transfers Audit
- P-Card Audit
- Other on-going audit projects and requests

IA continues to assist with any requests for audit work, review of Agency policies and procedures and recommendations for internal controls as well as work on routine audit projects as specified in the Annual Audit Plan. The attached report provides details and information.

Staff's Recommendation:

This is an information item for the Board of Directors.
Provide direction for future IA projects and reviews.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Full account coding (internal AP purposes only): - - - Project No.:

Prior Board Action:

On March 15, 2017, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Department Charter

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 and audit services of Agency financial and operational activities and making recommendations for improvement and to assist the Agency in achieving organizational goals.

Attachments:

Attachment 1 - Internal Audit Department Status Report for March 2018

Attachment 2 - IIA Global Perspectives: Internal Audit and External Audit Distinctive Roles in Organizational Governance

Attachment 3 - Los Angeles Times Article: Five face charges in probe of rural water district, dated February 23, 2018

Internal Audit Department Status Report for March 2018

Planned/Future/Additional Projects

Project: Follow-Up Audits & Outstanding Recommendations

Status: On-going Monitoring

Scope:

The Internal Audit Department Charter requires Internal Audit (IA) to follow-up on the status of outstanding recommendations to determine if corrective actions have been taken. The follow-up reviews are scheduled through the Board-approved Annual Audit Plan. Executive Management supports the implementation efforts of the recommendations previously provided and/or the development of alternative controls to address the original risks identified.

The table below provides the number of recommendations outstanding as of this Status Report. Additional details related to each of the outstanding recommendations is submitted with the Annual Audit Plan in June each year. This summary is to provide an update on the status of the follow up audits and the related outstanding recommendations. This summary includes new recommendations provided during this calendar year as well as considers any recommendations cleared during the year. Follow up reviews are part of the on-going monitoring activities IA performs according to the requirements of the IAD Charter. Follow up review is typically scheduled between 12 – 18 months from the date of the original audit, to allow time for full implementation. If a recommendation is deemed to be not implemented, the recommendation continues to stand or alternate controls to mitigate any risks are evaluated to determine if the risk has been addressed and the recommendation is longer applicable. Follow up review is also scheduled if requested sooner by the Audit Committee or Executive Management. The audited business units are encouraged to submit for IA review, additional information if they determine the recommendation has been satisfied.

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Payroll Audit	August 24, 2010	1	Annually
Intercompany Receivables - Watermaster	August 30, 2011	1	FY2018
SCE Utility Payments	August 28, 2013	1	FY2018
Accounts Payable Follow-Up	August 29, 2013	9	FY2018
Automobile Insurance Requirements	March 3, 2014	2	FY2018
Vehicle Security Procedures	March 3, 2014	3	FY2018
Vehicle Inventory Procedures	March 12, 2014	13	FY2018
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY2019
Master Trade Contracts	September 1, 2016	6	FY2019
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY2019
Audit of Master Services Contracts	December 5, 2016	3	FY2019
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY2020
Water Use Efficiency Programs Audit	June 5, 2017	6	FY2020
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY2020
Payroll Operations Audit	August 30, 2017	6	FY2020
Total Outstanding Audit Recommendations		67	
Recommendations related to the Regional Contract Review (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these items until the renegotiation has been finalized)			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

Internal Audit Department Status Report for March 2018

Projects Completed This Period

Project: Filing of the Annual Financial Statements and Single Audit Report

Scope: Submit the required audited financial reports to the requesting reporting authorities

Status: COMPLETED

Completed the required filings with the State Controller's Office, the San Bernardino Auditor-Controller and the State Water Resources Control Board. These filings are mandatory and IEUA must complete the filings by March 31st of each year. Internal Audit Department takes the lead to file the reports with the required agencies. Upon being notified of additional required filings, IA will assist and comply with any additional filing requirements.

Project: Procurement Cards (P-cards) Audit

Scope:

The objectives of the P-Card audit were to determine if P-Card purchases comply with the Agency's Procurement Ordinance Number 101, Agency Policy A-89 (Procurement Card Program), department Standard Operating Procedures, and procurement processes. Additionally, to determine the adequacy of internal controls in place and to identify improvements for the effectiveness and efficiency of the program.

Status: COMPLETED

IA reviewed the P-Card activity for a 24-month period, January 2016 through December 2017. Approximately 1,700 P-Card transactions totaling \$500,000 were processed during the two-year period to procure goods and services by approximately 18-20 P-Card users.

IA worked with the Contracts and Procurement Department (CAP) and Finance and Accounting Department (FAD) during this audit. IA reviewed the controls and processes in place over the P-Card program and the documentation to support the purchases. For the Agency's P-Card program, IA identified key areas of concern that require further review by CAP and FAD.

IA provided recommendations to improve the Agency-wide P-Card program to: Update the Agency Policy A-89, strengthen the role of the P-Card Administrator, explore options and tools available through the P-Card Issuer (US Bank) to improve the reconciliation process, and consider consolidation of most Agency credit card programs (and possibly increase the rebates received).

The report is provided under a separate cover.

Project: Wire Transfers Audit

Scope:

The objectives of the Wire Transfers audit were to evaluate internal controls and segregation of duties for the initiation, authorization and fulfillment of wire transfer and EFT payments, to verify that transactions are accurate, complete and timely, and to identify improvements for the effectiveness and efficiency of processing transactions.

Status: COMPLETED

IA worked closely with the Finance and Accounting Department. The audit found that, in general, FAD has effective controls in place to ensure that wire transfers are authorized, supported, accurate, timely and valid. IA made several recommendations about additional potential automation, updating Standard Operating Procedures and ensuring adequate and complete documentation of transactions in SAP, the Agency's accounting system. Additionally, IA recommended that the Agency perform a cost/benefit analysis of the advisability of increasing Fraud Transfer Insurance policy limits and aligning the bank's call-back procedure with those limits.

The report is provided under a separate cover.

Internal Audit Department Status Report for March 2018

Project: Annual Audit Plan

Scope:

According to the Board-approved Internal Audit Charter, the Manager of IA must annually submit a documented plan of proposed audit projects. The Annual Audit Plan is prepared in accordance with recommendations and best practices provided by the Institute of Internal Auditors (IIA). The Annual Audit Plan allows the Manager of IA to carry out the responsibilities of the IAD by prioritizing projects and allocating necessary resources where audit efforts are deemed appropriate and necessary. The audit projects proposed are selected and scheduled based on a risk assessment to target the areas of highest risk in terms of impact and likelihood. The audits, and resulting recommendations are intended to assist Agency management and the Board in achieving organizational goals and objectives.

During the next weeks, IA will be performing a risk assessment and asking questions about where audit efforts would provide the greatest value to the Agency and assist with mitigating risks. During this period, IA solicits input, feedback and information about potential audit areas or potential risks that could prevent the Agency from achieving organizational goals. Audit areas and risks are ranked according to a methodology prescribed by the IIA. A complete Annual Audit Plan will be submitted for discussion and approval during the next regularly scheduled Audit Committee Meeting.

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 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”:

- Participated in Meetings related to the Network Security/Vulnerability Assessment, specifically, during this quarter IA worked closely with BIS and IT to determine, evaluate and rank the different types of Agency systems and data to evaluate the potential impact.
- Continued to assist with policy language interpretation.
- Participated in IT Security Committee
- Participated in the Safety Committee
- Participated in the Employee Engagement Survey workgroups
- Participated in Disaster Preparedness Training which included a day-long training on Federal Government forms and requirements.

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/or 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

Internal Audit Department Status Report for March 2018

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.

Current Trends in Internal Audit

The attached guidance *Global Perspectives: Internal Audit and External Audit* was prepared by the Institute of Internal Auditors (IIA) to provide an overview on the key differences between Internal Audit and External Audit. Specifically, it discusses the functions, roles, professional guidelines/standards that must be followed, and focus areas of audits. Both contribute to the organizational governance of the Agency and each have distinct scopes of audit and intended audiences. The publication is provided for your review.

A recent article from the LA Times is also attached for your review. The article titled *Five face charges in probe of rural water district*, dated Friday, February 23, 2018 discusses the results of a State Controller's Audit that uncovered recent fraud related to the misuse of public agency credit cards in addition to the improper disposal of hazardous waste without permits left leaking into the ground. This article is the most recent example of many that reinforces the need for tight internal controls including written policies, employee training and continuous oversight of the use of credit cards. IA recently completed the Procurement Card audit and makes recommendations for tightening internal controls.

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.

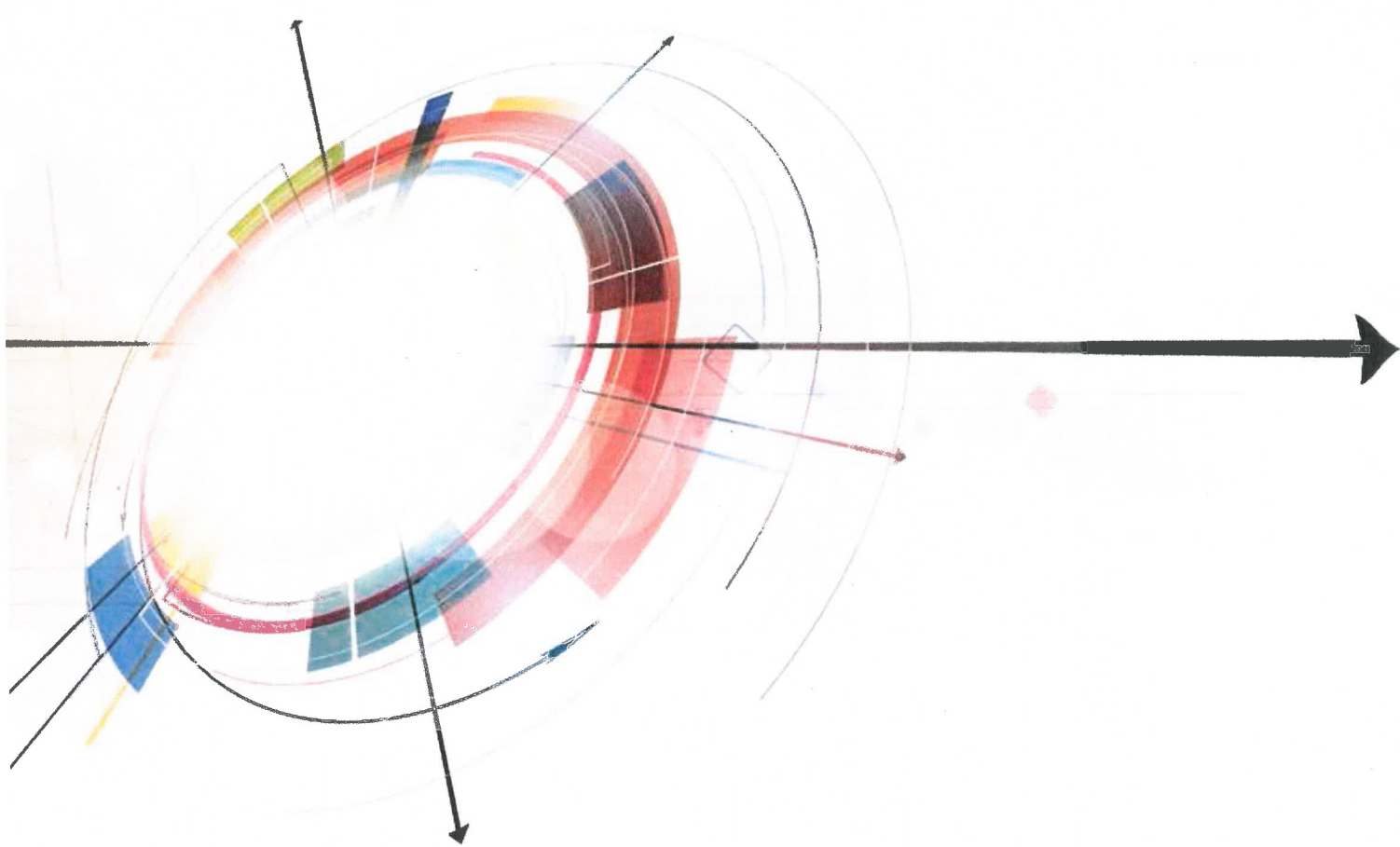
During the past quarter, IA staff has continued to stay abreast of industry developments through review of industry periodicals and participation in free IIA sponsored, on-line webinars. The Manager of Internal Audit attended the annual CSMFO conference held in Riverside during February 2018. Trainings attended this quarter are provided by the IIA on relevant audit trends.

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 2017, 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, June 11, 2018 – Regularly Scheduled Audit Committee Meeting
- Monday, September 10, 2018 – Regularly Scheduled Audit Committee Meeting
- Monday, December 10, 2018 – Regularly Scheduled Audit Committee Meeting



Issue 8

GLOBAL PERSPECTIVES AND INSIGHTS

Internal Audit and External Audit

Distinctive Roles in Organizational Governance

Contributor

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Contents

Executive Summary	3
Functions.....	4
Roles.....	4
Identifying and Managing Risks.....	6
Closing Thoughts	7

Internal Audit and External Audit

Distinctive Roles in Organizational Governance

Executive Summary

The interests, roles, responsibilities, and activities of internal auditors and external auditors are complementary and sometimes similar; in some cases, they overlap at one point or another. For example, the overlap between an internal auditor and an external auditor may include carrying out an efficient analysis of transactions; becoming intimately familiar with an organization's governance, risk management, and internal control systems; and sharing and developing accurate final reports.

This is not a surprise; each role is based on a professional discipline and operates to that discipline's standards. As such, the external auditor's professional concerns include the inaccuracies and misstatements that affect final

business accounts (financial information). Internal auditors are concerned with the wide range of governance, risk management, and internal controls (nonfinancial information). Keep in mind, internal audit and external audit do not compete and they do not conflict; rather, one complements the other. Both are crucial to good governance, and they should meet at some point and work together.

However, there are distinct differences in the roles, and certainly in the boundaries of the work that they perform. The differences, summarized below, are often under-recognized, and are perhaps even misunderstood and confused by stakeholders.

Key Differences Between Internal and External Audit		
	Internal Audit	External Audit
Purpose	Analyze and improve controls and performance	Express an opinion on the financial condition
Scope	Organizational operations	Fiscal financial records
Skills	Interdisciplinary	Accounting, finance, tax
Timing	Present/future, ongoing	Past, point in time
Primary Audience	Board, executive management	Investors, public interests
Standards	The IIA's <i>International Standards for the Professional Practice of Internal Auditing</i>	Generally Accepted Auditing Principles, Generally Accepted Auditing Standards
Focus	Enhance and protect organizational value	Fair representation of financial statements
Employment Relationship	An organization's employee	A contracted third party

Functions

Define and Distinguish

The internal auditor and the external auditor, jointly, are indispensable for good governance, with the internal auditor focusing on all nonfinancial information.”

—John Bendermacher, IIA–Netherlands

Internal Audit

The IIA defines internal auditing as “an independent objective assurance and consulting activity designed to add value and improve an organization’s operations, it helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

- Internal audit professionals have backgrounds in various academic disciplines, and no single discipline is required.
- According to The IIA, an internal audit engagement is “a specific internal audit assignment, task, or review activity, such as an internal audit, control self-assessment review, fraud examination, or consultancy. An engagement may include multiple tasks or activities designed to accomplish a specific set of related objectives.
- Internal auditors are employed by the organization, but are independent of the activities they audit. Because independence is imperative to be effective, the internal auditor ideally reports directly to the board.
- Internal auditors must conform with The IIA’s *International Standards for the Professional Practice of Internal Auditing*.

External Audit

On the other hand, external auditors are professional accountants.

- According to the International Federation of Accountants (IFAC), an audit engagement is “a reasonable assurance engagement in which a professional accountant in public practice expresses

an opinion whether financial statements are prepared, in all material respects (or gives a true and fair view or are presented fairly, in all material respects), in accordance with an applicable financial reporting framework, such as an engagement conducted in accordance with International Standards on Auditing. This includes a Statutory Audit, which is an audit required by legislation or other regulation.”

- Unlike internal auditors, external auditors are not employees of the organization — they are third parties, and therefore, have no vested interest in the organization.
- Globally, external auditors are guided by the International Auditing and Assurance Standards Board (IAASB) International Standards on Auditing.

Roles

There Really Is a Difference

“A well-resourced and independent internal audit function is uniquely positioned inside organizations to provide objective assurance on the risks that matter most.”

—Carolyn Saint, IIA-North America

In some jurisdictions, an internal auditor is made *mandatory* by corporate governance codes or regulatory rules. This is a recognition of internal audit’s value to an organization. Internal audit saves organizations money, protects reputations, and paves the way to success. At its simplest, internal audit identifies the risks that could keep an organization from achieving its goals, alerts leaders to these risks, and proactively recommends improvements to help reduce the risks. Examples include:

AUDIT FOCUS

IIA Standard 1100: Independence and Objectivity

The internal audit activity must be independent, and internal auditors must be objective in performing their work.

- Detect wasteful spending.
- Identify red flags.
- Verify records and financial statements.
- Assess compliance with rules and regulations.
- Investigate fraud.
- Promote ethics.
- Inform senior management and the board.
- Identify risks and provide assurance over controls.

Internal audit *partners* with management and the board, and focuses on the complete health of the organization, which includes serving the overall needs of the organization, focusing on present and future events of the organization, and ensuring the accomplishment of goals and objectives. The external auditor's primary function — again as a third party — is to provide an opinion on whether the accounts show a true and fair view of the financial statements, and they are incidentally concerned with the prevention and detection of fraud. Beyond those basic functions, an external auditor provides no deeper benefit to the organization.

An organization should never consider using an external auditor to perform the internal audit function. This line of thinking is very dangerous.

External audit firms do not drill down into the organization's governance, risk management, and internal control operations; if for no other reason than, the purpose and the role does not require it. The external audit function is active only annually (at year-end), and is not able to provide immediate and preventative advice and insight into what will add value to an organization — external audit is completely independent of the organization.

"In my experience, I have found that internal auditors communicate why things need to change, and then follow up with mentoring and training of staff across the entire organization."

—Karem Toufic Obeid, IIA—United Arab Emirates

In contrast, internal audit has a constant presence in the organization. Unlike external auditing, internal auditing serves the needs of the organization through its

AUDIT FOCUS

IIA Standard 2070: External Service Provider and Organizational Responsibility for Internal Auditing

When an external service provider serves as the internal audit activity, the provider must make the organization aware that the organization has the responsibility for maintaining an effective internal audit activity.

dedication to all controls *fundamental* to achieving the organizational objectives: governance, risk management, and internal control, and nowadays, more and more, also to covering culture and behavior. Its overall mission concerns providing organizations with assurance on and insight into their business practices, thereby enhancing organizational value.

To this end, internal audit advises management and the board on governance, risk management and control processes, and discusses — on more than an annual basis — the subject of sound internal control systems. To be effective, internal audit suggests improvements to management. As employees of the organization, internal audit has a vested interest in the organization's competencies in these areas.

"Internal audit needs to provide the board with insight into the nature and roles of all assurance providers, including internal and external auditors, and second line of defense functions."

—Hans Nieuwlands, IIA—Netherlands

While internal and external auditing techniques are similar, the intended outcomes vary greatly. For example, voicing concern if there is no understanding about the importance of procedures may be addressed differently by an internal auditor and an external auditor because of differing objectives. According to The IIA, internal audit's mission is "to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight." Internal audit's attention is on whether an organization's

business practices are assisting the business to meet *all* of its objectives, while recognizing and managing its risks — those that are obvious, and those that are not so obvious.

Identifying and Managing Risks

The Three Lines of Defense Model

“Audit committees need operational information, and although external audit’s role is outside of the Three Lines of Defense, it is in a position to ‘watch the perimeter.’ That contribution is vital and complementary.”

—Nur Hayati Baharuddin, IIA-Malaysia

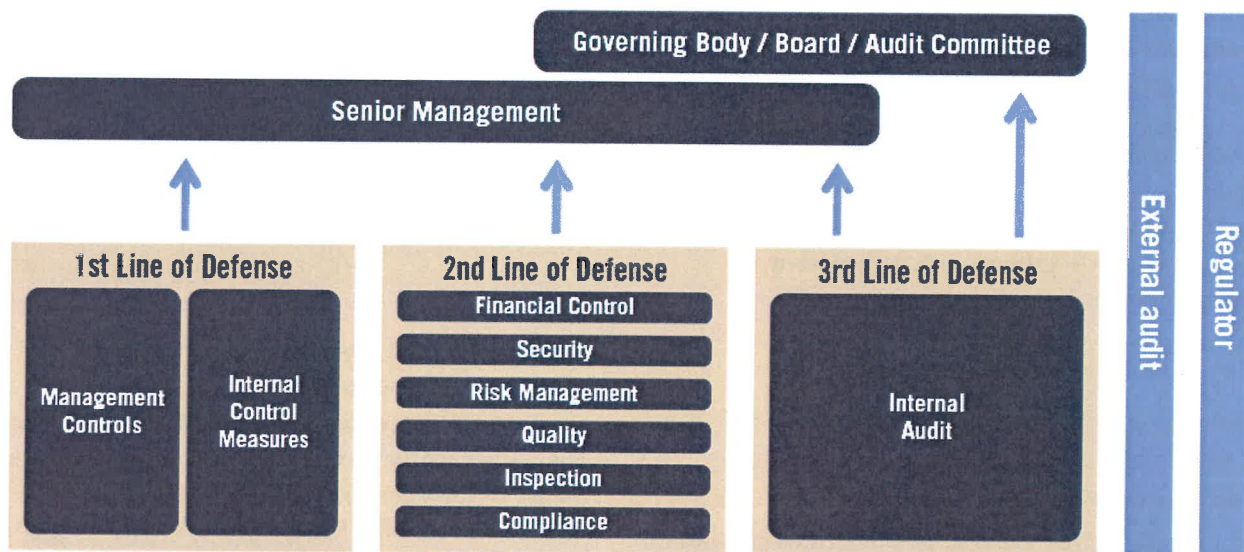
Anything important is worth protecting. Unrecognized risks will negatively affect an organization sooner or later. The IIA Position Paper “The Three Lines of Defense in Effective Risk Management and Control” discusses the fact that “duties related to risk management and control must be coordinated carefully to assure that risk and control processes operate as intended.” Further, the position paper provides direction to clarify important roles and duties to develop those risk management

initiatives. It states, “Establishing a professional internal audit activity should be a governance requirement for all organizations. This is not only important for larger and medium-sized organizations, but also may be equally important for smaller entities, as they may face equally complex environments with a less formal, robust organizational structure to ensure the effectiveness of its governance and risk management processes.”

The Three Lines of Defense model, illustrated below, states, “Without a cohesive, coordinated approach, limited risk and control resources may not be deployed effectively, and significant risks may not be identified or managed appropriately. Clear responsibilities must be defined so that each group of risk and control professionals understands the boundaries of their responsibilities and how their positions fit into the organization’s overall risk and control structure.”

Operational management, the first line of defense in risk management, is responsible for maintaining effective internal controls on a day-to-day basis. The controls are designed and executed under management’s guidance, and performed by their employees (e.g., accounting). *Risk management, compliance, and other functions* — again established by management — comprise the

The Three Lines of Defense Model



Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

second line of defense, which supports management policies and assists risk owners to define target risk exposure within multiple compliance functions (e.g., safety, supply chain, etc.).

The second line of defense is responsible for disseminating risk-related information throughout the organization. Internal audit is solely the third line of defense, and actively and continuously contributes to effective organizational governance, risk management, and internal controls (e.g., operations, assets, regulations, contracts, etc.). Internal audit provides independent assurance, and assesses the effectiveness of the processes created in the first and second lines of defense. External audit's role is outside of the model, but it is important to have for assurance over financial reporting processes.

Working Together

“Internal audit partners with management and the board, and focuses on the complete health of the organization.”

—Ana Cristina Zambrano, IIA-Colombia

The January 2017 *Internal Auditor* magazine article “Mapping Assurance” stated it plainly, “When it comes to providing assurance, internal audit isn’t the only player in the game. Boards and executives seek assurance information on the effectiveness of an organization’s governance from a variety of internal and external sources, including external auditors.”

Identifying risk is one of the most important tasks to perform while conducting an audit. The U.S. Office of the Comptroller of the Currency’s (OCC) *Comptroller’s Handbook* suggests that while external auditing’s role is outside of the Three Lines of Defense model, risks (e.g., operation, compliance, strategic, and reputation) can be identified by both internal auditors and external auditors. The difference is that external auditors take no action to help eliminate the risk.

Recognizing the difference in roles and duties, internal and external auditors, in many instances, already work together. They work together to not only cover the full area of financial and nonfinancial information, but also to avoid unnecessary overlap in execution of audit

AUDIT FOCUS

IIA Standard 2050: Coordination and Reliance

The chief audit executive should share information, coordinate activities, and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimize duplication of efforts.

procedures by sharing risk assessments, reports, and other information — formally and informally. Internal and external audit working together increases the effectiveness of the total audit efforts made, and is beneficial to the board and the audit committee.

As stated earlier in this report, the internal auditor’s interests and responsibilities and the external auditor’s interests and responsibilities complement one another, which is a good practice. The Implementation Guide for Standard 2050 states, “The CAE meets with each of the providers to gather sufficient information so that the organization’s assurance and consulting activities may be coordinated.”

“Allies in Governance 2.0,” published by IIA–Netherlands (2016) states, “The roles of the external auditor and the internal auditor go hand-in-hand. Clear positioning, optimum collaboration, and knowledge sharing are key in this respect.”

Closing Thoughts

Internal Audit: Constant and on Behalf of the Organization

“Internal audit reports on the overall health and well-being of the organization, and is indispensable to effective governance, risk management, and control.”

—Lesedi Lesetedi, African Federation IIA

In closing, effective organizational governance requires a robust, independent internal audit function — a very necessary part of healthy, successful business practices.

Internal audit's efforts are purposely centered on governance, risk management, and internal control. As employees of the organization, albeit in an independent role, internal auditors are fully vested in the organization's successes, and their concern is to cover *all* organizational operations on a continuous basis. At the conclusion of an audit engagement, internal auditors are careful to deliver thorough "made-to-order" reports to the board and/or audit committee that include specific and detailed conclusions about how risks and objectives are currently known and being managed.

In addition, internal audit's reports include well-thought-out suggestions for continuous improvement, and help the entire organization accomplish goals and objectives to improve internal control and eliminate identified risks. The bottom line? Internal audit is *the key*. To ensure that an organization creates short-, medium-, and long-term value, internal auditing is the undeniable answer, and the internal audit function is best performed by *qualified individuals* working within a well-resourced and independent internal audit function.

For More Information

- International Federation of Accountants (IFAC), "Handbook of the Code of Ethics for Professional Accountants," 2010 (www.ifac.org).
- The IIA "Implementation Guide 1100: Independence and Objectivity," available to members only, January 2017 (www.theiia.org).
- The IIA "Implementation Guide 2070: External Service Provider and Organizational Responsibility for Internal Auditing," available to members only, January 2017.
- The IIA Position Paper "The Three Lines of Defense in Effective Risk Management and Control," 2013 (www.theiia.org).
- The IIA *Internal Auditor* magazine "Mapping Assurance: Internal auditors can facilitate efforts to document the organization's combined assurance activities," Y.S. Al Chen, Loïc Decaux, and Scott Showalter, Dec. 2016 (www.theiia.org).
- The IIA "Implementation Guide 2050: Coordination and Reliance," available to members only, January 2017 (www.theiia.org).
- IIA–Netherlands, "Allies in Governance 2.0: Towards a sustainable relationship between the Audit Committee and the Internal Audit Function," September 2016 (www.iaa.nl).

About The IIA

The Institute of Internal Auditors (IIA) is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 190,000 members from more than 170 countries and territories. The association's global headquarters are in Lake Mary, Fla., USA. For more information, visit www.globaliia.org.

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Five face charges in probe of rural water district

By ALENE TEHEKMEZYAN

It started a year ago when state investigators uncovered 86 drums holding thousands of gallons of hazardous waste illegally buried in a rural Central Valley water district yard.

Their probe quickly widened to include allegations of misconduct that were revealed in a state audit. Soon, authorities said, they discovered that officials running the Panoche Water District misused more than \$100,000 in public funds on various personal items and expenses, including slot machines, concert tickets, home improvements and Porsche upgrades.

Now, five current and former water district officials — including former General Manager Dennis Falaschi — are facing felony charges in the corruption probe, according to the California attorney general's office.

Four have been arrested, and one is expected to surrender Friday, said the state Department of Toxic Substances Control.

It is unclear whether any of the accused have retained attorneys.

"In California, those in public posts who abuse the public's trust for personal gain will be held accountable," Atty. Gen. Xavier Becerra said in a statement.

Authorities said Thursday that Falaschi ran the agency "as his own personal operation and bank account" between 2011 and 2016. He faces eight felony charges, including six counts of embezzlement and misappropriation of public funds.

Also charged were Julie Cascia, the district's former office manager, who allegedly used department-

issued credit cards and money orders for personal expenses, and Falaschi's son Atomic, who took 1,500 pistachio trees from the agency to use on his own property, according to the complaint.

Two other ex-employees — Jack Hurley and Dubby West — were charged with disposing barrels of hazardous waste without permits.

When authorities dug up the buried waste last year, they discovered that the drums — which contained chlorine, caustic soda, iron chloride and a mixture of used antifreeze, solvents and oil — were leaking into the ground. Officials said Thursday that the contamination is being cleaned up.

Cascia and West were also charged with illegally transporting hazardous waste to a landfill in Los Banos, officials said.

The district, which serves an area of about 38,000 acres, delivers water to western Merced and Fresno counties.

The alleged misconduct was first identified by state auditors, who last year released a scathing report lambasting the district for providing employees with perks including free housing, interest-free loans and credit cards used to pay for sports and concert tickets.

Reimbursement collection procedures were so lax that one employee did not repay personal expenses charged to the district for nearly three years, according to the audit.

At the time, state Controller Betty T. Yee called the "shocking" lack of spending oversight "especially troubling in a region where effective water governance is so vital for the agricultural community."

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**AGENCY
REPRESENTATIVES'
REPORTS**

6A



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

REGULAR COMMISSION MEETING TUESDAY, MARCH 20, 2018 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Susan Lien Longville, Chair)
2. ROLL CALL
3. PUBLIC COMMENTS

Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).
4. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

 - A. APPROVAL OF MEETING MINUTES: MARCH 6, 2018
Recommendation: Approve as posted.
 - B. TREASURER'S REPORT – FEBRUARY 2018
Recommendation: Approve as posted.
5. WORKSHOP DISCUSSION AGENDA
 - A. LEGISLATIVE REPORT
Presenter: Michael Boccadoro, President, West Coast Advisors
Recommendation: Receive and file.
6. NEW BUSINESS
 - A. 2019 OWOW CONFERENCE (CM#2018.34)
Presenter: Rich Haller
Recommendation: Authorize the development of the 2019 OWOW State of the Santa Ana River Watershed Conference.

7. **INFORMATIONAL REPORTS**

Recommendation: Receive for information.

A. **CASH TRANSACTIONS REPORT – JANUARY 2018**

Presenter: Karen Williams

B. **INTER-FUND BORROWING – JANUARY 2018 (CM#2018.31)**

Presenter: Karen Williams

C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – JANUARY 2018 (CM#2018.32)**

Presenter: Karen Williams

D. **BUDGET VS ACTUAL VARIANCE REPORT – FYE 2018 SECOND QUARTER - ENDING DECEMBER 31, 2017 (CM#2017.33)**

Presenter: Karen Williams

E. **FINANCIAL REPORT FOR THE SECOND QUARTER ENDING DECEMBER 31, 2017**

- Inland Empire Brine Line
- SAWPA

Presenter: Karen Williams

F. **GENERAL MANAGER REPORT**

G. **STATE LEGISLATIVE REPORT**

Presenter: Rich Haller

H. **CHAIR'S COMMENTS/REPORT**

I. **COMMISSIONERS' COMMENTS**

J. **COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS**

8. **CLOSED SESSION**

A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**

Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

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

SAWPA Designated Representative: General Manager Richard E. Haller

Non-Represented Employees: All SAWPA employees

9. **ADJOURNMENT**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, please call (951) 354-4230 or email kberry@sawpa.org. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, March 14, 2018, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2018 SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: Unless otherwise noticed, all Commission Workshops/Meetings begin at 9:30 a.m., and are held at SAWPA.)

January 1/2/18 Commission Workshop [cancelled] 1/16/18 Regular Commission Meeting	February 2/6/18 Commission Workshop 2/20/18 Regular Commission Meeting
March 3/6/18 Commission Workshop 3/20/18 Regular Commission Meeting	April 4/3/18 Commission Workshop 4/17/18 Regular Commission Meeting
May 5/1/18 Commission Workshop 5/8 – 5/11/18 ACWA Spring Conference, Sacramento 5/15/18 Regular Commission Meeting	June 6/5/18 Commission Workshop 6/19/18 Regular Commission Meeting
July 7/3/18 Commission Workshop 7/17/18 Regular Commission Meeting	August 8/7/18 Commission Workshop 8/21/18 Regular Commission Meeting
September 9/4/18 Commission Workshop 9/18/18 Regular Commission Meeting	October 10/2/18 Commission Workshop 10/16/18 Regular Commission Meeting
November 11/6/18 Commission Workshop 11/20/18 Regular Commission Meeting 11/27 – 11/30/18 ACWA Fall Conference, San Diego	December 12/4/18 Commission Workshop 12/18/18 Regular Commission Meeting

**AGENCY
REPRESENTATIVES'
REPORTS**

6B



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

REVISION 2

Board Meeting

March 13, 2018

12:00 p.m. – Boardroom

March 13, 2018 Meeting Schedule		
8:30 a.m.	Rm. 2-145	L&C
9:30 a.m.	Rm. 2-456	C&LR
10:30 a.m.	Rm. 2-145	OP&T
12:00 p.m.	Boardroom	Board Meeting

MWD Headquarters Building

• 700 N. Alameda Street

• Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Raha Shirkhani, Assistant Chemist, Water System Operations Group
- (b) Pledge of Allegiance: Keith Lewinger, San Diego County Water Authority

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))

PUBLIC HEARINGS

- 1. Public hearing to consider whether to continue suspending the tax rate limitations in Section 124.5 of the Metropolitan Water District Act to maintain the ad valorem tax rate for fiscal years 2018/19 and 2019/20
 - 2. Public hearing on proposed water rates and charges for calendar years 2019 and 2020 to meet revenue requirements
-

5. OTHER MATTERS

- A. Approval of the Minutes of the Meeting for February 13, 2018
(A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Report on Directors' events attended at Metropolitan expense for month of February 2018

Added

- C. Induction of new Director Harold C. Williams, from West Basin Municipal Water District
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath

Added

- D. Approve Commendatory Resolutions for Director Donald Dear, representing West Basin Municipal Water District
- E. Approve committee assignments
- F. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of activities for the month of February 2018
- B. General Counsel's summary of activities for the month of February 2018
- C. General Auditor's summary of activities for the month of February 2018
- D. Interim Ethics Officer's summary of activities for the month of February 2018

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Adopt CEQA determination and authorize agreement with the Mountains Recreation and Conservation Authority in an amount not to exceed \$1,121,000 for implementation of conservation actions and long-term management on mitigation lands in Soledad Canyon, Los Angeles County. (E&O)

Recommendation:

Option #1:

Adopt CEQA determination as follows: Certify the Final Supplemental EIR for planned shutdown and inspection of the Foothill Feeder; adopt the FOF, the SOC, and the MMRP; and

- a. **Approve the Project for the purposes of CEQA; and**
- b. **Authorize an agreement with Mountains Recreation Conservation Authority for implementation of mitigation required by regulatory agency permits.**

- 7-2 Adopt CEQA determination and appropriate \$1.7 million; and authorize: (1) preliminary design of upgrades to the San Gabriel Tower on the Upper Feeder; and (2) agreement with Aspen Environmental Group in an amount not to exceed \$500,000 to provide environmental support (Appropriation No. 15441). (E&O)

Recommendation:

Option #1:

Adopt CEQA determination that the proposed action is categorically exempt, and

- a. **Appropriate \$1.7 million;**
- b. **Authorize preliminary design of upgrades to the San Gabriel Tower on the Upper Feeder; and**
- c. **Authorize agreement with Aspen Environmental Group in an amount not to exceed \$500,000 for environmental support.**

7-3 This item was changed to 8-4 (C&L)

7-4 Adopt CEQA determination and authorize: (1) agreement with the State Water Contractors, Inc. to pursue 2018 Sacramento Valley water transfer supplies; and (2) \$5 per acre-foot initial administrative deposit not to exceed \$500,000. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

- a. Authorize the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2018 Sacramento Valley water transfer supplies, in a form approved by the General Counsel; and**
- b. Authorize making a \$5 per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not to exceed \$500,000.**

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt CEQA determination and appropriate \$12.4 million; award \$9,257,483 contract to R.I.C. Construction Company, Inc. to construct an operations and maintenance service center for the Orange County operating region; and authorize increase of \$170,000 to an agreement with La Cañada Design Group, for a new not-to-exceed total of \$517,000 (Appropriation No. 15480). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2016 Final Environmental Impact Report and related documentation, and that no further environmental analysis or documentation is required, and

- a. Appropriate \$12.4 million;**
- b. Award \$9,257,483 contract to R.I.C. Construction Company, Inc. for construction of an operations and maintenance service center for the Orange County operating region; and**
- c. Authorize increase of \$170,000 to an agreement with La Cañada Design Group, for a new not-to-exceed total of \$517,000, for technical support during construction.**

- 8-2** Adopt CEQA determination and authorize entering into a three-year contract with Quigley-Simpson & Heppelwhite, Inc. for advertising and community outreach services related to water conservation not to exceed \$14.7 million. (C&L)

Added

Recommendation:

Option #1:

Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

Authorize the General Manager to enter into a three-year agreement with Quigley-Simpson & Heppelwhite, Inc. for advertising and community outreach services related to water awareness and conservation, not to exceed \$14.7 million.

- 8-3** Adopt CEQA determination and report on existing litigation: Brian May v. Metropolitan Water District of Southern California, Los Angeles Superior Court Case No. BC657802; and authorize an increase in the maximum amount payable under contract with Atkinson, Andelson, Loya, Ruud & Romo for legal services by \$445,000 to an amount not to exceed \$545,000. (L&C)
[Conference with legal counsel--existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

Added

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as project,

Authorize amendment of the contract for legal services with Atkinson, Andelson, Loya, Ruud & Romo for legal services by \$445,000 for an amount not to exceed \$545,000.

**Changed from 8-4
7-3 and
Revised**

- Adopt CEQA determination and ratify express support for Proposition 68 the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize the General Manager to ratify Metropolitan's support for Proposition 68.

Added

- 8-5** Adopt CEQA determination and express support for AB 2050 (Caballero, D-Salinas): Small System Water Authority Act of 2018 as proposed to be amended (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize the General Manager to express support for AB 2050.

9. BOARD INFORMATION ITEMS

- 9-1 Update on Conservation Program
- 9-2 Review of potential modifications and additions to Metropolitan's Conservation Program. (WP&S)

10. OTHER MATTERS (Continued)

- 10-1 Review of the Policies, Procedures, and Governance of Metropolitan's Ethics Office
[Evaluation of the performance of Ethics Office employees may be heard in closed session pursuant to Gov. Code §54957(b)]

11. FOLLOW UP ITEMS

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parentheses at the end of the description of the agenda item e.g., (E&O, F&I). Committee agendas may be obtained from the Board Executive Secretary.

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**

6D

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – February 22, 2018

WITH

*Mr. Robert DiPrimio – Chair
Mr. Jeff Pierson – Vice-Chair*

At The Offices Of

**Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730**

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

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

A. MINUTES

1. Minutes of the Watermaster Board Meeting held January 25, 2018

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of December 2017
2. Watermaster VISA Check Detail for the month of December 2017
3. Combining Schedule for the Period July 1, 2017 through December 31, 2017
4. Treasurer's Report of Financial Affairs for the Period December 1, 2017 through December 31, 2017
5. Budget vs. Actual Report for the Period July 1, 2017 through December 31, 2017

C. WATER TRANSACTIONS

Approve the proposed transaction as presented:

The permanent transfer of 55.239 acre-feet of Safe Yield rights, 55.239 acre-feet of Excess Carryover, and 388.081 acre-feet of stored water from Ameron International Corporation to City of Ontario (Non-Ag). Date of application: October 31, 2017.

II. BUSINESS ITEMS

NONE

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. 40th Annual Report Court Filing (April 13, 2018 Hearing)

B. ENGINEER REPORT

1. Storage Framework Workshop
2. 2018 RMPU
3. Salinity Management
4. Prado Basin Habitat Sustainability Program
5. Ground-Level Monitoring Committee
6. Other Efforts

C. CFO REPORT

1. Fiscal Year 2018/19 Budget Schedule

D. GM REPORT

1. SGMA Update on Fringe Areas and Annual Filing
2. CGC Membership
3. RMPU Process
4. Storage in Chino Basin
5. Other

IV. INFORMATION

1. Cash Disbursements for January 2018
2. Recharge Investigations and Projects Committee (RIPCom)
3. Ground-Level Monitoring Status Report (Semi-Annual)
4. South Archibald and Chino Airport Plumes Status Reports (Semi-Annual)
5. RMPU Status Report (Semi-Annual)
6. Santa Ana River Watershed Status Report (Semi-Annual)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

VIII. FUTURE MEETINGS AT WATERMASTER

2/22/18	Thu	11:00 a.m.	Watermaster Board
3/01/18	Thu	9:00 a.m.	Ground-Level Monitoring Committee
3/08/18	Thu	9:00 a.m.	Appropriative Pool
3/08/18	Thu	11:00 a.m.	Non-Agricultural Pool
3/08/18	Thu	1:30 p.m.	Agricultural Pool
3/13/18	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee (Held at CBWM)
3/13/18	Tue	1:30 p.m.	Prado Basin Habitat Sustainability Committee (Held at IEUA)
3/14/18	Wed	9:00 a.m.	Storage Framework – Workshop #6
3/15/18	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)
3/15/18	Thu	9:00 a.m.	Advisory Committee
3/15/18	Thu	9:30 a.m.	2018 RMPU Steering Committee #2
3/22/18	Thu	11:00 a.m.	Watermaster Board
3/27/18	Tue	11:00 a.m.	Fiscal Year 2018/19 Budget Distribution

ADJOURNMENT

**AGENCY
REPRESENTATIVES'
REPORTS**

6E

**SPECIAL BOARD MEETING OF
THE BOARD OF DIRECTORS
CHINO BASIN DESALTER AUTHORITY**

March 1, 2018
2:00 p.m.

Council Chambers, of the City of Ontario
303 E. "B" Street, Ontario, CA

*All documents available for public review are on file with the Authority's secretary located at
2151 S. Haven Avenue, Suite 202, Ontario, CA 91761.*

AGENDA

Call to Order

Flag Salute

Public Comment: Members of the public may address the Board at this time on any non-agenda matter. *Please complete a Comment Card and give it to the Secretary. Comments are limited to three (3) minutes per individual. State your name and address for the record before making your presentation. This request is optional, but very helpful for the follow-up process.*

Under the provisions of the Brown Act, the CDA Board is prohibited from taking action on oral requests. However, Board Members may respond briefly or refer the communication to staff. The CDA Board may also request the Secretary to calendar an item related to your communication at a future CDA Board meeting.

ACTION ITEMS

Prior to action of the CDA Board, any member of the audience will have the opportunity to address the CDA Board on any item listed on the agenda, including those on any consent calendar. Please submit a comment card to the secretary with the agenda item number noted.

1. **MINUTES OF FEBRUARY 1, 2018 SPECIAL BOARD MEETING**
2. **PHASE 3 EXPANSION PROJECT: ASSIGNMENT AND ASSUMPTION AGREEMENT FOR TEN DEWATERING WELLS**
Report by: Cindy Miller, Phase 3 Expansion Program Manager

Staff Recommendation:

1. Authorize the General Manager to execute an Assignment and Assumption Agreement with the City of Norco to assign by CDA to City of Norco all of its right, title and interest in and to those certain ten (10) dewatering wells.

3. PHASE 3 EXPANSION PROJECT: RIGHT OF ENTRY PERMIT AND EASEMENT AGREEMENT WITH CITY OF NORCO FOR CONSTRUCTION OF HDD PIPELINE

Report by: Cindy Miller, Phase 3 Expansion Program Manager

Staff Recommendation:

1. Authorize the General Manager to execute a Right of Entry Permit and Easement Agreement with the City of Norco for access to City property required for construction of the HDD Pipeline crossing the Santa Ana River.

4. ACWA/JPIA LIABILITY, PROPERTY, AND WORKERS' COMPENSATION INSURANCE

Report by: Michael Chung, CDA CFO/Treasurer

Staff Recommendation:

1. Approve Resolution 2018-04 to direct staff to participate in ACWA/JPIA Liability, Property, and Workers' Compensation insurance programs;
2. Approve Resolution 2018-05, to authorize General Manager/CEO or CFO/Treasurer to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self Insure workers' compensation liabilities.

Staff Comments:

- (i) Deputy CDA General Counsel, Allison Burns
- (ii) CDA CFO/Treasurer, Michael Chung
- (iii) CDA General Manager/CEO, Curtis Paxton

CLOSED SESSION

The Authority may adjourn to a Closed Session to consider litigation matters, personnel matters, or other matters as provided for in the Ralph M. Brown Act (Section 54950 et seq., of the Government Code).

5. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(2)

(ONE POTENTIAL CASES)

6. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4)

(ONE POTENTIAL CASE)

7. CONFERENCE WITH LEGAL COUNSEL – GOVERNMENT CODE SECTION 54956.9(D)(1) EXISTING LITIGATION: VIDO ARTUKOVICH AND SON V. CHINO BASIN DESALTER AUTHORITY, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. CIVDS1621162

Directors Comments:

ADJOURNMENT – To the Regular Meeting on April 5, 2018

Declaration of Posting

I, Casey Costa, Executive Assistant to the Chino Basin Desalter Authority, hereby certify that a copy of this agenda has been posted by 2:00 p.m. at the Chino Basin Desalter Authority's main office, 2151 S. Haven Ave., Ontario, CA on Monday, February 26, 2018.

Casey Costa, Executive Assistant

**GENERAL
MANAGER'S
REPORT**

Date: March 21, 2018

To: The Honorable Board of Directors

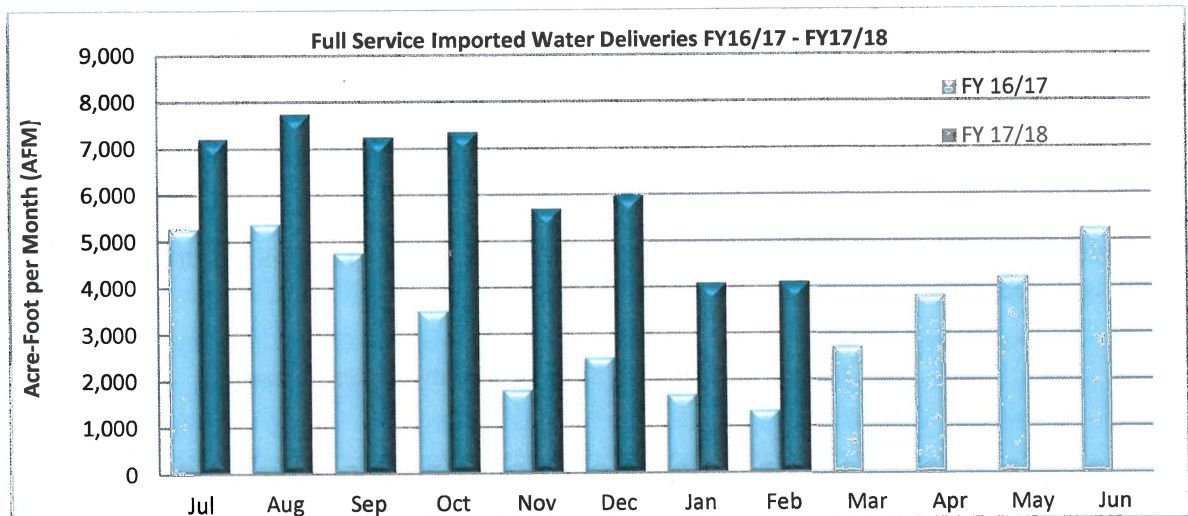
From: Halla Razak, General Manager *HR*

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 February were higher compared to FY2016/17.

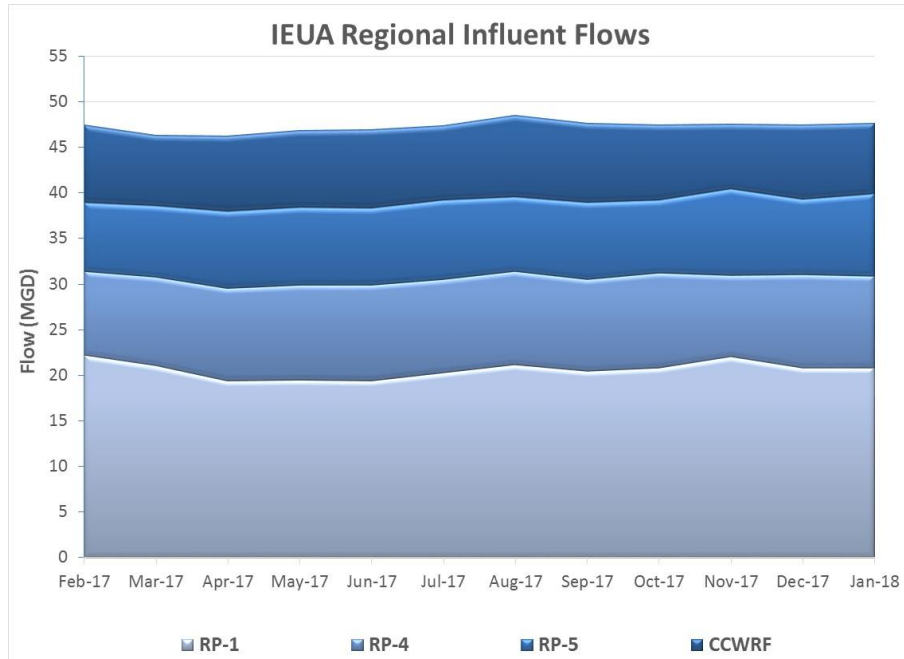


*Data obtained from MWD operations website. Numbers subject to change.

Wastewater

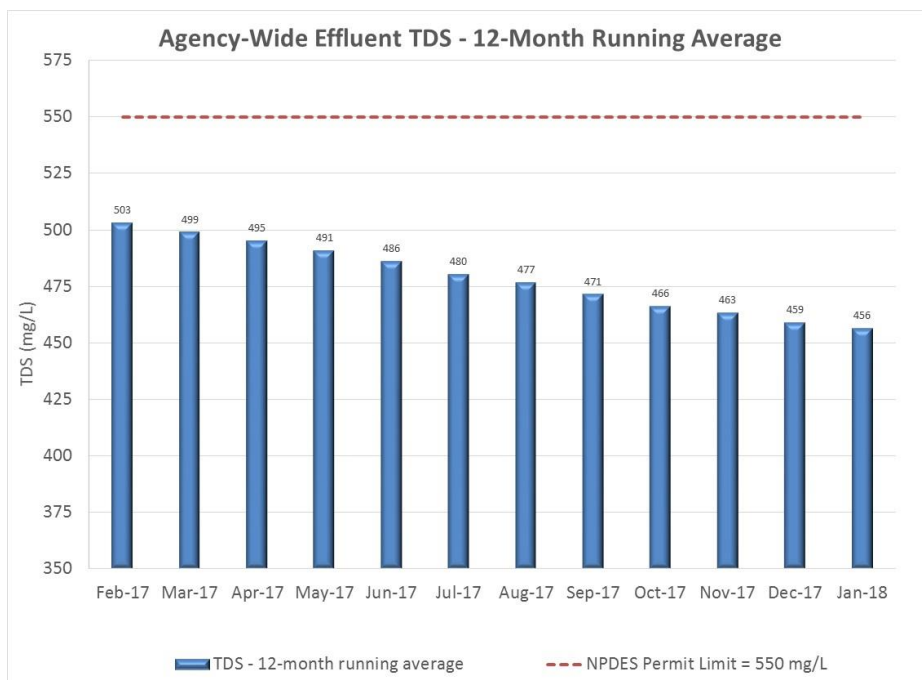
RP-1, RP-4, RP-5, and CCWRF met all the NPDES requirements and effluent / recycled water limitations during the month of January 2018.

1. The Agency-wide average wastewater influent flow for the month of January 2018 was 47.7 million gallons per day (mgd), which is a 0.2 mgd increase from the December 2017 total influent flow.



- The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for January 2018 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 January 2018 was 456 mg/L.



Air Quality

With regards to air quality compliance, there were no reportable incidents during the month of February 2018. IEUA is awaiting notices from the SCAQMD Legal department for the Notices of Violation received in December 2017.

The monthly Southern CA Alliance of Publicly Owned Treatment Works (SCAP) Air Quality Committee Meeting was held at the Sanitation Districts of Los Angeles County on February 27, 2018. The major topics at the meeting included discussion of SCAQMD's Proposed Rule 1118.1, which would require the replacement of older flares with lower emission Best Available Control Technology flares, discussion of Proposed Rules 120 (Credible Evidence) and 408 (Circumvention), and the ongoing policy effects of Assembly Bill 617, requiring additional monitoring and reporting of nonvehicular air pollution to the state.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY UPDATE

Operational Comments

Facility throughput for February averaged approximately 83% of permitted capacity at an average of 413 tons per day of biosolids and 112 tons per day of amendments (based on a 28-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	4,928.80	10,750.02
IEUA	5,185.90	11,063.89
OCSD	1,452.23	2,831.25
TOTAL	11,566.93	24,645.16

Compost Sales

Sales have continued to outpace compost production for the winter season eliminating compost inventory. Sales volumes are anticipated to match production at approximately 19,000 cubic yards per month until winter weather slows demand. Revenues are higher compared to the same period last year, due to higher demand from the landscape market and lower volumes sent to the AG sector. Compost inventory in the storage facility is 0 cubic yards.

Monthly Sales Summary

CUBIC YARD	\$/CUBIC YARD	TOTAL REVENUE
17,041.52	\$1.78	\$30,291.21

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	16,170.64	28,277.42	\$35,038.33	\$25,161.07
October	25,631.94	33,118.70	\$34,569.24	\$30,402.44
November	24,481.44	36,746.25	\$30,053.63	\$26,452.12
December	16,420.31	27,866.97	\$34,860.10	\$26,088.79
January	18,881.17	7,965.39	\$31,911.26	\$11,934.94
February	17,041.52	14,371.47	\$30,291.21	\$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	159,372.25	251,701.65	\$265,532.55	\$351,073.06
AVERAGE	19,921.53	20,975.14	\$33,191.57	\$29,256.09

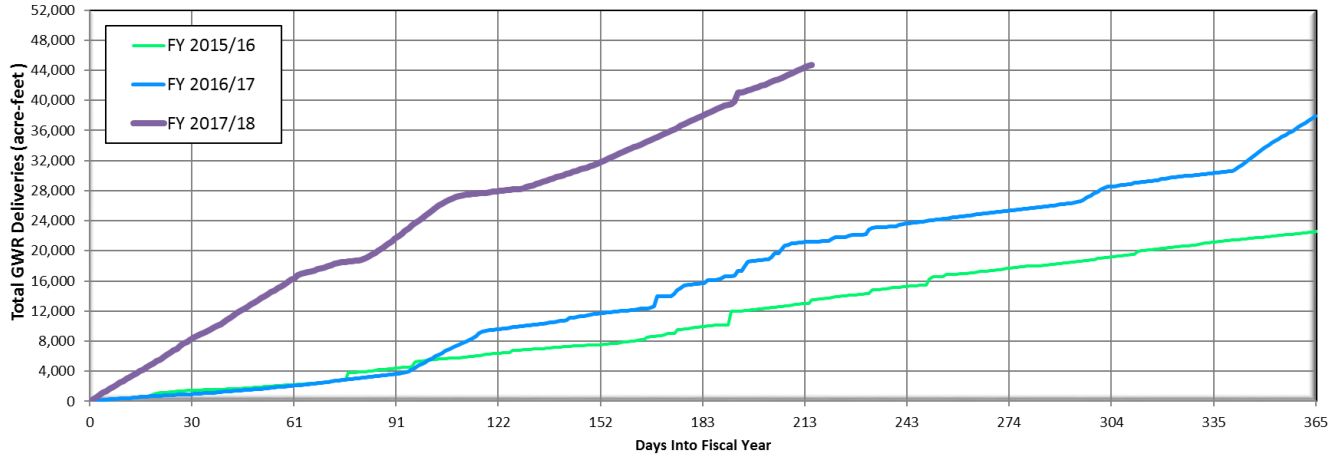
GROUNDWATER RECHARGE

Groundwater Recharge – February 2018 (preliminary)

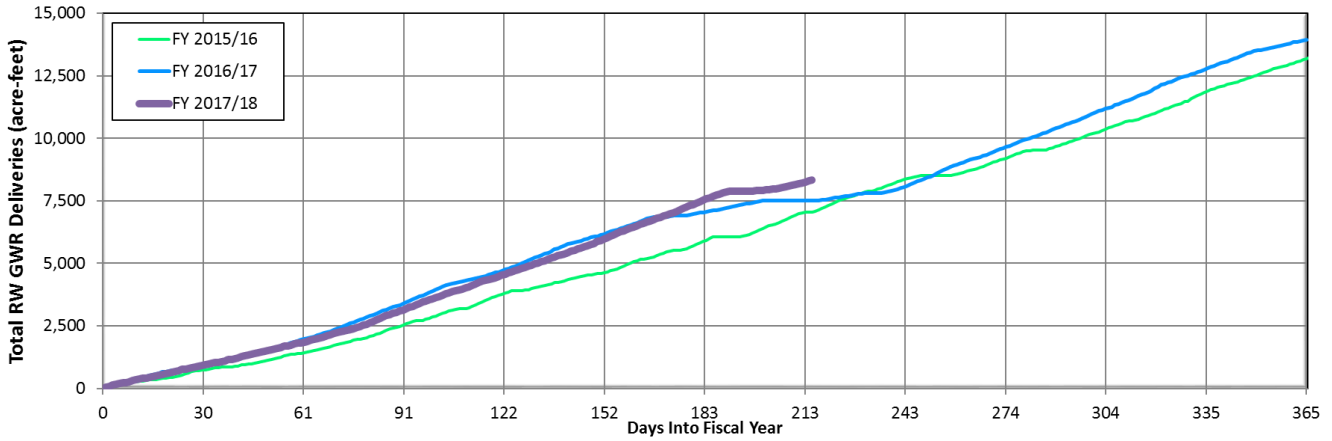
During February 2018, recycled water delivered for recharge totaled 1,004 acre-feet. There were no Imported water deliveries during the month of February. Four days of light rain in February and miscellaneous dry weather flows resulted in the diversion of approximately 300 acre-feet from stormwater, local runoff, and well discharges. For February, Chino Basin Watermaster will remove 1.5% of evaporation losses from the delivered imported and recycled water.

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 – through February 2018

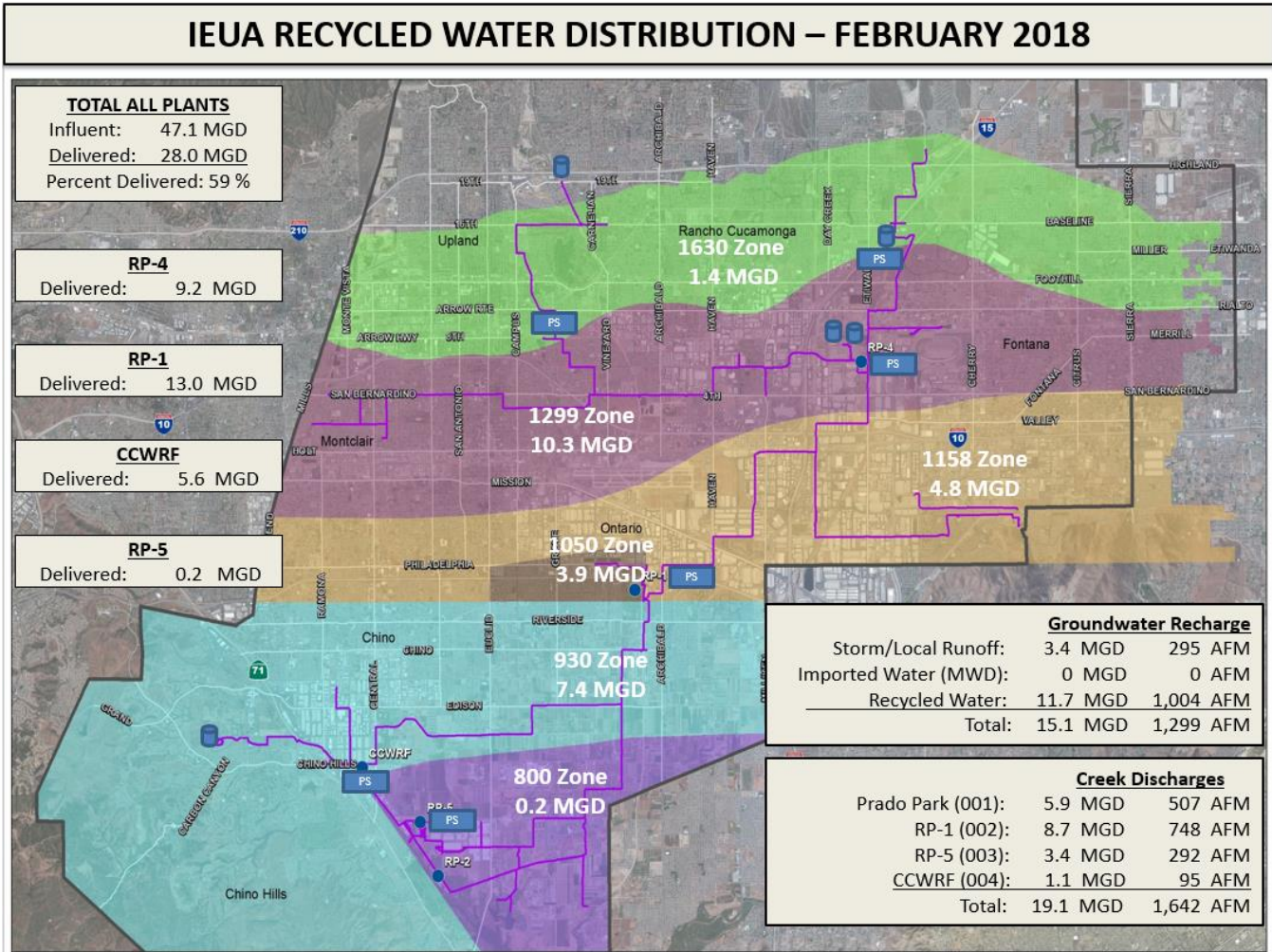


Recycled Water Delivered to Groundwater Recharge – through February 2018



RW Distribution – February 2018

During February 2018, 59% (28.0 MGD) of IEUA recycled water supply (47.1 MGD) was delivered into the distribution system for both direct use customers (16.3 MGD) and groundwater recharge (11.7 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 19.1 MGD.



GRANTS UPDATE

Grant/Loan Application Submitted:

1. On February 8, 2018, IEUA applied for the USBR WaterSMART Drought Resiliency Project Grants FY 2018 No. BOR-DO-18-F008. The application requested \$750,000 in grant funding for the Wineville, Jurupa and RP-3 Basins Improvements project.
2. **Proposition 1 Chino Basin Application** – IEUA received comments from the California Water Commission (CWC) on February 1st on the Public Benefit Ratio included in the project application. IEUA, along with its consultant GEI, has completed the appeal response to the CWC February 23rd. The Nevada Irrigation District withdrew their project from consideration, citing lack of benefit to the Delta.
3. **The USBR review of IEUA's Title XVI Feasibility Study Report** – IEUA submitted the IEUA-Jurupa Community Services District (JCSD) Recycled Water Intertie Project feasibility study report in December 2017. IEUA staff is addressing USBR's comments. Once the Study is approved, it will be transmitted to Congress for inclusion in the Title XVI Eligible Project List for competing future grant funding opportunities under the Title XVI Water Reclamation and Reuse grant funding program.

Grant/Loan Applications in Process:

State Water Resources Control Board (SWRCB): State Revolving Fund (SRF) Loan Program:

1. SRF Loan Application for the RP-1/RP-5 Expansion Project
2. SRF Loan Application for the Monte Vista Water District (MVWD) Recycled Water Project
3. SRF Loan Application for the Montclair Basin Project
4. SRF Loan Application for the Lower Day Basin Project
5. SRF Loan Application for the Wineville Basin, Jurupa Basin, RP-3 Basin, and stormwater conveyance system Project
6. SRF Loan Application for the Carbon Canyon Water Recycling Facility Improvements Construction Expansion Project

U.S. Department of the Interior – Bureau of Reclamation (USBR) Grant Programs:

1. Title XVI Feasibility Study for the IEUA-Pomona-MVWD Recycled Water Intertie Project
2. WaterSmart 2018 Drought Resiliency Implementation Program grant application for the Wineville-Jurupa Basin Improvements, Pumping, and Conveyance System.
3. Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant Program application for the Victoria Basin and Montclair Basin Improvements Project.

Grant/Loan Agreement Negotiation:

Grants staff have been negotiating grant agreements with the SWRCB. The following two grant agreements should soon be received for execution:

1. Groundwater Quality Grant (\$11.4M) for the South Archibald TCE Plume Cleanup Project
2. Stormwater Implementation Grant (\$9.8M) for the RMPU 23a Project

Executed Grant/Loan Agreements Received:

1. SWRCB: \$500,000 grant award received for the RP-1/RP-5 Expansion Project.
2. SWRCB: \$2.5M grant/\$3.9M SRF loan agreement received for the San Sevaime Project
3. SWRCB: \$2.5M grant and \$3.5M SRF loan agreement received Napa Lateral Project

Grant/Loan Agreements Anticipated:

#	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:

- SAWPA/DWR – Regional Residential Landscape Retrofit Invoice #13 for \$16,186.78
- SAWPA/DWR – San Sevaine Basins Improvement Project Invoice #13 for \$69,015.58

Other Department Activities:

In February, staff participated in the following additional activities:

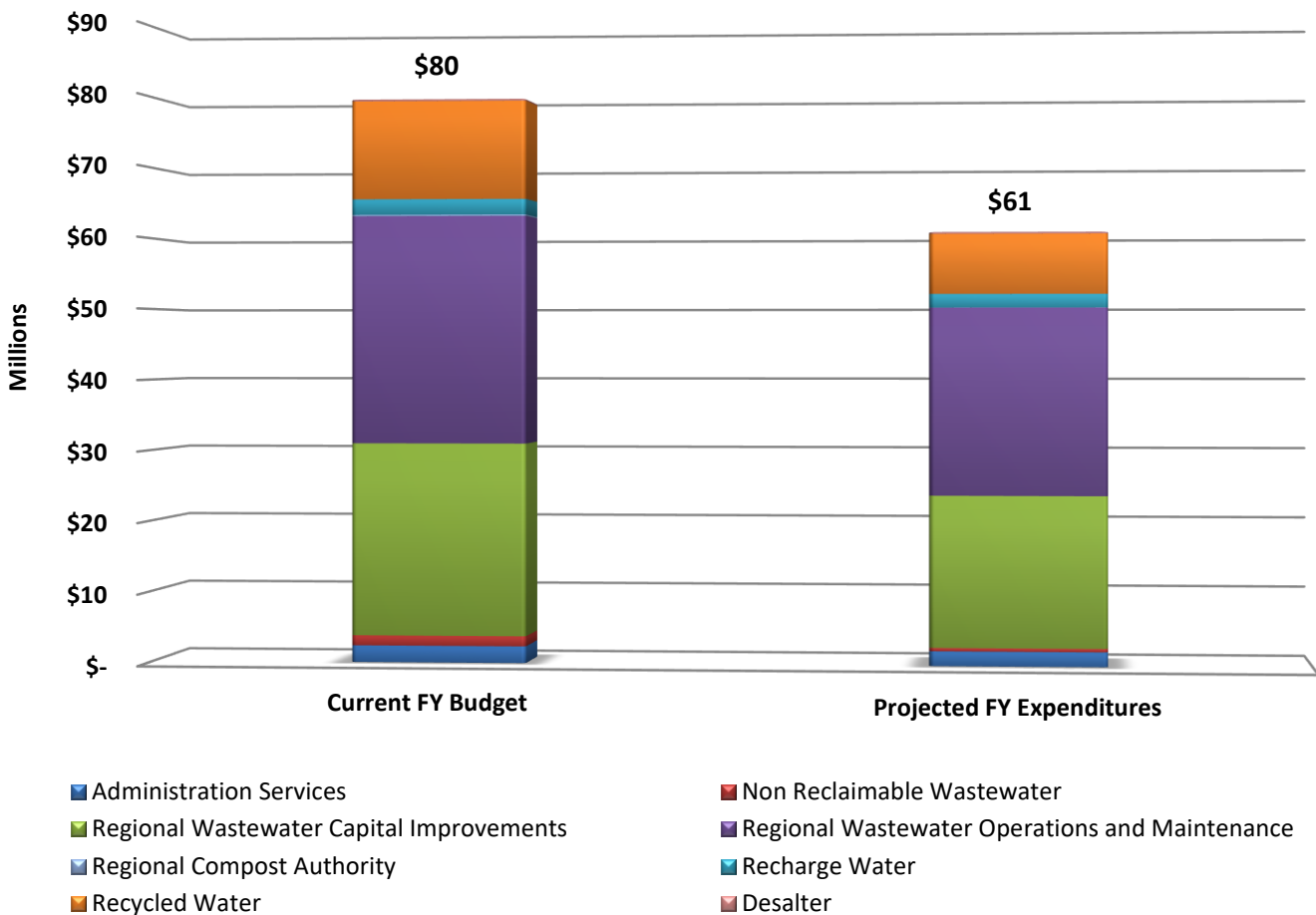
Webinar – Grants Allowability and Selected Items of Cost Under the Uniform Grant Guidance

This paid training reviewed the OMB Uniform Grants Guidance (Part 200), providing basic guidelines and definitions as to what and who is covered, how to determine allowable costs, and selected items of costs that often require documentation and further explanation.

ENGINEERING CONSTRUCTION MANAGEMENT DEPARTMENT

Engineering and Construction Management's current FY 2017/18 budget is \$79,641,704. As of January 31st, staff has projected to spend \$60,687,046 (~76%), of which \$25,571,846 has been expended.

Engineering and Construction Management FY 2017/18 Budget Status Update



The accompanying attachments have detailed information for IEUA's capital improvement program.

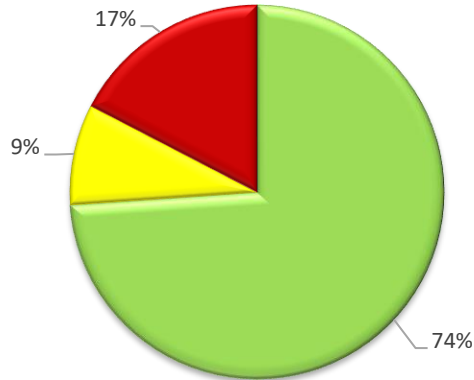
- Attachment A: Bid and Award Look Ahead Schedule
- Attachment B: Active Capital Improvement Project Status
- Attachment C: Emergency Projects

Attachment A
 Bid and Award Look Ahead Schedule

Bid and Award Look Ahead Schedule			
	Project Name	Projected Bid Opening Date	Projected Bid Award Date
	Apr-18		
1	WR15021.00 Napa Lateral	15-Mar-18	18-Apr-18
	May-18		
2	RW15003.05 RP-3 Basin Improvements	22-Mar-18	16-May-18
3	EN18015.00 Collection System Upgrades 17/18	1-May-18	16-May-18
	Jun-18		
4	EN17039.00 8th St. Basin RW Turnout Discharge Retrofit	1-May-18	20-Jun-18
5	EN18039.00 Agency-Wide Lighting Pole Replacements and Upgrades	22-May-18	20-Jun-18
6	EN18028.00 RP-5 Facilities Improvements	23-Apr-18	20-Jun-18
	Jul-18		
7	EN17044.00 RP-1 12 kV Switchgear and Generator Control Upgrades	12-Sep-17	18-Jul-18
8	EN15012.00 RP-1 Primary Effluent Conveyance Improvements	29-May-18	18-Jul-18
9	EN14043.00 RP-5 RW Pipeline Bottleneck	5-Jun-18	18-Jul-18
	Aug-18		
10	RW15003.02 Victoria Basin Improvements	22-Jun-18	15-Aug-18
11	RW15003.03 Montclair Basin Improvements	22-Jun-18	15-Aug-18
12	RW15003.06 Wineville/Jurupa/Force Main Improvements	15-Jun-18	15-Aug-18
13	RW15004.00 Lower Day Basin Improvements	22-Jun-18	15-Aug-18
	Sep-18		
14	EN17045.00 RP-1 Filter Valve Replacement	24-Jul-18	19-Sep-18
	Oct-18		
15	EN17049.00 Baseline RWPL Extension	19-Sep-18	17-Oct-18
16	EN17082.00 Mechanical Restoration and Upgrades	7-Aug-18	17-Oct-18
17	EN17042.00 Digester 6 and 7 Roof Repairs	31-Jul-18	17-Oct-18
	Nov-18		
18	EN18026.00 RP-1 Septage Dump Station and Bulk Material Storage	2-Nov-18	21-Nov-18
19	EN18006.00 RP-1 Flare Improvements	12-Oct-18	21-Nov-18
	Dec-18		
20	EN18023.00 NRWS Philadelphia Pump Station Pump 3 Improvements	18-Oct-18	21-Dec-18
21	EN13016.05 SCADA Enterprise System - RP-1 Tertiary	15-Oct-18	21-Dec-18
22	EN14042.00 1158 RWPS Upgrades	18-Sep-18	21-Dec-18
	Jan-19		
23	EN18038.00 RP-4 Operations and Maintenance Building	15-Nov-18	16-Jan-19
	Mar-19		
24	EN22002.00 NRW East End Flowmeter Replacement	25-Jan-19	20-Mar-19

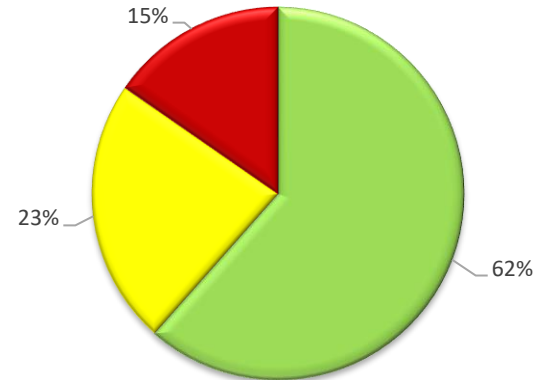
Attachment B
 Active Capital Improvement Project Status

Construction Schedule Performance



■ On-time ■ Recovery in Progress ■ Behind Schedule

Design Schedule Performance



■ On-time ■ Recovery in Progress ■ Behind Schedule

Agency-Wide

No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
1	EN13016	SCADA Enterprise System (EN13016.02, 03, 04, 05)	6,597,663	15,803,331	Recovery in Progress	Design	RP-4/5 Project schedule from CDM Smith is more aggressive than we had initially anticipated or budgeted for. Project funds from FY 18/19 budget will need to be pulled forward to accommodate the schedule.
2	EN17034	Agency wide Lighting Improvements - Phase 2	1,322,350	1,400,000	On-time	Project Acceptance	
3	EN17080	System Cathodic Protection Improvements	33,731	3,510,000	On-time	Pre-Design	
Totals			7,953,745	20,713,331			

Carbon Canyon Wastewater Regional Facility (CCWRF)

No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
4	EN0000000017	CCWRF Battery Storage	8,423	63,000	Behind Schedule	Design	Delays on this project were due to contractor agreements with Shell Energy that modified the system sizing and the desire to use second generation Tesla inverters, which were recently released. No recovery is possible; a new baseline will be generated based on the updated schedule.
5	EN17006	CCWRF Odor Control and Headworks Replacements	1,598,809	23,421,951	On-time	Pre-Design	
6	EN17072	CCWRF Airduct Modifications	37,491	135,000	On-time	Construction	
7	EN18036	CCWRF Asset Management and Improvements - Package III	22,372	2,420,000	On-time	Pre-Design	
8	EN18037	CCWRF Asset Management and Improvements - Package II	20,731	950,000	On-time	Pre-Design	
Totals			1,687,827	26,989,951			

Chino Desalter Authority (CDA)							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
9	DL37140	CDA IX Piping Replacement	113,511	125,000	On-time	Project Acceptance	
10	DL37141	CDA Structures Coating	188,803	220,000	On-time	Project Acceptance	
11	EN16021	TCE Plume Cleanup	12,173,195	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.
Totals			12,475,508	17,639,171			
Collections							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
12	EN13028	Preserve Lift Station	60,769	335,190	On-time	Construction	
13	EN18023	NRWS Philadelphia Pump Station Pump 3 Improvements	11,648	250,000	On-time	Consultant Contract Award	
14	EN22002	NRW East End Flowmeter Replacement	114,188	1,986,985	On-time	Design	
Totals			186,605	2,572,175			
Groundwater Recharge							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
15	EN13001	San Savaine Basin Improvements	1,042,319	6,460,001	On-time	Construction	
16	EN14047	GWR and RW SCADA Control Upgrades	738,539	932,000	Behind Schedule	Project Acceptance	NOC to me filed at the end of March 2018.
17	EN17067	Declez Monitoring Well Project	75,814	400,000	On-time	Construction	
18	RW15003	Recharge Master Plan Update Projects (RW15003.00_02,03,05,06)	1,998,882	7,490,500	On-time	Design	
19	RW15004	Lower Day Basin RMPU	350,671	4,008,000	On-time	Design	
Totals			4,206,226	19,290,501			
Headquarters							
No.	Project ID	Project Title	Total Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
20	EN18055	Headquarters Roofing Replacement	147,927	1,395,822	Behind Schedule	Construction	In order to avoid the 17/2018 rain season, the subject project bid solicitation has been delayed until dry weather months in order to avoid wet weather risk impacts to the project. Additionally, several questions during bidding necessitated issuance of several addendums which delayed the construction award by one month. Site construction activities will be scheduled to begin in April 2018.
21	EN15008	Water Quality Laboratory	17,137,997	24,645,000	On-time	Construction	
22	EN16049	Conference Rooms Audio Visual Upgrades	1,339,502	1,391,477	On-time	Construction	
Totals			18,625,426	27,432,299			

Recycled Water							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
23	EN15002	1158 Reservoir Site Cleanup	28,506	1,300,000	Recovery in Progress	Project Evaluation	Once SCE provides a firm schedule, the project will be re-baselined to show the revised completion date. It is possible to recover some time lost when the consultant's scope of work is reduced due to the SCE completing the geotechnical investigation.
24	EN16034	RW Pressure Sustaining Valve Installation	35,004	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 2018.
25	EN17039	8th St. Basin RW Turnout Discharge Retrofit	68,437	275,000	Behind Schedule	Design	The submittal review with SBCFCD took longer than allotted in the baseline schedule. The permitting delays would put construction starting during bird nesting season (March 15 - September 15). To avoid this advertising was delayed to April 2018, Board award to June 2018 and construction will start in 2nd half of September. Project schedule will be re-baselined once project is awarded.
26	EN17041	Orchard Recycled Water Turnout Improvements	47,584	125,000	On-time	Design	
27	EN17049	Baseline RWPL Extension	36,017	4,950,000	On-time	Design	
28	WR15021	Napa Lateral	144,438	6,050,000	On-time	Bid & Award	
Totals			359,985	13,550,000			
Regional Water Recycling Plant No. 1 (RP-1)							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
29	EN0000000015	RP-1 Battery Storage	28,730	68,000	Behind Schedule	Design	Delays on this project were due to contractor agreements with Shell Energy that modified the system sizing and the desire to use second generation Tesla inverters, which were recently released. No recovery is possible; a new baseline will be generated based on the updated schedule
30	EN11039	TP-1 Disinfection Pump Improvements	809,584	5,700,367	Behind Schedule	Design	Due to recent maintenance activities (tank replacements), this project will not be constructed until a future date.
31	EN13048	RP-1 Power System Upgrades	581,375	1,599,000	On-time	Bid & Award	
32	EN14019	RP-1 Headworks Primary and Secondary Upgrades	1,282,946	9,750,000	Recovery in Progress	Construction	The critical path/delay runs through the MCC submittal. The contractor's recovery plan is to expedite the submittal review process that will expedite the fabrication process of the MCC.
33	EN14042	RP-1 1158 RWPS Upgrades	482,792	4,000,000	On-time	Design	
34	EN15012	RP-1 East Primary Effluent Pipe Rehab	597,018	3,015,598	Recovery in Progress	Design	The consultant has submitted the 85% design submittal and is confident the time can be made up during the final design phase.
35	EN16024	RP-1 Mixed Liquor Return Pumps	6,125,906	7,236,000	Recovery in Progress	Construction	The project is 53 days behind schedule; roughly 30-days are due to Pioneer (Supplier of the Power Center's) being non-responsive during the submittal process. The additional 23-days are due to pump issues (Xylem) and compatibility with the VFD's (Rockwell). The contractor may be allowed to proceed with two trains down at a time which will accelerate the schedule. This will be done only if the contractor has the resources to work within two trains at a time. By doing so, the contractor will make up lost time.
36	EN17040	RP-1 Aeration Basin Panel Repairs	247,076	3,226,269	Behind Schedule	Construction	Same recovery plan as EN16024 above (Projects are running concurrently).
37	EN17042	Digester 6 and 7 Roof Repairs	503,242	3,800,000	Recovery in Progress	Pre-Design	The addition of Digester No. 1 cleaning to the scope pushed out the start of Digester No. 6 or 7 cleaning. The lost time will be recovered during subsequent phases including detailed design and cleaning of Digester No. 7 with early mobilization.
38	EN17044	RP-1 Power Reliability Building Controls Upgrades	237,919	1,500,000	Behind Schedule	Bid & Award	The schedule will be pushed out to the next FY as needed to ensure quality of the project. A revised baseline will be provided.
39	EN17045	RP-1 Filter Valve Replacement	24,533	650,000	On-time	Design	
40	EN17059	RP-1 Iron Sponges Installation	473,541	600,000	On-time	Project Acceptance	
41	EN17077	SBLS Emergency Diversion	124,688	525,000	On-time	Pre-Design	
42	EN17082	RP-1 Mechanical Restoration and Upgrades	141,064	1,515,000	On-time	Pre-Design	
43	EN18006	RP-1 Flare Improvements	251,316	5,380,000	Recovery in Progress	Design	The project is slightly behind schedule due to extensive effort applied during the pre-design phase search for flare manufacturers who can meet the strict regulatory requirements set by South Coast Air Quality Management District. Schedule delay will be recovered during the detailed design phase.
44	EN18039	RP-1 Lighting Pole Replacements	15,131	220,000	On-time	Design	

Regional Water Recycling Plant No. 1 (RP-1) Cont.							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
45	EN18040	RP-1 Maintenance Building HVAC Replacement	13,364	650,000	On-time	Construction	
46	EN18052	RP-1 Dewatering Building Foam Suppression System Expansion	7,766	55,000	On-time	Construction	
47	EN18054	RP-1 Recycled Water Valve Replacement Phase II	1,365	115,000	On-time	Construction	
48	EP17003	RP-1 Training Room	98,454	425,000	On-time	Construction	
49	EN24001	RP-1 Liquid Treatment Capacity Recovery	68,038	182,050,000	On-time	Pre-Design	
50	EN24002	RP-1 Solids Treatment Expansion	46,900	48,050,000	On-time	Pre-Design	
Totals			12,162,748	280,130,234			
Regional Water Recycling Plant No. 4 (RP-4)							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
51	EN0000000016	RP-4 Battery Storage	50,239	77,000	Behind Schedule	Design	Delays on this project were due to negotiations related to adding additional solar to the roof of the IERCF in parallel with the battery storage installation. No recovery is possible; a new baseline will be generated based on the updated schedule.
52	EN14018	RP-4 Disinfection System Retrofit	2,432,787	2,678,042	On-time	Construction	
53	EN17043	RP-4 Primary Clarifier Rehab	111,122	6,560,900	On-time	Pre-Design	
54	EN17110	RP-4 Process Improvements (EN17110.00, 02, 03)	576,318	17,281,763	On-time	Pre-Design	
55	EN17110.01	RP-4 Trident Filters Rehabilitation and Replacement (Costs are in EN17110)			On-time	Construction	
56	EN18038	RP-4 Operations and Maintenance Building	26,020	450,000	Recovery in Progress	Consultant Contract Award	The baseline schedule and the budget will be refined once the evaluation is completed.
Totals			3,196,486	27,047,705			
Regional Water Recycling Plant No. 5 (RP-5)							
No.	Project ID	Project Title	Total Expenditures thru 1/31/2018 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
57	EN11031	RP-5 Flow Equalization and Effluent Monitoring	1,762,047	3,397,200	Behind Schedule	Construction	The chemical pumps are experiencing signal interference. A request for deviation has been generated to add a remote I/O control panel at the Tertiary Chemical Facility. IEUA is working with the contractor on a non-compensable time extension.
58	EN14043	RP-5 RW Pipeline Bottleneck	424,720	2,756,637	Recovery in Progress	Bid & Award	The schedule was extended by about five months due to additional and modified scope items and requirements of construction contractors pre-qualification as required by the SRF Loan guidelines. Part of the lost time may be recovered during the construction phase. Construction is expected to take less than one year which is sooner than the originally allocated time of one year.
59	EN18028	RP-5 Facilities Improvements	32,542	350,000	On-time	Design	
60	EN19001	RP-5 Expansion to 30 mgd	1,658,123	175,000,000	On-time	Design	
61	EN19006	RP-5 Biosolids Facility	1,724,582	165,000,000	On-time	Design	
62	PA17006	Agency-Wide Aeration (PA17006.02)	1,560,411	8,240,000	On-time	Construction	
Totals			7,162,425	354,743,837			
Overall Totals			68,016,981	790,109,204			

Attachment C

FY16/17 Emergency Projects									
	Project ID	Contractor	Task Order Description (Details of Circumstance and Cause of the Emergency)	Location	TO #	Original Not-to-Exceed /Estimate	Actual Cost thru 1/31/2018	Date of Award	Status
CDA									
1	CDA00000012	W.A. Rasic Construction	Raw Water Line Repair	CDA	TO-035	8,000	156	7/18/2016	Complete
RP1									
2	EN000000023	Johnson Power	Backup Generator Rental	RP-1	-	34,193	22,144	3/6/2017	Complete
RP-4									
3	EN17019.11	Ferreira Construction	RP-4 Biofilter Sump Pump Leak	RP-4	TO-021	8,500	24,361	6/27/2017	Complete
Totals						50,693	46,661		

FY17/18 Emergency Projects									
	Project ID	Contractor	Task Order Description (Details of Circumstance and Cause of the Emergency)	Location	TO #	Original Not-to-Exceed /Estimate	Actual Cost thru 1/31/2018	Date of Award	Status
Agencywide									
1	EN18019.01	W.A. Rasic Construction	Replace a manhole ring at 7400 block of Kimball Ave	Agency-Wide	TO-054	8,500	10,162	7/17/2017	Complete
2	EN18019.02	W.A. Rasic Construction	Sink Hole over the 30" Montclair Int. Sewer	Agency-Wide	TO-056	18,500	17,202	7/31/2017	Complete
3	EN18019.09	W.A. Rasic Construction	Manhole Frame & Cover Repair - Chino Ave. @ Chino Creek	Agency-Wide	TO-065	10,000	0	2/6/2018	Active
4	EN18017.02	W.A. Rasic Construction	14-inch Pipe & Valve Replacement	Agency-Wide	TO-058	50,000	38,607	8/16/2017	Complete
5	EN18017.04	Ferreira Construction	Eucalyptus Ave. Valve Adjustments and Concrete Bollard Adds	Agency-Wide	TO-024	9,293	14,904	9/20/2017	Complete
6	EN18017.05	W.A. Rasic Construction	Marlay & Industry Blowoff Repair	Agency-Wide	TO-061	8,900	7,119	12/7/2017	Complete
CCWRF									
7	EN18019.07	W.A. Rasic Construction	CCWRF Lagoon Bottom Repairs	CCWRF	TO-063	24,600	2,819	12/12/2017	Active
8	EN18019.08	W.A. Rasic Construction	CCWRF Bleach Pipeline Repairs	CCWRF	TO-064	10,000	0	1/3/2018	Active
9	SIO-EN32	Big Sky Electric	CCWRF Back Up Generator Emergency	CCWRF		15,000	0	2/14/2018	Active
NRWS									
10	EN18016.01	W.A. Rasic Construction	Francis and Bonview NRW 18" Line	NRWS	Paid by City	50,000	0	2/15/2018	Active
Recycled Water									
11	EN18017.01	W.A. Rasic Construction	Prologis RW Leak	RW	TO-055	47,966	54,901	7/19/2017	Complete
RP-1									
12	EN18019.03	Ferreira Construction	RP-1 Sodium Hypochlorite Tank Leak	RP-1	TO-023	25,000	22,268	8/22/2017	Complete
13	EN18017.03	W.A. Rasic Construction	RP-1 RW Hose Bib Riser Repairs	RP-1	TO-060	48,000	61,771	9/13/2017	Complete
14	EN18019.04	Trautwein Construction	RP-1 12" Hot Water Loop Leak/Repair- CO for EN17019.08	RP-1	CO-0001	40,000	30,989	6/1/2017	Complete
15	EN18019.05	Ferreira Construction	RP-1 Potable Water Leak	RP-1	TO-025	29,500	10,816	10/25/2017	Active
16	EN18019.06	W.A. Rasic Construction	RP1 Lagoon No. 3 Outfall Pipe (42" dia)	RP-1	TO-062	50,000	7,695	12/7/2017	Active
Totals						430,259	279,253		

February 2018 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	Manhole Frame & Cover Repair - Chino Ave. @ Chino Creek	The MH in question (located in Chino Ave. just east of the 71 FWY) was settling badly on one side and the city of Chino called Liza to report poor/dangerous driving conditions in the area.	Excavated around the MH frame, removed the old, and replaced with a new cast iron unit. Adjusted the new frame & cover to the surrounding asphalt grade and paved around it.	Agency-Wide	2/6/2018	10,000
Big Sky Electric	CCWRF Back Up Generator Emergency	Backup generation load test fail. Cannot transfer to backup gens during Edison Outage.	Replace backup generation automatic transfer switch.	CCWRF	2/14/2018	15,000
W.A. Rasic Construction	Francis and Bonview NRW 18" Line	Contractor working for the City of Ontario on a storm drain contract backfilled over the top of the 2- NRW force mains causing a failure of the 12" AC pipe.	Excavate the area to assess and make the necessary repairs to get the force mains back in service.	NRWS	2/15/2018	Paid by City
				Total		25,000