

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

**WEDNESDAY, SEPTEMBER 19, 2018  
10:00 A.M.**

**DIRECTORS PRESENT:**

Michael Camacho, Vice President  
Paul Hofer  
Kati Parker

**DIRECTORS ABSENT:**

Steven J. Elie, President  
Jasmin A. Hall, Secretary/Treasurer

**STAFF PRESENT:**

Halla Razak, General Manager  
Chris Berch, Executive Manager of Engineering/AGM  
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM  
Randy Lee, Executive Manager of Operations/AGM  
Shaun Stone, Acting Executive Manager of Engineering/AGM  
Christina Valencia, Executive Manager of Finance & Administration/AGM  
Joshua Aguilar, Senior Engineer  
Jerry Burke, Deputy Manager of Engineering  
Andrea Carruthers, Senior External Affairs Specialist  
Nel Groenveld, Manager of Laboratories  
Jason Gu, Manager of Grants  
Elizabeth Hurst, Environmental Resources Planner II  
Manuel Moreno, Operations Supervisor  
Lisa Morgan-Perales, Senior Water Resources Analyst  
Scott Oakden, Deputy Manager of Operations  
Sylvie Lee, Manager of Planning & Environmental Resources  
Jesse Pompa, Deputy Manager of Grants  
Craig Proctor, Source Control/Environmental Resources Supervisor  
Teresa Velarde, Manager of Internal Audit  
Christopher Waggener, Water Plant Operator IV  
April Woodruff, Board Secretary/Office Manager  
Jeff Ziegenbein, Manager of Regional Compost Operations  
Jamal Zughbi, Senior Engineer/Project Manager, P.E.

**OTHERS PRESENT:**

Jean Cihigoyenette, JC Law Firm  
David Aguirre, California Steel Industries  
Ramsey Haddad, California Steel Industries  
David Garcia, Cintas Corporation  
Jon Marshall, Cliffstar California

Anne Encarnacion, Coca Cola Company - Ontario Syrup Plant  
Fred Knifer, K Pure Waterworks  
Diana Knifer, K Pure Waterworks  
Colleen Shelton, Metal Coaters, Inc.  
Steve Olsen, New-Indy Ontario  
Steve Delaney, New-Indy Ontario  
Ray Diaz, Nong Shim Foods  
David Jung, Nong Shim Foods  
Julian Ibarra, PAC Rancho  
Mark Rice, PAC Rancho  
Carolina Fabiero, Parallel Products  
Bob Clemmens, Praxair  
Joe Azucena, Repet  
George Dadiani, Repet  
Ramiro Avalos, Schlosser Forge  
Jordan Parent, Schlosser Forge  
Naro Kuch, Sierra Aluminum  
Ross Allen, Steelscape  
Shane Gravitt, Steelscape  
Eric Jensen, TI Wire  
Krish Singh, TI Wire  
Ivana Peno, Student  
Edgar Tellez Foster, Chino Basin Watermaster  
Justin Nakano, Chino Basin Watermaster  
Rick Whetsel, SAWPA  
Pete Vitt, SAWPA  
Doug Howard, CampaignLA

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.

Vice President Camacho called the meeting to order at 10:04 a.m. and Director Hofer led the Pledge of Allegiance to the flag. A quorum was present.

Vice President Camacho stated that members of the public may address the Board. Mr. Doug Howard, the General Manager of CampaignLA addressed the Board regarding integrity and the higher standards elected officials are held to.

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

#### **NEW EMPLOYEE INTRODUCTIONS**

- Christopher Waggener, Water Plant Operator IV, hired September 4, 2018, Operations & Maintenance Department

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

#### **PROMOTIONS**

- Jesse Pompa, Senior Engineer to Deputy Manager of Grants, effective August 27, 2018, External Affairs Department

The Board congratulated Mr. Pompa on his promotion.

## **RECOGNITIONS**

Mr. Craig Proctor presented 19 Certificates of Recognition for Compliance to the following Significant Industrial Users (SIUs) for Calendar Year 2017:

- **NRWS Industries:** California Steel Industries, Cintas Corporation, Coca Cola Company – Ontario Syrup Plant, Inland Empire Regional Composting Facility, K Pure Waterworks, Metal Coaters, Inc., New-Indy Ontario, Praxair, IEUA Regional Plant No. 1, Sierra Aluminum, Steelscape, TI Wire
- **Brine Line Industries:** Repet
- **Regional System Industries:** Cliffstar California, Coca Cola Company – Ontario Syrup Plant, Nong Shim Foods, PAC Rancho, Parallel Products, and Schlosser Forge.

The following 8 industries were unable to attend and were recognized:

- **NRW Industries:** City of Chino, Niagara Bottling, Pacific Forge
- **Brine Line Industries:** OLS Energy
- **Regional System Industries:** Amphastar Pharmaceuticals, Nestle Water North America, O.W. Lee, and Parco.

The Board thanked and commended the users for their hard work in maintaining compliance for the entire calendar year of 2017.

## **CONSENT ITEMS**

Vice President Camacho 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 Hofer, seconded by Director Parker, and unanimously carried:

### **M2018-9-1**

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the August 15, 2018 Board Meeting.
- B. The Board approved the total disbursements for the month of July 2018, in the amount of \$19,581,968.95.
- C. The Board:
  1. Approved the carry forward of open encumbrances and non-encumbered commitment related budgets from FY 2017/18 to FY 2018/19 and amend the budget in the amount of \$16,466,736; and
  2. Approved amendments to the adopted FY 2018/19 budget for grant and reimbursement revenues in the amount of \$2,082,068.
- D. The Board adopted Resolution No. 2018-9-1, approving the Agency's 2018 Hazard Mitigation Plan Update and its inclusion in San Bernardino County's Office of Emergency Services Multi-Jurisdictional Hazard Mitigation Plan.

**RESOLUTION 2018-9-1  
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,  
CALIFORNIA, ADOPTING AND AUTHORIZING REVISIONS TO**

Continued...

**M2018-9-1** continued.

**THE AGENCY'S 2018 HAZARD MITIGATION PLAN UPDATE,  
WHICH IS PART OF THE COUNTY OF SAN BERNARDINO MULTI-  
JURISDICTIONAL HAZARD MITIGATION PLAN (for full text, see  
Resolution Book)**

**E. The Board:**

1. Awarded a one-year contract (\$250,000), with two one-year extension options, to EcoTech Services, Inc., for the implementation and administration of the Residential Pressure Regulation Program for a not-to-exceed amount of \$750,000 (three-year contract term); and
2. Authorized the General Manager to execute the contract, subject to non-substantive changes.

**F. The Board authorized the General Manager to executive the West Valley Water District Imported Water Agreement subject to non-substantive changes.**

**G. The Board:**

1. Approved the 2018 Recharge Master Plan Update;
2. Adopted Resolution No. 2018-9-2, adopting the 2018 Update to the Recharge Master Plan; and

**RESOLUTION 2018-9-2  
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,  
CALIFORNIA, ADOPTING THE 2018 UPDATE TO THE  
RECHARGE MASTER PLAN (for full text, see Resolution Book)**

3. Approved a Joint Filing, with Chino Basin Watermaster, to the court.

**H. The Board ratified the contract executed by the General Manager to JCE Equipment Inc., for the Brooks Basin Earthwork Services for a not-to-exceed amount of \$246,920.**

**I. The Board:**

1. Awarded a construction contract for the CBWM Pomona Extensometer Facility Construction, Project No. RW19002, to Cascade Drilling, L.P. in the amount of \$1,267,462; and
2. Authorized the General Manager to execute the construction contract subject to non-substantive changes.

**ACTION ITEM**

**RP-5 RECYCLED WATER PIPELINE BOTTLENECK CONSTRUCTION CONTRACT AWARD**

In discussion, all present Board members stated that this item had been presented at both the Finance & Administration Committee and the Engineering, Operations & Water Resources Committee.

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

**M2018-9-2**

MOVED, to:

1. Award a construction contract for the RP-5 Recycled Water Pipeline Bottleneck, Project No. EN14043, to T.E. Roberts, Inc. in the amount of \$2,023,600; and
2. Authorize the General Manager to execute the contract.

**INFORMATION ITEMS**

**FISCAL YEAR 2017/18 FOURTH QUARTER BUDGET VARIANCE, PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS**

Executive Manager of Finance & Administration/AGM Christina Valencia gave a brief presentation of the budget variance quarterly report cumulative of the entire Fiscal Year 2017/18. Ms. Valencia highlighted that the total sources of funds exceeded the year-to-date budget by 18%. The favorable variance was primarily due to exceeding the budget in the following: user charges, connection fees, and Metropolitan Water District (MWD) imported water sales.

Ms. Valencia also noted that total uses of funds was 11.6% below the year-to-date budget. The variance for the total use of funds was due to employment expenses, professional fees & services, the timing of Operating & Maintenance and Reimbursement Project expenses, and total capital project expenditures due to changes in timelines. Offsetting the favorable variance was higher purchase of MWD imported water due to local water quality issues.

**STATEWIDE WATER USE EFFICIENCY GOALS UPDATE**

Senior Water Resources Analyst Lisa Morgan-Perales gave a presentation on the past, present and future actions impacted by the new statewide initiatives. In the past, IEUA invested \$4.2 million in dedicated conservation funding, developed coordinated regional communication strategies, partnered with SAWPA on a \$12 million Drought Response Grant, encouraged increased use of recycled water, and encouraged the development of sustainable conservation-based rate structures.

Currently, with the legislation of AB 1668 & SB 606, IEUA is affected with a new conservation standard. The new standard defines compliance as the total amount of actual water use as less than or equal to efficient water use objective. Ms. Morgan-Perales noted that implementation needs to result in conservation exceeding the current state target. Ms. Morgan-Perales reported that in 2015 the Agency's gallon per capita per day (GPCD) target was 218 and the actual GPCD was 188 and the regional water use trends are in trajectory to hit below the 2020 GPCD target of 194.

For the future, IEUA is looking into technology-based programming to target conservation, continuing to work with SAWPA on grant funded projects, providing member agency support programs, and making water use efficiency support tools available. Ms. Morgan-Perales stated IEUA is revising their WaterSMART Drought Contingency Planning Grant.

Mr. Rick Whetsel and Mr. Pete Vitt from SAWPA provided a brief demonstration on a water conservation tool funded through the Prop 84 grant. The tool allows the user to view and calculate the amount of turf at specific addresses. The tool also allows the user to view the statistics of water districts. Mr. Whetsel stated that the tool gives retail agencies without a high-powered GIS department the ability to view data through a web application.

### **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: EN13001-San Sevaine Basin Improvements; EN13028-Preserve Lift Station; EN17110.01-RP-4 Trident Filters Rehabilitation & Replacement; EN18040-RP-1 Maintenance Building HVAC Replacement; and RA19002-IERCF Trommel Screen Improvements.

### **MWD UPDATE**

Manager of Planning & Environmental Resources Sylvie Lee provided an update on the Rialto Valve Replacement, which is scheduled to start beginning of December 2018 lasting about 10 calendar days. She also provided an update on the Antelope Valley East Storage Program, which is a 20 to 30-year program that will connect to the California Aqueduct.

### **CBWM UPDATE**

Executive Manager of Engineering/AGM Chris Berch stated that several agreements including project support agreements were approved at the August meeting. Mr. Berch stated that the storage framework is fundamental to IEUA's learning on how to bring partners into the Chino Basin to pump high quality water. Mr. Berch reported that CBWM is also working on an update to the Optimal Basin Management Plan (OBMP).

Director Hofer mentioned a real critical issue with water quality. He also wanted to stress the importance of educational reinstitution on water quality and noted the best opportunity to do so would be at the CBWM's anniversary event.

General Manager Halla Razak responded to Director Hofer's comments and noted that the Agency is looking into water quality issues and how to solve them for the future with the Prop 1 Chino Basin Project being one example. Mr. Berch reported that Executive Manager of External Affairs & Policy Development/AGM Kathy Besser is currently working with CBWM on the anniversary event.

### **SAWPA UPDATE**

Source Control/Environmental Resources Supervisor Craig Proctor provided a brief update on Project Agreement 24, which will define the policy and oversight of operations of the Inland Empire Brine Line. Mr. Proctor also reported that SAWPA is currently working on amendments to the Joint Powers Agreement.

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

### **TREASURER'S REPORT OF FINANCIAL AFFAIRS**

### **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**

**INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT FOR SEPTEMBER 2018**

**AGENCY VEHICLE OPERATION FOLLOW-UP AUDIT: AUTOMOBILE INSURANCE REQUIREMENTS AND REVIEW OF VEHICLE SECURITY PROCEDURES**

**WAREHOUSE ANNUAL PHYSICAL INVENTORY – INTERNAL AUDIT INVENTORY OBSERVATION REPORT**

**INTER-FUND TRANSACTIONS AUDIT REPORT**

**AGENCY REPRESENTATIVES' REPORTS**

**SAWPA REPORT**

Director Parker mentioned problems with placing the Inland Empire Brine Line into the Project Agreement 24.

**MWD REPORT**

Director Camacho had nothing additional to report.

**REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

Director Parker reported that the meeting was routine in nature and the Committee approved the RP-5 Recycled Water Pipeline Bottleneck Construction Contract Award.

**CHINO BASIN WATERMASTER REPORT**

There was nothing additional to report.

**CHINO BASIN DESALTER AUTHORITY REPORT**

There was nothing additional to report.

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

The next meeting is scheduled for November 5, 2018.

**GENERAL MANAGER'S REPORT**

General Manager Halla Razak stated that the Regional Contract negotiations team (Kearns & West) presented to the Regional Sewerage Program Policy Committee an update on the negotiation progress. The negotiations are going slow but that is expected in the beginning. Ms. Razak reiterated that IEUA is committed to an effective negotiation process.

Ms. Razak reported that the Agency will be having its second All-Hands Meeting this afternoon and the Executive Team will be sharing the Agency's top initiatives and presenting the Career Management Program for employees.

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

There were no Board requested future agenda items.

**DIRECTORS' COMMENTS**

Director Parker requested looking into the cost of videotaping Board meetings and posting the videos on the web.

**CLOSED SESSION**

The Board went into Closed Session at 11:29 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; B. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT: Manager of Internal Audit & Board Secretary/Office Manager

The meeting resumed at 11:55 a.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

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

The Board did not discuss.

Pursuant to Government Code Section 54954.5 – Public Employment:

Board Secretary/Office Manager

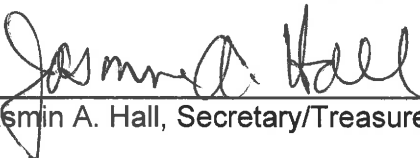
The Board did not discuss.

Pursuant to Government Code Section 54954.5 – Public Employment:

Manager of Internal Audit

The Board took no reportable action.

With no further business, Vice President Camacho adjourned the meeting at 11:57 a.m.

  
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Jasmin A. Hall, Secretary/Treasurer

**APPROVED: OCTOBER 17, 2018**