



**MINUTES OF THE REGULAR
MEETING OF
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. Kirois 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 Sylvie Lee 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