



**AGENDA  
REGULAR MEETING OF THE  
BOARD OF DIRECTORS**

**WEDNESDAY, APRIL 15, 2020  
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY\*  
Telecon: (415) 856-9169/Conference ID: 129 373 167#**

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 12, 2020, AND EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020 ANY BOARD MEMBER MAY CALL INTO THE COMMISSION MEETING WITHOUT OTHERWISE COMPLYING WITH ALL BROWN ACT'S TELECONFERENCE REQUIREMENTS.

TELECONFERENCE ACCESSIBILITY FOR THE GENERAL PUBLIC:

In all efforts to prevent the spread of COVID-19, until further notice, the Inland Empire Utilities Agency will be holding all Board and Committee meetings by teleconferencing.  
The meeting will be accessible at: (866) 848-2216 / Conf Code: 4661620160

**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. 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 March 4, 2020 Board Workshop and March 18, 2020 Board Meeting.

#### **B. REPORT ON GENERAL DISBURSEMENTS**

Staff recommends that the Board approve the total disbursements for the month of February 2020, in the amount of \$19,430,809.40.

#### **C. ADOPT POSITIONS ON STATE LEGISLATION**

Staff recommends that the Board adopt a position of:

1. "Support" for AB 2182 (Rubio, Blanca);
2. "Support" for AB 2560 (Quirk);
3. "Watch" for SB 1056 (Portantino); and
4. "Support" for SB 1099 (Dodd).

#### **D. ADOPT RESOLUTION NO. 2020-4-1, FOR THE EMPOWER RETIREMENT SERVICES AGREEMENTS FOR THE 457(b) DEFERRED COMPENSATION AND 401(a) DEFINED CONTRIBUTION PLANS**

Staff recommends that the Board:

1. Adopt Resolution No. 2020-4-1, for approval of the Administrative Services Agreement, Investment Advisory and Management Service Agreement, Trust Agreement, and Custody Agreement for the Agency's DC Plans with Empower Retirement for a five-year term effective April 28, 2020, with annual options to extend an additional five-years following an evaluation and recommendation by the DCP Administration Committee;

2. Approve the payment by the Agency, as the Plan Sponsor, of costs incurred through the process of evaluation of the DC Plans for a not-to-exceed amount of \$80,000; and
3. As the Plan Sponsor, authorize the General Manager to execute the Empower Retirement Agreements, subject to non-substantive changes.

**E. CONTRACT AWARD FOR AGENCY-WIDE BIOFILTER MEDIA REPLACEMENT**

Staff recommends that the Board:

1. Approve the award of Contract No. 4600002877 to Viramontes Express Inc. to provide Biofilter Media Procurement, Delivery, and Replacement Services for a total aggregate not-to-exceed amount of \$745,000 over a 5-year period with a two one-year option to extend; and
2. Authorize the General Manager to execute the contracts, subject to non-substantive changes.

**F. IEUA AND CBWM TASK ORDER NO. 1 AMENDMENT**

Staff recommends that the Board:

1. Approve the Amendment to Task Order No. 1 of the Master Cost Sharing Agreement between IEUA and CBWM in the amount of \$195,909, increasing the contract from \$723,000 to a revised total not-to-exceed amount of \$918,909; and
2. Authorize the General Manager to finalize and execute the Amendment, subject to non-substantive changes.

**G. RP-5 EXPANSION PROJECT PHOTO DOCUMENTATION CONSULTANT CONTRACT AWARD**

Staff recommends that the Board:

1. Award a professional photo documentation services consultant contract for the RP-5 Expansion, Project Nos. EN19001 and EN19006, to Multivista for the not-to-exceed amount of \$153,405; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

**2. ACTION ITEMS**

**A. LAFCO SPECIAL DISTRICT ELECTION**

Staff recommends that the Board select a candidate to serve in the position of a regular LAFCO Special District Member.

**B. ADOPTION OF RESOLUTION NO. 2020-4-3, APPROVING THE UPDATE OF THE AGENCY'S INVESTMENT POLICY**

Staff recommends that the Board adopt Resolution No. 2020-4-3, approving the update of the Agency's Investment Policy for Fiscal Year 2020/21.

**C. NRW EAST END FLOW METER REPLACEMENT CONSTRUCTION CONTRACT AWARD**

Staff recommends that the Board:

1. Award a construction contract for the NRW East End Flow Meter Replacement Project, No. EN22002, to SCW Contracting Corp., in the amount of \$2,307,674;
2. Approve a contract amendment to Civiltec Engineering Inc., for engineering services during construction for the not-to-exceed amount of \$44,260, increasing the contract from \$232,144 to \$276,404 (19% increase); and
3. Authorize the General Manager to execute the contract and contract amendment, subject to non-substantive changes.

**D. RP-1 ROOFING REPLACEMENT CONSTRUCTION CONTRACT AWARD**

Staff recommends that the Board:

1. Award a construction contract for the RP-1 Roofing Replacement Project, No. FM20002, to Exbon Development, Inc., in the amount of \$1,311,000;
2. Approve a total project budget amendment and Fiscal Year 2019/20 budget amendment in the General Administration (GG-10200) Fund for Project No. FM20002 in the amount of \$318,936, increasing the project from \$1,481,064 to \$1,800,000; and
3. Authorize the General Manager to execute the budget amendment and contract, subject to non-substantive changes.



**E. CONTRACT AWARD FOR ELECTRICAL REPAIR SERVICES**

Staff recommends that the Board:

1. Approve the award of Contract No. 4600002881 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of electrical equipment for a total aggregate not-to-exceed amount of \$1,200,000 over a five-year period with a two one-year options to extend; and
2. Authorize the General Manager to execute the contracts.

**3. INFORMATION ITEMS**

- A. FY 2020/21 PROPOSED BUDGET AMENDMENT FOR REGIONAL WASTEWATER AND RECYCLED WATER PROGRAMS (WRITTEN/POWERPOINT)
- B. ENGINEERING AND CONSTRUCTION MANAGEMENT UPDATES (POWERPOINT)
- C. PRESENTATION ON IEUA'S PROPOSED "ASSET MANAGEMENT POLICY" (WRITTEN/POWERPOINT)
- D. OPERATIONS DIVISION QUARTERLY UPDATE (POWERPOINT)
- E. MWD UPDATE (ORAL)
- F. CBWM UPDATE (ORAL)
- G. SAWPA UPDATE (ORAL)
- H. CBP UPDATE (ORAL)

**RECEIVE AND FILE INFORMATION ITEMS**

- I. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT)
- J. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)
- K. STATE LEGISLATIVE REPORT AND MATRIX FROM WEST COAST ADVISORS (WRITTEN)
- L. FEDERAL LEGISLATIVE REPORT AND MATRIX FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)
- M. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)

4. **AGENCY REPRESENTATIVES' REPORTS**

A. **SAWPA REPORT (WRITTEN)**

April 7, 2020 SAWPA Commission meeting.

B. **MWD REPORT (WRITTEN)**

April 14, 2020 Board meeting agenda.

C. **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

April 2, 2020 Regional Sewerage Program Policy Committee meeting was cancelled. The next meeting is scheduled for May 7, 2020.

D. **CHINO BASIN WATERMASTER REPORT (WRITTEN)**

March 26, 2020 CBWM Board meeting.

E. **CHINO BASIN DESALTER AUTHORITY (WRITTEN)**

April 2, 2020 CDA Board meeting.

F. **INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

The next IERCA Board Meeting is scheduled for May 4, 2020.

5. **GENERAL MANAGER'S REPORT (WRITTEN)**

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

7. **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.

8. **CLOSED SESSION**

A. **PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) –  
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

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

2. Spicer vs. W.A. Rasic Construction, Case No. CIVDS 1711812

B. **PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)(e)1  
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

One Case

9. **ADJOURN**

\*A Municipal Water District

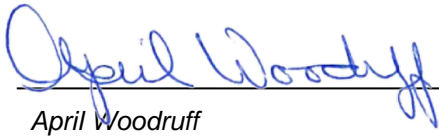
**In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.**

Proofed by: *SAL*

### Declaration of Posting

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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, April 9, 2020.

  
\_\_\_\_\_  
April Woodruff

**CONSENT  
CALENDAR  
ITEM**

**1A**



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

**WEDNESDAY, MARCH 4, 2020  
10:00 A.M.**

**DIRECTORS PRESENT:**

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

**DIRECTORS ABSENT:**

Kati Parker, President  
Michael Camacho

**STAFF PRESENT:**

Shivaji Deshmukh, General Manager  
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM  
Christiana Daisy, Executive Manager of Engineering/AGM  
Randy Lee, Executive Manager of Operations/AGM  
Jerry Burke, Manager of Engineering  
Elizabeth Hurst, Water Resources Planner II  
Sylvie Lee, Manager of Planning & Environmental Resources  
Cathleen Pieroni, Manager of Government Relations  
Peter Soelter, Senior Internal Auditor  
Daniel Solorzano, Technology Specialist I  
Wilson To, Technology Specialist II  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Michael Boccadoro, West Coast Advisors  
Beth Olhasso, West Coast Advisors

A 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 Hall called the meeting to order at 10:03 a.m. and Vice President Hall led the Pledge of Allegiance to the flag. A quorum was present.

**PUBLIC COMMENT**

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

**ADDITIONS TO THE AGENDA**

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

## **WORKSHOP**

General Manager Shivaji Deshmukh stated that a new briefing binder, which includes the Agency's 2020 legislative policy principles and background of our legislative delegation members, have been provided to the Board of Directors. He gave a brief introduction to West Coast Advisors' President Michael Boccadoro and Senior Account Executive Beth Olhasso. Mr. Boccadoro gave an overview of the water supply, Governor Newsom's first year's legislature, legislative politics, key water issues of 2020, and energy issues and updates.

Discussion ensued regarding municipal bonds, state bonds, municipal utilities rates, renewable compressed natural gas, and elimination of ocean discharge. Director Elie thanked West Coast Advisors and asked General Manager Shivaji Deshmukh to ask staff to send this presentation to our member agencies. Vice President Hall also thanked West Coast Advisors. She also stated that she was surprised by the energy rates trends and the information provided will help guide conversations going forward with various constituents.

With no further business, Vice President Hall adjourned the meeting at 11:06 a.m.

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Steven J. Elie, Secretary/Treasurer

**APPROVED: APRIL 15, 2020**



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

**WEDNESDAY, MARCH 18, 2020  
10:00 A.M.**

**DIRECTORS PRESENT via Teleconference:**

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

**DIRECTORS ABSENT:**

Paul Hofer

**STAFF PRESENT:**

Shivaji Deshmukh, General Manager  
Daniel Solorzano, Technology Specialist I  
Wilson To, Technology Specialist II  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Doug Brown, Stradling Yocca Carlson & Rauth (via Teleconference)  
Jean Cihigoyenette, JC Law Firm

A 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 Parker called the meeting to order at 10:02 a.m.

President Parker shared the changes to the Brown Act according to Governor Newsom's executive order due to COVID-19 concerns. Board Secretary/Office Manager April Woodruff took voice roll call to establish a quorum. President Parker, Vice President Hall, Secretary/Treasurer Elie, and Director Camacho were in attendance via teleconference.

General Manager Shivaji Deshmukh led the Pledge of Allegiance to the flag.

**PUBLIC COMMENT**

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

**ADDITIONS TO THE AGENDA**

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

## **NEW EMPLOYEE INTRODUCTIONS**

New employee introductions were deferred to a later date.

## **PROMOTIONS**

Promotion presentations were deferred to a later date.

## **PRESENTATION**

## **DISCLOSURE RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS**

Mr. Doug Brown of Stradling Yocca Carlson & Rauth Bond Counsel gave a presentation on disclosure responsibilities under the federal securities laws.

## **CONSENT ITEMS**

Upon motion by Elie, seconded by Camacho, and carried by roll call vote (4-0):

### **M2020-3-1**

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the February 19, 2020 Board Meeting.
- B. The Board approved the total disbursements for the month of January 2020, in the amount of \$16,090,531.02.
- C. The Board:
  - 1. Adopted a position of "Support as Proposed to be Amended" for SB 996 (Portantino);
  - 2. A position of "Support" for SB 1052 (Hertzberg); and
  - 3. A position of "Oppose" for AB 2093 (Gloria).
- D. The Board:
  - 1. Approved a \$130,000 amendment for Contract No. 4600002466 to Statewide Traffic Safety and Signs for a total contract amount of \$317,505 through June 30, 2021; and
  - 2. Authorized the General Manager to execute the amendment.
- E. The Board:
  - 1. Awarded a professional consulting services contract amendment to RBC Resources in the amount of \$135,000, for a total not-to-exceed contract of \$230,000; and
  - 2. Authorized the General Manager to execute the contract amendment, subject to non-substantive changes.
- F. The Board:
  - 1. Approved a consultant contract amendment for the RP-1 Digester 7 Roof Repairs, Project No. EN17042, to GHD Inc., for a not-to-exceed amount of \$396,000, increasing the contract from \$383,796 to \$799,796 (103% increase); and

Continued...



**2020-3-1, continued**

2. Authorized the General Manager to execute the contract amendment, subject to non-substantial changes.

## **ACTION ITEM**

### **GENERAL MANAGER APPROVAL LIMIT FOR THE REGIONAL PLANT NO. 5 EXPANSION PROJECT**

General Manager Deshmukh stated that this item was presented on March 11, 2020 at the Engineering, Operations, & Water Resources Committee meeting and the Finance & Administration Committee. Due to the size of the RP-5 Expansion Project, staff is recommending that the approval limit be increased for this specific project up to \$500,000. The Engineering, Operations, & Water Resources Committee recommended that the Board President be notified. The Finance & Administration Committee recommended notifying the entire Board of Directors should the General Manager take action to approve \$100,000 to \$500,000. Staff is adjusting the recommendation to include the notification of the Board of Directors, in compliance with the Brown Act, should a change order be executed between the \$100,000 to \$500,000. This approval limit is specific for the RP-5 Expansion Project. This new process will allow the construction project to move forward, avoid schedule delays and financial penalties. General Manager Deshmukh also added that due to the ongoing concerns regarding COVID-19, staff has postponed the bid date and will re-evaluate on April 15, at which time a new bid date will be sent through the bid process. Discussion ensued regarding the Board notification process and Brown Act compliance.

Upon motion by Elie, seconded by Camacho, and carried by roll call vote (4-0):

#### **M2020-3-2**

MOVED, to authorize the General Manager or his designee the authority to approve necessary purchases and change orders specifically associated to the Regional Plant No. 5 Expansion Project Nos. EN19001 and EN19006, up to \$500,000.

## **INFORMATION ITEMS**

### **ENGINEERING AND CONSTRUCTION MANAGEMENT UPDATES**

This item was received and filed.

### **IEUA TEN-YEAR FORECAST**

General Manager Deshmukh stated that the draft IEUA ten-year forecast was prepared in accordance with the Regional Contract Section 9 requirements. Projects included are driven by growth, wastewater flow trends, safety and regulatory requirements and repair and replacement projects. He commented that the significant projects are the RP-5 Expansion and RP-1 Capacity Improvement. Funding levels have remained consistent with the FY 2019/20 Budget. He stated that projections of Equivalent Dwelling Unit (EDU) development, wastewater flows, and concentrations of wastewater is also included in the presentation.

### **MWD UPDATE**

General Manager Deshmukh reported that MWD activated Level 1 of its Pandemic Plan, monitoring and planning, in early February and has also activated its Emergency Operations Center to monitor the COVID-19 situation and communicate with other agencies. He stated that staff has been in constant communication with MWD and they have been regularly updating member agencies through online meetings.

### **CBWM UPDATE**

General Manager Deshmukh reported that the Basin Plan Amendment Task Order for professional services for modeling with Wildermuth Environmental which enables us to request for modification to the NPDES Permit limit for TDS was approved by the Pools last week. This item will be presented for Board's consideration in April. The Optimum Basin Management Plan (OBMP) Update Preliminary Environmental Impact Report (PEIR) is scheduled to be released for public review by the end of the month. He also reported that the draft safe yield reset report and draft Max Benefit Annual Report are scheduled to be completed by the end of this month.

### **SAWPA UPDATE**

General Manager Deshmukh reported that at the March 17, 2020 SAWPA Commission meeting a presentation was given by Phil Rosentrater, Salton Sea Authority General Manager/Executive Director, on salt management strategies. A presentation was also given regarding the Santa Ana River Trail. The SAWPA Commissioners also authorized the SAWPA General Manager to execute the revised Memorandum of Understanding between the Santa Ana Watershed Project Authority (SAWPA) and Western Municipal Water District (WMWD) establishing the terms for the cost allocation of the SAWPA parking lot restoration. The Commissioners also approved the use of \$120,000 from the Building Reserve Fund to continue Phase 2 of the SAWPA Building Renovation effort and adopted Resolution No. 2020-05 declaring emergency conditions exist and authorizing the SAWPA General Manager to take all actions necessary in response to the COVID-19 pandemic.

### **CBP UPDATE**

General Manager Deshmukh reported that a Water Resources Workshop was held with regional stakeholders on March 10. Staff is continuing to work on alternatives ranging from what is needed for IEUA for regulatory purposes to the CBP. Over the next eight weeks, costs and program alternatives and impacts to the groundwater basin will be developed. All site visits from the Resources Agencies for the CBP have been postponed at least until May.

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

#### **INTERIM FINANCING TO SUPPORT RP-5 EXPANSION PROJECT**

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

#### **FISCAL YEAR 2019/20 SECOND QUARTER BUDGET VARIANCE, PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS**

#### **PUBLIC OUTREACH AND COMMUNICATION**

#### **STATE LEGISLATIVE REPORT AND MATRIX FROM WEST COAST ADVISORS**

#### **FEDERAL LEGISLATIVE REPORT AND MATRIX FROM INNOVATIVE FEDERAL STRATEGIES**

#### **CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT**

#### **INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT FOR MARCH 2020**

#### **HUMAN RESOURCES: GRIEVANCE POLICIES AND PROCEDURES COMPARABLE SURVEY**

#### **GARDEN IN EVERY SCHOOL®: FOLLOW-UP AUDIT REPORT**

#### **GATE TRANSMITTERS – RESULTS OF SIX-MONTH REVIEW**

## **AGENCY REPRESENTATIVES' REPORTS**

### **SAWPA REPORT**

President Parker had nothing additional to report.

### **MWD REPORT**

Director Camacho reported that MWD is taking the COVID-19 situation very seriously and being very proactive regarding this matter.

### **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

President Parker reported that the March 5, 2020 Policy Committee was cancelled.

### **CHINO BASIN WATERMASTER REPORT**

Director Elie had nothing additional to report.

### **CHINO BASIN DESALTER AUTHORITY**

Director Elie reported that a certificate was presented to J. Arnold Rodriguez' children in appreciation of his years of service and in memory of his recent passing. Many of the agenda items pertained to the continued work on the South Archibald Plume Cleanup Project.

### **INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

There was nothing to report.

### **GENERAL MANAGER'S REPORT**

General Manager Deshmukh gave an update on the Agency's response to the COVID-19 situation. He commended staff's ability to adapt to the evolving situation. He emphasized the Agency's goal to keep employees and community safe while still maintaining essential operations. He explained the change of processes for Agency business with the public. Discussion ensued regarding turf removal grant deadlines. General Manager Deshmukh also shared that the Agency's Department of Finance & Accounting had received the GFOA's Certificate of Recognition for Budget Preparation and the Agency had received GFOA's Distinguished Budget Presentation Award. This award is the highest form of recognition in governmental budgeting.

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

There were no requested future agenda items.

### **DIRECTORS' COMMENTS**

Vice President Hall stated that she attended the Urban Water Institute Spring Water Conference on February 19-21; CASA DC Forum on February 22-26; Rialto the State of Women Event 2020 on March 7; Annual Inland Empire/Orange County Legislative Reception on March 11; and the ACWA 2020 Legislative Symposium on March 12.

Director Elie stated that he attended the Chino Valley Fire District Board meeting on March 11, 2020.

The Board of Directors commended the General Manager, the Manager of Human Resources, and all the team members on effectively and professionally handling the COVID-19 situation. President Parker requested that future Board meetings be held via audio/visual conferencing.

### **CLOSED SESSION**

General Counsel Jean Cihigoyenette stated that there is no closed session.

With no further business, President Parker adjourned the meeting at 10:50 a.m.

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Steven J. Elie, Secretary/Treasurer

**APPROVED: APRIL 15, 2020**

DRAFT

**CONSENT  
CALENDAR  
ITEM**

**1 B**



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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

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

**Subject:** Report on General Disbursements

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**Executive Summary:**

Total disbursements for the month of February 2020 were \$19,430,809.40. Disbursement activity included check payments of \$7,295,340.34 to vendors and \$17,277.52 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$6,479,483.50 and wire transfers (excluding payroll) of \$4,036,565.71. Total payroll was \$1,595,376.56 for employees and \$6,765.77 for the Board of Directors.

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**Staff's Recommendation:**

Approve the total disbursements for the month of February 2020, in the amount of \$19,430,809.40.

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

*Account/Project Name:*

*Fiscal Impact* (explain if not budgeted):

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

**Prior Board Action:**

On March 18, 2020 the Board of Directors approved the January 2019 Report on General Disbursements totaling \$16,090,531.02.

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**Environmental Determination:**

Not Applicable

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**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.

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**Attachments:**

Attachment 1 - Background

Attachment 2 - Details of General Disbursements

# 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
2A	Vendor Checks	\$ 7,295,340.34
2B	Workers' Comp Checks	\$ 17,277.52
2C	Vendor ACHs	\$ 6,479,483.50
2D	Vendor Wires (excludes Payroll)	\$ 4,036,565.71
2E	Payroll-Net Pay-Directors	6,765.77
2F	Payroll-Net Pay-Employees	\$ 1,595,376.56
<b>Total Disbursements</b>		<b>\$19,430,809.40</b>

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

Vendor	Amount	Description
CHINO BASIN DESALTER AUTHORITY	\$ 2,775,027.18	EN16021.90 TCE Plume Clean-Up – Contribution #19
STATE WATER RESOURCES CONTRIOL BOARD	\$2,476,745.02	SRF Loan Pymt #8 C065327-110 SRF Loan Pymt #1 C067885-110 2020 Operators Certificate Renewals
MWD	\$ 2,422,201.40	December 2019 Water Purchases
BIG SKY ELECTRIC	\$ 1,441,956.68	Professional Svc's for: EN17044 – RP-1 12 kV Switchgear and Generator Control Upgrades
PARSONS WATER & INFRASTRUCTURE	\$ 1,134,856.02	Professional Svc's for: EN19001-RP-5 Expansion to 30 mgd; EN19006-RP-5 Biosolids Facility
STANEK CONSTRUCTORS INC	\$ 897,065.64	Professional Svc's for: EN14042-1158 Recycled Water Pumps Systems Upgrade; and EN19010 RP-4 Influent Screen Replacement
PERS	\$ 745,410.31	02/20 Health Ins / P/R 03 & 04 Def Comp
IRS	\$ 703,579.62	P/R 03, 04; Dir 02 Payroll Taxes
FERREIRA COASTAL CONSTRUCTION	\$ 527,308.90	Professional Svc's for: WR15021-Napa Lateral
TRAUTWEIN CONSTRUCTION INC	\$ 554,605.80	Professional Svc's for: EN17049-Baseline Recycled Water Pipeline Extension



# 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
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231642	2200105324	02/06/2020	USD	1,540.77	AIRGAS WEST INC PASADENA CA	02/10/2020
231643	2200105328	02/06/2020	USD	300.00	AMERICAN SOCIETY OF CIVIL ENGBALTIMORE MD	02/12/2020
231644	2200105347	02/06/2020	USD	1,820.74	AUTOZONE INC ATLANTA GA	02/10/2020
231645	2200105320	02/06/2020	USD	86,986.07	BROWN AND CALDWELL SAN FRANCISCO CA	02/11/2020
231646	2200105327	02/06/2020	USD	89.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	02/19/2020
231647	2200105354	02/06/2020	USD	35,558.26	CAPO PROJECTS GROUP LLC SAN JUAN CAPISTRANO CA	02/10/2020
231648	2200105338	02/06/2020	USD	1,556.00	CASC ENGINEERING AND CONSULTINCOLTON CA	02/12/2020
231649	2200105350	02/06/2020	USD	1,250.00	CHAPSS CHINO CA	02/28/2020
231650	2200105336	02/06/2020	USD	6,411.13	CHINO MFG & REPAIR INC CHINO CA	02/11/2020
231651	2200105341	02/06/2020	USD	2,397.96	CINTAS CORPORATION LOC#150 PHOENIX AZ	02/14/2020
231652	2200105335	02/06/2020	USD	1,705.57	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	02/11/2020
231653	2200105356	02/06/2020	USD	897.66	CITY OF CHINO CHINO CA	02/10/2020
231654	2200105345	02/06/2020	USD	7,219.00	CIVIC PUBLICATIONS INC LA VERNE CA	02/12/2020
231655	2200105321	02/06/2020	USD	1,852.72	COLE PARMER INSTRUMENT CO CHICAGO IL	02/11/2020
231656	2200105342	02/06/2020	USD	691.00	CONCENTRA MEDICAL CENTERS RANCHO CUCAMONGA CA	02/14/2020
231657	2200105353	02/06/2020	USD	25,080.00	CSI SERVICES INC SANTA CLARITA CA	02/13/2020
231658	2200105349	02/06/2020	USD	633.40	D & H WATER SYSTEMS INC OCEANSIDE CA	02/18/2020
231659	2200105343	02/06/2020	USD	1,235.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	02/10/2020
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231661	2200105346	02/06/2020	USD	16,795.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	02/12/2020
231662	2200105322	02/06/2020	USD	956.69	FISHER SCIENTIFIC LOS ANGELES CA	02/10/2020
231663	2200105358	02/06/2020	USD	1,079.31	FONTANA WATER COMPANY FONTANA CA	02/12/2020
231664	2200105359	02/06/2020	USD	752.94	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	02/19/2020
231665	2200105340	02/06/2020	USD	6,536.00	GEI CONSULTANTS INC BOSTON MA	02/12/2020
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231670	2200105361	02/06/2020	USD	145.00	MAKOWSKI, EDWARD CHINO HILLS CA	02/20/2020
231671	2200105333	02/06/2020	USD	428.13	MIDPOINT BEARING ONTARIO CA	02/10/2020
231672	2200105326	02/06/2020	USD	3,500.00	MOODY'S INVESTORS SERVICE ATLANTA GA	02/11/2020
231673	2200105352	02/06/2020	USD	30,266.00	MWH CONSTRUCIORS INC BROOMFIELD CO	02/19/2020
231674	2200105362	02/06/2020	USD	310.00	NASHED, KIROLS CHINO HILLS CA	02/21/2020
231675	2200105339	02/06/2020	USD	13,000.00	NATIONAL THEATRE FOR CHILDREN MINNEAPOLIS MN	02/13/2020
231676	2200105355	02/06/2020	USD	348.25	REALTECH CONTROLS LLC SHERMAN OAKS CA	02/10/2020
231677	2200105357	02/06/2020	USD	72,242.05	SO CALIF EDISON ROSEMEAD CA	02/12/2020
231678	2200105348	02/06/2020	USD	1,979.25	STAFFING NETWORK LLC CAROL SIREAM IL	02/14/2020
231679	2200105330	02/06/2020	USD	60.00	STATE WATER RESOURCES CNTRL BRACRAMENTO CA	02/18/2020
231680	2200105337	02/06/2020	USD	1,994.59	U S BANK NA MINNEAPOLIS MN	02/12/2020
231681	2200105334	02/06/2020	USD	7,069.62	VERIZON WIRELESS DALLAS TX	02/13/2020
231682	2200105371	02/10/2020	USD	163,569.00	BNSF RAILWAY COMPANY FORT WORTH TX	03/05/2020

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231685	2200105368	02/10/2020	USD	16.00	SAN BERNARDINO COUNTY RECORDERSAN BERNARDINO CA	02/26/2020
231686	2200105370	02/10/2020	USD	19,432.89	U S BANK ST LOUIS MO	02/18/2020
231687	2200105367	02/10/2020	USD	825.44	UNDERGROUND SERVICE ALERT/SC CORONA CA	02/21/2020
231688	2200105369	02/10/2020	USD	251.42	WORLDWIDE EXPRESS ALBANY NY	02/28/2020
231689	2200105453	02/13/2020	USD	43,834.44	AERZEN USA CORPORATION COATESVILLE PA	02/19/2020
231690	2200105445	02/13/2020	USD	1,319.13	AIRGAS WEST INC PASADENA CA	02/18/2020
231691	2200105492	02/13/2020	USD	188.02	AMERICAN HERITAGE LIFE INSURANDALLAS TX	02/19/2020
231692	2200105481	02/13/2020	USD	8,975.00	ANIMAL PEST MANAGEMENT SERVICECHINO CA	02/19/2020
231693	2200105486	02/13/2020	USD	25,000.00	APGN INC BLAINVILLE QC	02/26/2020
231694	2200105470	02/13/2020	USD	1,069.57	ASAP INDUSTRIAL SUPPLY FONTANA CA	02/24/2020
231695	2200105476	02/13/2020			voided by SHEATH - Lost Check	03/05/2020
231696	2200105478	02/13/2020	USD	3,613.95	BANNER BANK CARLSBAD CA	02/24/2020
231697	2200105504	02/13/2020	USD	51.75	BIESTADA, JOSH CHINO HILLS CA	02/14/2020
231698	2200105450	02/13/2020	USD	1,496.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	02/28/2020
231699	2200105502	02/13/2020	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	02/19/2020
231700	2200105469	02/13/2020	USD	1,331.94	CARRIER CORPORATION CHICAGO IL	02/18/2020
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231703	2200105464	02/13/2020	USD	3,062.52	CINTAS CORPORATION LOC#150 PHOENIX AZ	02/24/2020
231704	2200105501	02/13/2020	USD	414.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	02/19/2020
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231706	2200105443	02/13/2020	USD	125.00	CITY RENTALS INC ONTARIO CA	02/20/2020
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231708	2200105465	02/13/2020	USD	1,029.79	CONCENTRA MEDICAL CENTERS RANCHO CUCAMONGA CA	02/24/2020
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231710	2200105475	02/13/2020	USD	1,972.39	D & H WATER SYSTEMS INC OCEANSIDE CA	02/18/2020
231711	2200105494	02/13/2020	USD	4,149.00	EMPLOYMENT DEVELOPMENT DEPARIMSACRAMENTO CA	02/19/2020
231712	2200105477	02/13/2020	USD	149.00	ETIWANDA SCHOOL DISTRICT ETIWANDA CA	02/28/2020
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231714	2200105499	02/13/2020	USD	125.00	FRANCHISE TAX BOARD SACRAMENTO CA	02/27/2020
231715	2200105484	02/13/2020	USD	5,098.96	GARRATT CALLAHAN COMPANY BURLINGAME CA	02/19/2020
231716	2200105480	02/13/2020	USD	300.00	GOAL PRODUCTIONS INC GLENDALE CA	03/05/2020
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231719	2200105488	02/13/2020	USD	15,156.00	HERMOSA LLC NEWPORT BEACH CA	02/28/2020
231720	2200105479	02/13/2020	USD	2,866.08	IDEXX DISTRIBUTION INC WESTBROOK ME	02/27/2020
231721	2200105495	02/13/2020	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	02/19/2020
231722	2200105460	02/13/2020	USD	194.00	INSTITUTE OF INDUSTRIAL ENGINEERSCROSS CA	02/19/2020
231723	2200105467	02/13/2020	USD	68.96	INTERNATIONAL CODE COUNCIL INCBIRMINGHAM AL	02/20/2020
231724	2200105468	02/13/2020	USD	1,194.85	JB'S POOLS & PONDS INC UPLAND CA	02/19/2020
231725	2200105483	02/13/2020	USD	2,963.70	JM JUSTUS FENCE COMPANY TEMECULA CA	02/18/2020
231726	2200105447	02/13/2020	USD	250.00	JURUPA COMMUNITY SERVICES DISTIMIRA LOMA CA	02/26/2020

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231729	2200105505	02/13/2020	USD	3,163.00	LEE, SALLY H CHINO HILLS CA	02/14/2020
231730	2200105500	02/13/2020	USD	253.15	LEGALSHIELD ADA OK	02/28/2020
231731	2200105471	02/13/2020	USD	1,503.96	LILLESTRAND LEADERSHIP CONSULTCHINO HILLS CA	03/02/2020
231732	2200105452	02/13/2020	USD	238.57	MIDPOINT BEARING ONTARIO CA	02/18/2020
231733	2200105448	02/13/2020	USD	298.27	MISCO WATER FOOTHILL RANCH CA	02/20/2020
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231735	2200105489	02/13/2020	USD	5,465.36	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	02/18/2020
231736	2200105485	02/13/2020	USD	3,045.00	PAUL REDVERS BROWN INC ENCINITAS CA	02/18/2020
231737	2200105497	02/13/2020	USD	205.38	PERS LONG TERM CARE PROGRAM PASADENA CA	02/21/2020
231738	2200105506	02/13/2020	USD	555.00	RODRIGUEZ, MICHAEL CHINO HILLS CA	02/19/2020
231739	2200105455	02/13/2020	USD	1,863.65	ROSEMOUNT INC CHICAGO IL	02/19/2020
231740	2200105493	02/13/2020	USD	861.61	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	02/21/2020
231741	2200105473	02/13/2020	USD	44.55	SNAP GRAPHICS & DESIGN RANCHO CUCAMONGA CA	02/20/2020
231742	2200105491	02/13/2020	USD	2,566.30	SO CALIF GAS MONTEREY PARK CA	02/24/2020
231743	2200105457	02/13/2020	USD	10,000.00	SO CALIF SALINITY COALITION FOUNTAIN VALLEY CA	02/20/2020
231744	2200105463	02/13/2020	USD	360.00	SOUTHWEST MEMBRANE OPERATOR ASVISTA CA	03/11/2020
231745	2200105474	02/13/2020	USD	1,962.00	STAFFING NETWORK LLC CAROL STREAM IL	02/19/2020
231746	2200105462	02/13/2020	USD	2,476,745.02	SWRCB ACCOUNTING OFFICE SACRAMENTO CA	02/21/2020
231747	2200105487	02/13/2020	USD	75.00	THE NELAC INSTITUTE WEATHERFORD TX	03/02/2020
231748	2200105507	02/13/2020	USD	918.75	THOMPSON, CHRISTINE CHINO HILLS CA	02/19/2020
231749	2200105482	02/13/2020	USD	71,343.68	WESTIN TECHNOLOGY SOLUTIONS LILMILWAUKEE WI	02/19/2020
231750	2200105498	02/13/2020	USD	25.00	WILCO LIFE INSURANCE COMPANY CHARLOTTE NC	02/21/2020
231751	2200105461	02/13/2020	USD	2,457.60	WINCHESTER SYSTEMS INC BILLERICA MA	03/06/2020
231752	2200105459	02/13/2020	USD	409.56	WORLDWIDE EXPRESS PASADENA CA	02/18/2020
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231755	2200105512	02/13/2020	USD	852.68	LEVEL 3 COMMUNICATIONS LLC DENVER CO	02/19/2020
231756	2200105514	02/13/2020	USD	205.38	PERS LONG TERM CARE PROGRAM PASADENA CA	02/21/2020
231757	2200105510	02/13/2020	USD	2,457.01	SHAW HR CONSULTING INC NEWBURY PARK CA	02/19/2020
231758	2200105511	02/13/2020	USD	184,656.96	SO CALIF EDISON ROSEMEAD CA	02/20/2020
231759	2200105509	02/13/2020	USD	1,084.54	VERIZON WIRELESS DALLAS TX	02/19/2020
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231761	2200105557	02/20/2020	USD	2,345.29	10-8 RETROFIT INC ONTARIO CA	02/27/2020
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231763	2200105566	02/20/2020	USD	14,390.78	ADVANCED MICROGRID SOLUTIONS ISAN FRANCISCO CA	03/09/2020
231764	2200105533	02/20/2020	USD	205.49	AGILENT TECHNOLOGIES INC LOS ANGELES CA	02/24/2020
231765	2200105526	02/20/2020	USD	1,204.92	AIRGAS WEST INC PASADENA CA	02/24/2020
231766	2200105569	02/20/2020	USD	2,113.25	AMTEC CHINO HILLS CA	02/25/2020
231767	2200105546	02/20/2020	USD	317.50	ASAP INDUSTRIAL SUPPLY FONTANA CA	02/25/2020
231768	2200105551	02/20/2020	USD	36,688.00	ATKINSON, ANDELSON, LOYA, CERRITOS CA	02/26/2020
231769	2200105549	02/20/2020	USD	102,662.70	ATOM ENGINEERING CONSTRUCTION HEMET CA	02/24/2020
231770	2200105558	02/20/2020	USD	45,951.48	BANNER BANK CARLSBAD CA	02/26/2020

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231773	2200105543	02/20/2020	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	02/26/2020
231774	2200105579	02/20/2020	USD	294.57	CAMACHO, MICHAEL CHINO HILLS CA	03/06/2020
231775	2200105577	02/20/2020	USD	89.00	CAMBIASO, PIETRO CHINO HILLS CA	02/24/2020
231776	2200105554	02/20/2020	USD	1,357.50	CAMET RESEARCH, INC. GOLETA CA	03/02/2020
231777	2200105564	02/20/2020	USD	26,320.15	CAPO PROJECTS GROUP LLC SAN JUAN CAPISTRANO CA	02/24/2020
231778	2200105542	02/20/2020	USD	3,062.39	CINTAS CORPORATION LOC#150 PHOENIX AZ	02/27/2020
231779	2200105537	02/20/2020	USD	621.23	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	02/27/2020
231780	2200105568	02/20/2020	USD	27,500.00	CIPO CLOUD SOFTWARE LLC CORONA CA	02/25/2020
231781	2200105528	02/20/2020	USD	2,000.00	CITY OF CHINO CHINO CA	
231782	2200105571	02/20/2020	USD	270.29	CITY OF CHINO CHINO CA	02/24/2020
231783	2200105531	02/20/2020	USD	186.00	CITY OF FONTANA FONTANA CA	02/27/2020
231784	2200105545	02/20/2020	USD	7,756.54	CORRPRO COMPANIES INC DALLAS TX	02/27/2020
231785	2200105529	02/20/2020	USD	2,000.00	CUCAMONGA VALLEY WATER DISTRICTRANCHO CUCAMONGA CA	
231786	2200105576	02/20/2020	USD	42.55	CUNNINGHAM, RICHARD CHINO HILLS CA	02/28/2020
231787	2200105553	02/20/2020	USD	2,196.51	D & H WATER SYSTEMS INC OCEANSIDE CA	02/26/2020
231788	2200105532	02/20/2020	USD	230.00	DEPT OF CONSUMER AFFAIRS SACRAMENTO CA	03/02/2020
231789	2200105559	02/20/2020	USD	2,624.30	DORGAN LEGAL SERVICES LLP PASADENA CA	02/28/2020
231790	2200105556	02/20/2020	USD	527,308.90	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	02/25/2020
231791	2200105522	02/20/2020	USD	3,805.47	FISHER SCIENTIFIC LOS ANGELES CA	03/03/2020
231792	2200105530	02/20/2020	USD	415.99	FLW INC HUNTINGTON BEACH CA	02/24/2020
231793	2200105575	02/20/2020	USD	2,181.37	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	03/03/2020
231794	2200105541	02/20/2020	USD	394.00	GEI CONSULTANTS INC BOSTON MA	02/25/2020
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231797	2200105524	02/20/2020	USD	57,827.20	J R FILANC CONSTRUCTION CO. INCESCONDIDO CA	02/26/2020
231798	2200105563	02/20/2020	USD	31,136.25	JAMES MCMINN INC RIVERSIDE CA	02/27/2020
231799	2200105562	02/20/2020	USD	232,365.25	KIEWIT INFRASTRUCTURE WEST CO SANTA FE SPRINGS CA	03/09/2020
231800	2200105560	02/20/2020	USD	1,890.00	LITTLER MENDELSON PC SAN FRANCISCO CA	02/25/2020
231801	2200105534	02/20/2020	USD	49.57	MIDPOINT BEARING ONTARIO CA	02/24/2020
231802	2200105567	02/20/2020	USD	13,550.00	MOMENTUM GRASS VALLEY CA	02/26/2020
231803	2200105527	02/20/2020	USD	8,793.13	MULTI W SYSTEMS INC EL MONTE CA	02/25/2020
231804	2200105521	02/20/2020	USD	2,746.21	OFFICE DEPOT PHOENIX AZ	02/28/2020
231805	2200105572	02/20/2020	USD	1,245.18	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	02/24/2020
231806	2200105525	02/20/2020	USD	3,273.80	PERKINELMER HEALTH SCIENCES INCHICAGO IL	02/25/2020
231807	2200105536	02/20/2020	USD	280.00	PROJECT PARTNERS INC LAGUNA HILLS CA	02/24/2020
231808	2200105520	02/20/2020	USD	14.01	REM LOCK & KEY ONTARIO CA	02/26/2020
231809	2200105535	02/20/2020	USD	428.63	RED WING BUSINESS ADVANTAGE DALLAS TX	02/26/2020
231810	2200105578	02/20/2020	USD	225.81	SMITH, STEVEN CHINO HILLS CA	02/24/2020
231811	2200105573	02/20/2020	USD	704.99	SO CALIF EDISON ROSEMEAD CA	02/25/2020
231812	2200105550	02/20/2020	USD		voided by SHEATH - Printed incorrectly	02/20/2020
231813	2200105552	02/20/2020	USD	1,446.00	STAFFING NETWORK LLC CAROL STREAM IL	02/25/2020
231814	2200105555	02/20/2020	USD	18,409.46	TITUS INDUSTRIAL GROUP INC PRINEVILLE OR	02/25/2020

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231816	2200105544	02/20/2020	USD	8,913.14	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	02/25/2020	
231817	2200105574	02/20/2020	USD	462.33	VERIZON BUSINESS ALBANY NY	02/25/2020	
231818	2200105538	02/20/2020	USD	39,900.00	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	02/25/2020	
231819	2200105561	02/20/2020	USD	12,052.46	WATER SYSTEMS CONSULTING INC SAN LUIS OBISPO CA	02/28/2020	
231820	2200105539	02/20/2020	USD	564.85	YORK EMPLOYMENT SERVICES, INC PASADENA CA	02/24/2020	
231821	2200105612	02/20/2020	USD	1,262.50	BANNER BANK CARLSBAD CA	02/26/2020	
231822	2200105611	02/20/2020	USD	243,544.37	SPIESS CONSTRUCTION COMPANY INSANTA MARIA CA	02/25/2020	
231823	2200105787	02/27/2020	USD	22.44	AERZEN USA CORPORATION COATESVILLE PA	03/03/2020	
231824	2200105773	02/27/2020	USD	894.90	AIRGAS WEST INC PASADENA CA	03/02/2020	
231825	2200105842	02/27/2020	USD	1,070.00	AMTEC CHINO HILLS CA	03/03/2020	
231826	2200105857	02/27/2020	USD	539.86	ANDERSON, JOHN L CHINO CA	03/04/2020	
231827	2200105813	02/27/2020	USD	1,165.99	ASAP INDUSTRIAL SUPPLY FONTANA CA	03/09/2020	
231828	2200105792	02/27/2020	USD	397.56	BOOT BARN INC IRVINE CA	03/09/2020	
231829	2200105853	02/27/2020	USD	200.43	BREIG, ANNA VICTORVILLE CA	03/04/2020	
231830	2200105822	02/27/2020	USD	6,560.87	BRIGHIVIEW LANDSCAPE SERVICES PASADENA CA	03/02/2020	
231831	2200105839	02/27/2020	USD	23,287.95	BUCKNAM INFRASTRUCTURE GROUP IOCEANSIDE CA	03/10/2020	
231832	2200105851	02/27/2020	USD	6,587.56	BURRTEC WASTE INDUSTRIES INC FONTANA CA	03/06/2020	
231833	2200105780	02/27/2020	USD	768.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA		
231834	2200105868	02/27/2020	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	03/03/2020	
231835	2200105806	02/27/2020	USD	2,912.66	CINTAS CORPORATION LOC#150 PHOENIX AZ	03/06/2020	
231836	2200105841	02/27/2020	USD	13,000.00	CIPO CLOUD SOFTWARE LLC CORONA CA	03/09/2020	
231837	2200105866	02/27/2020	USD	425.00	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	03/04/2020	
231838	2200105788	02/27/2020	USD	560.30	CITY TOOL WORKS INC ONTARIO CA	03/04/2020	
231839	2200105801	02/27/2020	USD	14,160.00	DAVIS ELECTRIC INC YUCAIPA CA	03/04/2020	
231840	2200105779	02/27/2020	USD	5,697.32	DELL MARKETING L P PASADENA CA	03/02/2020	
231841	2200105881	02/27/2020	USD	1,089.86	DIAS, MICHAEL CHINO HILLS CA	03/09/2020	
231842	2200105874	02/27/2020	USD	125.00	ERRO, DAN CHINO HILLS CA	02/28/2020	
231843	2200105817	02/27/2020	USD	1,480.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	03/03/2020	
231844	2200105769	02/27/2020	USD	3,379.37	FISHER SCIENTIFIC LOS ANGELES CA	03/02/2020	
231845	2200105776	02/27/2020	USD	1,448.30	FLW INC HUNTINGTON BEACH CA	03/02/2020	
231846	2200105777	02/27/2020	USD	178.12	FONTANA HERALD NEWS FONTANA CA	03/03/2020	
231847	2200105785	02/27/2020	USD	2,000.00	FONTANA WATER COMPANY FONTANA CA		
231848	2200105865	02/27/2020	USD	125.00	FRANCHISE TAX BOARD SACRAMENTO CA		
231849	2200105852	02/27/2020	USD	753.44	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	03/09/2020	
231850	2200105815	02/27/2020	USD	25,325.26	GHD PASADENA CA	03/04/2020	
231851	2200105832	02/27/2020	USD	26,230.00	GP STRATEGIES CORPORATION ATLANTA GA	03/02/2020	
231852	2200105775	02/27/2020	USD	5,983.79	GRAINGER PALATINE IL	03/04/2020	
231853	2200105819	02/27/2020	USD	9,850.00	HARPER & ASSOCIATES ENGINEER INCORONA CA		
231854	2200105877	02/27/2020	USD	307.92	HAWES, STEPHANIE CHINO HILLS CA	03/03/2020	
231855	2200105856	02/27/2020	USD	539.86	HOBBS, DIANA APPLE VALLEY CA	03/05/2020	
231856	2200105770	02/27/2020	USD	79.64	HOME DEPOT CREDIT SERVICES PHOENIX AZ	03/02/2020	
231857	2200105873	02/27/2020	USD	62.44	HOOVEN, PAULA CHINO HILLS CA		
231858	2200105854	02/27/2020	USD	539.86	HORNE, WILLIAM YUCCA VALLEY CA	03/02/2020	

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	
231859	2200105845	02/27/2020	USD	4,110.76	INGERSOLL-RAND INDUSTRIAL US IDAVIDSON NC	03/02/2020	
231860	2200105862	02/27/2020	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	03/03/2020	
231861	2200105802	02/27/2020	USD	750.00	INSTITUTE OF INTERNAL AUDITORSRIVERSIDE CA	03/04/2020	
231862	2200105811	02/27/2020	USD	1,194.85	JB'S POOLS & PONDS INC UPLAND CA	03/03/2020	
231863	2200105844	02/27/2020	USD	1,535.44	KANDID GRAPHICS COVINA CA	03/03/2020	
231864	2200105814	02/27/2020	USD	877.08	LILLESTRAND LEADERSHIP CONSULTCHINO HILLS CA	03/09/2020	
231865	2200105840	02/27/2020	USD	15,500.00	M BREY ELECTRIC INC BEAUMONT CA	03/09/2020	
231866	2200105810	02/27/2020	USD	5,000.00	MAUREEN ERBEZNIK AND ASSOCIATELOS ANGELES CA	03/10/2020	
231867	2200105855	02/27/2020	USD	864.82	MILLER, ELMER L BLUE JAY CA	03/10/2020	
231868	2200105771	02/27/2020			voided by KMCCHRIS - Wrong Payee	03/05/2020	
231869	2200105778	02/27/2020	USD	3,124.94	MISCO WATER FOOTHILL RANCH CA	03/09/2020	
231870	2200105791	02/27/2020	USD	12,022.42	NALMANN HOBBS MATERIAL HANDLINLOS ANGELES CA	03/05/2020	
231871	2200105784	02/27/2020	USD	200.00	NRD, LLC GRAND ISLAND NY		
231872	2200105847	02/27/2020	USD	49.64	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	03/02/2020	
231873	2200105870	02/27/2020	USD	117.38	PADDA, KAWAL CHINO HILLS CA		
231874	2200105869	02/27/2020	USD	21.40	PROCTOR, CRAIG CHINO HILLS CA	03/03/2020	
231875	2200105872	02/27/2020	USD	57.50	QUIROZ, OSCAR CHINO HILLS CA	03/09/2020	
231876	2200105838	02/27/2020	USD	15,946.00	RBC RESOURCES MURRIETA CA	03/05/2020	
231877	2200105846	02/27/2020	USD	33,068.16	RDI TECHNOLOGIES INC KNOXVILLE TN	03/03/2020	
231878	2200105809	02/27/2020	USD	1,404.13	READY REFRESH BY NESTLE LOUISVILLE KY	03/06/2020	
231879	2200105786	02/27/2020	USD	225.00	RED WING BUSINESS ADVANTAGE DALLAS TX	03/04/2020	
231880	2200105871	02/27/2020	USD	1,015.15	RODRIGUEZ, VICTOR CHINO HILLS CA	03/04/2020	
231881	2200105843	02/27/2020	USD	89.40	RR DONNELLEY & SONS COMPANY CLEVELAND OH	03/04/2020	
231882	2200105876	02/27/2020	USD	62.44	SARMIENTO, JESSICA CHINO HILLS CA	03/02/2020	
231883	2200105858	02/27/2020	USD	746.65	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	03/04/2020	
231884	2200105879	02/27/2020	USD	32.44	SMITH, JEANNETTE CHINO HILLS CA	03/02/2020	
231885	2200105816	02/27/2020	USD	644.02	SNAP GRAPHICS & DESIGN RANCHO CUCAMONGA CA	03/03/2020	
231886	2200105848	02/27/2020	USD	151,949.83	SO CALIF EDISON ROSEMEAD CA	03/04/2020	
231887	2200105849	02/27/2020	USD	2,382.02	SO CALIF GAS MONTEREY PARK CA	03/04/2020	
231888	2200105825	02/27/2020	USD	154.94	SPORT PINS INTERNATIONAL INC UPLAND CA	03/03/2020	
231889	2200105820	02/27/2020	USD	962.50	STAFFING NETWORK LLC CAROL STREAM IL	03/03/2020	
231890	2200105831	02/27/2020	USD	267.73	STORETRIEVE LLC PASADENA CA	03/02/2020	
231891	2200105789	02/27/2020	USD	1,248.00	STRADLING YOCCA CARLSON & RAUINNEWPORT BEACH CA	03/02/2020	
231892	2200105774	02/27/2020	USD	9,687.03	SUEZ TREATMENT SOLUTIONS INC BALTIMORE MD	03/02/2020	
231893	2200105808	02/27/2020	USD	6,159.98	SUN WIRELESS SAN DIEGO CA	03/04/2020	
231894	2200105824	02/27/2020	USD	7,772.32	SUNBELT RENTALS INC ATLANTA GA	03/02/2020	
231895	2200105875	02/27/2020	USD	264.99	TAM, KEN CHINO HILLS CA	03/06/2020	
231896	2200105827	02/27/2020	USD	50,335.53	TITUS INDUSTRIAL GROUP INC PRINEVILLE OR	03/03/2020	
231897	2200105882	02/27/2020	USD	10.39	TOM, REA CHINO HILLS CA	03/06/2020	
231898	2200105829	02/27/2020	USD	9,132.22	TONY PAINTING GARDEN GROVE CA	03/02/2020	
231899	2200105826	02/27/2020	USD	1,301.48	TRIPEPI SMITH AND ASSOCIATES, IRVINE CA		
231900	2200105805	02/27/2020	USD	30,977.07	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA		
231901	2200105790	02/27/2020	USD	9,053.04	VERIZON WIRELESS DALLAS TX	03/03/2020	
231902	2200105830	02/27/2020	USD	4,642.42	VIRAMONTES EXPRESS INC CORONA CA	03/04/2020	

Inland Empire Util.Agency  
 Chino, CA  
 Company code 1000

Check Register  
 CBB Disbursement Account-February 2020

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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
231903	2200105799	02/27/2020	USD	164.57	WORLDWIDE EXPRESS PASADENA CA	03/02/2020
231904	2200105798	02/27/2020	USD	518.05	WORLDWIDE EXPRESS ALBANY NY	03/02/2020
231905	2200105797	02/27/2020	USD	522.49	YORK EMPLOYMENT SERVICES, INC PASADENA CA	03/02/2020
* Payment method Check			USD	7,295,148.34		



Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

Check Register  
 CBB Disbursement Account-February 2020

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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
231906	2200105781	02/27/2020	USD	192.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	
* Payment method Separate Check			USD	192.00		

Total of all entries

Check Register  
CEB Disbursement Account-February 2020

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Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	7,295,340.34		

## 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	
05320	2200105887	02/05/2020	USD	2,416.69	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/12/2020	
05321	2200105888	02/05/2020	USD	1,959.52	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/13/2020	
05322	2200105889	02/05/2020	USD	2.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/20/2020	
05323	2200105890	02/05/2020	USD	162.77	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/10/2020	
05324	2200105891	02/05/2020	USD	11.43	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/13/2020	
05325	2200105892	02/05/2020	USD	230.92	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/10/2020	
05326	2200105893	02/05/2020	USD	1,651.61	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/10/2020	
05327	2200105894	02/05/2020	USD	250.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/11/2020	
05328	2200105895	02/12/2020	USD	2,140.50	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/21/2020	
05329	2200105896	02/12/2020	USD	653.30	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/19/2020	
05330	2200105897	02/12/2020	USD	934.57	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/24/2020	
05331	2200105898	02/12/2020	USD	579.74	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/18/2020	
05332	2200105899	02/19/2020	USD	2,049.13	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/19/2020	
05333	2200105900	02/19/2020	USD	145.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/19/2020	
05334	2200105901	02/19/2020	USD	65.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/19/2020	
05335	2200105902	02/19/2020	USD	1,905.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/25/2020	
05336	2200105903	02/19/2020			voided by SHEATH - Stop Payment	03/03/2020	
05337	2200105904	02/19/2020	USD	735.61	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/25/2020	
05338	2200105905	02/19/2020	USD	156.96	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/25/2020	
05339	2200105908	02/26/2020	USD	458.68	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05340	2200105909	02/26/2020	USD	161.63	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05341	2200105910	02/26/2020	USD	12.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05342	2200105911	02/26/2020	USD	396.99	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	02/28/2020	
05343	2200105912	02/26/2020	USD	198.47	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
* Payment method Checks created manually			USD	17,277.52			

Total of all entries

Check Register  
CBB Workers Comp Account-February 2020

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Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	17,277.52		

# Attachment 2C

## Vendor ACHs

Check	Payee / Description		Amount
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Hydrofloc 748E	39948	4,460.85
	RP1-23,000 Lbs Hydrofloc 750A	39949	29,243.35
	AQUA BEN CORPORATION	\$	33,704.20
ACH	HDR ENGINEERING INC EN20034-11/8-12/28 Prof Svcs	1200240101	9,996.00
	HDR ENGINEERING INC	\$	9,996.00
ACH	ACCUSTANDARD INC Acrolein,Acrylonitrile	912206	220.86
	ACCUSTANDARD INC	\$	220.86
ACH	CAROLLO ENGINEERS RW15003-12/2019 Professional Svcs	0183474	822.80
	CAROLLO ENGINEERS	\$	822.80
ACH	MCMASTER-CARR SUPPLY CO 12 Ladders	27170410	1,804.76
	MCMASTER-CARR SUPPLY CO	\$	1,804.76
ACH	TOM DODSON & ASSOCIATES EN17049-11/26-12/13 Prof Svcs	IE-318 20-1	2,293.60
	EN20059-12/1-12/15 Prof Svcs	IE-324 19-4	450.00
	WR15021-12/2-12/13 Prof Svcs	IE-320 19-9	1,985.89
	GWR-5/19-7/19 Prof Svcs	IE-322 19-1	4,854.52
	TOM DODSON & ASSOCIATES	\$	9,584.01
ACH	ALFA LAVAL INC 1 Lower Belt	280001153	2,492.22
	ALFA LAVAL INC	\$	2,492.22
ACH	PARSONS WATER & INFRASTRUCTURE EN19001/EN19006-10/5-12/6 Prof Svcs	1912B674	1,134,856.02
	PARSONS WATER & INFRASTRUCTURE	\$	1,134,856.02
ACH	HACH COMPANY RP1Ops-Nitrate TNT+ LR's	11792449	755.46
	Inv-Bridge Salts	11790217	375.37
	RP1Mnt-Sensor Cap Replacment	11788360	164.93
	RP1Ops-Nitrite TNT+ LR's	11784046	653.91
	HACH COMPANY	\$	1,949.67
ACH	KVAC ENVIRONMENTAL SERVICES IN FcltMgmtRP1-Hazmat Dpsl Rmvl-E-Wst,Nn-R KW1908055REV		2,079.55
	FcltMgmtRP5-Hazmat Dpsl Rmvl-E-Wst,Lmps KW1912011		1,019.28
	KVAC ENVIRONMENTAL SERVICES IN	\$	3,098.83

Check	Payee / Description	Amount
ACH	CRB SECURITY SOLUTIONS	
	RP5-Troubleshoot Main Gate Camera 14330	390.00
	HQ-Repair Video Security Camera 14328	454.53
	CRB SECURITY SOLUTIONS \$	844.53
ACH	CONSERV CONSTRUCTION INC	
	WR20019-1/2020 Professional Services 1544	28,258.30
	CONSERV CONSTRUCTION INC \$	28,258.30
ACH	EPI-USE AMERICA INC	
	11/2019 HCM Consulting 263909317	1,550.00
	EPI-USE AMERICA INC \$	1,550.00
ACH	CALIFORNIA WATER TECHNOLOGIES	
	Phills-16,785 lbs Ferric Chloride Soluti 36628	5,297.64
	Phills-16,106 lbs Ferric Chloride Soluti 36670	5,083.43
	RP1-17,995 lbs Ferric Chloride Solution 36633	5,679.45
	CALIFORNIA WATER TECHNOLOGIES \$	16,060.52
ACH	ARCADIS U.S., INC.	
	WR18028-10/2019-11/2019 Professional Ser 34140025	75,367.54
	ARCADIS U.S., INC. \$	75,367.54
ACH	MANAGED MOBILE INC	
	Repair Parts/Labor for Agency Vehicles IN00-0189182	815.50
	Repair Parts/Labor for Agency Vehicles IN00-0187938	511.97
	Repair Parts/Labor for Agency Vehicles IN00-0187965	748.00
	Repair Parts/Labor for Agency Vehicles IN00-0187966	783.17
	Repair Parts/Labor for Agency Vehicles IN00-0187968	980.23
	Repair Parts/Labor for Agency Vehicles IN00-0187969	847.52
	Repair Parts/Labor for Agency Vehicles IN00-0187988	516.82
	Repair Parts/Labor for Agency Vehicles IN00-0189179	726.20
	Repair Parts/Labor for Agency Vehicles IN00-0189185	695.44
	Repair Parts/Labor for Agency Vehicles IN00-0189173	847.52
	Repair Parts/Labor for Agency Vehicles IN00-0189108	396.50
	Repair Parts/Labor for Agency Vehicles IN00-0189113	388.32
	MANAGED MOBILE INC \$	8,257.19
ACH	JC LAW FIRM	
	12/19 San Bernardino Transit Auth vs IEU 00687	270.00
	12/19 IEUA vs Spicer-EN17018 00680	4,350.00
	12/19 Watermaster 00681	6,630.00
	12/19 Regional Contract 00679	10,710.00
	12/19 General Legal 00677	14,640.00
	12/19 Kaiser vs CBWCD (Ely Basin) 00682	2,070.00
	12/19 Romero vs IEUA 00683	360.00
	12/19 San Bernardino Transit Auth vs IEU 00684	5,430.00
	12/19 San Bernardino Transt Auth vs IEUA 00685	300.00
	12/19 San Bernardino Transt Auth v IEUA( 00686	90.00
	JC LAW FIRM \$	44,850.00
ACH	U S BANK - PAYMENT PLUS	



Check	Payee / Description	Amount
	104896 WESTERN WATER WORKS SUPPLY CO 2200104504	5,860.53
	101945 FLORENCE FILTER CORP 2200104624	3,112.32
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200104822	2,628.18
	100163 J G TUCKER & SON INC 2200104823	399.98
	100951 POLYDYNE INC 2200104824	9,670.78
	104896 WESTERN WATER WORKS SUPPLY CO 2200104931	76.51
	105316 PLUMBERS DEPOT INC 2200104118	254.05
	101706 CALOLYMPIC SAFETY 2200104930	153.55
	101123 ALL AMERICAN CRANE MAINTENANCE 2200104825	1,173.62
	100951 POLYDYNE INC 2200104314	7,253.08
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200104503	794.07
		- - - - -
	U S BANK - PAYMENT PLUS \$	31,376.67
ACH	AMAZON BUSINESS	
	Shipping Labels, Gel Pens 144G-WF96-YTQ	225.93
	Labels 19JW-FMJY-1XR	77.27
	Toaster Oven 1XF7-GMFC-PTT	60.35
	Brass Relief Valves 1XMM-XFRP-6XW	30.86
		- - - - -
	AMAZON BUSINESS \$	394.41
ACH	REDWOOD ENERGY STORAGE LLC	
	12/19 RP1/RP5/CCWRP Energy Storage Syste 14	9,793.17
		- - - - -
	REDWOOD ENERGY STORAGE LLC \$	9,793.17
ACH	REDWOOD ENERGY STORAGE II LLC	
	12/7/19-1/7/20 RP4 Energy Storage System 10	26,837.99
		- - - - -
	REDWOOD ENERGY STORAGE II LLC \$	26,837.99
ACH	SHELL ENERGY NORTH AMERICA LP	
	RP2/RP5-12/1-12/31 16400 El Prado Rd 9/1 2044 12/19	8,160.28
	CCWRP/TP/RWP-12/1-12/31 14950 Tlphn 9/1- 2046 12/19	34,814.87
	RP1-12/1-12/31 2450 Phila St 9/1-9/30 Ad 2042 12/19	82,130.66
		- - - - -
	SHELL ENERGY NORTH AMERICA LP \$	125,105.81
ACH	SOLAR STAR CALIFORNIA V LLC	
	CCWRP/TP/RWPS-12/1-12/31 14950 Telephone E02M0613-3279	7,140.81
	RP5/TP5/HQA/B-12/1-12/31 6075 Kimball Av E02M0614-3279	11,543.13
	RP1-12/1-12/31 2450 Phila St E02M0616-3279	1,755.12
	RP1-12/1-12/31 2450 Phila St E02M0615-3279	9,048.57
		- - - - -
	SOLAR STAR CALIFORNIA V LLC \$	29,487.63
ACH	FOUNDATION HA ENERGY GENERATIO	
	RP4/RWPS-12/1-12/31 12811 6th St-Wind Po 2517	4,428.75
		- - - - -
	FOUNDATION HA ENERGY GENERATIO\$	4,428.75
ACH	CHINO BASIN DESALTER AUTHORITY	
	CDA-EN16021.90-IEUA Contrib #19—Proj C1 RSTRCTD CNTRB	275,027.18
		- - - - -
	CHINO BASIN DESALTER AUTHORITY\$	275,027.18
ACH	ICMA RETIREMENT TRUST 457	
	P/R 4 2/14/20 Deferred Comp Ded HR 0086200	29,988.57

Check	Payee / Description	Amount
	ICMA RETIREMENT TRUST 457	\$ 29,988.57
ACH	LINCOLN NATIONAL LIFE INS CO P/R 4 2/14/20 Deferred Comp Ded	HR 0086200 23,516.79
	LINCOLN NATIONAL LIFE INS CO	\$ 23,516.79
ACH	ICMA RETIREMENT TRUST 401 P/R 4 2/14/20	HR 0086200 6,056.59
	ICMA RETIREMENT TRUST 401	\$ 6,056.59
ACH	AQUA BEN CORPORATION DAFT-11,500 Lbs Hydrofloc 748E RP1-23,000 Lbs Hydrofloc 750A	39959 11,152.13 39960 29,243.35
	AQUA BEN CORPORATION	\$ 40,395.48
ACH	CHARLES P CROWLEY CO Chemical Induction Unit	26573 18,464.17
	CHARLES P CROWLEY CO	\$ 18,464.17
ACH	NAPA GENUINE PARTS COMPANY Windshield Washer	3973-025109 38.66
	NAPA GENUINE PARTS COMPANY	\$ 38.66
ACH	ROYAL INDUSTRIAL SOLUTIONS Prox Sensor Bodies, Prox Sensor Heads 11/17-11/21 Hotel-Asprer, K-Rockwell Fair Potentiometers, Relays, Bases Contactor, Overload Relay Relays Limit Switches, Rod Lever Arms Wire Wire, Velocity Lube Fuses	6046-676977 3,531.48 6046-677256 1,438.20 6046-676852 576.92 6046-677310 386.93 6046-677186 120.17 6046-677075 662.07 6046-677312 183.64 6046-677275 2,604.46 6046-677176 55.45
	ROYAL INDUSTRIAL SOLUTIONS	\$ 9,559.32
ACH	SANTA ANA WATERSHED 19/20 Emerging Constituents Workgroup	62806 3,077.00
	SANTA ANA WATERSHED	\$ 3,077.00
ACH	WAXIE SANITARY SUPPLY Cups Hand & Nail Brush Bleach, Towels, PaperTowels, Liners, Tissue,	78795867 1,185.25 78790067 1.70 78779632 2,656.16
	WAXIE SANITARY SUPPLY	\$ 3,843.11
ACH	WEST VALLEY MOSQUITO AND 10/19 Midge Control f/Recharge Basins	2520 8,276.54
	WEST VALLEY MOSQUITO AND	\$ 8,276.54

Check	Payee / Description	Amount
ACH	CAROLLO ENGINEERS	
	EN17049-12/2019-Professional Srvs 0183475	1,538.20
	EN19001/EN19006-12/2019 Professional Ser 0183760	28,426.04
	4600002677-12/2019 Professional Services 0183942	11,068.05
	EN17110/EN17043-12/2019-Professional Srv 0183850	6,040.76
		- - - - -
	CAROLLO ENGINEERS \$	47,073.05
ACH	MCMASTER-CARR SUPPLY CO	
	CLAMPING TWO-PC. SHAFT COLLAR 32684994	664.89
	Stainless Steel U-Bolts 31844763	324.82
	V-BELT 32704532	184.11
		- - - - -
	MCMASTER-CARR SUPPLY CO \$	1,173.82
ACH	INDUSTRIAL SUPPLY CO	
	RP1Mnt-Screw Pin Shackles 2061	152.81
		- - - - -
	INDUSTRIAL SUPPLY CO \$	152.81
ACH	PALM AUTO DETAIL INC	
	12/19 Carwash Svcs f/Agency Fleet Vehicl 191299-4	2,015.00
		- - - - -
	PALM AUTO DETAIL INC \$	2,015.00
ACH	WILLIAMS SCOTSMAN INC	
	PL19005-2/7-3/6 Chino Basin Project Trai 7522015	2,171.46
	EN19001-CM Office Trailer Complex Carpet 7462799	12,450.51
		- - - - -
	WILLIAMS SCOTSMAN INC \$	14,621.97
ACH	INSIDE PLANTS INC	
	FcltyMgt/Lab-1/20 Indoor Plant Care 78058	636.00
		- - - - -
	INSIDE PLANTS INC \$	636.00
ACH	RSD	
	Nitrogen/Tnk Dpst,Recovery Cylinder,Oxyg 55314426-00	384.50
	Ice Machine Cleaner,Screw Kit,Jiffy Chuc 55313056-00	176.60
		- - - - -
	RSD \$	561.10
ACH	OLIN CORP	
	TP1-4,538 Gals Sodium Hypochlorite 2774861	3,879.99
	TP1-4,864 Gals Sodium Hypochlorite 2779579	3,910.66
	TP1-4,930 Gals Sodium Hypochlorite 2780114	3,963.72
	TP1-4,972 Gals Sodium Hypochlorite 2780322	3,997.49
	TP1-4,890 Gals Sodium Hypochlorite 2780611	3,931.56
	TP1-4,880 Gals Sodium Hypochlorite 2779037	3,923.52
	TP1-4,932 Gals Sodium Hypochlorite 2778414	3,965.33
	TP1-4,916 Gals Sodium Hypochlorite 2778126	3,952.46
	TP1-4,936 Gals Sodium Hypochlorite 2777621	3,968.54
	TP1-4,916 Gals Sodium Hypochlorite 2777200	3,952.46
	RP4-4,814 Gals Sodium Hypochlorite 2776984	3,870.46
	TP1-4,822 Gals Sodium Hypochlorite 2776559	3,876.89
	RP5-4,958 Gals Sodium Hypochlorite 2775717	3,986.23
	TP1-4,942 Gals Sodium Hypochlorite 2775714	3,973.37
	RP4-4,860 Gals Sodium Hypochlorite 2775223	3,907.44
		- - - - -

Check	Payee / Description	Amount
	OLIN CORP	\$ 59,060.12
ACH	GK & ASSOCIATES	
	46-2054-12/19 Prof Svcs      19-097	11,550.00
	46-2054-12/19 Prof Svcs      19-095	11,690.00
	46-2054-12/19 Prof Svcs      19-096	15,972.00
		- - - - -
	GK & ASSOCIATES	\$ 39,212.00
ACH	CRB SECURITY SOLUTIONS	
	LAB-Repair Panorama Camera      14352	958.49
		- - - - -
	CRB SECURITY SOLUTIONS	\$ 958.49
ACH	CONSERV CONSTRUCTION INC	
	WR20006-1/2020 Professional Services      1545	8,442.70
		- - - - -
	CONSERV CONSTRUCTION INC	\$ 8,442.70
ACH	CALIFORNIA WATER TECHNOLOGIES	
	RP1-16,341 lbs Ferric Chloride Solution      36701	5,011.84
		- - - - -
	CALIFORNIA WATER TECHNOLOGIES	\$ 5,011.84
ACH	EVOQUA WATER TECHNOLOGIES LLC	
	W3T240171      904309054	862.00
		- - - - -
	EVOQUA WATER TECHNOLOGIES LLC	\$ 862.00
ACH	MANAGED MOBILE INC	
	Repair Parts/Labor for Agency Vehicles      IN00-0189176	1,138.03
		- - - - -
	MANAGED MOBILE INC	\$ 1,138.03
ACH	PRIORITY BUILDING SERVICES LLC	
	November 2019 Janitorial Service      66776	16,653.08
		- - - - -
	PRIORITY BUILDING SERVICES LLC	\$ 16,653.08
ACH	ECOTECH SERVICES INC	
	12/19 Residential Home Pressure Regulati      1617	11,802.48
	Civil Wage and Penalty Assessment for In PENALTY ASSMN	4,250.00-
		- - - - -
	ECOTECH SERVICES INC	\$ 7,552.48
ACH	AMAZON BUSINESS	
	Binding Grain Presentation Covers,Letter      1LT7-4K3C-JMR	90.92
	Wet Dry Vac,Bench Vise,Cutter,Screwdrive      1FCW-T4P9-JMJ	464.20
		- - - - -
	AMAZON BUSINESS	\$ 555.12
ACH	HARTZELL AIR MOVEMENT	
	RP5Mnt-Duct Expansion Sleeves      73961	6,962.59
		- - - - -
	HARTZELL AIR MOVEMENT	\$ 6,962.59
ACH	KEARNS & WEST	
	PL19002-12/19 Prof Svcs      017060	3,501.21
		- - - - -

Check	Payee / Description	Amount
	KEARNS & WEST	\$ 3,501.21
ACH	MONTROSE AIR QUALITY SERVICES Odor Study      INV1211379	800.00
	MONTROSE AIR QUALITY SERVICES \$	800.00
ACH	IEUA EMPLOYEES' ASSOCIATION P/R DIR 2 2/14/20 Employee Ded      HR      0086100      12.00 P/R 4 2/14/20 Employee Ded      HR      0086200      210.00	222.00
	IEUA EMPLOYEES' ASSOCIATION \$	222.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 4 2/14/20 Employee Ded      HR      0086200      315.00	315.00
	IEUA SUPERVISORS UNION ASSOCIA\$	315.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 4 2/14/20 Employee Ded      HR      0086200      1,081.60	1,081.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,081.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 4 2/14/20 Employee Ded      HR      0086200      510.00	510.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	510.00
ACH	DISCOVERY BENEFITS INC P/R 4 2/14/20 Cafeteria Plan      HR      0086200      3,875.26	3,875.26
	DISCOVERY BENEFITS INC \$	3,875.26
ACH	PATRICK W HUNTER P/R 4 2/14/20      HR      0086200      248.50	248.50
	PATRICK W HUNTER \$	248.50
ACH	AQUA BEN CORPORATION RP1-23,000 Lbs Hydrofloc 750A      40009      29,243.35 DAFT-4,600 Lbs Hydrofloc 748E      40008      4,460.85	33,704.20
	AQUA BEN CORPORATION \$	33,704.20
ACH	BLACK & VEATCH CORPORATION EN17044-12/2019 Professional Services      1312717      21,165.22	21,165.22
	BLACK & VEATCH CORPORATION \$	21,165.22
ACH	ACCUSTANDARD INC Trichloropropane      912720      78.14	78.14
	ACCUSTANDARD INC \$	78.14
ACH	CUES SGX01246 Software Update      548502      11,781.39	11,781.39
	CUES \$	11,781.39

Check	Payee / Description	Amount
ACH	CAROLLO ENGINEERS EN19051-7/2019-09/2019 Professional Serv 0181488 EN19051 12/01/2019 to 12/31/2019 0183610 EN17049 10/01/2019 to 10/31/2019 0181703	6,564.25 105.85 3,076.40 --- \$ 9,746.50
ACH	MCMASTER-CARR SUPPLY CO Table, Enclosure, Conduit, Outlet Box 31930996	1,454.87 --- \$ 1,454.87
ACH	BABCOCK LABORATORIES, INC East End Dissolved/POC Samples CA01769-2045	288.00 --- \$ 288.00
ACH	INLAND EMPIRE REGIONAL RP1/RP2-1/20 Biosolids 90025897	325,701.60 --- \$ 325,701.60
ACH	HACH COMPANY Inv-Photocell Assy Repl Kit 11794834 Inv-KTO: DIG Elecless Cond Sensor 11801397 RP5Mnt-Cover Assy's-UV & Sun Shields 11803682	567.45 1,207.82 552.37 --- \$ 2,327.64
ACH	RSD Pleated Filters 55315173-00 Pleated Filters 55316914-00 Valve Actuator 55316769-00 Pressure Transducers 55316675-00 Air Filters 55315173-01 Docking Stations 55312965-00 Pleated Filters 55316206-00 Printed Duct Tape 55315700-00 Insulation Tape 55315538-00	262.22 682.71 108.42 394.86 363.16 576.48 655.55 49.33 32.09 --- \$ 3,124.82
ACH	STANEK CONSTRUCTORS INC EN19010-1/20 Pay Est 2 PE 2-EN19010	23,987.50 --- \$ 23,987.50
ACH	STANEK CONSTRUCTORS INC EN14042-1/20 Pay Est 13 PE 13-EN14042	873,078.14 --- \$ 873,078.14
ACH	SAP AMERICA INC BIS-12/12-12/13 Trng-RN-SCM615 7008387552	1,500.00 --- \$ 1,500.00
ACH	ALTA FOODCRAFT COFFEE HQB-Coffeemate, Filters 52001630	60.38

Check	Payee / Description	Amount
	HQA-Coffee, Tea, Filters 52001629	38.74
	WRHS-Coffee, Splenda, Tea, Cocoa, Filters, St 52001631	244.00
	ALTA FOODCRAFT COFFEE \$	343.12
ACH	KAMBRIAN CORPORATION	
	ISS-1yr Office Pro Plus Lics Apk Olv Ds KINV4154	4,540.00
	IS20003-Archtctr Eng&Cnstrctn Clctn Gov KINV4315	8,259.08
	IS20005-Win Rmt Dsk Tp Svcs Cal 2019 EnG KINV3892	238.06
	KAMBRIAN CORPORATION \$	13,037.14
ACH	EPI-USE AMERICA INC	
	12/2019 HCM Consulting 263909600	1,550.00
	EPI-USE AMERICA INC \$	1,550.00
ACH	CALIFORNIA WATER TECHNOLOGIES	
	RP1-17,113 lbs Ferric Chloride Solution 36733	5,401.26
	Phills-17,314 lbs Ferric Chloride Soluti 36737	5,464.50
	CALIFORNIA WATER TECHNOLOGIES \$	10,865.76
ACH	EVOQUA WATER TECHNOLOGIES LLC	
	Repair Line Cell 904299488	720.16
	EVOQUA WATER TECHNOLOGIES LLC \$	720.16
ACH	MANAGED MOBILE INC	
	Repair Parts/Labor for Agency Vehicles IN00-0190101	299.88
	Repair Parts/Labor for Agency Vehicles IN00-0187870	686.99
	Repair Parts/Labor for Agency Vehicles IN00-0187874	365.52
	Repair Parts/Labor for Agency Vehicles IN00-0187871	365.52
	Repair Parts/Labor for Agency Vehicles IN00-0187885	576.04
	Repair Parts/Labor for Agency Vehicles IN00-0190045	758.87
	MANAGED MOBILE INC \$	3,052.82
ACH	PRIORITY BUILDING SERVICES LLC	
	December 2019 Lab Janitorial Service 67139	3,261.54
	December 2019 Trailer Janitorial Service 67140	500.00
	December 2019 Janitorial Service 67137	17,718.33
	PRIORITY BUILDING SERVICES LLC\$	21,479.87
ACH	AMAZON BUSINESS	
	X-ACTO Guillotine Trimmer 1VHV-XQGQ-Q7H	195.35
	Hour Meter Without Reset 1VHV-XQGQ-117	32.81
	Bulletin Board, Storage Containers 1C7P-PCC4-939	101.24
	Supcase Unicorn Beetle Pro Series Case f 147DG-NLM3-11	335.64
	Water Bottle 32 oz. 1FXF-RR4W-1XL	626.02
	Calif. Republic State Flag 1VJH-JG1H-44R	848.48
	Comet Portion Cup/Shot Glass Clear 1JRF-XWX6-DYL	674.55
	AMAZON BUSINESS \$	2,814.09
ACH	AMERICAN OFFICE PROFESSIONALS	
	Service Call HP CP4025 (\$99.95 Labor) 2443	99.95

Check	Payee / Description		Amount
	AMERICAN OFFICE PROFESSIONALS	\$	99.95
ACH	CDM CONSTRUCTORS INC		
	EN13016.03-1/20 Pay Est 24	PE 24-EN13016	36,325.15
	EN13016.04-1/20 Pay Est 26	PE 26-EN13016	17,689.95
		-	-
	CDM CONSTRUCTORS INC	\$	54,015.10
ACH	KEARNS & WEST		
	PL19002-12/19 Prof Svcs	017091	2,875.00
		-	-
	KEARNS & WEST	\$	2,875.00
ACH	HOPKINS TECHNICAL PRODUCTS INC		
	TP5Mnt-Elctrylt Sltn Ttl Snsr,Spr Mmbrn	3620300057	462.39
		-	-
	HOPKINS TECHNICAL PRODUCTS INC	\$	462.39
ACH	MAGNATROL VALVE CORPORATION		
	HF-Rectifier-E131KP54-GHF/E129K52SC	372711	1,214.68
		-	-
	MAGNATROL VALVE CORPORATION	\$	1,214.68
ACH	SHELL ENERGY NORTH AMERICA LP		
	12/19 Gas Cmmdty-Core,10/19 Adj	1100002880412	6,409.67
	1/20 Gas Cmmdty-Core,11/19 Adj	1100002880401	6,182.17
		-	-
	SHELL ENERGY NORTH AMERICA LP	\$	12,591.84
ACH	DISCOVERY BENEFITS INC		
	January 2020 Admin Fees	0001114505-IN	247.00
		-	-
	DISCOVERY BENEFITS INC	\$	247.00
ACH	ELIE, STEVE		
	MlgReim-1/20 Meetings-Elie,S	MLG 1/20	84.18
		-	-
	ELIE, STEVE	\$	84.18
ACH	PARKER, KATI		
	MlgReim-1/20 Meetings-Parker,K	MLG 1/20	69.06
		-	-
	PARKER, KATI	\$	69.06
ACH	ESTRADA, JIMMIE J		
	Reim Monthly Health Prem	HEALTH PREM	539.86
		-	-
	ESTRADA, JIMMIE J	\$	539.86
ACH	LICHTI, ALICE		
	Reim Monthly Health Prem	HEALTH PREM	200.43
		-	-
	LICHTI, ALICE	\$	200.43
ACH	NOWAK, THEO T		
	Reim Monthly Health Prem	HEALTH PREM	539.86
		-	-
	NOWAK, THEO T	\$	539.86



Check	Payee / Description	Amount
ACH	SONNENBURG, ILSE Reim Monthly Health Prem	HEALTH PREM 200.43
	SONNENBURG, ILSE	\$ 200.43
ACH	DYKSTRA, BETTY Reim Monthly Health Prem	HEALTH PREM 200.43
	DYKSTRA, BETTY	\$ 200.43
ACH	MUELLER, CAROLYN Reim Monthly Health Prem	HEALTH PREM 200.43
	MUELLER, CAROLYN	\$ 200.43
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	HEALTH PREM 200.43
	GRIFFIN, GEORGE	\$ 200.43
ACH	CANADA, ANGELA Reim Monthly Health Prem	HEALTH PREM 200.43
	CANADA, ANGELA	\$ 200.43
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM 200.43
	CUPERSMITH, LEIZAR	\$ 200.43
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM 339.43
	DELGADO-ORAMAS JR, JOSE	\$ 339.43
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM 169.72
	GRANGER, BRANDON	\$ 169.72
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 169.72
	GADDY, CHARLES L	\$ 169.72
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 30.72
	BAKER, CHRIS	\$ 30.72
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 139.00
	WEBB, DANNY C	\$ 139.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 169.72
	HUMPHREYS, DEBORAH E	\$ 169.72

Check	Payee / Description	Amount
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 169.72
	MOUAT, FREDERICK W	\$ 169.72
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 139.00
	MORGAN, GARTH W	\$ 139.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 30.72
	ALLINGHAM, JACK	\$ 30.72
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 501.91
	MAZUR, JOHN	\$ 501.91
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 30.72
	RUDDER, LARRY	\$ 30.72
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 139.00
	HAMILTON, MARIA	\$ 139.00
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 30.72
	RAMOS, CAROL	\$ 30.72
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 139.00
	FISHER, JAY	\$ 139.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 30.72
	KING, PATRICK	\$ 30.72
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 30.72
	HOWARD, ROBERT JAMES	\$ 30.72
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM 139.00
	DIETZ, JUDY	\$ 139.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM 30.72

Check	Payee / Description	Amount
	DAVIS, GEORGE	\$ 30.72
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM 30.72
	MONZAVI, TAGHI	\$ 30.72
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 200.43
	PETERSEN, KENNETH	\$ 200.43
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 200.43
	TRAUTERMAN, HELEN	\$ 200.43
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 539.86
	TIEGS, KATHLEEN	\$ 539.86
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 539.86
	DIGGS, GEORGE	\$ 539.86
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 539.86
	HAYES, KENNETH	\$ 539.86
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 169.72
	HUNTON, STEVE	\$ 169.72
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 169.72
	RODRIGUEZ, LOUIS	\$ 169.72
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 501.91
	VARBEL, VAN	\$ 501.91
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 501.91
	CLIFTON, NEIL	\$ 501.91
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 501.91
	WELLMAN, JOHN THOMAS	\$ 501.91
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 200.43

Check	Payee / Description	Amount
	TROXEL, WYATT	\$ 200.43
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 501.91
	CORLEY, WILLIAM	\$ 501.91
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 30.72
	CALLAHAN, CHARLES	\$ 30.72
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 200.43
	LESNIAKOWSKI, NORBERT	\$ 200.43
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 169.72
	VER STEEG, ALLEN J	\$ 169.72
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 501.91
	HACKNEY, GARY	\$ 501.91
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 30.72
	CAREL, LARRY	\$ 30.72
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 200.43
	TOL, HAROLD	\$ 200.43
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 525.39
	BANKSTON, GARY	\$ 525.39
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 139.00
	ATWATER, RICHARD	\$ 139.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 501.91
	FIESTA, PATRICIA	\$ 501.91
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 678.86
	DIGGS, JANET	\$ 678.86
ACH	CARAZA, TERESA	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	HEALTH PREM 193.20
	CARAZA, TERESA	\$ 193.20
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM 863.71
	SANTA CRUZ, JACQUELYN	\$ 863.71
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM 30.72
	HECK, ROSELYN	\$ 30.72
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM 339.43
	SOPICKI, LEO	\$ 339.43
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 139.00
	GOSE, ROSEMARY	\$ 139.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM 139.00
	KEHL, BARRETT	\$ 139.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM 139.00
	RITCHIE, JANN	\$ 139.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM 525.39
	LONG, ROCKWELL DEE	\$ 525.39
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM 139.00
	FATTAHI, MIR	\$ 139.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM 339.43
	VERGARA, FLORENTINO	\$ 339.43
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 200.43
	ROGERS, SHIRLEY	\$ 200.43
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 332.20
	WALL, DAVID	\$ 332.20

Check	Payee / Description	Amount
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 169.72
	CHUNG, MICHAEL	\$ 169.72
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 30.72
	ADAMS, PAMELA	\$ 30.72
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 525.39
	BLASINGAME, MARY	\$ 525.39
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 169.72
	ANDERSON, KENNETH	\$ 169.72
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 30.72
	MOE, JAMES	\$ 30.72
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 863.71
	POLACEK, KEVIN	\$ 863.71
ACH	ELROD, SONDR Reim Monthly Health Prem	HEALTH PREM 169.72
	ELROD, SONDR	\$ 169.72
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 183.62
	FRAZIER, JACK	\$ 183.62
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 139.00
	HOAK, JAMES	\$ 139.00
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 193.20
	FOLEY III, DANIEL J.	\$ 193.20
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 139.00
	CLEVELAND, JAMES	\$ 139.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 629.49
	LANGNER, CAMERON	\$ 629.49

Check	Payee / Description	Amount
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 30.72
	HAMILTON, LEANNE	\$ 30.72
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 139.00
	HOOSHMAND, RAY	\$ 139.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 139.00
	SCHLAPKOHL, JACK	\$ 139.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 193.20
	POOLE, PHILLIP	\$ 193.20
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 169.72
	ADAMS, BARBARA	\$ 169.72
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 362.91
	RUESCH, GENECE	\$ 362.91
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 856.19
	VANDERPOOL, LARRY	\$ 856.19
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 339.43
	AMBROSE, JEFFREY	\$ 339.43
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 497.60
	MERRILL, DIANE	\$ 497.60
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 501.91
	HOUSER, ROD	\$ 501.91
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 193.20
	RUSSO, VICKI	\$ 193.20
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 856.19

Check	Payee / Description	Amount
	HUSS, KERRY	\$ 856.19
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 525.39
	BINGHAM, GREGG	\$ 525.39
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 139.00
	CHARLES, DAVID	\$ 139.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 139.00
	YEBOAH, ERNEST	\$ 139.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 362.91
	ALVARADO, ROSEMARY	\$ 362.91
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 139.00
	BARELA, GEORGE	\$ 139.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 863.71
	FETZER, ROBERT	\$ 863.71
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 193.20
	SPAETH, ERIC	\$ 193.20
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 30.72
	DAVIS, MARTHA	\$ 30.72
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 193.20
	BRULE, CHRISTOPHER	\$ 193.20
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 525.39
	ROOS, JAMES	\$ 525.39
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 332.20
	MULLANEY, JOHN	\$ 332.20
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 525.39



Check	Payee / Description	Amount
	VALENZUELA, DANIEL	\$ 525.39
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 525.39
	PACE, BRIAN	\$ 525.39
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 139.00
	KING, JOSEPH	\$ 139.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 193.20
	VILLALOBOS, HECTOR	\$ 193.20
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 139.00
	BAXTER, KATHLEEN	\$ 139.00
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM 525.39
	PENMAN, DAVID	\$ 525.39
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM 525.39
	ANGIER, RICHARD	\$ 525.39
ACH	MERRILL, DEBORAH Reim Monthly Health Prem	HEALTH PREM 362.91
	MERRILL, DEBORAH	\$ 362.91
ACH	O'DEA, KRISTINE Reim Monthly Health Prem	HEALTH PREM 169.72
	O'DEA, KRISTINE	\$ 169.72
ACH	OAKDEN, LISA Reim Monthly Health Prem	HEALTH PREM 863.71
	OAKDEN, LISA	\$ 863.71
ACH	LAUGHLIN, JOHN Reim Monthly Health Prem	HEALTH PREM 139.00
	LAUGHLIN, JOHN	\$ 139.00
ACH	HUGHBANKS, ROGER Reim Monthly Health Prem	HEALTH PREM 193.20
	HUGHBANKS, ROGER	\$ 193.20
ACH	SPENDLOVE, DANNY	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	HEALTH PREM 169.72
	SPENDLOVE, DANNY	\$ 169.72
ACH	HOULIHAN, JESSE Reim Monthly Health Prem	HEALTH PREM 193.20
	HOULIHAN, JESSE	\$ 193.20
ACH	WARMAN, EVELYN Reim Monthly Health Prem	HEALTH PREM 30.72
	WARMAN, EVELYN	\$ 30.72
ACH	HERNANDEZ, DELIA Reim Monthly Health Prem	HEALTH PREM 193.20
	HERNANDEZ, DELIA	\$ 193.20
ACH	AVILA, ARTHUR L Reim Monthly Health Prem	HEALTH PREM 193.20
	AVILA, ARTHUR L	\$ 193.20
ACH	GUARDIANO, GARY Reim Monthly Health Prem	HEALTH PREM 169.72
	GUARDIANO, GARY	\$ 169.72
ACH	POMERLEAU, THOMAS Reim Monthly Health Prem	HEALTH PREM 30.72
	POMERLEAU, THOMAS	\$ 30.72
ACH	BARRER, SATURNINO Reim Monthly Health Prem	HEALTH PREM 332.20
	BARRER, SATURNINO	\$ 332.20
ACH	LACEY, STEVEN Reim Monthly Health Prem	HEALTH PREM 724.71
	LACEY, STEVEN	\$ 724.71
ACH	MILLS, JOHN Reim Monthly Health Prem	HEALTH PREM 30.72
	MILLS, JOHN	\$ 30.72
ACH	REED, RANDALL Reim Monthly Health Prem	HEALTH PREM 664.39
	REED, RANDALL	\$ 664.39
ACH	RAMIREZ, REBECCA Reim Monthly Health Prem	HEALTH PREM 332.20
	RAMIREZ, REBECCA	\$ 332.20

Check	Payee / Description	Amount
ACH	RAZAK, HALLA Reim Monthly Health Prem	HEALTH PREM 139.00
	RAZAK, HALLA	\$ 139.00
ACH	OSBORN, CINDY L Reim Monthly Health Prem	HEALTH PREM 332.20
	OSBORN, CINDY L	\$ 332.20
ACH	FESTA, GARY Reim Monthly Health Prem	HEALTH PREM 245.25
	FESTA, GARY	\$ 245.25
ACH	MENDEZ, DAVID G Reim Monthly Health Prem	HEALTH PREM 193.20
	MENDEZ, DAVID G	\$ 193.20
ACH	DELGADO, FLOR MARIA Reim Monthly Health Prem	HEALTH PREM 139.00
	DELGADO, FLOR MARIA	\$ 139.00
ACH	GROENVELD, NELLETJE Reim Monthly Health Prem	HEALTH PREM 193.20
	GROENVELD, NELLETJE	\$ 193.20
ACH	BATONGMALAQUE, CHARLIE L Reim Monthly Health Prem	HEALTH PREM 562.23
	BATONGMALAQUE, CHARLIE L	\$ 562.23
ACH	BOBBITT, JOHN Reim Monthly Health Prem	HEALTH PREM 139.00
	BOBBITT, JOHN	\$ 139.00
ACH	NEIGHBORS, CLAUDIA Reim Monthly Health Prem	HEALTH PREM 193.20
	NEIGHBORS, CLAUDIA	\$ 193.20
ACH	JONES, LONDON S Reim Monthly Health Prem	HEALTH PREM 386.40
	JONES, LONDON S	\$ 386.40
ACH	CHENG, TINA Y Reim Monthly Health Prem	HEALTH PREM 1,050.78
	CHENG, TINA Y	\$ 1,050.78
ACH	JACKSON, PATRICIA M Reim Monthly Health Prem	HEALTH PREM 386.40
	JACKSON, PATRICIA M	\$ 386.40

Check	Payee / Description	Amount
ACH	GIBSON, CONSTANCE A Reim Monthly Health Prem	HEALTH PREM 139.00
	GIBSON, CONSTANCE A	\$ 139.00
ACH	ICMA RETIREMENT TRUST 457 P/R 5 2/28/20 Deferred Comp Ded	HR 0086300 19,983.31
	ICMA RETIREMENT TRUST 457	\$ 19,983.31
ACH	LINCOLN NATIONAL LIFE INS CO P/R 5 2/28/20 Deferred Comp Ded	HR 0086300 23,456.18
	LINCOLN NATIONAL LIFE INS CO	\$ 23,456.18
ACH	ICMA RETIREMENT TRUST 401 P/R 5 2/28/20 Exec Deferred Comp	HR 0086300 6,035.05
	ICMA RETIREMENT TRUST 401	\$ 6,035.05
ACH	AQUA BEN CORPORATION RP1-23,000 Lbs Hydrofloc 750A	40036 29,243.35
	RP2 - 23,000 Hydrofloc 748E	40014 22,304.25
	DAFT-4,600 Lbs Hydrofloc 748E	40035 4,460.85
	AQUA BEN CORPORATION	\$ 56,008.45
ACH	ROYAL INDUSTRIAL SOLUTIONS EN19001-11/10-12/9 Project Mgmt/Onsite E 6046-676839	3,247.43
	ROYAL INDUSTRIAL SOLUTIONS	\$ 3,247.43
ACH	THATCHER COMPANY OF CALIFORNIA CCWRP-43,860 Lbs Aluminum Sulfate	271673 3,543.61
	THATCHER COMPANY OF CALIFORNIA	\$ 3,543.61
ACH	TRI STATE ENVIRONMENTAL 12/18/19 CCWRP Underground Storage Tank 10797	150.00
	1/15/20 CCWRP Underground Storage Tank I 10886	150.00
	TRI STATE ENVIRONMENTAL	\$ 300.00
ACH	CHINO BASIN DESALTER AUTHORITY CDA-EN16021.90-Rstrctd Contrib-Proj Clea US/ABGL EN160	2,500,000.00
	CHINO BASIN DESALTER AUTHORITY	\$ 2,500,000.00
ACH	HACH COMPANY RP1Mnt-Clng Slntnf/AMTAX Alnzm, Rgnt/AMTX	11815837 7,049.65
	Inv-DPD Total Refill Vials	11815873 261.48
	TP4Mnt-Cabinet Door	11820624 303.29
	TP1Mnt-Demal KCL Solutions	11794269 863.92
	HACH COMPANY	\$ 8,478.34
ACH	NATIONAL CONSTRUCTION RENTALS RP1-1/30/19-2/26/20 Toilet, Handwash	5638426 211.55

Check	Payee / Description	Amount
	1/24/2020 - 2/20/2020 Handicap/Handwash/ 5632466	994.80
	NATIONAL CONSTRUCTION RENTALS \$	1,206.35
ACH	RSD Pressure Transducer, Manometer, Gauge, Pres 55314980-00	473.27
	RSD \$	473.27
ACH	SUNGARD AVAILABILITY SERVICES 2/20 Disaster Recovery Svc 152733074	853.00
	SUNGARD AVAILABILITY SERVICES \$	853.00
ACH	SIEMENS INDUSTRY INC Transducer 5604062544	1,036.56
	Transfer Invoice from Ponton for Payment 5604056160	4,497.49
	SIEMENS INDUSTRY INC \$	5,534.05
ACH	ELECTRO-CHEMICAL DEVICES, INC Membrane Repl.Kit, Elect.Refill Kit, Tota 69719	7,802.11
	3 CL2 Sensors 69702	5,833.13
	ELECTRO-CHEMICAL DEVICES, INC \$	13,635.24
ACH	MICROAGE Solstice Pod Gen3 2090547	985.00
	Aruba Support 2086316	4,903.67
	MICROAGE \$	5,888.67
ACH	CALIFORNIA WATER TECHNOLOGIES CCWRF-16,999 lbs Ferric Chloride Solutio 36295	5,365.18
	RP2-17,206 lbs Ferric Chloride Solution 36291	5,430.55
	CCWRF-16,444 lbs Ferric Chloride Solutio 36598	5,190.00
	RP2-17,572 lbs Ferric Chloride Solution 36440	5,546.21
	RP2-16,864 lbs Ferric Chloride Solution 36358	5,322.72
	RP2-16,255 lbs Ferric Chloride Solution 36436	5,130.40
	CALIFORNIA WATER TECHNOLOGIES \$	31,985.06
ACH	MANAGED MOBILE INC Repair Parts/Labor for Agency Vehicles IN00-0188378	406.87
	Repair Parts/Labor for Agency Vehicles IN00-0187835	1,275.72
	Repair Parts/Labor for Agency Vehicles IN00-0189710	1,117.17
	Repair Parts/Labor for Agency Vehicles IN00-0188385	374.00
	MANAGED MOBILE INC \$	3,173.76
ACH	GILLIS + PANICHAPAN ARCHITECTS FM20002-11/19 Prof Svcs-Consultants 107560J	10,725.00
	FM20002-11/19 Prof Svcs-Consultants 107532J	18,750.00
	FM20001-11/19 Prof Svcs-Consultants 107534J	1,920.00
	FM20002-10/19 Prof Svcs-Consultants 107509J	15,682.08
	FM20001-10/19 Prof Svcs-Consultants 107502J	10,525.00
	GILLIS + PANICHAPAN ARCHITECTS\$	57,602.08

Check	Payee / Description	Amount
ACH	AMAZON BUSINESS	
	Umbrella Stand 1CQR-KG1R-1KM	32.22
	Engineering Calculator—Not Shipped 1MV1-6RXD-3D4	19.02-
	Detergent, Napkins, Utensils—Not Shipped 1T7G-YW1X-9K7	209.16-
	Tri-Flow TF23004 Clear Synth. Grease 3oz 1XMK-3JMC-3JJ	17.96
	Engineering Ruler, Fall Tablecovers 13F9-XQJR-3C7	307.04
	Dishwashing Gloves, Straw Brush Tube Cle 1TCW-7RKJ-471	30.78
	Avery Labels, Scissors, Stamp Pad 19DW-QXFG-LFQ	56.79
	AMAZON BUSINESS \$	216.61
ACH	SUEZ WTS ANALYTICAL INSTRUMENT	
	TOC Analyzer Maintenance Agreement 900148890	5,113.00
	SUEZ WTS ANALYTICAL INSTRUMENT\$	5,113.00
ACH	EHS INTERNATIONAL INC	
	Fall Protection Awareness 4-Courses 3-18338	3,420.00
	EHS INTERNATIONAL INC \$	3,420.00
ACH	HOPKINS TECHNICAL PRODUCTS INC	
	TP5Mnt-DAC Chlorine Residual Analyzer Pk 3618301056	6,415.16
	HOPKINS TECHNICAL PRODUCTS INC\$	6,415.16
ACH	FOUNDATION HA ENERGY GENERATIO	
	RP4/RWPS-1/1-1/31 12811 6th St-Wind Powe 2530	1,244.43
	FOUNDATION HA ENERGY GENERATIO\$	1,244.43
ACH	IEUA EMPLOYEES' ASSOCIATION	
	P/R 5 2/28/20 Employee Ded HR 0086300	210.00
	IEUA EMPLOYEES' ASSOCIATION \$	210.00
ACH	IEUA SUPERVISORS UNION ASSOCIA	
	P/R 5 2/28/20 Employee Ded HR 0086300	315.00
	IEUA SUPERVISORS UNION ASSOCIA\$	315.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA	
	P/R 5 2/28/20 Employee Ded HR 0086300	1,094.10
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,094.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS	
	P/R 5 2/28/20 Employee Ded HR 0086300	510.00
	IEUA PROFESSIONAL EMPLOYEES ASS\$	510.00
ACH	DISCOVERY BENEFITS INC	
	P/R 5 2/28/20 Cafeteria Plan HR 0086300	3,875.26
	DISCOVERY BENEFITS INC \$	3,875.26
ACH	PATRICK W HUNTER	
	P/R 5 2/28/20 HR 0086300	248.50

Check	Payee / Description		Amount
	PATRICK W HUNTER	\$	248.50
ACH	ELIE, STEVE Elie,S-ExpRpt-WaterNow Alliance Council 2/6-7 WTRNW A		382.81
	ELIE, STEVE	\$	382.81
ACH	HALL, JASMIN Hall,J-ExpRpt-1/21-1/23 CASA Winter Conf 1/21-23 CASA		690.62
	HALL, JASMIN	\$	690.62

**Grand Total Payment Amount: \$ 6,479,483.50**

# Attachment 2D

Vendor Wires  
(excludes Payroll)



Check    Payee / Description      Amount

Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 3 1/31/20 Taxes	HR	0085400	55,520.74
	P/R 3 1/31/20 Taxes	HR	0085400	12,146.92
				- - - - -
	EMPLOYMENT DEVELOPMENT DEPARTM\$			67,667.66
Wire	INTERNAL REVENUE SERVICE P/R 3 1/31/20 Taxes	HR	0085400	317,204.04
				- - - - -
	INTERNAL REVENUE SERVICE		\$	317,204.04
Wire	STATE DISBURSEMENT UNIT P/R 3 1/31/20	HR	0085400	3,294.44
	P/R 3 1/31/20	HR	0085400	198.00
				- - - - -
	STATE DISBURSEMENT UNIT		\$	3,492.44
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 3 1/31/20 PERS Adj	P/R 3 1/31 AD		0.62-
	P/R 3 1/31/20 PERS	HR	0085400	185,711.82
				- - - - -
	PUBLIC EMPLOYEES RETIREMENT SY\$			185,711.20
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 103 1/31/20 Taxes	HR	0085300	275.83
	P/R 103 1/31/20 Taxes	HR	0085300	196.75
				- - - - -
	EMPLOYMENT DEVELOPMENT DEPARTM\$			472.58
Wire	INTERNAL REVENUE SERVICE P/R 103 1/31/20 Taxes	HR	0085300	4,089.88
				- - - - -
	INTERNAL REVENUE SERVICE		\$	4,089.88
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 4 2/14/20 Taxes	HR	0086200	13,784.23
	P/R 4 2/14/20 Taxes	HR	0086200	69,713.07
				- - - - -
	EMPLOYMENT DEVELOPMENT DEPARTM\$			83,497.30
Wire	INTERNAL REVENUE SERVICE P/R 4 2/14/20 Taxes	HR	0086200	379,645.96
				- - - - -
	INTERNAL REVENUE SERVICE		\$	379,645.96
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 4 2/14/20 Deferred Comp Ded	HR	0086200	59,089.72
				- - - - -
	PUBLIC EMPLOYEE'S RETIREMENT S\$			59,089.72
Wire	STATE DISBURSEMENT UNIT P/R 4 2/14/20	HR	0086200	3,294.44
	P/R 4 2/14/20	HR	0086200	198.00
				- - - - -
	STATE DISBURSEMENT UNIT		\$	3,492.44
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 4 2/14/20 PERS Adj	P/R 4 2/14 AD		0.66-

Check	Payee / Description	Amount
	P/R 4 2/14/20 PERS	HR      0086200      186,800.00
		- - - - -
	PUBLIC EMPLOYEES RETIREMENT SY\$	186,799.34
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R DIR 2 2/14/20 Taxes	HR      0086100      411.62
		- - - - -
	EMPLOYMENT DEVELOPMENT DEPARTM\$	411.62
Wire	INTERNAL REVENUE SERVICE P/R DIR 2 2/14/20 Taxes	HR      0086100      2,639.74
		- - - - -
	INTERNAL REVENUE SERVICE      \$	2,639.74
Wire	PUBLIC EMPLOYEES' RETIREMENT S 2/2020 Health Ins-Board	15927112 2/20      7,253.15
	2/2020 Health Ins-Retirees, Employees	15927106 2/20      271,645.32
		- - - - -
	PUBLIC EMPLOYEES' RETIREMENT S\$	278,898.47
Wire	STATE BOARD OF EQUALIZATION 1/20 Sales Tax Deposit	23784561 1/20      6,341.00
		- - - - -
	STATE BOARD OF EQUALIZATION      \$	6,341.00
Wire	METROPOLITAN WATER DISTRICT December 2019 Water Purchase	9932      2,422,201.40
		- - - - -
	METROPOLITAN WATER DISTRICT      \$	2,422,201.40
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 5 2/28/20 Deferred Comp Adj	P/R 5 2/28 AD      48.02
	P/R 5 2/28/20 Deferred Comp Ded	HR      0086300      34,862.90
		- - - - -
	PUBLIC EMPLOYEE'S RETIREMENT S\$	34,910.92

Grand Total Payment Amount: \$      4,036,565.71

## Attachment 2E

### Payroll-Net Pay-Directors

# INLAND EMPIRE UTILITIES AGENCY

## Ratification of Board of Directors

Payroll for February 14 ,2020  
Presented at Board Meeting on April 15, 2020

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
Jasmin Hall	\$3,312.32	\$2,093.14
Katherine Parker	\$4,018.24	\$1,311.37
Michael Camacho	\$4,504.74	\$1,695.10
Steven J. Elie	\$5,198.24	\$1,666.16
Paul Hofer	\$0.00	\$0.00
<b>TOTALS</b>	<b>\$17,033.54</b>	<b>\$6,765.77</b>

	Count	Amount
TOTAL EFTS PROCESSED	3	\$5,070.67
TOTAL CHECKS PROCESSED	1	\$1,695.10
CHECK NUMBERS USED	110549 - 110549	

**DIRECTOR PAYSHEETS**  
**IEUA/MWD/IERCA**  
**CBWM (alternate)/**  
**CBWB (alternate)/SAWPA (alternate)**  
 (Page 1 of 2)

MICHAEL CAMACHO  
 EMPLOYEE NO. 1240  
 ACCOUNT NO. 10200 120100 100000 501010

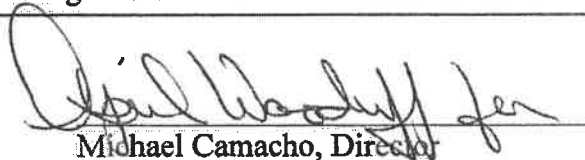
**JANUARY 2020**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
01-02-20	IEUA – Meeting w/General Manager Deshmukh to discuss Agency business	Yes (staff)	\$-0-
01-08-20	IEUA – Engineering, Operations, & Water Resources Committee Meeting	Yes	\$260.00
01-09-20	MWD – MWD Oath of Office	Yes	\$260.00
01-13-20	MWD – Committee Meetings	Yes	\$260.00
01-14-20	MWD – Committee & Board Meeting	Yes	\$260.00
01-24-20	IEUA -Meeting w/J. Curatalo/CVWD Telecon	Yes	\$260.00
01-27-20	IEUA – Mandatory Harassment Prevention Training	Yes	\$260.00
01-28-20	MWD – Committee Meetings	Yes	\$260.00
01-29-20	IEUA – San Gabriel Valley Update Luncheon w/LA County Supervisor K. Barger	Yes	\$260.00
01-30-20	IEUA – Three Valleys Leadership Breakfast	Yes	\$260.00
01-31-20	IEUA - Meeting w/B. Bocock/Integrated Resources Management, Claremont	Yes	\$260.00

**DIRECTOR PAYSHEETS**  
**IEUA/MWD/IERCA**  
**CBWM (alternate)/**  
**CBWB (alternate)/SAWPA (alternate)**  
 (Page 2 of 2)

<p><b>TOTAL REIMBURSEMENT</b></p> <p><b><u>IEUA/MWD/IERCA</u></b></p> <p>Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.</p> <p><b><u>CBWM</u></b></p> <p>Up to 10 days of service per month per Ordinance No. 105 (i.e., \$135.00 – difference between Watermaster \$125.00 and Agency meetings \$260.00 (eff. 7/01/19), 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. <u>Record full amount on timesheet for attendance by alternates</u></p> <p><b><u>CBWB</u></b></p> <p>Up to 10 days of service per month per Ordinance No. 105. (i.e., \$160.00 – difference between CBWB (\$100.00 and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. CBWB pays directly to IEUA. Record full amount on timesheet.</p> <p><b><u>SAWPA</u></b></p> <p>Up to 10 days of service per month per Ordinance No. 105 (i.e., \$50.00 – difference between SAWPA (\$220.00 (eff. 1/20) and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.</p>	<p>\$2,600.00</p>
<b>Total No. of Meetings Attended</b>	11
<b>Total No. of Meetings Paid</b>	10

DIRECTOR  
SIGNATURE

  
 Michael Camacho, Director

**DIRECTOR PAYSHEETS**  
**IEUA/CBWM/ CBWB**  
**CDA - alternate**  
 (Page 1 of 2)

STEVEN J. ELIE  
 EMPLOYEE NO. 1275  
 ACCOUNT NO. 10200 120100 100000 501010

**JANUARY 2020**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
01-07-20	IEUA – WNA Leadership Council Conference Call Meeting	Yes	\$260.00
01-08-20	IEUA – Community and Legislative Affairs & Finance and Administration Committee	Yes	\$260.00
01-09-20	IEUA – SCWC Legislative Task Force Meeting at IEUA	Yes	\$260.00
01-09-20	CDA – Chino Basin Desalter Authority Board Meeting (alternate)	Yes (same day)	\$-0-
01-10-20	IEUA – SCWC Executive Committee Conference Call Meeting	Yes	\$260.00
01-14-20	IEUA – Chino Hills City Council Meeting	Yes	\$260.00
01-15-20	IEUA – Board of Directors Meeting	Yes	\$260.00
01-18-20	IEUA – Chino Hills Military Service Monument Dedication Ceremony	Yes	\$260.00
01-23-20	CBWM - Chino Basin Watermaster Board Meeting	Yes	\$-0-*
01-24-20	IEUA – SCWC Leadership Luncheon hosted by IEUA with SCWC	Yes	\$260.00
01-29-20	IEUA – San Gabriel Valley Update Luncheon w/LA County Supervisor K. Barger	Yes	\$260.00
01-30-20	IEUA – Three Valleys MWD Leadership Breakfast/R Neudeck MWD Program Manager	Yes	\$260.00
<b>TOTAL REIMBURSEMENT</b>			
<b>IEUA</b>			
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.			\$2,600.00
<b>CBWM</b>			
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at			

**DIRECTOR PAYSHEETS  
IEUA/CBWM/ CBWB  
CDA - alternate  
(Page 2 of 2)**

<p><b>\$260.00 (eff. 07/01/19).</b> IEUA pays both primary and alternate for attendance. (i.e., <b>\$135.00</b> – difference between Watermaster \$125.00 and Agency meetings \$260.00 (eff. 7/01/19). 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. <u>Record full amount on timesheet for attendance by alternates</u></p> <p><b>CDA</b> Up to 10 days of service per month per Ordinance No. 105 (i.e., <b>\$120.00</b> – difference between CDA (\$150.00 and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet.</p> <p><b>CBWB</b> Up to 10 days of service per month per Ordinance No. 105. (i.e., <b>\$160.00</b> – difference between CBWB (\$100.00 and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. CBWB pays directly to IEUA. Record full amount on timesheet.</p>	
<p><b>Total No. of Meetings Attended</b></p>	<p align="center">12</p>
<p><b>Total No. of Meetings Paid</b></p>	<p align="center">10</p>

\*Decline IEUA portion of CBWM

DIRECTOR  
SIGNATURE

  
 Steven J. Elie, Director



**DIRECTOR PAYSHEETS  
IEUA**

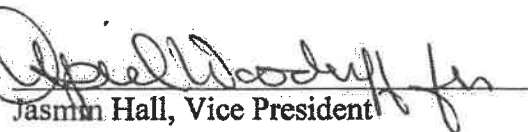
(Page 1 of 1)

JASMIN A. HALL  
EMPLOYEE NO. 1256  
ACCOUNT NO. 10200 120100 100000 501010

**JANUARY 2020**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
01-17-20	IEUA – CASA Air Quality, Climate Change & Energy Conf. Call & Webinar	Yes	\$260.00
01-18-20	IEUA – Panelist at Uni-Tea 2020	Yes	\$260.00
01-21-20	IEUA – CASA Winter Conference	Yes	\$260.00
01-22-20	IEUA – CASA Winter Conference	Yes	\$260.00
01-22-20	IEUA – CASA Federal Legislative Committee Meeting	Yes (same day)	\$-0-
01-23-20	IEUA – CASA Winter Conference	Yes	\$260.00
01-24-20	IEUA – City of Rialto – Black Public Officials Reception & Public Forum	Yes	\$260.00
01-27-20	IEUA – CAA WEF Board Conference Call	Yes	\$260.00
01-27-20	IEUA – ASBCSD Dinner Meeting	Yes (same day)	\$-0-
01-28-20	IEUA – Rialto City Council Meeting	Yes	\$260.00
01-28-20	IEUA – Fontana City Council Meeting	Yes (same day)	\$-0-
01-29-20	IEUA – IEUA/MWD/CTE Partner Information Meeting	Yes	\$260.00
01-30-20	IEUA – Fontana State of the City Meeting	Yes	\$260.00
01-30-20	IEUA – State of the 47 <sup>th</sup>	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$2,600.00
<b>IEUA</b> <i>Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.</i>			
<b>Total No. of Meetings Attended</b>			<b>14</b>
<b>Total No. of Meetings Paid</b>			<b>10</b>

DIRECTOR  
SIGNATURE

  
Jasmin Hall, Vice President

**DIRECTOR PAYSHEETS  
IEUA/IERCA  
REGIONAL POLICY (alternate)  
(Page 1 of 1)**

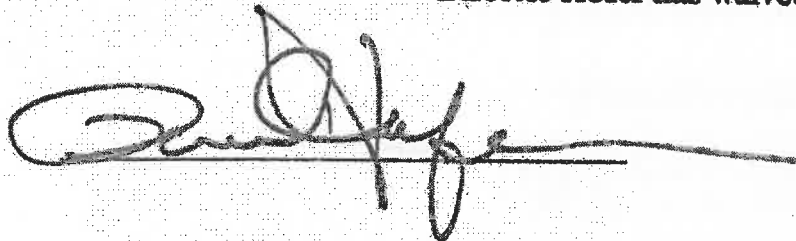
**PAUL HOFER  
EMPLOYEE NO. 1349  
ACCOUNT NO. 10200 120100 100000 501010**

**JANUARY 2020**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
01-08-20	IEUA – Finance & Administration Committee Meetings	Yes	\$-0-
01-08-20	IEUA – Meeting with GM S. Deshmukh	Yes (staff)(same day)	\$-0-
01-15-20	IEUA – IEUA Board Meeting	Yes	\$-0-
01-22-20	IEUA – Leadership meeting w/Consultant	Yes	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$-0-
<p><u>IEUA/IERCA</u> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.</p> <p><u>Regional Policy Committee Meeting</u> (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19.) IEUA pays Regional Policy Committee members (total amount of \$260.00. should reflect on timesheet)</p>			
<b>Total No. of Meetings Attended</b>			<b>4</b>
<b>Total No. of Meetings Paid</b>			<b>0</b>

Director Hofer has waived all stipend payments.

**DIRECTOR  
SIGNATURE**



**IEUA DIRECTOR PAYSHEET  
IEUA/REGIONAL POLICY/  
SAWPA/CDA/IERCA (alternate)**

(Page 1 of 2)

KATI PARKER  
EMPLOYEE NO. 1362  
ACCOUNT NO. 10200 1200100 100000 501010

**JANUARY 2020**


<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
01-07-20	SAWPA – SAWPA P24 (Inland Empire Brine Line) Committee Meeting	Yes	\$40.00
01-08-20	IEUA – Community & Legislative Affairs and Engineering, Operations & Water Resources Committee Meeting	Yes	\$260.00
01-13-20	IEUA – Meeting w/Leadership Consultant	Yes	\$260.00
01-15-20	IEUA – Board Meeting	Yes	\$260.00
01-21-20	SAWPA – SAWPA Regular Commission Meeting	Yes	\$40.00
01-23-20	SAWPA – One Water, One Watershed (OWOW) Steering Committee	Yes	\$40.00
01-27-20	IEUA – Mandatory Harassment Prevention Training	Yes	\$260.00
01-30-20	IEUA – Three Valleys MWD Leadership Breakfast	Yes	\$260.00
<b>TOTAL REIMBURSEMENT</b>			<b>\$1,420.00</b>
<p><b><u>IEUA/IERCA</u></b> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.</p> <p><b><u>Regional Policy Committee</u></b> (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays Regional Policy Committee members (total amount of \$260.00, should reflect on timesheet)</p> <p><b><u>SAWPA</u></b> Up to 10 days of service per month per Ordinance No. 105 (i.e., \$40.00 – difference between SAWPA (\$220.00 (eff. 1/20) and Agency meetings \$260.00 (eff. 7/01/19); including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.</p> <p><b><u>CDA</u></b> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$260.00 (eff. 7/01/19). 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</p>			

**IEUA DIRECTOR PAYSHEET  
IEUA/REGIONAL POLICY/  
SAWPA/CDA/TERCA (alternate)**

(Page 2 of 2)

Total No. of Meetings Attended	8
Total No. of Meetings Paid	8

DIRECTOR  
SIGNATURE

  
Kadi Parker, President

## Attachment 2F

Payroll-Net Pay-Employees

Non-Board Members	PP 4 Checks	PP 4 EFTs	PP 5 Checks	PP 5 EFTs	February
NET PAY TO EE	\$0.00	\$812,231.49	\$0.00	\$783,145.07	\$1,595,376.56

# INLAND EMPIRE UTILITIES AGENCY

Payroll for February 14, 2020

Presented at Board Meeting on April 15, 2020

GROSS PAYROLL COSTS			\$1,523,126.47
DEDUCTIONS			(\$710,894.98)
NET PAYROLL			812,231.49
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED			
TRANSACTION PROCESSED	0	367	367
AMOUNT	\$0.00	\$812,231.49	<u>\$812,231.49</u>

# INLAND EMPIRE UTILITIES AGENCY

Payroll for February 28, 2020

Presented at Board Meeting on April 15, 2020

GROSS PAYROLL COSTS			\$1,414,133.46
DEDUCTIONS			(\$630,988.39)
NET PAYROLL			783,145.07
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED			
TRANSACTION PROCESSED		366	366
AMOUNT	\$0.00	\$783,145.07	<u>\$783,145.07</u>



**CONSENT  
CALENDAR  
ITEM**

**1C**



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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

**Executive Contact:** Shivaji Deshmukh, General Manager

**Subject:** Adopt Positions on State Legislation

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**Executive Summary:**

The following bills have the potential to impact the Agency. The bill positions recommended by staff are in line with Board-adopted Legislative Policy Principles.

1. AB 2182 (Rubio, Blanca) Emergency backup generators: water and wastewater facilities: exemption.
2. AB 2560 (Quirk) Water quality: notification and response levels: procedures.
3. SB 1056 (Portantino) Drinking water: testing: perfluoroalkyl and polyfluoroalkyl substances.
4. SB 1099 (Dodd) Emergency backup generators: critical facilities: exemption.

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**Staff's Recommendation:**

1. Adopt a position of "Support" for AB 2182 (Rubio, Blanca);
2. Adopt a position of "Support" for AB 2560 (Quirk);
3. Adopt a position of "Watch" for SB 1056 (Portantino); and
4. Adopt a position of "Support" for SB 1099 (Dodd).

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

Account/Project Name:

N/A

*Fiscal Impact (explain if not budgeted):*

N/A

**Prior Board Action:**

Adoption of 2020 Legislative Policy Principles.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

Taking legislative positions is in line with IEUA's business practices goal of advocating for the development of policies, legislation and regulations that benefit the region.

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**Attachments:**

- Attachment 1 - Background
- Attachment 2 - AB 2182 (Rubio, Blanca): Bill language
- Attachment 3 - AB 2560 (Quirk): Bill language
- Attachment 4 - SB 1056 (Portantino): Bill language
- Attachment 5 - SB 1099 (Dodd): Bill language

# Background

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Subject: Adopt Positions on State Legislation

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Staff has developed recommended positions for the following bills based on IEUA's Legislative Policy Principles, as adopted by the Board of Directors in January 2020.

## 1. **Category: Public Safety Power Shutoff (PSPS) Events**

Legislation addressing California's preparedness for wildfire events continues to be a priority issue in Sacramento. In 2019, IEUA was twice affected by PSPS events at groundwater recharge sites. Since these locations are not considered to be critical, the power outages did not trigger the use of emergency backup generators. In both cases, IEUA did receive advanced notification of at least one day from its energy provider of the anticipated shutoffs and could have mobilized a back-up generator if needed.

IEUA currently owns 30 diesel back-up generators and plans to purchase two additional units – one for facility expansion (20 kW) and one for greater system flexibility (20 kW). In order to keep its generators in good working order and ready to be put in service when needed, IEUA generally runs each unit six to eight hours per year. At issue is a potential conflict between statewide air quality regulations, which are particularly strict in the South Coast Air Quality Management District (AQMD), that limit the number of hours that generators can run to minimize emissions, and the need of water and wastewater agencies to maintain and operate their back-up diesel generators prior to and during PSPS events to maintain essential water and wastewater services. IEUA has not yet needed to apply for a variance from the South Coast AQMD to operate its generators, but could conceivably need to do so in future PSPS events.

### Applicable IEUA Legislative Policy Principles:

- Support administrative and legislative actions promoting the resiliency and improved operability of IEUA's systems.
- Support administrative and legislative actions for environmental compliance (e.g., air, water, hazardous materials and waste) that provide for regulatory compliance flexibility, promote consistency and reduce regulatory redundancy.

### **AB 2182 (Rubio, Blanca) Emergency backup generators: water and wastewater facilities: exemption.**

This bill would exempt the operation of an alternative power source to provide power to a critical water or wastewater facility from any local, regional, or state regulation regarding the operation of that source. The bill would authorize providers of essential public services, in lieu of compliance with applicable legal requirements, to comply with the maintenance and testing procedure set forth in the National Fire Protection Association Standard for Emergency and Standby Power System for alternative power sources designated by the providers for the support of critical facilities.

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Staff recommended position for AB 2182: **Support.**

**SB 1099 (Dodd) Emergency backup generators: critical facilities: exemption.**

This bill would require local air districts to adopt a rule, or revise an existing rule, to allow critical facilities with a permitted emergency backup generator to operate their generators during a PSPS or other loss of power and test and maintain them consistent with national standards, without facing penalties for keeping the water flowing and wastewater facilities operating. This bill would provide a tailored solution that will balance the need to preserve air quality throughout the state with the need to ensure people and public health are protected during emergency events.

Staff recommended position for SB 1099: **Support.**

**2. Category: Constituents of Emerging Concern**

The term “Constituents of Emerging Concern” (CECs) has been in use for decades. However, the process for identifying CECs and then evaluating them for potential action is not clearly defined nor supported. The large number of emerging contaminants poses a challenge for regulatory agencies. Guidance is needed with regard to how research about emerging contaminants should be prioritized and how the definition of quality criteria or norms for these new substances should be established when the scientific community generally has only sparse knowledge on their behavior in the environment or on their toxic effects on human health or the environment.

Applicable IEUA Legislative Policy Principles:

- Support administrative and legislative actions that promote and/or improve water quality from various constituents, including salinity, perchlorates, nitrates and volatile organic compounds
- Support the development of Public Health Goals (PHGs), Response Levels (RLs), Notification Levels (NLs) or Maximum Contaminant Levels (MCLs) that are established in a process affording robust opportunities for scientific review and public comment and that consider feasibility and implementation costs.
- Support administrative and legislative actions for environmental compliance (e.g., air, water, hazardous materials and waste) that provide for regulatory compliance flexibility, promote consistency and reduce regulatory redundancy.

**AB 2560 (Quirk) Water quality: notification and response levels: procedures.**

This bill would require the State Water Resource Control Board (State Board) to electronically provide public notice of a draft notification (NL) or response level (RL) and to submit the draft level for external peer review. Specifically, the requirement for external peer review for establishing or revising levels would facilitate a scientifically rigorous process and better ensure that these levels are accurately set.

Staff recommended position for AB 2560: **Support.**

**SB 1056 (Portantino) Drinking water: testing: perfluoroalkyl and polyfluoroalkyl substances.**

This bill would require the State Board to certify a methodology for testing drinking water, groundwater, and surface water for per- and poly-fluoroalkyl substances (PFAS) as a class or for a reasonable proxy for the class and to accredit qualified laboratories in California to analyze these substances pursuant to adopted methodologies.

The U.S. EPA has currently validated only three methods to quantify PFAS in water. Two of these methods are for drinking water and can test for 29 PFAS chemicals, while the last method is used for surface water, groundwater, and wastewater and tests for 24 PFAS analytes and 19 PFAS surrogates. Despite there being thousands of known PFAS compounds, the available U.S. EPA validated methods only quantify a few dozen of them.

Researchers have developed methods that can measure total PFAS, however, since they lack official certification by the U.S. EPA and the state, they cannot be used for regulatory purposes or testing for compliance. SB 1056 would require the State Board to certify a methodology or methodologies that tests PFAS substances as a class, instead of testing individual chemicals.

IEUA generally supports advancements in water quality testing. However, IEUA seeks assurances that the methodologies for measuring PFAS as a class are based on sound science and present an accurate representation of public health risk.

Staff recommended position for SB 1056: **Watch.**

**ASSEMBLY BILL**

**No. 2182**

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**Introduced by Assembly Member Blanca Rubio**

February 11, 2020

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An act to add Article 9.4 (commencing with Section 42005) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2182, as introduced, Blanca Rubio. Emergency backup generators: water and wastewater facilities: exemption.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources.

This bill would exempt the operation of an alternative power source, as defined, to provide power to a critical facility, as defined, from any local, regional, or state regulation regarding the operation of that source. The bill would authorize providers of essential public services, in lieu of compliance with applicable legal requirements, to comply with the maintenance and testing procedure set forth in the National Fire Protection Association Standard for Emergency and Standby Power System, NFPA 110, for alternative power sources designated by the providers for the support of critical facilities.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Due to climate change, California’s risk for catastrophic  
4 wildfires has increased substantially and California’s wildfire  
5 season is now longer and more intense.

6 (b) Catastrophic wildfires have had and continue to have an  
7 enormous impact on California, taking and threatening life,  
8 property, and our environment, and costing the state billions of  
9 dollars.

10 (c) Public safety power shutoffs and deenergization events,  
11 while necessary to protect California from catastrophic wildfires,  
12 impact essential public services, including firefighting, police, and  
13 water services, which are necessary to respond to a wildfire.

14 (d) Given the importance of essential public services in  
15 responding to wildfire, it is crucial to ensure the essential public  
16 service provider has access to alternative power sources during  
17 public safety power shutoffs and other deenergization events to  
18 maintain California’s ability to respond to wildfire.

19 SEC. 2. Article 9.4 (commencing with Section 42005) is added  
20 to Chapter 3 of Part 4 of Division 26 of the Health and Safety  
21 Code, to read:

22

23

Article 9.4. Standby Electric Generation

24

25 42005. For purposes of this article, the following terms apply:

26 (a) “Alternative power source” means equipment that is used  
27 by an essential public service provider to produce electricity to  
28 directly run a critical facility during a deenergization event.

29 (b) “Critical facility” means a facility necessary or convenient  
30 in providing essential public services, including, but not limited  
31 to, facilities such as police stations, fire stations, emergency  
32 operations centers, water and wastewater treatment facilities,  
33 incident command posts, and communication systems used to  
34 support essential public services.



1 (c) “Deenergization event” means the loss of electricity to a  
2 critical facility due to an emergency, including, but not limited to,  
3 wildfire.

4 (d) “Essential public service” means fire prevention, protection,  
5 and response, law enforcement, provision of water and wastewater  
6 service, disaster medical response, and other emergency response  
7 services.

8 (e) “Water and wastewater facilities” mean water and wastewater  
9 facilities critical to maintain public health and safety standards,  
10 including, but not limited to, treatment plants, pumping stations  
11 and other storage facilities, and water facilities needed to maintain  
12 water service and water pressure necessary for firefighting.

13 42007. (a) Notwithstanding other law, the use of an alternative  
14 power source by a provider of essential services to operate a critical  
15 facility during a deenergization event shall not be subject to any  
16 local, regional, or state regulation regarding the operation of an  
17 alternative power source.

18 (b) Notwithstanding other law, in lieu of compliance with any  
19 applicable legal requirements, a provider of essential public service  
20 may comply with the maintenance and testing procedure set forth  
21 in the National Fire Protection Association Standard for Emergency  
22 and Standby Power Systems, NFPA 110, or any successor standard  
23 adopted by the association, for an alternative power source  
24 designated by the provider for the support of a critical facility  
25 during a deenergization event.

**ASSEMBLY BILL**

**No. 2560**

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**Introduced by Assembly Member Quirk  
(Coauthors: Assembly Members Daly and Petrie-Norris)**

February 19, 2020

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An act to add Section 116456 to the Health and Safety Code, relating to water quality.

LEGISLATIVE COUNSEL'S DIGEST

AB 2560, as introduced, Quirk. Water quality: notification and response levels: procedures.

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various duties and responsibilities for the regulation and control of drinking water in the state. The act requires the state board to adopt drinking water standards for contaminants in drinking water based upon specified criteria and requires any person who owns a public water system to ensure that the system, among other things, complies with those drinking water standards.

The act requires a public water system to provide prescribed notices within 30 days after it is first informed of a confirmed detection of a contaminant found in drinking water delivered by the public water system for human consumption that is in excess of a maximum contaminant level, a notification level, or a response level established by the state board.

This bill would require the state board to comply with specified public notice and comment and peer review procedures, as prescribed, when establishing or revising notification or response levels.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 116456 is added to the Health and Safety
- 2 Code, to read:
- 3 116456. When establishing or revising notification or response
- 4 levels, the state board shall do all of the following:
- 5 (a) Electronically post on its internet website and distribute
- 6 through email a notice informing interested persons that the state
- 7 board has initiated the development of a notification or response
- 8 level.
- 9 (b) Electronically post on its internet website and distribute
- 10 through electronic mail a notice that a draft notification or response
- 11 level is available. The notice shall include an electronic link to an
- 12 internet webpage where the draft level can be viewed electronically
- 13 along with the complete studies that were used to establish the
- 14 level. Notice and document availability shall occur at least 45
- 15 calendar days before finalizing the notification or response level.
- 16 The state board shall include the draft level as an informational
- 17 item during a regularly noticed meeting of the state board.
- 18 (c) Submit its draft notification or response level for external
- 19 peer review using the process described in Section 57004.
- 20 (d) Take a formal action to finalize and adopt the notification
- 21 or response level.

O

**Introduced by Senators Portantino and Lena Gonzalez**February 18, 2020

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An act to add Section 116379 to the Health and Safety Code, relating to drinking water.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1056, as introduced, Portantino. Drinking water: testing: perfluoroalkyl and polyfluoroalkyl substances.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, and adopting implementing regulations. The implementing regulations are required to include, but are not limited to, the monitoring of contaminants, including the type of contaminant, the frequency and method of sampling and testing, and the reporting of results.

The act authorizes the state board to order a public water system to monitor for perfluoroalkyl and polyfluoroalkyl substances, in accordance with conditions set by the state board, and requires a laboratory that has a specified accreditation or certification to perform the analysis of any material required by an order to monitor for those substances.

This bill would require the state board, on or before January 1, 2022, to certify a methodology or methodologies for testing drinking water, groundwater, and surface water for perfluoroalkyl and polyfluoroalkyl substances, as provided, and to accredit qualified laboratories in California to analyze perfluoroalkyl and polyfluoroalkyl substances pursuant to the adopted methodology or methodologies.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 116379 is added to the Health and Safety
- 2 Code, to read:
- 3 116379. The state board, on or before January 1, 2022, shall
- 4 do both of the following:
- 5 (a) Certify a methodology or methodologies for testing drinking
- 6 water, groundwater, and surface water for perfluoroalkyl and
- 7 polyfluoroalkyl substances as a class or for a reasonable proxy for
- 8 the class.
- 9 (b) Accredite qualified laboratories in California to analyze
- 10 perfluoroalkyl and polyfluoroalkyl substances pursuant to the
- 11 methodology or methodologies adopted under subdivision (a).

**Introduced by Senator Dodd**February 19, 2020

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An act to add Article 9.5 (commencing with Section 42010) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1099, as introduced, Dodd. Emergency backup generators: critical facilities: exemption.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources.

This bill, consistent with federal law, would require air districts to adopt a rule, or revise its existing rules, to allow critical facilities with a permitted emergency backup generator to use that emergency backup generator during a deenergization event or other loss of power, and to test and maintain that emergency backup generator, as specified, without having that usage, testing, or maintenance count toward that emergency backup generator's time limitation on actual usage and routine testing and maintenance. The bill would prohibit air districts from imposing a fee on the issuance or renewal of a permit issued for those critical facility emergency backup generators. By requiring air districts to adopt a new permitting program for those critical facility emergency backup

generators, the bill would impose a state-mandated local program. The bill also would define certain terms for purposes of these provisions.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Catastrophic wildfires and other natural disasters are  
4 increasing in frequency and intensity due to climate change and  
5 other factors.

6 (b) Wildfires dramatically increase carbon emissions and work  
7 against the state’s goals to reduce greenhouse gas emissions and  
8 achieve a carbon-neutral future.

9 (c) Wildfires and other natural disasters also can cause  
10 significant impacts and a threat to the state’s water and wastewater  
11 facilities, which are critical to ensuring a safe and reliable water  
12 supply for people, businesses, agriculture, and the environment.

13 (d) To help mitigate the risks of wildfires, investor-owned  
14 utilities have initiated public safety power shutoffs to deenergize  
15 parts of their distribution systems, and, in some cases, portions of  
16 the transmission system, actions that reduce or eliminate access  
17 to a reliable power supply for the state’s water agencies as they  
18 count on a reliable source of electricity to move and deliver water.

19 (e) Actions need to be taken to reduce the impacts of  
20 deenergization wildfires, and other events on critical facilities,  
21 including increasing access to alternative power sources that can  
22 help support a safe and reliable water supply and maintain the  
23 state’s ability to effectively respond to wildfires.

24 SEC. 2. Article 9.5 (commencing with Section 42010) is added  
25 to Chapter 3 of Part 4 of Division 26 of the Health and Safety  
26 Code, to read:

1 Article 9.5. Emergency Backup Generators

2  
3 42010. For purposes of this article, the following terms apply:

4 (a) “Critical facility” means a facility necessary or convenient  
5 in providing essential public services, including, but not limited  
6 to, facilities such as police stations, fire stations, emergency  
7 operations centers, water and wastewater facilities, incident  
8 command posts, and communication systems used to support  
9 essential public services.

10 (b) “Deenergization event” means the interruption of power due  
11 to a public safety power shutoff.

12 (c) “Emergency backup generator” means an internal  
13 combustion engine greater than 50 brake horsepower and gas  
14 turbines greater than 2,975,000 British thermal units per hour for  
15 nonutility power generation that does not operate more than 200  
16 hours per year and is only operated in the event of an emergency  
17 power failure or for routine testing and maintenance.

18 (d) “Loss of power” means a failure in an electric generation,  
19 distribution, and transmission system or a disruption to electrical  
20 power from an electricity provider due to an emergency event,  
21 including a wildfire.

22 (e) “Public safety power shutoff” means a preventative measure  
23 to deenergize all, or a portion of, an electric generation,  
24 distribution, or transmission system when the electricity provider  
25 reasonably believes there is an imminent and significant risk that  
26 strong winds, or other extreme and potentially dangerous weather  
27 events, increase the probability of a wildfire.

28 (f) “Water and wastewater facilities” includes drinking water  
29 and wastewater treatment plants, pumping stations, storage  
30 facilities, and water facilities needed to maintain water service and  
31 the water pressure necessary for firefighting.

32 42012. (a) Consistent with federal law, a district shall adopt  
33 a rule, or revise its existing rules, to allow critical facilities with a  
34 permitted emergency backup generator to do any of the following  
35 with that emergency backup generator without having it count  
36 toward that permitted emergency backup generator’s time  
37 limitation on actual usage and routine testing and maintenance:

38 (1) Use the emergency backup generator during a deenergization  
39 event or other loss of power.



1 (2) Test or maintain the emergency backup generator for  
2 consistency with any of the following:

3 (A) The National Fire Protection Association Standard 110 for  
4 Emergency and Standby Power Systems, or its successor.

5 (B) Industry best practices

6 (C) Recommendations by the manufacturer of the emergency  
7 backup generator.

8 (b) A district shall not impose a fee on the issuance or renewal  
9 of a permit issued for an emergency backup generator described  
10 in subdivision (a).

11 SEC. 3. If the Commission on State Mandates determines that  
12 this act contains costs mandated by the state, reimbursement to  
13 local agencies and school districts for those costs shall be made  
14 pursuant to Part 7 (commencing with Section 17500) of Division  
15 4 of Title 2 of the Government Code.

**CONSENT  
CALENDAR  
ITEM**

**1 D**

**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

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

**Subject:** Adopt Resolution 2020-4-1, for the Empower Retirement Services Agreements for the 457(b) Deferred Compensation and 401(a) Defined Contribution Plans

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**Executive Summary:**

The Agency, as the Deferred Compensation Plan Sponsor, has the fiduciary responsibility of ensuring the 457(b) Deferred Compensation Plan and 401(a) Deferred Compensation Plan (DC Plans) are for the sole purpose of providing benefits to participants and beneficiaries. On December 18, 2019, the Board, through Resolution 2019-12-2, delegated that fiduciary responsibility to the Defined Contribution Plans Administrative Committee. On August 28, 2019, a Request for Proposal (RFP) was issued for the administration, record keeping, and other related services of the DC Plans, as well as the future addition of a Health Reimbursement Arrangement (HRA) account. A total of eight proposals were received, including from the three current providers. An evaluation team (Team), comprised of the Defined Contribution Plans (DCP) Administration Committee and three employees elected by plan participants, advanced Empower Retirement, ICMA-RC, and Lincoln to the interview phase. The Team unanimously selected Empower Retirement based on the overall competitiveness of the proposal, including an enhanced core lineup of investment options; the ability to consolidate to a single provider, lower fees, provide participant education, outreach and on line tools; provide a modern commitment to data security; and the ability to provide a future HRA. An initial five-year term, effective April 28, 2020, is recommended to provide continuity and stability to plan participants.

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**Staff's Recommendation:**

1. Adopt Resolution 2020-4-1, for approval of the Administrative Services Agreement, Investment Advisory and Management Service Agreement, Trust Agreement, and Custody Agreement for the Agency's DC Plans with Empower Retirement for a five-year term effective April 28, 2020, with annual options to extend an additional five-years following an evaluation and recommendation by the DCP Administration Committee;
2. Approve the payment, by the Agency, as the Plan Sponsor, of costs incurred through the process of evaluation of the DC Plans for a not-to-exceed amount of \$80,000; and
3. As the Plan Sponsor, authorize the General Manager to execute the Empower Retirement Agreements, subject to non-substantive changes.

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

*Account/Project Name:*

Professional Services - Other

*Fiscal Impact (explain if not budgeted):*

The estimated total costs of \$80,000 to be incurred during in the process of evaluation of (1) the existing record keeping providers and (2) the transition to a single provider, will be covered by the Agency, as the Plan Sponsor. Following the effective date of April 28, 2020, plan administration, investment-related services, and advisory fees will be paid by plan participants.

**Prior Board Action:**

On December 18, 2019, the Board approved Resolutions No. 2019-12-2 and 2019-12-3, authorizing the creation of the Defined Contribution Plans Administrative Committee and Health Reimbursement Arrangement Trust Committee and corresponding Committee Charters, Statements of Investment Policies and Guidelines, Fee and Expense Policy Statements.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The monitoring and professional administration of the Agency's 457(b) and 401(a) Defined Contribution Plans supports the IEUA Business Goal of Fiscal Responsibility. These actions to ensure the operation of the Plans and the investment of Plan Assets are solely for providing benefits to participants and beneficiaries

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**Attachments:**

- Attachment 1 - Background
- Attachment 2 - Administrative Services Agreement
- Attachment 3 - Investment Advisory and Management Service Agreement
- Attachment 4 - Trust Agreement
- Attachment 5 - Custody Agreement
- Attachment 6 - Exhibit 1: Ownership Structure and Subsidiaries
- Attachment 7 - Resolution No. 2020-4-1

## Background

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Subject: Adoption of Resolution 2020-4-1 for Approval of the Empower Retirement Services Agreements for the 457(b) Deferred Compensation and 401(a) Defined Contribution Plans

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The Agency's 457(b) deferred compensation plan was first implemented by the Board of Directors in December 1977, followed by the 401(a) defined contribution plan in 1997. The 457(b) and 401(a), hereafter referred to as the Defined Contribution Plans (hereafter, DC Plans), allow employees, on a voluntary basis, to set aside earnings for retirement on a tax deferred basis. The DC Plans allow employees participating in the program to enhance their retirement benefits provided by the Agency. The Agency's pension benefit is currently administered by California Public Employees' Retirement System (CalPERS). As of June 2019, the combined total assets of the DC Plans were just under \$30 million with 361 participants, including approximately 130 retirees.

As the Plan Sponsor, the Agency has engaged three service providers to administer the DC Plans, offered to both employees and retirees; Lincoln Financial Group (Lincoln) since 1988, ICMA Retirement Corporation (ICMA-RC) since 1992, and CalPERS since 1997.

Where a Plan Sponsor engages a third-party service provider to provide administrative or investments related services, as is the case for the Agency, under the California State Constitution, Article XVI Section 17, it is still the Plan Sponsor's main fiduciary responsibility to ensure the operation and investment of the DC Plans is for the sole purpose of providing benefits to participants and beneficiaries. This fiduciary responsibility includes; exercising care and prudence in selecting and monitoring the Plan's investments, monitoring the service provider's performance, and ensuring Plan fees are reasonable.

To ensure the Agency is fulfilling its fiduciary responsibility, in April 2019, a competitively let contract for retirement investment advisory services was awarded to Hyas Group (hereafter, Hyas). A key objective for Hyas is to assist staff with a comprehensive analysis of the current service providers, recommend a governance structure to more effectively manage the DC Plans going forward, as well as framing the justification for adding a Health Reimbursement Arrangement (HRA) account to the Agency's employee benefit program.

Hyas' analysis of the Agency's current service providers identified key opportunities to enhance the DC Plans, beginning with the consolidation of the three service providers under a single plan. This will eliminate the costs of redundant investment funds and significantly reduce the total fees for investment and administrative services paid by plan participants. The proposed benefits were shared with IEUA's active employees, who are currently participating in the DC Plans, during onsite workshops facilitated by Hyas in August 2019.

On August 28, 2019, a request for proposal (RFP) was issued for the DC Plans administration, record keeping, education, communications, investment-related, and other DC Plan-related services; as well as the ability to establish an (HRA) account. Eight proposals were received, including proposals from the three current providers, CalPERS, ICMA-RC, and Lincoln National.

Additionally, five proposals were received from AIG, Empower Retirement, MassMutual, Nationwide, and Prudential.

The Defined Contribution Plans Administrative Committee (DCP Committee), approved by the Board of Directors on December 18, 2019, established an evaluation team to oversee the evaluation process. The evaluation team, comprised of the DCP Committee and three additional employee representatives, elected by plan participants, was assembled to conduct the evaluation. Three of the eight firms were by the evaluated team to advance to the interview phase: Empower Retirement (Empower), ICMA-RC, and Lincoln National.

The evaluation team unanimously selected Empower, based on the main objectives identified in the RFP; 1) comprehensive portfolio of investment options to support consolidation to a single provider, 2) a significant reduction in administrative and investment services fees, 3) having robust (secure) and user-friendly on-line tools, 4) the automation of day to day activities for increased efficiencies, 5) availability of dynamic online retirement planning tools to enhance retirement outcomes and grow Plan assets, 6) timely and strategic outreach to participants (newly hired or nearing retirement), 7) quality and frequency of participant education and communication services, 8) commitment to data security, 8) ability to provide an HRA account, and 9) overall competitiveness of the proposal.

The evaluation team recommends the Board approve the Administrative Services Agreement, Investment Advisory and Management Service Agreement, Trust Agreement, and Custody Agreement (the Agreements) for the Agency's DC Plans with Empower Retirement. The proposed initial five-year term would be for an initial five-year term effective April 28, 2020, with annual options to extend the Agreements an additional five years, following an evaluation and recommendation, to the Board, by the DCP Administration Committee.

“Empower” refers to Great West Life & Annuity Insurance Company (GWL&A) or Empower Retirement, LLC (individually or collectively “Great-West” or “Empower”) and its affiliates with respect to products and services offered in the retirement markets, including but not limited to recordkeeping and communication services. Great West Trust Company and Advised Assets Group, LLC are subsidiaries/branches of GWL&A as shown in Exhibit 1: Ownership Structure and Subsidiaries.

1. **Administrative Services Agreement** - sets forth the general terms and conditions under which Empower Retirement, LLC will provide record keeping and administrative services to the Agency with respect to the Agency’s DC Plans.
2. **Investment Advisory and Management Service Agreement** – sets forth the general terms and conditions under which Advised Assets Group, LLC will provide investment advisory and analytic services to certain participants in employee benefit plans and other compensation programs and arrangements for which Empower provides recordkeeping, administrative and other services with respect to the Agency’s DC Plans.
3. **Custody Agreement** – is a custodial account agreement by and between the Agency, in its capacity as the Plan Sponsor, and Great-West Trust Company, LLC to establish a Custodial Account to hold the Agency’s DC Plan funds/assets.

4. **Trust Agreement** - is by and between the Agency and Great-West Trust Company, LLC, to maintain a trust in connection with the Agency's DC Plan (the "Trust") to which DC Plan contributions are to be held by the Trustee and to be managed, invested and reinvested for the exclusive benefit of participants of the Plan and their beneficiaries.

The evaluation of existing DC plan service providers and the transition to Empower as a single service provider has required support from the Agency's general counsel and retirement investment advisor, as well as the use of special counsel with expertise in these matters. The amount of these professional services is estimated to be \$80,000. In accordance with the Inland Empire Utilities Agency Fee and Expense Policy Statement approved by the Board on December 18, 2019, administrative costs related to the 457(b) and 401(a) Plans are to be funded by the plan participants,

However, the Board has the option to approve payment of these professional services by the Agency, as the Plan Sponsor, or pass them through to plan participants for reimbursement to the Agency. Since this evaluation was undertaken by the Agency as the Plan Sponsor and as part of its fiduciary responsibility, staff recommends the Board approve payment by the Agency of professional services incurred as part of this evaluation process for a not-to-exceed amount of \$80,000. Effective April 28, 2020, DC Plan related expenses will be paid by plan participants

#### **Health Reimbursement Arrangement (HRA) Account**

Establishment of the Agency's HRA account has been deferred until the transition of the Agency's DC Plan to Empower has been completed. The Health Reimbursement Arrangement Trust Committee will work with the Empower HRA provider to review and finalize the governance documents approved by the Board in "substantially final form" on December 18, 2019. If substantive changes are needed, final governance documents will be submitted to the Board for review and approval.

**ADMINISTRATIVE SERVICES AGREEMENT**

For

**INLAND EMPIRE UTILITIES AGENCY**

(the "Plan Sponsor")

**GROUP CLIENT NUMBERS**

**100079-01**

**&**

**100079-02**



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This Administrative Services Agreement (“Agreement”) sets forth the general terms and conditions under which Empower Retirement, LLC will provide administrative services to the undersigned Plan Sponsor, Inland Empire Utilities Agency, and to the undersigned Plan Administrator, the Defined Contribution Plan Administrative Committee, with respect to the employee benefit plan(s) sponsored by Plan Sponsor, as identified in Schedule A (the “Plan” or “Plans”).

## **1. Definitions**

“Agreement” includes this base Administrative Services Agreement and any Exhibits, Schedules, notices and other documents attached, incorporated or referenced herein.

“Business Day” means any day, and only for as many hours as, the New York Stock Exchange is open.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“Empower” and “Empower Retirement” refer to Empower Retirement, LLC and its affiliates with respect to products and services offered in the retirement markets, including but not limited to recordkeeping and communication services.

“Participant” shall mean an employee, former employee, Plan participant, participant, former participant, beneficiary or alternate payee who is or may be entitled to participate in or receive benefits under the Plan.

“Plan Administrator” means the Defined Contribution Plan Administrative Committee established by Plan Sponsor and delegated by Plan Sponsor to assume administrative responsibilities as the named fiduciary in accord with the Defined Contribution Plan Administrative Committee Charter adopted by Plan Sponsor.

“Plan Sponsor” means the Plan Sponsor identified above, named fiduciaries, and other delegates of the Plan Sponsor (other than Empower) as dictated by the context.

## **2. Services Provided by Empower**

**2.1. Services.** Empower will provide the services set forth in this Agreement or as further described in Schedules hereto (collectively the “Services”). In the performance of the Services, Empower will act as a non-discretionary service provider directed by the Plan Sponsor in compliance with applicable laws and regulations. The parties agree that the purchase and sale of securities for the Plan, except for unaffiliated self-directed brokerage, will be effected through GWFS Equities, Inc., a broker/dealer affiliate of Empower. The Plan Sponsor understands that it is not required and under no obligation to purchase on behalf of the Plan any insurance products from Empower or its affiliates in exchange for the Services. In the event of a conflict between the terms of this Agreement and Schedule D as attached hereto, the provisions of this Agreement and its terms shall govern, and take precedence, unless otherwise expressly agreed to by Empower.

**2.2. Non-Fiduciary Status.** Plan Sponsor acknowledges that the Services are ministerial and are not intended to involve the exercise of any discretion that would cause Empower to be a fiduciary or Plan Administrator as defined under the Code, ERISA, the Investment Advisors Act of 1940, or any state law, as applicable. Nothing in this Agreement or otherwise shall result in Empower having any discretionary authority or responsibility for the administration of the Plan, including management of the Plan or disposition

of Plan assets. Empower shall not render, or have any authority or responsibility to render, investment advice for a fee or other compensation, direct or indirect, with respect to any Plan assets, except as specifically provided for under this Agreement.

**2.3. No Tax or Legal Advice.** Nothing in this Agreement is intended to constitute legal or tax advice from Empower to Plan Sponsor, or to any other party. Plan Sponsor understands that Empower has not given and may not give legal advice. All issues should be reviewed and discussed with Plan Sponsor's legal counsel and/or tax adviser.

### **3. Responsibilities of Plan Sponsor**

Plan Sponsor acknowledges that Empower cannot effectively perform the Services without Plan Sponsor's cooperation. Accordingly, Plan Sponsor acknowledges and agrees that it will fulfill the following duties and obligations.

**3.1. Plan Administrator.** Plan Sponsor, a designated employee or committee, or a third party retained by Plan Sponsor or named in the Plan (other than Empower or one of its affiliates) will be the "plan administrator" and "named fiduciary" as defined by applicable law.

**3.2. Provision of Information.** Plan Sponsor or its designee, including any third parties retained by or on behalf of the Plan or Plan Sponsor, will provide all information necessary for Empower to perform the Services in a manner and format that does not require manual intervention or manipulation by Empower. Plan Sponsor acknowledges and agrees that Empower shall not bear any responsibility for any penalties or other costs incurred as a result of Plan Sponsor's failure to provide such information in a timely manner. Plan Sponsor further acknowledges and agrees that Empower may charge an additional hourly fee as described in Section I.G. of Schedule C of this Agreement if any necessary information is not provided on a timely basis, or in an electronic format usable by Empower without any manual intervention or manipulation. Plan Sponsor agrees that Empower shall be entitled to fully rely upon the accuracy and completeness of information Plan Sponsor submits and that Empower shall have no duty or responsibility to verify such information. If, as a result of incorrect or incomplete information furnished by Plan Sponsor, it becomes necessary to repeat any calculation or service, complete any new forms or revise any completed forms, Empower reserves the right to charge an additional hourly fee as described in Section I.G. of Schedule C of this Agreement. Each party agrees to bear its own interconnect transmission costs and is solely responsible for its own acts and omissions relating to transmitting, receiving, storing and handling documents and information, including the maintenance of all equipment, software and testing necessary to effectively, reliably and securely send and receive such documents and information.

**3.3. Remitting Contributions and Allocation Instructions.** Plan Sponsor agrees that it is solely responsible for collecting and remitting all initial and recurring contributions and loan repayments to Empower electronically via Empower's plan sponsor website, or another mutually agreed-upon manner within the time prescribed by applicable law. Plan Sponsor acknowledges that Empower is not responsible for monitoring the amount and/or timeliness of such contributions and loan repayments. In the event that a Plan participant does not elect investment options, Plan Administrator directs Empower to invest the contribution in the default investment option under the Plan at the time the contribution is received.

**3.4. Plan Document and Compliance Responsibilities.** Plan Sponsor has the sole responsibility to ensure that the Plan documents are accurate and complete and that the Plan is being operated in accordance with its terms and applicable law. Plan Sponsor shall provide Empower with a signed copy of the Plan document and all amendments to the Plan document within thirty (30) days after

such document and/or amendment is adopted. Plan Sponsor acknowledges that it is responsible for reviewing the accuracy and completeness of all Plan document services performed by Empower, if any. Plan Sponsor is solely responsible for ensuring that a Plan is qualified under the Code. Notwithstanding the foregoing, Empower shall be responsible for ensuring that the IRS 401(a) pre-approved form of plan document provided by Empower meets IRS requirements for a 401(a) pre-approved plan.

**3.5. Disclosures.** Plan Sponsor agrees to comply with all of its notice and disclosure responsibilities under applicable law.

**3.6. Investment Options.** Plan Sponsor is responsible for the selection of all investment options made available under the Plan (“Investment Options”) based on Plan Sponsor’s independent evaluation, or that of its registered investment advisor, consultant, broker or other agent, as applicable. Plan Sponsor must notify Empower in writing of the Investment Options intended to be serviced by Empower and such Investment Option services are only provided as agreed upon by Empower and may be subject to certain limitations or conditions. Plan Sponsor acknowledges that Empower or its affiliates may receive fees from mutual fund families or other Investment Option sponsors or their affiliates for providing certain administrative or other services thereto (“Fund Service Fees”). Plan Sponsor may request additional information regarding such fees at any time. If the provider of an Investment Option causes an Investment Option to become unavailable, Empower will notify Plan Sponsor as soon as practicable after the Investment Option sponsor notifies Empower. Plan Sponsor acknowledges that the SEC requires mutual fund companies to establish procedures to prevent market timing and excessive trading. Plan Sponsor agrees to adhere to the terms and conditions of such procedures included with this Agreement, as amended from time to time.

**3.7. Payment of Plan Expenses.** Plan Sponsor may direct Empower in writing to deduct Plan expenses from the Plan to the extent Plan Sponsor has determined that deduction is specifically allowed by the Plan document and applicable law, and to remit to the party designated by the Plan Sponsor.

**3.8. Direction by Plan Sponsor.** In performing the Services, Empower is acting at the direction of the Plan Sponsor or other named fiduciary of the Plan. Plan Sponsor agrees to provide direction in a manner reasonably requested by Empower, and Empower may rely upon any such direction, whether provided electronically or in writing, by a person that Empower reasonably believes to be authorized to act on behalf of the Plan Sponsor or other named fiduciary. Plan Sponsor agrees that all services and procedures to be followed by Empower as set forth in any service profile, plan administrative guide, administrative form or other similar document will constitute direction by the Plan Sponsor to Empower, unless Plan Sponsor indicates otherwise. Plan Sponsor specifically intends that Empower will have no discretionary authority with respect to such “deemed” approved transactions and that Empower’s responsibility is limited solely to confirming it has been provided in good order and in accordance with the procedure.

**3.9. Electronic Delivery.** Empower will deliver plan-related documents to Participants under this Agreement in an electronic manner, to the extent available, including the following:

- a. Quarterly benefit statements will be posted to the participant website after quarter end. Participants will receive an annual notice advising them of the availability of the quarterly statement on the participant website and the right to receive a paper copy of the statement.
- b. Plan notices to be delivered by Empower will be delivered via email to the Participant’s work utilized email address as provided to Empower by the Plan Sponsor or, if the Participant has

affirmatively elected on the participant website, to the email address provided by the Participant or, if neither, via regular mail.

By providing Empower with a participant's email address, the Plan Sponsor confirms that the participant has the effective ability to access notices delivered to such email address at work.

Participants may elect on the participant website or by contacting an Empower customer services representative to receive quarterly statements and plan notices via regular mail at any time.

**3.10. Review of Reports.** Plan Sponsor and Participants are responsible for reviewing and monitoring reports made available by Empower (whether provided electronically, by posting on an Empower website, or otherwise) regarding Plan activity, transactions and investments to verify that the investments indicated in the reports properly reflect the investment directions provided by the Plan Sponsor or the investment elections made by Participants, as applicable. Empower's performance of its obligations under this Agreement shall be conclusively presumed to be accurate unless Plan Sponsor or a Participant provides Empower with proper notice of discrepancies.

**3.11. Error Correction.** If Empower makes an Investment Option transaction error, and it is brought to Empower's attention within ninety (90) days after distribution of the Participant statement that includes the Investment Option transaction error, Empower will, at its own expense, retroactively correct the error by putting the Participant back in the financial position where the Participant would have been had the error not occurred. In the case of other Empower errors, Empower will, within a reasonable time after being notified of or discovering such error, notify the Plan Sponsor and, as authorized by Plan Sponsor, take commercially reasonable steps consistent with Internal Revenue Service, Department of Labor and other agency guidelines, where applicable, to correct such error. Empower will have no liability for an error or mistake caused by acts or omissions of the Plan Sponsor, Participants or any other third party. If a correction is made at Empower's expense and results in a net loss, Empower will bear the loss. However, if the correction results in an unintended net gain, Empower will retain the gain as compensation for services provided to the Plan and to defray costs of servicing the Plan including offsetting net losses as described above.

#### **4. Fees & Charges**

**4.1. Fees.** Plan Sponsor agrees to pay Empower for the Services in accordance with the Schedule entitled Fees & Compensation. Such fees do not reflect the sales, use, excise, services, consumption and other taxes or duties as described in Section 4.2 below.

**4.2. Taxes.** Unless Plan Sponsor provides Empower with documentation of its exemption from taxation, Plan Sponsor will reimburse Empower for sales, use, excise, services, consumption and other taxes or duties that Empower is required to collect from the Plan Sponsor and which are assessed on the purchase, license and/or supply of Services. Plan Sponsor and Empower shall each bear sole responsibility for all taxes, assessments and other real property related levies on its owned or leased real property, personal property (including software), franchise and privilege taxes on its business, and taxes based on its net income or gross receipts. If applicable, Plan Sponsor and Empower shall reasonably cooperate to more accurately determine each party's tax liability and to minimize such liability to the extent legally permissible.

#### **5. Confidentiality & Data Privacy**

**5.1.** In order to perform the Services, both parties may have access to certain information of the other party, including, without limitation, trade secrets, commercial and competitively sensitive information of the party related to business methods or practices, and proprietary software or websites of the party (“Confidential Information”). For the purpose of clarity, any software or website owned, licensed, or made available by Empower (“Empower Software”) is Confidential Information of Empower. The parties mutually agree to hold all Confidential Information of the other party in confidence and not to disclose any Confidential Information of the other party to anyone except the parties’ affiliates, suppliers, and respective personnel in connection with the performance or receipt of Services hereunder or as directed or approved by the other party or its agents. Confidential Information does not include: information that is otherwise in the public domain through no action of the non-disclosing party; information that is acquired by a party from a person other than the other party or its agents without any obligation of confidentiality; information subject to disclosure under the California Public Records Act; or information that is independently developed by a party without reference to the Confidential Information of the other party.

**5.2.** In the event a party is required to make a legally required disclosure of the other party’s Confidential Information, such party shall notify the other party of the disclosure as soon as reasonably practicable and shall cooperate with any efforts by such party to obtain protective treatment of such Confidential Information to the extent permitted by law. The foregoing shall not apply to broad-based regulatory examinations associated with a party’s general business or operations, to disclosures made in conjunction with a law enforcement investigation or inquiry, or where notice is prohibited by law.

**5.3.** Empower and Plan Sponsor each agree to maintain and hold in confidence all Nonpublic Personal Information received in connection with the performance of Services under this Agreement (“NPI”). Empower and Plan Sponsor agree that their collection, use and disclosure of any and all NPI is and will be at all times conducted in compliance with all applicable data protection and/or privacy laws, rules and/or regulations. NPI includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act. Plan Sponsor authorizes Empower to disclose NPI to its affiliates, service providers, and to other Plan service providers, in connection with Empower’s performance of Services under this Agreement.

**5.4.** The parties will secure NPI through the use of appropriate physical and logical security measures, and will take all commercially reasonable organizational and technical steps to protect against unlawful and unauthorized processing of NPI.

**5.5.** Both Empower and Plan Sponsor will promptly notify the other in the event of (i) any confirmed breach of the party’s security measures that results in unauthorized access to or theft of NPI; (ii) the consequences of the breach, including (without limitation) any potential impact on the other party’s security measures, systems, data (including but not limited to NPI) or the Empower Software (defined above); and (iii) the corrective action taken to remedy the breach. In addition to the foregoing, Plan Sponsor will notify Empower immediately upon discovering a compromise of the security and/or log-on credentials of any Plan Sponsor employee or agent that has a plan administration role in Empower’s system.

**5.6.** Plan Sponsor acknowledges that Empower maintains security and fraud mitigation protocols (such as multi-factor authentication) designed to comply with statutory obligations and to safeguard Participant identities, Participant accounts, or access to Empower Software. Empower may update these protocols as needed to address new or evolving threats and statutory obligations. Plan Sponsor agrees to cooperate with Empower to implement, support, or otherwise cooperate in the implementation of any such updates, changes or enhancements. To the extent Empower offers Participants protection against account losses that result from unauthorized transactions, such protection

is not available if Plan Sponsor fails to meet the requirements of this provision, or if the loss resulted from a compromise of the systems or security protocols of Plan Sponsor or its third party service providers (other than Empower).

**5.7.** Upon request, Empower will provide Plan Sponsor or its designated agent with information (which may include NPI) received from or in relation to Participants in connection with the performance of services under this Agreement including recorded phone calls and written and electronic correspondence. To the extent Plan Sponsor requests such information, Plan Sponsor agrees to indemnify Empower and to waive, absolve and forfeit any claims against Empower for providing such information to the Plan Sponsor or its designated agent.

**5.8.** For purposes of Rule 14(b)-1 and Rule 14(b)-2 of the Securities Exchange Act of 1934, as amended from time to time, Plan Sponsor authorizes Empower, and/or its affiliates and services providers, to provide the name, address and share position of the Plan with respect to any class of securities registered under the Investment Company Act of 1940 when requested by such SEC registrant for purposes of shareholder meetings. The above-referenced rules prohibit the requesting SEC registrant from using the Plan's name and address for any purpose other than corporate communications of the type contemplated under the rules.

## **6. Business Continuity & Disaster Recovery**

**6.1.** Empower will maintain business continuity and disaster recovery procedures to address the security, integrity and availability of the technology, operational, financial, human and other resources required to provide mission-critical Services in the event of a natural disaster or other interruption of normal business operations. Such procedures will be tested at least once annually.

**6.2.** GWFS Equities, Inc.'s current Business Continuity Plans Notice is attached to this Agreement. By executing this Agreement, Plan Sponsor acknowledges receipt of this Notice.

## **7. Records & Audit**

**7.1. Record Retention.** Empower shall retain all records in its custody and control that are pertinent to performance under this Agreement in accordance with its record retention policy and as required by applicable law. Subject to the foregoing, each party agrees to return or destroy the other party's Confidential Information and NPI once it is no longer required for the purpose of performing or receiving the Services, provided that the parties are not obligated to destroy copies of Confidential Information or NPI that must be retained for audit, legal or regulatory purposes, or is stored in non-readily accessible electronic format, such as on archival systems.

**7.2. SSAE 18.** Each year upon the request of Plan Sponsor, Empower will provide Plan Sponsor with a copy of the review performed by Empower's external auditors under the "Statement of Standards for Attestation Engagements Number 18, Attestation Standards: Clarification and Recodification" of the American Institute of Certified Public Accountants (SSAE18) SOC 1, or any new or replacement standard or protocol established by the American Institute of Certified Public Accountants.

## **8. Intellectual Property Rights**

**8.1. Plan Sponsor Materials.** As between the parties hereto, excluding the Empower Materials (as defined below), Plan Sponsor shall own materials, trademarks, trade names, logos, trade dress, and

other Confidential Information provided or made accessible by Plan Sponsor to Empower for use in providing the Services (collectively, the "Plan Sponsor Materials"). Plan Sponsor Materials do not include data and information in the form or format maintained by Empower or supplied to Plan Sponsor by Empower. Plan Sponsor grants Empower a limited, revocable right and license to use Plan Sponsor's trade name, logo, trademark and anonymized data in materials created by Empower and for the purpose of promotion, advertisement or prospecting for new clients, including, without limitation, media releases, requests for proposals, case studies, and sales and marketing material.

**8.2. Empower Materials.** As between the parties hereto, Empower and its affiliates shall own all materials, documentation, user guides, forms, templates, business methods, trademarks, trade names, logos, websites, Empower Software, technology, computer codes, domain names, text, graphics, photographs, artwork, interfaces, and other information or material provided by Empower or its affiliates hereunder (collectively, the "Empower Materials"). Empower grants to Plan Sponsor and Participants (as applicable) a nonexclusive, non-transferable license to use the Empower Materials during the term of the Agreement for purposes of using Empower's Services hereunder and subject to the terms and conditions set forth in this Agreement and any terms of use associated with Empower Software. All rights with respect to the Empower Materials not specifically granted hereunder are reserved by Empower.

## **9. Indemnification, Liability & Insurance**

**9.1. Indemnification.** Empower agrees to indemnify the Plan Sponsor from and against any and all expenses, costs, reasonable attorneys' fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, "Damages") to the extent resulting from Empower's breach of this Agreement, negligence, or willful misconduct. Notwithstanding anything to the contrary herein, Empower shall not be liable to Plan Sponsor for any Damages resulting from: 1) any acts or omissions undertaken at the direction of the Plan Sponsor or any authorized agent thereof; 2) any direction of any third party retained by Plan Sponsor to provide services relating to the Plan, including but not limited to prior service providers, investment advisors, or any authorized agent thereof; or 3) any performance of the Services that is in strict compliance with the terms of this Agreement.

Plan Sponsor acknowledges that Empower and its directors, officers, employees and authorized representatives are not responsible for the investment performance of any Investment Options under the Plan.

**9.2. Limitation of Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFIT) EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**9.3. Insurance.** Empower will, at its own cost and expense, procure and maintain in full force and effect throughout the term of this Agreement insurance coverage that is reasonably appropriate to the Services provided under this Agreement. The requirements in this section are not intended to, and will not in any way, limit or qualify the liabilities and obligations of Empower under this Agreement.

## **10. Dispute Resolution**

The parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Agreement. If the parties are unable to agree between themselves, the parties will



submit the dispute to non-binding mediation conducted by a private mediator agreed to by both parties. If the parties cannot agree on a mediator, the mediator may be selected by a nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The costs of mediation shall be borne equally by the parties, and each party shall pay its own expenses. If the parties are unable to resolve the dispute through non-binding mediation, either party may initiate litigation; provided, however, that if one party requests mediation and the other party rejects the proposal or refuses to participate, the requesting party may initiate litigation immediately upon such refusal.

## **11. Term & Termination**

**11.1. Term.** The effective date of this Agreement is April 28, 2020, or such later date as it has been signed by both Plan Sponsor and Empower (“Effective Date”). The term of this Agreement is for a period of five (5) years, from April 28, 2020 through April 30, 2025, with automatic renewal for successive one (1) year periods unless terminated in accordance with the applicable provisions of Section 11.2 of this Agreement.

**11.2. Termination Rights.** This Agreement may be terminated by either party by delivering ninety (90) days advance written notice to the other party. Plan Sponsor directs Empower to deduct any and all outstanding expenses and fees owed to Empower from the Plan’s trust on the termination date, unless paid by the Plan Sponsor. Plan Sponsor agrees to amend the Plan, if necessary, to provide for the payment of expenses from the Plan consistent with the foregoing. Upon termination of this Agreement, Empower will cease to provide the Services. Plan Sponsor acknowledges that after the termination of this Agreement, Plan Sponsor will be responsible for performing all actions required to be taken with respect to the Plan including, but not limited to: processing of contributions, loans and distributions, and the distribution of forms to Participants. On and after the actual date of termination of this Agreement, Empower shall have no further obligations hereunder except as set forth in this subsection.

## **12. Miscellaneous**

**12.1. Affiliates & Agents.** Plan Sponsor acknowledges and agrees that Empower may utilize the services of affiliates, agents, vendors and suppliers selected by Empower. Empower’s use of any such party will not relieve Empower of its obligations hereunder, and Empower shall at all times remain liable for the performance of the Services hereunder.

**12.2. Relationship of the Parties.** The relationship between the parties is that of independent contractors. Neither Empower nor its personnel shall be considered employees of Plan Sponsor for any purpose. None of the provisions of this Agreement shall be construed to create an agency, partnership or joint venture relationship between the parties or the partners, officers, members or employees of the other party by virtue of either this Agreement or actions taken pursuant to this Agreement.

**12.3. No Third Party Beneficiaries.** This Agreement is solely for the benefit of the parties hereto and their affiliates and is not intended to confer any rights or remedies upon any other person.

**12.4. Assignment.** This Agreement shall be binding upon and inure to the benefit of each of the parties, their affiliates, successors and permitted assigns; provided, however, that neither party may assign its rights or obligations hereunder without the other party’s prior written consent. Notwithstanding the foregoing, a party may assign this Agreement in connection with: (i) the sale of substantially all of its assets or the assets of any business unit to an entity that assumes the assignor’s obligations under this

Agreement; (ii) a merger, acquisition or divestiture; and/or (iii) a transfer to a parent or affiliate, in each case without the other party's consent.

**12.5. Entire Agreement.** This Agreement, including all Exhibits, Schedules, notices and attachments, and the "Inland Empire Utilities Agency 457(b) and 401(a) Deferred Compensation Plans Request for Proposal (RFP) for Plan Administration and Record Keeping Services" (dated August 28, 2019), "Empower Retirement Solution for Recordkeeping and Administrative Services RFP Response" and RFP Exhibits 1 through 22 dated September 18, 2019, including Empower responses to follow up questions (in its entirety called "the RFP") (as incorporated by reference), constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services. In the event of a conflict between the terms of this Agreement and the RFP as referenced within this section, the provisions of this Agreement and its terms shall govern, and take precedence, unless otherwise expressly agreed between Plan Sponsor and Empower. Except as otherwise provided herein, this Agreement may be modified only by an Amendment signed by authorized representatives of each party. Notwithstanding the foregoing, Empower may unilaterally amend the Agreement in order to comply with applicable laws, to add or enhance the Services, or to update the method of providing the Services, by providing written notice to Plan Sponsor at least 30 days in advance of the effective date of such change. Any Empower notices or policies that are attached to or referenced in this Agreement may be modified by Empower at any time. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of such provision or any other provision hereof and no waiver shall be effective unless made in writing and signed by an authorized signer.

**12.6. Governing Law; Waiver of Jury Trial.** This Agreement shall be construed and enforced in accordance with and governed by the laws of the state of California without regard to conflict of law principles, and any claim arising under or related to this Agreement shall be subject to the exclusive jurisdiction of the federal and state courts located in California. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim arising out of, connected with, related to or incidental to this Agreement to the fullest extent permitted by law.

**12.7. Unclaimed Property.** With respect to any checks issued from Plan assets during the term of this Agreement, Plan Sponsor directs Empower to follow applicable state unclaimed property regulations and escheat such assets to the Plan's or the Participant's state of residence based on Empower's records. However, Plan Sponsor may direct Empower, in writing, to treat the Plan's uncashed checks or other unclaimed property in a different manner. Plan Sponsor is solely responsible for determining the appropriate handling of uncashed checks and any unclaimed property under the applicable federal and state laws including the determination and handling of amounts related to lost Participants.

**12.8. Website Services.** Empower will, as part of the Services, host, maintain and make certain information available to Plan Sponsor and Participants on a website or websites (the "Website Services"). Plan Sponsor will not use or permit any use of the Website Services (i) in any unlawful or illegal manner; (ii) in any way that could impair the Website Services or any other party's use thereof; or (iii) to distribute, sell, resell, license or transfer any of Plan Sponsor's rights to access or use the Website Services or make the Website Services available to any third party. Any user credentials, including user identification and passwords, established by Plan Sponsor and its delegates or any Participant (each a "User ID") is issued to a specific user and may not be shared or used by any individual other than that user. Plan Sponsor will be responsible to communicate to its users the applicable terms of this Section. Empower may terminate the User ID, or portions thereof, for any user involved in a breach of this Section. Plan Sponsor acknowledges that transmissions through the internet are inherently unsecure, that virus protection software, firewalls and

other security measures are not foolproof, and that the Website Services and their content are not invulnerable to fraud or hacking. In addition, Plan Sponsor acknowledges that Empower shall from time to time perform scheduled or emergency repairs, maintenance, and disaster recovery testing on the websites, and that such activity, or other circumstances beyond Empower's reasonable control, may cause the Website Services to be unavailable or delayed. Plan Sponsor agrees that Empower shall not be liable for any such delays or downtime in the Website Services, or for any virus or malicious access to the Website Services by third parties, provided that Empower has implemented and maintained security features with respect to the Website Services that are consistent with this Agreement and commercially reasonable industry standards.

**12.9. Force Majeure.** Neither Empower nor Plan Sponsor shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control, including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, epidemics, explosions, sabotage, acts of God, civil disturbance, governmental restriction, transportation problems, failure of power or other utilities including phones, internet disruptions, fire or other casualty, natural disasters, or disruptions in orderly trading on any relevant exchange or market, or any other cause that is beyond the reasonable control of either party.

**12.10. Severability.** The provisions of this Agreement are severable, and if for any reason a clause, sentence, paragraph or provision of this Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement that can be given effect without the invalid provision.

**12.11. Notices.** All formal notices required by this Agreement will be in writing and shall be sent to Empower as set forth below and to the most current Plan Sponsor and trustee address on file with Empower. All notices sent shall be effective upon receipt.

Notice To Empower:

Empower Retirement, LLC  
8515 East Orchard Road  
Greenwood Village, CO 80111  
Attn: Market Segment Head

With a copy to:

Empower Retirement, LLC  
8515 East Orchard Road  
Greenwood Village, CO 80111  
Attn: General Counsel

Notice to Plan Sponsor:

6075 Kimball Ave., Building A  
PO Box 9020  
Chino, CA 91709  
Attn: General Manager

With a copy to Plan Administrator:

6075 Kimball Ave., Building A  
PO Box 9020

Chino, CA 91709

Attn: Executive Manager of Finance and Administration/Assistant General Manager

**12.12. Headings; Defined Terms; Counterparts.** Section headings used in this Agreement are intended for reference purposes only and shall not affect the interpretation of this Agreement. Unless the context requires otherwise, capitalized terms defined in this Agreement have the meanings set forth herein for all purposes of this Agreement including any Schedules or Exhibits. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original.

**12.13. Survival.** The provisions of the following sections shall survive the termination of this Agreement: Fees & Charges; Confidentiality & Data Privacy; Record Retention; Intellectual Property Rights; Indemnification; Limitation of Liability; Dispute Resolution; Governing Law; Waiver of Jury Trial; Unclaimed Property; Website Services; Survival; Severability; No Third-Party Beneficiaries; and any other section that would by its context be reasonably expected to survive termination.

**12.14. Signatures/Corporate Authenticity.** By signing this Agreement, the parties certify that they have read and understood it, that they agree to be bound by its terms, and that they have the authority to sign it. This Agreement is not binding on either party until signed by both parties.

**Empower Retirement, LLC**



\_\_\_\_\_  
Signature

Robert Dwyer  
\_\_\_\_\_  
Printed Name

Vice President, Government Markets  
\_\_\_\_\_  
Title

03/26/2020  
\_\_\_\_\_  
Date Signed

**Plan Sponsor: Inland Empire Utilities Agency**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**Plan Administrator: Defined Contribution Plan  
Administrative Committee**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**SCHEDULE A**

**List of Plans**

- 1. Inland Empire Utilities Agency 457(b) Deferred Compensation Plan (“457(b) Plan”)  
Group Account Number: 100079-01**
  
- 2. Inland Empire Utilities Agency 401(a) Plan (“401(a) Plan”)  
Group Account Number: 100079-02**

## **SCHEDULE B**

### **Services**

#### **to the Administrative Services Agreement**

#### **for the 401(a) & 457(b) Plans**

### **I. PLAN IMPLEMENTATION AND CONVERSION**

#### **A. Initial Implementation and Conversion**

Empower will, together with the Plan Sponsor and their designees, coordinate the transfer of records and assets from the Plan's prior service provider(s) to provide an accurate database for conversion of Plan administration to Empower beginning at a time mutually agreed to by the parties. Empower requires a full test file in good order from the prior recordkeeper at least 60 days in advance of the conversion date and Plan Sponsor agrees to provide the data elements required by Empower. Plan conversion will be conducted during a period commencing on the date assets are transferred and extending for a period to be agreed upon with the Plan Sponsor (the "Transition Period"). During the Transition Period, Empower will not accept contributions, and will not process investment transfers or exchanges, distributions, loans or other Participant transactions unless specifically agreed upon with the Plan Sponsor. The prior recordkeeper(s) will process Participant contributions received prior to the Effective Date and will issue final quarterly Participant statements accordingly.

#### **B. Reconciliation of Trust Assets and Participant Accounts**

Before the end of the Transition Period, Empower must receive Plan final records and the value of the assets held for the Plan must equal the aggregate value of Participant accounts, as reconciled by Empower and reviewed by the Plan Sponsor. If there is any discrepancy in balances that cannot be resolved by the Plan Sponsor or a prior service provider to the Plan, Plan Sponsor will direct Empower regarding the allocation of any surplus or will arrange for contribution of additional amounts to the Plan to make-up any shortfall, as the case may be, before the end of the Transition Period. Plan Sponsor acknowledges that extension of the Transition Period may be necessary because of the action or inaction of the Plan Sponsor or a prior service provider, or because of inaccurate or incomplete information.

### **II. PLAN INVESTMENT OPTIONS**

#### **A. Selection of Investment Options**

In addition to the sole responsibility for the selection of the Investment Options to be made available under the Plan, Plan Sponsor will also designate one of the Investment Options available to be the "default" investment, in which any contribution or other amount credited under the Plan for which neither the Participant nor the Plan Sponsor has provided Empower with investment directions in good order will be invested. Plan Sponsor may designate a default option(s) for Participant contributions and also designate a second default option for employer contributions. Plan Sponsor will notify Empower in writing of any changes to such Investment Options or the default investment fund(s), and the parties will agree upon a process for the transfer of assets and investment elections, if applicable, from prior Investment Options to new Investment Options.

Plan Sponsor directs Empower and its affiliates, as applicable, to cause all dividends, capital gain distributions, interest or other earnings paid by an Investment Option under the Plan to be reinvested in such Investment Option unless directed otherwise by the Plan Sponsor.

## **B. Information Regarding Investment Options**

Plan Sponsor directs Empower to obtain, or cause its designee to obtain, all necessary information (including but not limited to valuation, performance, prospectuses and other investment information) regarding any Investment Option available under the Plan from any third parties representing such Investment Options (“Investment Option Sponsor(s)”). Plan Sponsor acknowledges that prospectuses for the Investment Options, as applicable, will be made available electronically through one or more websites maintained by Empower or its affiliates. In the event an Investment Option Sponsor does not provide all necessary information and Empower agrees, Plan Sponsor will arrange to provide Empower or its designee, or cause Empower or its designee to be provided, the necessary information regarding said Investment Option. In no event will Empower be responsible for the accuracy of any such information provided to Empower or its designee regarding any Investment Option, and Empower or its designee will have no duty or obligation to question, confirm or independently verify any such information.

## **C. Investment Option Changes**

Plan Sponsor may replace the Investment Options at any time, subject to applicable notice requirements. If any Investment Option is terminated by the investment provider, and Plan Sponsor wishes to replace the terminated option, Plan Sponsor agrees to replace the terminated option with an available fund from any fund company that currently has, or will enter into, a trading agreement with Empower.

## **D. Self-Directed Brokerage Account**

A self-directed brokerage (“SDB”) account shall be made available to Participants, provided Plan Sponsor executes all required Empower and SDB provider documents. Plan Sponsor acknowledges that the SDB shall be administered in accordance with procedures provided by Empower, and that the core investment minimum shall be \$2,500, the initial transfer minimum shall be \$500, and the subsequent transfer minimum shall be \$1, as described in the SDB policies and procedures.

# **III. RECORDKEEPING AND ADMINISTRATION SERVICES**

## **A. Enrollment**

Based on information provided by the Plan Sponsor or its designee, Empower will enroll Participants in the Plan in a manner mutually agreed upon by Empower and the Plan Sponsor. If the Plan so provides, at the direction of the Plan Sponsor, Empower will administer an automatic enrollment and/or an automatic increase feature that will enroll eligible employees and, if applicable, increase employee deferral rates unless they elect otherwise.

### **1. Eligibility Determination**

Plan Sponsor directs Empower to determine employee eligibility as directed by the Plan Sponsor and through Plan Sponsor provided information and criteria. Empower shall also communicate details of the enrollment process to eligible Participants. Plan Sponsor agrees to notify Empower at least thirty (30) days prior to any change in the Plan’s eligibility requirements. Empower may discontinue this service if the Plan’s new eligibility requirements are incompatible with Empower’s recordkeeping system requirements.



## **2. Online Enrollment**

Plan Sponsor directs Empower to allow online enrollment. Once the Payroll Data Interchange (“PDI”) file is transmitted, Plan Sponsor directs Empower to communicate details of the enrollment process to eligible Participants allowing enrollment in the Plan through the website or the voice response unit (“VRU”).

### **B. Deferral Processing**

If Plan Sponsor provides Empower at implementation with an electronic employee data feed of all the Participant deferral amounts/percentages or full PDI file, Plan Sponsor directs and authorizes Empower to allow Participants to update their deferral elections via the website and VRU. Empower will forward updated deferral information to Plan Sponsor according to the schedule elected by Plan Sponsor.

### **C. Vesting Services**

Plan Sponsor will provide Empower with up-to-date full service vesting information electronically and ongoing Participant information as needed for the purpose of performing vesting services. Plan Sponsor directs Empower to:

1. Maintain each Participant’s vesting percentage on Empower’s recordkeeping system;
2. Display the Participant’s vested account balance on the quarterly statements; and
3. Calculate and process withdrawals and/or loans according to the vested percentage.

### **D. Establishment of Participant Accounts**

Empower shall establish and maintain an account for each Participant. Each account record shall consist of the Participant’s name, Social Security number, address, date of birth, telephone number and such other information as may be required from time to time for administration of the Plan.

If the Plan allows for Roth after-tax contributions, Empower will maintain an accounting of the contributions and earnings in separate accounts. Amounts distributed from Roth accounts will be made and tax reported pursuant to the applicable provisions of this Agreement.

### **E. Beneficiary Recordkeeping**

Plan Sponsor affirms that the Plan allows web-initiated beneficiary designations. Plan Sponsor directs and authorizes Empower to accept, maintain and file, without Plan Sponsor’s further approval, beneficiary designations received by Empower in good order and in a manner acceptable to Empower. Upon request, Plan Sponsor agrees to provide Empower with any and all beneficiary information filed with the Plan by Participants prior to the Effective Date.

Plan Sponsor shall provide Empower with directions regarding any Plan requirements as to spousal consent for beneficiary designations. If there are any such requirements, Plan Sponsor directs Empower to rely on the marital status specified by the Participant on the beneficiary designation form, and to obtain spousal consent, when applicable. If a beneficiary designation requires spousal consent, such designation may be made only by paper form.

Plan Sponsor agrees to review and sign each death benefit claim form. In the event Plan Sponsor submits a signed death benefit claim form for a claimant other than the beneficiary on file with Empower, if any, Empower will return the form to Plan Sponsor for further directions.

## **F. Receipt and Investment of Contributions**

Empower will credit contributions for allocation to Participant accounts in accordance with directions from the Plan Sponsor and as set forth below. Empower will allocate or otherwise apply forfeitures under the Plan accounts, if any, as directed by the Plan Sponsor. Empower will pass directions to invest such contributions, and to execute appropriate transactions related to forfeitures, to the Plan trustee or custodian in accordance with investment directions of the Plan Sponsor. Instructions of the Plan Sponsor with respect to contributions may include directions to invest Participant accounts in accordance with Participant investment directions.

### **1. Contribution Method and Timing**

#### **a) Contributions Funded via ACH**

Contributions processed directly online to Empower's recordkeeping system with ACH funding by 11 p.m. Pacific Time) will be allocated effective the next Business Day, at that Business Day's net asset / unit values. Funds must be sent via ACH within Empower's plan sponsor web site functionality.

#### **b) Contributions Sent via Check or Wire**

Contributions, including both complete and accurate records and the funds (via wire or check), received by Empower during any Business Day will be allocated effective that Business Day, at that Business Day's unit value. Contributions not received by Empower during a Business Day will be allocated effective the next Business Day.

### **2. Monitoring the Deferral Limits**

Unless otherwise requested, Empower will monitor Participants' total deferrals under the Plan for the calendar year and provide warning messages for payroll contributions processed within the Plan Service Center (PSC). However, it is the Plan Sponsor's responsibility to ensure that the applicable limit(s) for the Plan are not exceeded. Any distributions requested by the Plan Sponsor to correct excess deferrals will be appropriately tax reported.

Empower will provide assistance to Participants in calculating special catch-up contributions for the 457(b) Plan. Plan Sponsor acknowledges that Participants are fully responsible for the accuracy of these calculations.

## **G. Investment Transfers of Existing Assets**

Empower or its designee will process investment transfers or exchanges, as applicable, in accordance with customary processing standards, subject to any limitations imposed by the available Investment Options under the Plan or Investment Option Sponsors, and in accordance with the investment directions of the Plan Sponsor, which may include direction to invest in accordance with Participant directions. Empower will pass to the Plan trustee or custodian, as applicable, directions to execute or record as appropriate the corresponding transactions involving the assets of the Plan's trust.

Requests for Participant-initiated transfers between Investment Options will be processed and effective the Business Day they are received by Empower. Any transfer request not received by

Empower during a Business Day will be processed and effective the next Business Day, or such earlier time as may be required in order to comply with applicable law.

### **1. Market Timing and Excessive Trading**

Plan Sponsor acknowledges receipt of, and agrees to adhere to the terms and conditions of, the Procedures for Complying with Fund Company Market Timing and Excessive Trading Policies exhibit, attached to this Agreement.

### **H. Plan Loans**

Empower will administer Participant account reduction loans repaid by payroll deduction pursuant to the Plan's loan policy, as amended from time to time. Loan requests may be initiated through the Voice Response System or Participant Website or submitted on approved forms with Plan Sponsor signature authorization. Empower will charge fees related to the conversion and administration of Participant account reduction loans as described in Schedule C.

### **I. Distributions**

Empower will make payments to Participants pursuant to complete payment instructions and the Plan Sponsor's directions received in good order and will debit Participant accounts accordingly. For the purposes of this Agreement, "complete payment directions" means that all required information on the Participant request form, whether paper or online, has been completed, including all required signatures or authorizations, and that Empower has completed its review of the request in accordance with the terms of this Agreement. If the Participant's birth date information has not been provided, or if there is a discrepancy between the birth date on the system and the birth date on the form, Empower is directed to rely on the birth date specified by the Participant on the form.

Plan Sponsor agrees to provide a signature authorization or signatureless authorization for all distribution requests allowed under the Plan, including but not limited to hardship or unforeseeable emergency distributions, if applicable to the Plan, alternate payee distributions and beneficiary distributions. Empower reserves the right to charge an additional fee for services related to distributions to non-resident aliens and other distributions outside the ordinary course of plan administration.

### **J. Tax Withholding and Reporting of Distributions**

Plan Sponsor appoints Empower or its designee as its agent to perform income tax withholding and reporting for all distributions Empower processes and to collect and remit state documentary stamp or similar taxes on all loans Empower processes to the extent applicable. Plan Sponsor agrees to provide all information needed by Empower to perform these services. Empower or its designee shall deposit the income tax withheld with the Internal Revenue Service ("IRS") and other appropriate governmental entities, as applicable, on or before the applicable due dates for such remittances. Empower will complete necessary tax reporting forms for distributions it processes, file the tax reporting forms with the IRS or other governmental authority, as applicable, and send copies to the distributee. Distributions to a person subject to reporting and withholding rules that differ from those applicable to United States residents will be subject to withholding applicable to non-resident aliens unless otherwise directed by the Plan Sponsor.

With respect to Plan Sponsor-initiated distributions or rollovers from the Plan, Plan Sponsor directs Empower to rely upon the information on Empower's recordkeeping system for purposes of tax reporting and withholding, and to treat payees with U.S. addresses as U.S. persons and

payees with foreign addresses as foreign persons. Plan Sponsor certifies that such information is accurate and compliant with the Foreign Account Tax Compliance Act (FATCA) and the Code, and that required documentation supporting such information has been collected by Plan Sponsor.

#### **K. Code Section 402(f) Notice**

Empower shall provide Participants with the IRS model notice, as amended from time to time, pursuant to Code section 402(f).

#### **L. Distribution Education Services**

Empower or its affiliates will make retirement consultants available to Participants to provide retirement planning and distribution education services and may contact Participants who are eligible to receive distributions from the Plan to provide information regarding distribution options under the Plan including rollover services and products offered by Empower.

#### **M. Participant Fiduciary Services**

Upon written direction from the Plan Sponsor, Empower may offer investment advice and provide recommendations as a fiduciary under applicable law to Participants on certain Plan transactions, such as point-in-time investment advice on designated investment alternatives, investment advisory services available under the Plan, and recommendations on distribution and rollover options, which may include services and products offered by Empower and its affiliates. When Empower acts as a fiduciary, it will do so in the best interest of the Participants. Empower will provide such fiduciary services pursuant to applicable law.

### **IV. SIGNATURELESS RECORDKEEPING SERVICES**

#### **General Requirements**

This Section IV describes certain services under which Empower will process Participant requests without obtaining Plan Sponsor signature or other specific approval. In doing so, Empower will not exercise any fiduciary authority or make any discretionary determinations. Rather, this Agreement will act as a one-time, blanket direction and approval by Plan Sponsor for Empower to process all Participant requests that meet the stated criteria.

In order to receive the signatureless services detailed in this Section IV Plan Sponsor must utilize the Plan Service Center ("PSC") and must provide all necessary information in a PDI file. Plan Sponsor must also provide any additional information or directions as required by, and in a form acceptable to, Empower. In addition, in most cases, Empower must be the sole recordkeeper for the Plan. If at any time Plan Sponsor does not meet these general requirements, or does not meet the specific requirements of any service described in this Section IV, Empower shall not be responsible to continue to provide such service.

#### **A. Automated Mandatory Distributions (De Minimis)**

Plan Sponsor directs Empower to automate mandatory distributions of small account balances, as elected by Plan Sponsor in good order and in accordance with procedures provided by Empower.

#### **B. Required Minimum Distributions (RMDs)**

The Plan Sponsor directs Empower to provide a notice to Participants who, based on the Plan records reflected on Empower's recordkeeping platform, are RMD eligible. If the Participant does not timely provide an election for the RMD as described in the notice, the Plan Sponsor acknowledges and agrees that it must provide timely direction to Empower with respect to processing any RMD payments prior to the regulatory deadline. Empower will process RMDs upon receipt of a Participant or Plan Sponsor request in good order.

### **C. Signatureless Distributions Due to Unforeseeable Emergencies**

Plan Sponsor instructs and authorizes Empower to process, without Plan Sponsor's further approval, all Participant requests, received in good order and in a manner acceptable to Empower, for distributions due to unforeseeable emergency resulting in a severe financial hardship to the Participant or Beneficiary that cannot be alleviated by any other means available to the Participant. Empower shall only process such requests if they meet the safe harbor defined in the Treasury Regulations, as described below. Plan Sponsor further instructs Empower to rely on any and all representations made by a Participant in a request. The following situations shall qualify for a distribution under this section:

1. An illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in Code Section 152, and for taxable years beginning on or after January 1, 2005, without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B));
2. Loss of the Participant's or Beneficiary's property due to casualty;
3. The following extraordinary and unforeseeable circumstances, if they arise as a result of events beyond the control of the Participant or Beneficiary:
  - a) The imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence;
  - b) The need to pay for medical expenses, including nonrefundable deductibles, as well as the cost of prescription drug medication; and
  - c) The need to pay for the funeral expenses of a spouse or a dependent (as defined in Code Section 152, and for taxable years beginning on or after January 1, 2005, without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B)) of Participant or Beneficiary.

Except in extraordinary circumstances, the following are examples of situations that shall NOT qualify for a distribution under this section:

1. Purchase of real estate;
2. Payment of college tuition;
3. Unpaid rent or mortgage payments, except in the event of imminent foreclosure or eviction;
4. Unpaid utility bills;
5. Loan repayments;
6. Personal bankruptcy (except when resulting directly and solely from illness, casualty loss or other similar extraordinary and unforeseeable circumstances beyond the Participant's or Beneficiary's control);
7. Payment of taxes, interest or penalties; or
8. Marital separation or divorce.

Plan Sponsor will make determinations with respect to any unforeseeable emergency distribution request that does not clearly fall within the guidelines set forth above.

In the event of any changes to applicable law, including the safe harbor defined in the Treasury Regulations, Empower may revise this authorization and instruction from time to time and without further notice to Plan Sponsor. This authorization and instruction shall remain in effect until revoked by either party.

In order to receive this service, Plan Sponsor must also utilize Empower's beneficiary recordkeeping and deferral recordkeeping services.

For each Participant receiving an unforeseeable emergency distribution, Plan Sponsor instructs Empower to notify Plan Sponsor to suspend elective deferrals for the period required by the Plan, if any. Empower is instructed to deny any request where the unforeseeable emergency event occurred prior to the Effective Date, or more than one year prior to the date the request is received. Empower may contact Plan Sponsor for direction when unusual situations arise. For each request that is denied or that cannot be processed due to its failure to satisfy an unforeseeable emergency event, Plan Sponsor instructs Empower to notify the Participant to contact Plan Sponsor if the Participant wishes to appeal the determination.

#### **D. Signatureless Qualified Domestic Relations Orders**

Plan Sponsor's approved model form of QDRO for the Plan is attached to this Agreement. Plan Sponsor instructs and authorizes Empower to treat as qualified each QDRO received by Empower in good order using the model QDRO form, or a form that is similar in all material respects to the model QDRO form. Plan Sponsor instructs Empower to process the QDRO, without Plan Sponsor's further approval, by establishing a separate account for the alternate payee or making a lump sum distribution to the alternate payee. Plan Sponsor instructs Empower to send a copy of each QDRO confirmation or rejection letter to Plan Sponsor.

Plan Sponsor further instructs Empower to process, without Plan Sponsor's further approval, all requests, received in good order and in a manner acceptable to Empower, for distributions from alternate payee accounts established before or after the Effective Date. Plan Sponsor instructs Empower to calculate any alternate payee's QDRO amount based solely on the Participant's account records on Empower's recordkeeping system, and to reject any QDRO that specifies a valuation date prior to the Effective Date.

If the alternate payee's awarded share exceeds the value of the Participant's core investment account(s) under the Plan, Empower shall notify the Participant in writing to liquidate and transfer the necessary remaining sum from the SDB into the core investment options, to enable the processing of the QDRO. If the Participant fails to transfer the necessary amount within fifteen (15) Business Days of the date of the notification, and if the necessary amount is available in the SDB money market, Plan Sponsor instructs Empower to transfer such amount into the Designated Investment Option. If there are insufficient available funds in the SDB money market, Plan Sponsor instructs Empower to notify the SDB provider to liquidate all of the Participant's SDB investments and to transfer the entire amount into the Designated Investment Option.

Plan Sponsor agrees to make determinations with respect to any orders received that are not materially similar to the model QDRO form for reasons other than the inclusion of a valuation date that precedes the Effective Date.

### **V. ACCESS TO RECORDKEEPING SYSTEM & SERVICE REPRESENTATIVES**

#### **A. Automated Voice Response System**

Participants will have access to a toll-free, automated voice response system to inquire or make account changes from a touch-tone telephone. Inquiry services available from the automated voice response system will utilize share prices, unit values and account balances that are as of the last calculated unit value/share price.

The automated voice response system will be available 24 hours a day, 7 days a week, except for routine maintenance of the system which, when necessary, will generally take place on Sunday between the hours of 2:01 am and 2:01 pm Eastern Time. However, the system may also be limited or unavailable during periods of peak demand, market volatility, systems upgrades, or maintenance, or for other reasons.

#### **B. Participant Website**

Participants will have access to a mobile responsive website to inquire or make certain account changes via the internet. In addition, Participants can download a complimentary Android app and an iOS phone, iPad and Apple Watch app. The Android and Apple Watch apps currently support inquiry-only capabilities while the iOS phone / iPad app supports both inquiry and certain change capabilities. All such apps will be subject to the terms of the Agreement, as related to privacy and data security

The website will be available 24 hours a day, 7 days a week, except for routine maintenance of the system which, when necessary, will generally take place on Sunday between the hours of 2:01 am and 2:01 pm Eastern Time. However, the system may also be limited or unavailable during periods of peak demand, market volatility, systems upgrades, or maintenance, or for other reasons.

#### **C. Participant Service**

Participant service representatives will be available via toll-free telephone call to Empower to answer Participant questions and process applicable transactions each Business Day between the hours of 5:00 am and 7:00 pm Pacific Time and on Saturdays between 6:00am and 2:30pm Pacific Time.

#### **D. Plan Sponsor Access to Recordkeeping System**

Plan Sponsor may interface with Empower's recordkeeping system online via Empower's plan sponsor website to inquire or make changes while administering the Plan. Upon request, Empower representatives will be made available to assist and train employees of Plan Sponsor in properly accessing and processing transactions on the Empower's plan sponsor website. Empower's plan sponsor website will be available consistent with the availability of the automated voice response system.

### **VI. PARTICIPANT COMMUNICATION AND EDUCATION**

#### **A. Communication Materials**

Empower will provide Participant educational and communication materials regarding financial investing and retirement options. These materials may include, but are not limited to, newsletters, brochures, and other materials as mutually agreed upon.

#### **B. Group Presentations**

Empower representatives will conduct group presentations at which some or all of the following will be communicated:

1. Summary of the key provisions of the Plan;

2. Summary of authorized investment options;
3. Discussion of services including automated voice response system inquiry, retirement planning, and investment seminars;
4. Instructions on how to sign up for the Plan or request an individual counseling session with an Empower representative.

#### **C. Individual Counseling Sessions**

Upon request, Empower representatives will conduct prescheduled individual counseling sessions, utilizing a Participant paycheck analysis, an asset allocation model and retirement counseling services, as approved by Plan Sponsor.

#### **D. Plan Sponsor Committee Meetings**

Upon request, an Empower representative will attend periodic Plan Sponsor committee meetings and will be prepared to provide information regarding the Plan and its activities.

#### **E. Communications Plan**

Empower will prepare a communications plan for review by Plan Sponsor. Such Plan will be finalized in a mutually agreeable manner.

#### **F. Financial Wellness**

Empower will provide employee plan and investment education and communications materials, including education and planning tools.

##### **1. Empower Participant Experience**

Empower will provide Participants, with certain exceptions, access to the Participant Website (“Empower Participant Experience”). The Empower Participant Experience provides Participants with an estimated hypothetical monthly retirement income and goal based on a number of factors including the Participant’s plan assets, plan contribution rates and compensation data.

##### **2. Health Cost Estimator**

Empower will provide Participants, with certain exceptions, access to Empower’s Health Cost Estimator (as defined below) on the Participant Website. Health Cost Estimator provides Participants with estimated monthly health care expenses based on retirement age and certain personal health condition information provided to Empower by Participants (“Health Cost Estimator”). All health care costs and projections are provided by an unrelated third party vendor. Plan Sponsor agrees that the Health Insurance Portability and Accountability Act of 1996 does not apply to any personal health condition information provided to Empower by Participants. Plan Sponsor also acknowledges that such health condition information is owned by the Participant and not the Plan Sponsor and that Empower will not disclose any health condition information provided to Empower by Participants to Plan Sponsor without the Participant’s consent. Empower agrees that, except as provided in the preceding sentence, it will otherwise treat such health condition information as NPI in accordance with the Section entitled Confidentiality & Data Privacy. Plan Sponsor further agrees not to use any information it obtains through Health Cost Estimator other than for Plan purposes, contribution rates and compensation data.

##### **3. Personalized Participant Communications**



Except as otherwise agreed by the parties, Empower will send certain action-oriented Participant education communications according to a Participant's behavior, preferences, and information.

Messaging will include:

- information about the tools and services available in the Plan and what actions a Participant may take to build individual savings, and will address topics such as enrollment, beneficiary designation, contribution increases, asset allocation, catch-up contributions and more;
- general financial topics that a Participant may find helpful while striving to reach financial and savings goals, and will include budgeting, debt management, investing basics, emergency funds, National Retirement Security Week and more;
- the opportunity to view additional options available that may provide a Participant with a more comprehensive savings strategy, and will include information about healthcare savings accounts, estate planning, college saving and more.

A Participant must have an email address on file with Empower in order to receive such communications via email. The Participant can opt out of receiving these emails at any time as required by applicable law.

#### **4. My Financial Path**

Empower's financial wellness program (My Financial Path) offers Participants tools and services to review their overall financial wellness and may include information on financial products and services made available by Empower or third party providers. More information on the applicable financial products and services is available upon request. My Financial Path includes a "Next Step Evaluator" tool that allows Participants to complete a personalized online assessment, the output of which provides Participants with ideas on next steps they can take to address certain financial concerns they identified when completing the assessment. Additional educational resources will be available to Participants to learn more about financial topics of interest, including a learning center with educational content on certain financial wellness topics. Empower or its affiliates may make retirement education consultants available to Participants to provide financial wellness consultations. Retirement education consultants may contact Participants to consult on My Financial Path tools and services and may discuss certain Empower financial products and services during the consultation. Consultations involve topics such as (but not limited to): budgeting, saving, student debt, debt prioritization, life insurance, managing investments and consolidating assets. There is no additional cost to the Plan Sponsor or its Participants for the Next Step Evaluator and the additional educational resources offered by Empower. Participants may pay fees if they choose certain products available through My Financial Path (see the product fee schedule(s), if applicable for more detail). Empower may receive fees and other payments from the My Financial Path products offered by Empower and third parties that are selected by Participants. See the Plan's Fee Disclosure Report for more detail (a copy of the Plan's most recent Fee Disclosure Report is available on the Plan Sponsor Website).

## **VII. REPORTING SERVICES**

### **A. Participant Reporting**

Empower will provide Participants a confirmation for transactions involving investment allocations, investment transfers, contribution rates, change of address, rollover contributions,

and rebalance activity. Empower will also make available to each Participant account information on at least a quarterly basis, including beginning and ending balances, all participant funded contributions and transactions processed, all employer funded contributions and transactions processed, interest credited or change in value, fees and withdrawals deducted, transfers processed and performance data on Investment Options held by the Plan to the extent such data is provided by the Investment Option Sponsor, personal rate of return on investments, account balance translated into an estimated monthly income amount, and balance in the self-directed brokerage account, as applicable.

Participants' statements shall be distributed in accordance with Section 3.9 Electronic Delivery of the Administrative Services Agreement.

Statements will be available within fifteen (15) Business Days after receipt of final information in good order from third party sources. The first quarterly statement following the Effective Date may be available at a later date while records are being established.

## **B. Plan Sponsor Reporting**

Empower will provide an Employer Plan Summary Report to Plan Sponsor, summarizing Plan-level assets and Participant account balances, within thirty (30) Business Days after each calendar quarter end ("Employer Plan Summary Report"). The first report following the Effective Date may be available at a later date while records are being established.

The following Plan information will be addressed in the Employer Plan Summary Report:

1. Summary of Plan transactions and assets;
2. Summary of contributions processed;
3. Withdrawals;
4. Annuities purchased, if applicable;
5. Periodic payments;
6. Investment option grand totals – summarizes both dollars and units/shares and Plan activity;
7. Investment option totals by money type – summarizes both dollars and units/shares and money type activity;
8. Participant summary – a report of account activity for each Participant.

## **C. Annual Plan Review**

Plan Sponsor will receive an annual plan review including the following information:

1. Review of enrollment efforts;
2. Asset allocation information, contributions, distributions (investment options and fixed/variable split);
3. Voice response usage and enhancements;
4. Benefit payments;
5. Direct online system access – current services and available services;
6. Legislative updates.

## **D. Regulatory Updates**

Empower will periodically make information available to Plan Sponsor concerning federal legislative activity of which Empower is aware that may affect the Plan and related funding contracts. Such information, however, does not constitute legal or tax advice regarding the legal sufficiency of the Plan.

#### **E. Plan Document Services**

If the Plan Sponsor is using a plan document offered by Empower, Empower will provide a sample Plan document, an adoption agreement, and any Plan document amendments that may be required due to change in applicable law, prior to the date required.

**ATTACHMENT TO SCHEDULE B**  
**to the Administrative Services Agreement**  
**for the 401(a) & 457(b) Plans**

**Model QDRO**

**Plan Sponsor's approved model form of Qualified Domestic Relations Order  
401(a) Plan  
("QDRO")**

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This is a Model Qualified Domestic Relations Order ("Model QDRO") that has been preapproved by Great-West for use by the Plan for outsourced Qualified Domestic Relations Order ("QDRO") services. Although this Model QDRO conforms with Federal QDRO requirements, it may need to be revised for state and/or local law and/or the specific requirements of the Plan itself. Further, the format of the Qualified Domestic Relations Order may vary depending upon the rules of the court in which the Participant obtains the Domestic Relations Order. For these reasons, this Model QDRO should be used only by the Plan after consultation with the Plan's counsel. Any revisions to the Model QDRO must be submitted to Great-West for approval for use with our outsourced QDRO services. Nothing contained in this Model QDRO shall be construed as tax or legal advice.

It is recommended that a proposed version of this order be submitted to Great-West with the body of the order filled in prior to entry of this order for purposes of your obtaining Great-West's preapproval of the proposed order.

Proposed and entered orders should be remitted to the Plan Recordkeeper as follows:

Empower Retirement  
P.O. Box 173764  
Denver, CO 80217-3764  
Fax # (866) 745-5766

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.....COURT, CITY OF ....., COUNTY OF .....

STATE OF .....

IN RE THE MARRIAGE OF:

.....

No. ....

Petitioner,                                    )  
and    )  
Respondent

QUALIFIED DOMESTIC RELATIONS ORDER

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, based on the findings set forth below,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Parties:** The parties hereto were husband and wife, and a divorce action is in this Court at the above number. This Court has personal jurisdiction over the parties. The parties were married on \_\_\_\_\_ and divorced on \_\_\_\_\_.
2. **Participant Information:** The name, last known address, social security number and date of birth of the plan "Participant" are:

a. Name: \_\_\_\_\_

- b. SSN: \_\_\_\_\_
- c. Address: \_\_\_\_\_
- d. Date of Birth: \_\_\_\_\_

3. **Alternate Payee Information:** The name, last known address, social security number and date of birth of the "Alternate Payee" are:

- a. Name: \_\_\_\_\_
- b. SSN: \_\_\_\_\_
- c. Address: \_\_\_\_\_
- d. Date of Birth: \_\_\_\_\_

The Alternate Payee is the Participant's former spouse. The Alternate Payee shall have the duty to notify the Plan Administrator and/or Recordkeeper of any changes in mailing address subsequent to the entry of this Order.

4. **Plan Name.** The name of the Plan to which this Order applies is the Inland Empire Utilities Agency 401(a) Plan (hereafter referred to as "Plan").

Any changes in the Plan Administrator, Plan Sponsor, or name of the Plan shall not affect Alternate Payee's rights as stipulated under this Order.

5. **Effect of this Order as a Qualified Domestic Relations Order:** This Order creates and recognizes the existence of an Alternate Payee's right to receive a portion of the Participant's benefits payable under an employer-sponsored defined contribution plan that is qualified under Section 401 of the Internal Revenue Code (the "Code"). It is intended to constitute a Qualified Domestic Relations Order ("QDRO") under Section 414(p) of the Code.

6. **Pursuant to State Domestic Relations Law:** This Order is entered pursuant to the authority granted in the applicable domestic relations laws of \_\_\_\_\_.

7. **Provisions of Marital Property Rights:** This Order relates to the provision of marital property rights as a result of the Order of Divorce between the Participant and the Alternate Payee.

8. **Amount of Alternate Payee's Benefit:** This Order assigns to the Alternate Payee an amount equal to [choose either option 8A1 or 8A2 below]:

8A1 \$\_\_\_\_\_ of the Participant's Total Vested Account Balance under the Plan as of the date this Order is processed.

OR

8A2 \$\_\_\_\_\_(dollars and cents) or \_\_\_\_% (percent)] of the Participant's Total Vested Account Balance accumulated under the Plan as of \_\_\_\_\_ (or the closest valuation date thereto). The Alternate Payee's benefit herein awarded shall be credited with any investment income (or losses) attributable thereon from the aforesaid valuation date (or the closest valuation date thereto), until the date of transfer of the Alternate Payee's share to the Alternate Payee.

(Note to drafting attorney: The Plan's current recordkeeper is not able to determine the value of the Participant's account balance and any investment earnings and/or losses prior to \_\_\_\_\_. The parties will need to arrive at a dollar figure or percentage of benefits payable to the Alternate Payee as of a date that is no earlier than \_\_\_\_\_. The Plan's current recordkeeper can determine the account value and calculate any earnings and/or losses from \_\_\_\_\_ through the date assets are transferred or distributed to the Alternate Payee. Keep in mind that if you must adjust the valuation date forward and a percentage is awarded to the Alternate Payee in this section, you should consider whether to adjust the Alternate

Payee's awarded percentage to account for any additional contributions (and any gains/losses accruing thereon) made by or for the Participant to the account after the originally intended valuation date.)

Such Total Account Balance shall be determined after the account is reduced by the outstanding balance of the Participant's account reduction loan(s), if any, as of the valuation date specified above, such that the Account Balance shall not include the outstanding balance of any account reduction loan(s) as of the valuation date. The obligation to repay any Participant Plan loan(s) from and after the date of this Order remains solely with the Participant. Such Total Vested Account Balance shall include all amounts maintained under all of the various accounts and/or sub-accounts established on behalf of the Participant, including rollover and transfer contributions.

The Alternate Payee's portion of the benefits described above shall be allocated on a pro rata basis first from all of the core accounts and/or core investment options maintained under the Plan on behalf of the Participant other than life insurance or self-directed brokerage ("SDB"), if any. The Plan shall redeem amounts from a life insurance contract, if any, issued for the Participant under the Plan only to the extent necessary to obtain the amount that this order awards to the Alternate Payee. If there are any SDB investments, and if the balance in the core investments is insufficient to satisfy the judgment, Participant must initiate a transfer of the amount needed to satisfy the judgment from the SDB into the core investments. If participant fails to initiate such a transfer, or if the transfer is insufficient to satisfy the judgment, one hundred percent (100%) of the SDB Money Market Fund will be transferred to the core investments. If the balance is still insufficient to satisfy the judgment, the entire SDB account may be liquidated and transferred to the core investments.

Unless the Alternate Payee elects an immediate lump sum distribution by the Plan at the time this Order is submitted to, and approved by, the Plan, such benefits shall also be segregated and separately maintained in a nonforfeitable Account(s) established on behalf of the Alternate Payee. This Account(s) will initially be established proportionately in the same core investment options as the Participant account. Alternate Payee may make subsequent investment selections as and when permitted under the terms of the Plan. Alternate Payee's account shall experience gains and or losses according to the investment experience of the investment options in which Alternate Payee's share is invested.

9. **Commencement Date and Form of Payment to Alternate Payee:** If the Alternate Payee so elects on an appropriate form, the benefits shall be paid to the Alternate Payee as soon as administratively feasible following the date this Order is approved as a QDRO by the Plan. Benefits will be payable to the Alternate Payee in any form or permissible option otherwise available to participants under the terms of the Plan, except a joint and survivor annuity. The Alternate Payee will be responsible for paying any applicable withdrawal charges imposed under any investment account(s) with respect to his or her share under the plan.
10. **Alternate Payee's Rights and Privileges:** On and after the date that this Order is deemed to be a QDRO, but before the Alternate Payee receives a total distribution under the Plan, the Alternate Payee shall be entitled to all of the rights and election privileges that are afforded to Plan beneficiaries, including, but not limited to, the rules regarding the right to designate a beneficiary for death benefit purposes and the right to direct Plan investments, only to the extent permitted under the provisions of the Plan.
11. **Death of Alternate Payee:** In the event of the Alternate Payee's death prior to receiving the full amount of benefits assigned under this Order and under the benefit option chosen by the Alternate Payee, such Alternate Payee's beneficiary(ies), as designated on the appropriate form provided to the Plan or, in the absence of a beneficiary designation, the remainder of any unpaid benefits under the terms of this Order shall be paid in accordance with the terms of the Plan.

12. **Death of Participant:** Should the Participant predecease the Alternate Payee, such Participant's death shall in no way affect the Alternate Payee's right to the portion of the benefits as stipulated herein.
13. **Savings Clause:** This Order is not intended, and shall not be construed in such a manner as to require the Plan:
  - a. to provide any type or form of benefits or any option not otherwise provided under the Plan;
  - b. to provide increased benefits to the Alternate Payee;
  - c. to pay any benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO; or
  - d. to make any payment or take any action which is inconsistent with any federal or state law, rule, regulation or applicable judicial decision.
14. **Certification of Necessary Information:** All payments made pursuant to this Order shall be conditioned on the certification by the Alternate Payee and the Participant to the Plan of such information as the Plan may reasonably require from such parties.
15. **Continued Qualified Status of Order:** It is the intention of the parties that this QDRO continue to qualify as a QDRO, as it may be amended from time to time.
16. **Tax Treatment of Distributions Made Under This Order:** For purposes Sections 402(a)(1) and 72 of the Code, or any successor Code section, any Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the distributee of any distribution or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal income taxes on such distribution.
17. **Parties Responsibilities in Event of Error:** In the event that the Plan inadvertently pays the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall immediately reimburse the Alternate Payee to the extent that the Participant has received such benefit payments by paying such amounts directly to the Alternate Payee within ten (10) days of receipt.

In the event that the Plan inadvertently pays the Alternate Payee any benefits that are to remain the sole property of the Participant pursuant to the terms of this Order, if the Participant has experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately reimburse the Participant to the extent that the Alternate Payee has received such benefit payments by paying such amounts directly to the Participant within ten (10) days of receipt. If the Participant has not experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately return such overpayment to the Plan within ten (10) days of receipt.
18. **Effect of Plan Termination:** In the event of a Plan termination, the Alternate Payee shall be entitled to receive his or her portion of the Participant's benefits as stipulated herein in accordance with the Plan's termination provisions for participants and beneficiaries.
19. **Continued Jurisdiction:** The Court retains jurisdiction over this matter to amend this Order to establish or maintain its status as a qualified domestic relations order, as amended and the original intent of the parties as stipulated herein. The Court shall also retain jurisdiction to enter such further orders as are necessary to enforce the assignment of benefits to the Alternate Payee as set forth herein.



20. **Fee:** A processing fee of \$250.00 shall be charged one-half (\$125.00) against the Alternate Payee's share/account and one-half (\$125.00) against the Participant's remaining account. In the event that the Alternate Payee is awarded 100% of the Participant's account balance as of the date this Order is processed pursuant to this Order, the entire processing fee shall be charged to the Alternate Payee's account/share. If there are not sufficient funds in either party's account to pay that party's respective share of the fee, the difference shall be charged to the other party.

BY THE COURT:

.....  
JUDGE

.....  
Petitioner

.....  
Respondent

**Plan Sponsor's approved model form of Qualified Domestic Relations Order  
457(b) Plan  
("QDRO")**

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This is a Model Qualified Domestic Relations Order ("Model QDRO") that has been preapproved by Great-West for use by the Plan for outsourced Qualified Domestic Relations Order ("QDRO") services. Although this Model QDRO conforms with Federal QDRO requirements, it may need to be revised for state and/or local law and/or the specific requirements of the Plan itself. Further, the format of the Qualified Domestic Relations Order may vary depending upon the rules of the court in which the Participant obtains the Domestic Relations Order. For these reasons, this Model QDRO should be used only by the Plan after consultation with the Plan's counsel. Any revisions to the Model QDRO must be submitted to Great-West for approval for use with our outsourced QDRO services. Nothing contained in this Model QDRO shall be construed as tax or legal advice.

It is recommended that a proposed version of this order be submitted to Great-West with the body of the order filled in prior to entry of this order for purposes of your obtaining Great-West's preapproval of the proposed order.

Proposed and entered orders should be remitted to the Plan Recordkeeper as follows:

Empower Retirement  
P.O. Box 173764  
Denver, CO 80217-3764  
Fax # (866) 745-5766

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.....COURT, CITY OF ....., COUNTY OF .....

STATE OF .....

IN RE THE MARRIAGE OF:

.....

No. ....

Petitioner,                    )  
and                                )  
Respondent

QUALIFIED DOMESTIC RELATIONS ORDER

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, based on the findings set forth below,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Parties:** The parties hereto were husband and wife, and a divorce action is in this Court at the above number. This Court has personal jurisdiction over the parties. The parties were married on \_\_\_\_\_ and divorced on \_\_\_\_\_.
2. **Participant Information:** The name, last known address, social security number and date of birth of the plan "Participant" are:
  - a. Name: \_\_\_\_\_
  - b. SSN: \_\_\_\_\_
  - c. Address: \_\_\_\_\_

d. Date of Birth: \_\_\_\_\_

3. **Alternate Payee Information:** The name, last known address, social security number and date of birth of the "Alternate Payee" are:

a. Name: \_\_\_\_\_  
b. SSN: \_\_\_\_\_  
c. Address: \_\_\_\_\_  
d. Date of Birth: \_\_\_\_\_

The Alternate Payee is the Participant's former spouse. The Alternate Payee shall have the duty to notify the Plan Administrator and/or Recordkeeper of any changes in mailing address subsequent to the entry of this Order.

4. **Plan Name.** The name of the Plan to which this Order applies is the Inland Empire Utilities Agency 457(b) Deferred Compensation Plan, (hereafter referred to as "Plan").

Any changes in the Plan Administrator, Plan Sponsor, or name of the Plan shall not affect Alternate Payee's rights as stipulated under this Order.

5. **Effect of this Order as a Qualified Domestic Relations Order:** This Order creates and recognizes the existence of an Alternate Payee's right to receive a portion of the Participant's benefits payable under an employer-sponsored defined contribution plan that is qualified under Section 457 of the Internal Revenue Code (the "Code"). It is intended to constitute a Qualified Domestic Relations Order ("QDRO") under Section 414(p) of the Code.

6. **Pursuant to State Domestic Relations Law:** This Order is entered pursuant to the authority granted in the applicable domestic relations laws of \_\_\_\_\_.

7. **Provisions of Marital Property Rights:** This Order relates to the provision of marital property rights as a result of the Order of Divorce between the Participant and the Alternate Payee.

8. **Amount of Alternate Payee's Benefit:** This Order assigns to the Alternate Payee an amount equal to [choose either option 8A1 or 8A2 below]:

8A1 \$\_\_\_\_\_ of the Participant's Total Account Balance under the Plan as of the date this Order is processed.

**OR**

8A2 \$\_\_\_\_\_(dollars and cents) or \_\_\_\_% (percent)] of the Participant's Total Account Balance accumulated under the Plan as of \_\_\_\_\_ (or the closest valuation date thereto). The Alternate Payee's benefit herein awarded shall be credited with any investment income (or losses) attributable thereon from the aforesaid valuation date (or the closest valuation date thereto), until the date of transfer of the Alternate Payee's share to the Alternate Payee.

(Note to drafting attorney: The Plan's current recordkeeper is not able to determine the value of the Participant's account balance and any investment earnings and/or losses prior to \_\_\_\_\_. The parties will need to arrive at a dollar figure or percentage of benefits payable to the Alternate Payee as of a date that is no earlier than \_\_\_\_\_. The Plan's current recordkeeper can determine the account value and calculate any earnings and/or losses from \_\_\_\_\_ through the date assets are transferred or distributed to the Alternate Payee. Keep in mind that if you must adjust the valuation date forward and a percentage is awarded to the Alternate Payee in this section, you should consider whether to adjust the Alternate Payee's awarded percentage to account for any additional contributions (and any gains/losses

accruing thereon) made by or for the Participant to the account after the originally intended valuation date.)

Such Total Account Balance shall be determined after the account is reduced by the outstanding balance of the Participant's account reduction loan(s), if any, as of the valuation date specified above, such that the Account Balance shall not include the outstanding balance of any account reduction loan(s) as of the valuation date. The obligation to repay any Participant Plan loan(s) from and after the date of this Order remains solely with the Participant. Such Total Account Balance shall include all amounts maintained under all of the various accounts and/or sub-accounts established on behalf of the Participant, including rollover and transfer contributions.

The Alternate Payee's portion of the benefits described above shall be allocated on a pro rata basis first from all of the core accounts and/or core investment options maintained under the Plan on behalf of the Participant other than life insurance or self-directed brokerage ("SDB"), if any. The Plan shall redeem amounts from a life insurance contract, if any, issued for the Participant under the Plan only to the extent necessary to obtain the amount that this order awards to the Alternate Payee. If there are any SDB investments, and if the balance in the core investments is insufficient to satisfy the judgment, Participant must initiate a transfer of the amount needed to satisfy the judgment from the SDB into the core investments. If participant fails to initiate such a transfer, or if the transfer is insufficient to satisfy the judgment, one hundred percent (100%) of the SDB Money Market Fund will be transferred to the core investments. If the balance is still insufficient to satisfy the judgment, the entire SDB account may be liquidated and transferred to the core investments.

Unless the Alternate Payee elects an immediate lump sum distribution by the Plan at the time this Order is submitted to, and approved by, the Plan, such benefits shall also be segregated and separately maintained in a nonforfeitable Account(s) established on behalf of the Alternate Payee. This Account(s) will initially be established proportionately in the same core investment options as the Participant account. Alternate Payee may make subsequent investment selections as and when permitted under the terms of the Plan. Alternate Payee's account shall experience gains and or losses according to the investment experience of the investment options in which Alternate Payee's share is invested.

9. **Commencement Date and Form of Payment to Alternate Payee:** If the Alternate Payee so elects on an appropriate form, the benefits shall be paid to the Alternate Payee as soon as administratively feasible following the date this Order is approved as a QDRO by the Plan. Benefits will be payable to the Alternate Payee in any form or permissible option otherwise available to participants under the terms of the Plan, except a joint and survivor annuity. The Alternate Payee will be responsible for paying any applicable withdrawal charges imposed under any investment account(s) with respect to his or her share under the plan.
10. **Alternate Payee's Rights and Privileges:** On and after the date that this Order is deemed to be a QDRO, but before the Alternate Payee receives a total distribution under the Plan, the Alternate Payee shall be entitled to all of the rights and election privileges that are afforded to Plan beneficiaries, including, but not limited to, the rules regarding the right to designate a beneficiary for death benefit purposes and the right to direct Plan investments, only to the extent permitted under the provisions of the Plan.
11. **Death of Alternate Payee:** In the event of the Alternate Payee's death prior to receiving the full amount of benefits assigned under this Order and under the benefit option chosen by the Alternate Payee, such Alternate Payee's beneficiary(ies), as designated on the appropriate form provided to the Plan or, in the absence of a beneficiary designation, the remainder of any unpaid benefits under the terms of this Order shall be paid in accordance with the terms of the Plan.
12. **Death of Participant:** Should the Participant predecease the Alternate Payee, such Participant's death shall in no way affect the Alternate Payee's right to the portion of the benefits as stipulated herein.

13. **Savings Clause:** This Order is not intended, and shall not be construed in such a manner as to require the Plan:
- a. to provide any type or form of benefits or any option not otherwise provided under the Plan;
  - b. to provide increased benefits to the Alternate Payee;
  - c. to pay any benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO; or
  - d. to make any payment or take any action which is inconsistent with any federal or state law, rule, regulation or applicable judicial decision.
14. **Certification of Necessary Information:** All payments made pursuant to this Order shall be conditioned on the certification by the Alternate Payee and the Participant to the Plan of such information as the Plan may reasonably require from such parties.
15. **Continued Qualified Status of Order:** It is the intention of the parties that this QDRO continue to qualify as a QDRO, as it may be amended from time to time, and that the Plan shall reserve the right to reconfirm the qualified status of the Order at the time benefits become payable hereunder.
16. **Tax Treatment of Distributions Made Under This Order:** For purposes Sections 402(a)(1) and 72 of the Code, or any successor Code section, any Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the distributee of any distribution or payments made to the Alternate Payee under the terms of this Order, and as such, will be required to pay the appropriate federal income taxes on such distribution.
17. **Parties Responsibilities in Event of Error:** In the event that the Plan inadvertently pays the Participant any benefits that are assigned to the Alternate Payee pursuant to the terms of this Order, the Participant shall immediately reimburse the Alternate Payee to the extent that the Participant has received such benefit payments by paying such amounts directly to the Alternate Payee within ten (10) days of receipt.
- In the event that the Plan inadvertently pays the Alternate Payee any benefits that are to remain the sole property of the Participant pursuant to the terms of this Order, if the Participant has experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately reimburse the Participant to the extent that the Alternate Payee has received such benefit payments by paying such amounts directly to the Participant within ten (10) days of receipt. If the Participant has not experienced a distributable event under the terms of the Plan, the Alternate Payee shall immediately return such overpayment to the Plan within ten (10) days of receipt.
18. **Effect of Plan Termination:** In the event of a Plan termination, the Alternate Payee shall be entitled to receive his or her portion of the Participant's benefits as stipulated herein in accordance with the Plan's termination provisions for participants and beneficiaries.
19. **Continued Jurisdiction:** The Court retains jurisdiction over this matter to amend this Order to establish or maintain its status as a qualified domestic relations order, as amended and the original intent of the parties as stipulated herein. The Court shall also retain jurisdiction to enter such further orders as are necessary to enforce the assignment of benefits to the Alternate Payee as set forth herein.
20. **Fee:** A processing fee of \$250.00 shall be charged one-half (\$125.00) against the Alternate Payee's share/account and one-half (\$125.00) against the Participant's remaining account. In the event that the Alternate Payee is awarded 100% of the Participant's account balance as of the date this

Order is processed pursuant to this Order, the entire processing fee shall be charged to the Alternate Payee's account/share. If there are not sufficient funds in either party's account to pay that party's respective share of the fee, the difference shall be charged to the other party.

BY THE COURT:

.....  
JUDGE

.....  
Petitioner

.....  
Respondent

## SCHEDULE C

### **Fees & Compensation to the Administrative Services Agreement for the 401(a) & 457(b) Plans**

The fees set forth herein are applicable only to the Services described in Schedule B (the Services Schedule) of this Agreement. In the event that the Plan Sponsor requests different or additional Services, the parties hereto shall meet to discuss relevant Empower capabilities and any additional fees that may apply.

#### **I. FEE SCHEDULE FOR CORE SERVICES**

##### **A. Basic Plan Administration Fee**

Empower will be entitled to the following annual administration fee ("Basic Plan Administration Fee"). This fee is used, in whole or in part, for administrative services provided by Empower as described in the Agreement. In addition, some or all of the fee (or any other compensation, revenue, asset or source of funding available to Empower, in Empower's sole discretion) may be used by Empower to make payments to the Plan under a Plan Expense Account or similar arrangement, if applicable, between the Plan Sponsor and Empower.

The annual fee will be payable on a monthly basis, based on the average daily balance of Plan assets during the assessment period. Such fee shall accrue at the beginning of each period and Participants taking a full withdrawal prior to the processing date will be charged the fee at the time of withdrawal based on the average daily balance of the account during the partial period, as follows:

0.11% (11 basis points) of total Participant account balances ("Total Participant Account Balances" as defined hereinafter) per year. Total Participant Account Balances shall mean the sum of all Participant account balances in the Plans calculated as of the last calendar day of the month.

Provided however, when Total Participant Account Balances reach or exceed forty-six million dollars (\$46,000,000) during the assessment period, the Basic Plan Administration Fee for the next assessment period and all times thereafter, shall be reduced to 0.09% (9 basis points) of Total Participant Account Balances per year.

Provided however, when Total Participant Account Balances reach or exceed seventy million dollars (\$70,000,000) during the assessment period, the Basic Plan Administration Fee for the next assessment period and all times thereafter, shall be reduced to 0.06% (6 basis points) of Total Participant Account Balances per year.

In addition, Empower and/or one or more of its affiliates may receive Fund Service Fees in connection with the Plan.

##### **B. Trustee/Custodian Services**

Trustee and custodian services are provided by Great-West Trust Company, LLC. The compensation received by Great-West Trust Company, LLC for trustee/custodian services is

reflected in the Plan's Fee Disclosure Report provided by Empower and the Great-West Trust Company Bank Credits below. Additional fees may be reflected in the trust or custodial agreement between Great-West Trust Company, LLC and the Plan Sponsor.

If Plan Sponsor selects a custodian or trustee that requires changes to any procedures or services in this Agreement, Empower reserves the right to change fees in this Section.

### **C. Great-West Trust Company Bank Credits**

If Plan assets pass through a bank account held by the Trustee or its Affiliates, the Trustee may earn credits and/or interest on Plan assets awaiting investment or pending distribution. Any credits or interest earned by the Trustee are aggregated with credits and/or interest earned by the Trustee's Affiliates and will be used to defray the aggregate expenses for the maintenance of bank accounts. The Trustee will not retain credits and/or interest earned in excess of such maintenance expenses.

Credits and/or interest are earned from the use of (i) uninvested contributions received too late in the day or not received in good order to be invested same-day and (ii) proceeds from investment option redemptions where Plan distribution checks have not been presented for payment by Participants. Credits and/or interest (i) begin to accrue on contributions on the date such amounts are deposited into the bank account and end on the date such amounts are invested pursuant to Participant instructions, and (ii) begin to accrue on distributions on the date the check is written or on the wire date, as applicable, and end on the date the check is presented for payment or when the wire clears against the account, as applicable. Earnings of credits and/or interest are at the rate the bank provides from time to time.

### **D. Participant Education**

Empower will provide support for employee enrollment and education meetings, and will provide employee education and communications materials, including education and planning tools through the internet.

Empower will provide fifteen (15) educational or enrollment days in year one; and

Empower will assign representatives a minimum of twelve (12) representative days onsite annually thereafter to provide communication and marketing services exclusively to the Plan. Such representatives will be responsible for all group meetings and individual counseling sessions as directed by Plan Sponsor.

### **E. Loan Administration Fee**

The following fees will apply to all Participant loans initiated after the Effective Date.

\$50.00 loan origination fee will be deducted from the amount of each loan processed.

\$25.00 annual loan maintenance and conversion fee per loan will be deducted from the Participant's account in the amount of \$6.25 per quarter.

### **F. Self-Directed Brokerage**

If self-directed brokerage (SDB) is an investment option under the Plan, Empower and the Plan Sponsor will execute a separate agreement specifying services, terms, and fees for the SDB program. At a minimum the following administration fee will apply:



\$0.00 per Participant, who opens an SDB, per year, deducted from the Participant's account balance in an amount of \$0.00 per quarter.

Any fees charged by the SDB provider are in addition to those described above and subject to execution of a separate SDB agreement.

#### **G. Data Entry Services**

If Plan Sponsor provides data in an unusable electronic or hard copy paper format:

The fee is \$150.00 per hour.

1. Submission of data in a hard copy format will be considered a request to provide this service.
2. This includes submission of Participant account takeover data.

#### **H. Periodic Payments Fees**

The following fees will apply to all periodic payments and will be assessed to the Participant:

\$0.00 for each periodic payment installment distribution set-up plus a  
\$0.00 annual maintenance fee.

#### **I. Distribution Withdrawal Charges**

For each benefit disbursement the following administration fee will apply and will be assessed to the Participant:

\$0.00 for each benefit disbursement.

#### **J. Overnight Delivery Fees**

Should a Participant request an overnight delivery, Empower will assess the Participant its overnight delivery fee, currently \$0.00.

#### **K. ACH or Wire Special Handling Fee**

Should a Participant request a disbursement via ACH or wire, Empower will assess the Participant its ACH fee per distribution, currently \$0.00, or its wire fee per distribution, currently \$40.00, as applicable.

#### **L. Unforeseeable Emergency Distribution Approval Process**

For each hardship distribution approval the following administration fee will apply:

\$0.00 for each hardship distribution approval.

#### **M. QDRO Approval Process**

For each QDRO reviewed and processed, Empower will charge a fee of \$250.00 to the Participant and/or alternate payee as specified in the Plan's approved model QDRO. The Participant's portion of the fee will be deducted from the Participant's account balance, and the alternate payee's portion of the fee will be deducted from the alternate payee's account or from the lump sum distribution, as applicable.

**PAYMENT OF FEES.** All fees must be paid within thirty (30) days of Empower's invoice to the Plan Sponsor unless another arrangement has been pre-approved by Empower in writing. In the event any charges or fees reasonably and properly chargeable under the terms of this Agreement, including Schedules B and C or other applicable documents signed by the Plan Sponsor remain unpaid sixty (60) days after the date billed, Plan Sponsor directs Empower to deduct such expense charges from the Plan and the Plan Sponsor affirms that the plan document specifically allows such deduction from the Plan. To the extent that the forfeiture or other Plan accounts would not pay Plan expenses under the Plan document or the Plan accounts are insufficient, Plan Sponsor directs Empower to allocate such fees to the Participant accounts, and to the investment choices in which the Participant accounts are invested, on a pro rata basis using Participant account and investment option balance ratios as of the date of deduction. Plan Sponsor agrees to amend the Plan, if necessary, to provide for the payment of expenses from Plan assets consistent with the foregoing.

**FEE GUARANTEE.** Empower's fees shall remain in effect for five (5) years from the Effective Date of the Agreement, provided however, that such fees may be adjusted at any time by Empower upon written notice to the Plan Sponsor in the event that: (i) Plan Sponsor elects to utilize different or additional services during such period; (ii) Plan Sponsor changes any investment options utilized by the Plan that provide service fees or other compensation to Empower, if applicable; (iii) there is an employer-initiated event such as a plan merger, corporate acquisition or layoff resulting in a material decrease in Empower's revenue or requiring Empower to perform additional services; or (iv) there is a material change in the service fees received by Empower from any investment options utilized by the Plan, if applicable. After five (5) years from the Effective Date, either party may initiate a fee negotiation.

**CHANGES AND ADDITIONAL FEES.** In addition to Empower's regular fees, Plan Sponsor agrees to pay the costs for reprocessing due to incorrect or incomplete information that Empower receives from the Plan Sponsor, as described in Section I.G. of this Schedule C of the Agreement.

## **II. SPECIAL CONSULTING OR OTHER ADDITIONAL PLAN ADMINISTRATIVE WORK**

### **A. Additional Plan Work**

Empower will perform such services at its then current hourly rate (currently \$150.00 per hour).

## SCHEDULE D

### Performance Standards

#### to the Administrative Services Agreement

#### for the 457(b) & 401(a) Plans

	Benchmark	Amount at Risk
<b>Phone</b>		
<b>Plan sponsor services response time:</b>	99% of the time plan sponsor website will be available 24 hours per day and seven days per week excluding regularly scheduled maintenance	No fees at risk
<b>Participant services response time:</b>	80% of participant calls answered within 20 seconds	No fees at risk
<b>Return all calls to plan sponsor within:</b>	Same day assuming message left before 10:00 a.m. Pacific time; if after 10:00 a.m. Pacific time, call will be returned no later than 11:00 am Pacific time the following business day excluding Paid Time Off (PTO) days of the RM or client service manager	No fees at risk
<b>Return all calls to participants within:</b>	Average resolution time complex wide will be within five business days participant first call reporting issue assuming timely responses from plan sponsor (excludes death cases, QDRO cases or cases that involve feedback or information from third parties)	No fees at risk
<b>Empower representative response time to participants:</b>	Empower representative (RPA or comparable position) will make a reasonable effort to respond to participant inquiries or requests within two (2) business days from when the request is made.	No fees at risk
<b>Statements</b>		
<b>Participant statement mail time:</b>	Participant statements mailed/made electronically available within 15 business days of quarter-end. Initial quarter following conversion is 20 business days.	No fees at risk
<b>Sponsor plan statement mail time:</b>	No benchmark	No fees at risk
<b>Participant online statement posting:</b>	Participant statements mailed/made electronically available within 15 business days of quarter-end. Initial quarter following conversion is 20 business days.	No fees at risk
<b>Sponsor online statement posting:</b>	No benchmark	No fees at risk
<b>Participant Services</b>		
<b>Number of on-site individual meetings:</b>	We will provide a minimum of 12 days annually of on-site education with an RPA, which can be used for either group or individual meetings, whichever the plan sponsor prefers.	No fees at risk

<b>Number of on-site group meetings:</b>	We will provide a minimum of 12 days annually of on-site education with an RPA, which can be used for either group or individual meetings, whichever the plan sponsor prefers.	No fees at risk
<b>Financial planning services:</b>	We will provide a minimum of 12 days annually of on-site education with an RPA, which can be used for either group or individual meetings, whichever the plan sponsor prefers.	No fees at risk
<b>Plan participation rate increases:</b>	Empower and IEUA will jointly develop an annual Strategic Communication Plan. The Strategic Communication Plan will be finalized and delivered to the plan sponsor during the annual strategy and service review meeting.	No fees at risk
<b>Deferral rate increases:</b>	No benchmark	No fees at risk
<b>Transition</b>		
<b>Timeline:</b>	Empower will create a mutually agreed upon transition timeline, typically 90 - 120 days that will outline deadlines that all parties need to meet.	No fees at risk
<b>Deliverables:</b>	Plan conversions are completed within 10 business days following receipt of complete records from the prior vendor.	No fees at risk
<b>On-site meetings:</b>	We will provide a minimum of 12 days of on-site education during transition, which can be used for either group or individual meetings, whichever the plan sponsor prefers.	No fees at risk
<b>Administration</b>		
<b>Contribution posting:</b>	99% of contributions will be posted the same business day if received in good order prior to close of the New York Stock Exchange and the corresponding contribution amounts are received via FTP by Empower in good order the prior business day.	No fees at risk
<b>Withdrawals processed:</b>	99% of distributions (including loans, rollovers out, and benefit payment distributions) received in good order electronically or via paper will be processed and mailed within two business days after receipt (before market close at Empower's home office).	No fees at risk
<b>Emergency withdrawals processed:</b>	99% of requests received in good order electronically or via paper will be processed and mailed within two business days after receipt (before market close at Empower's home office).	No fees at risk
<b>Rollovers/transfers out:</b>	99% of rollover distribution requests received in good order electronically or via paper will be processed and mailed within two business days	No fees at risk

	after receipt (before market close at Empower's home office).	
<b>Loan processing (if applicable):</b>	99% of loan requests received in good order electronically or via paper will be processed and mailed within two business days after receipt (before market close at Empower's home office).	No fees at risk
<b>Plan Sponsor Services</b>		
<b>Report delivery:</b>	99% of the time reports available online - updated monthly and nightly excluding regularly scheduled maintenance	No fees at risk
<b>Training:</b>	Empower can provide training for IEUA annually	No fees at risk
<b>Overall Satisfaction</b>		
<b>Draft and distribute survey:</b>	No benchmark	No fees at risk
<b>Satisfaction survey score:</b>	No benchmark	No fees at risk

### **Business Continuity Plan Notice**

GWFS Equities, Inc., a subsidiary of Great-West Life & Annuity Insurance Company and affiliate of Great-West Life & Annuity Insurance Company of New York\* and Empower Retirement, LLC (“the Company”), maintains a comprehensive business continuity plan designed to respond reasonably and effectively to events that lead to significant business disruption, such as natural disasters, power outages, or other events of varying scope. This plan defines critical functions and systems, alternate work locations, vital books and records, and staff resources, and provides for the continuation of business operations with minimal impact, depending on the severity and scope of the disruption. The plan is reviewed and tested no less than once annually to ensure that the information in the plan is kept current and that documented recovery and continuity strategies adequately support its business operations. Of utmost importance to the plan is the ability for customers to maintain access to securities accounts and assets in those accounts.

In the event that one of the Call Centers or back office operation facilities becomes unavailable for any reason, calls would be re-routed to one of the firm’s alternative call center or operations facilities.

In the event of a significant business disruption to the primary office and/or data center, access to customer accounts will be provided via the Company’s Web site and voice response system, operated from an alternative data center. Customer Service will continue to be provided by re-routing telephone calls to a Call Center located in one or more alternative sites located outside of the region.

While no contingency plan can eliminate the risk of business interruption, or prevent temporary delays with account access, the firm’s continuity plan is intended to mitigate all reasonable risk and resume critical business operations within 24 hours or the next business day, whichever is later.

\* Record keeping and administrative services are provided by Empower Retirement, LLC, and in New York, Great-West Life & Annuity Insurance Company of New York, or one of its subsidiaries or affiliates. Securities offered in your account may be offered through another broker/dealer firm other than GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Please contact your investment provider for more information if needed.

This disclosure is subject to modification at any time. The most current version of this disclosure can be found on the Web site or can be obtained by requesting a written copy by mail.

BCP – GWFS Customer Notice (Ed. Sept. 2012)

## **Procedures for Complying with Fund Company Market Timing and Excessive Trading**

The prospectuses, policies and/or procedures of certain fund companies require retirement plan providers offering their fund(s) to agree to restrict market timing and/or excessive trading (“prohibited trading”) in their funds. The following procedures describe how we, as your recordkeeper, will comply with fund company instructions designed to prevent or minimize prohibited trading.

Various fund companies instruct intermediaries to perform standardized trade monitoring while others perform their own periodic monitoring and request trading reports when they suspect that an individual is engaging in prohibited trading. If an individual’s trading activity is determined to constitute prohibited trading, as defined by the applicable fund company, the individual will be notified that a trading restriction will be implemented if prohibited trading does not cease. (Some funds may require that trading restrictions be implemented immediately without warning, in which case notice of the restriction will be provided to the individual and plan, if applicable). If the individual continues to engage in prohibited trading, the individual will be restricted from making transfers into the identified fund(s) for a specified time period, as determined by the applicable fund company. Individuals are always permitted to make transfers out of the identified fund(s) to other available investment options. When the fund company’s restriction period has been met, the individual will automatically be allowed to resume transfers into the identified fund(s).

Additionally, if prohibited trading persists, the fund company may reject all trades initiated by the plan, including trades of individuals who have not engaged in prohibited trading.

Note: certain plan sponsors have or may elect to implement plan level restrictions to prevent or minimize individual prohibited trading. To the extent that such procedures are effective, we may not receive requests for information from the fund companies or requests to implement the restrictions described above.

10/16/07



**INVESTMENT ADVISORY AND MANAGEMENT  
SERVICE AGREEMENT**

For

**INLAND EMPIRE UTILITIES AGENCY**

(the "Plan Sponsor")

**GROUP CLIENT NUMBER**

**100079-01**

**&**

**100079-02**



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This Investment Advisory and Management Service Agreement sets forth the general terms and conditions under which Advised Assets Group, LLC (hereinafter referred to as “Adviser”) will provide services to the undersigned Plan Sponsor, Inland Empire Utilities Agency, and to the undersigned Plan Administrator, Defined Contribution Plan Administrative Committee, with respect to the employee benefit plan(s) sponsored by Plan Sponsor, as identified in Schedule A (the “Plan” or “Plans”), effective as of April 28, 2020 (the “Effective Date”).

WHEREAS, Plan Sponsor is engaging Adviser pursuant to this Agreement to provide investment advisory and analytic services to certain participants in employee benefit plans and other compensation programs and arrangements for which Great-West Life & Annuity Insurance Company and its affiliates or Empower Retirement, LLC (individually or collectively “Great-West” or “Empower”), provides recordkeeping, administrative and other services for Plan Sponsor as set forth in the service agreement between the Plan Sponsor and Empower (“Service Agreement”); and

WHEREAS, Plan Sponsor maintains the Plan, as defined in Section 1 below and on behalf of itself, as Plan Sponsor, and on behalf of the Plan Administrator of the Plan, has the authority to appoint agents and service providers for the Plan; and

WHEREAS, the Plan Sponsor has agreed to retain Adviser to provide Services, as defined in Section 2 below, with respect to the Plan as more fully described in this Agreement and Adviser agrees to perform such Services, subject to the terms and conditions of this Agreement; and

WHEREAS, the Plan Sponsor understands that Adviser has selected Morningstar Investment Management, LLC (“Subadviser”) to serve as an independent financial expert pursuant to Department of Labor Advisory Opinion 2001-09A (and any modifications or amendments thereto), to perform investment services including advisory services and discretionary managed account services, as further described in Schedule B;

NOW, THEREFORE, in consideration of these covenants, mutual representations and agreements contained herein, Adviser and Plan Sponsor agree as follows:

## **1. Definitions**

“Agreement” means this Investment Advisory and Management Service Agreement, including any Schedules (“Schedules”) that are attached hereto as of the Effective Date or mutually agreed to in writing by the parties.

“Advisers Act” shall mean the Investment Advisers Act of 1940, as amended.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Managed Account Participant” shall mean Participants participating in the Managed Account Service, or its successor service.

“Managed Account Service” shall mean Adviser’s discretionary investment advisory service, as further defined in Schedule B.

“Online Advice Participant” shall mean Participants using the Online Advice Service by accepting Adviser’s online investment service agreement or terms of use.

“Online Advice Service” shall mean Adviser’s non-discretionary investment advisory service, Online Advice, or its successor, as further defined in Schedule B.

“Opt-out Feature” shall mean a feature of the Managed Account Service selected by the Plan Sponsor through which Participants, designated by the Plan Sponsor, are automatically enrolled in the Managed Account Service, as further defined in Schedule B.

“Participant” shall mean individual who is both eligible to participate and enrolled in the Plan, including an alternate payee.

“Plan” shall mean the employee benefit plan or plans or other compensation programs or arrangements maintained by Plan Sponsor as listed in Schedule A (as the same may be amended in writing by the parties from time to time), and/or separately identified in any Schedule. If more than one Plan is covered by this Agreement, any references herein to the Plan shall mean each of the Plans, unless the context requires otherwise.

“Plan Administrator” means the Defined Contribution Plan Administrative Committee established by Plan Sponsor and delegated by Plan Sponsor to assume administrative responsibilities as the named fiduciary in accord with the Defined Contribution Plan Administrative Committee Charter adopted by Plan Sponsor. Plan Administrator shall serve as “administrator” of the Plan as that term is defined under Section 3(16)(A) of ERISA and Section 414(g) of the Code, or such comparable position responsible for the administration of the Plan in the event the Plan is not subject to such ERISA or Code provisions.

“Plan Sponsor” shall mean the entity identified in the opening paragraph of this Agreement.

“Rollout Date” shall mean that date on which Adviser has made all of the services provided under this Agreement available to Participants.

“Services” shall mean the specific services with respect to the Plan covered by this Agreement (including the Schedules hereto).

“Subadviser” shall mean Morningstar Investment Management, LLC.

## **2. Services Provided by Adviser**

**2.1.** This Agreement sets forth the terms and conditions pursuant to which Adviser agrees to provide Services with respect to the Plan pursuant to a Schedule. The terms and conditions of this Agreement shall be deemed to be incorporated by reference into each and every Schedule, without regard to an express reference therein. Adviser acknowledges and agrees that: (i) it is registered with the Securities and Exchange Commission as an investment adviser under the Advisers Act, (ii) it is an investment adviser and fiduciary under the Advisers Act and is a fiduciary under ERISA to the extent it provides Services to Online Advice Participants, and (iii) it is an investment adviser and fiduciary under the Advisers Act and is an investment manager (as defined under Section 3(38) of ERISA) to the extent it provides Services to Managed Account Participants.

**2.2.** The parties specifically agree that no provision of this Agreement or any Schedule will require Adviser to: (i) provide investment advice to Plan Sponsor or Plan Administrator; (ii) exercise any discretionary authority or discretionary control with respect to the management of the Plan; or (iii) have or exercise any discretionary authority or responsibility in the administration of the Plan, including the selection of the Opt-Out Feature of the Managed Account Service (if applicable). Adviser has no discretion or responsibility to interpret provisions of the Plan or to determine eligibility, participation, or the right to receive benefits under the Plan.

**2.3.** Adviser shall take appropriate actions and maintain policies and procedures reasonably necessary to ensure Adviser does not engage in any nonexempt prohibited transaction under ERISA in providing Services hereunder. Adviser’s policies and procedures are designed to comply with applicable law, including Department of Labor Advisory Opinion 2001-09A (and any modifications or amendments thereto), pursuant to which Adviser has delegated certain obligations under this Agreement to Subadviser, as described in Adviser’s Form ADV Brochure.

**2.4.** Adviser has authorized GWFS Equities, Inc. (“GWFS”), an affiliate of Adviser, and its licensed agents and registered representatives who are Great-West employees (collectively referred to as “Agents”) to solicit, refer and market Adviser’s services. In addition to their salary, such Agents may earn bonus compensation based upon engaging plan sponsors to offer Adviser’s services. Other Agents and Adviser representatives may be indirectly compensated through bonus compensation, in addition to their salary, for communication, education and/or assisting Participants to enroll in Adviser’s services. Compensation paid to Agents or Adviser representatives does not increase the fees paid by the Plan and/or their Participants.

**2.5.** Nothing in this Agreement is intended to constitute legal or tax advice from Adviser to Plan Sponsor, or to any other party. Plan Sponsor understands that Adviser has not given and may not give legal advice. All issues should be reviewed and discussed with Plan Sponsor’s legal counsel and/or tax adviser.

### **3. Responsibilities of Plan Sponsor**

**3.1.** Plan Sponsor or its designated agents shall be responsible for providing to Adviser accurate data and information necessary to enable Adviser to perform the Services required under this Agreement, including but not limited to, timely and reasonable notification of employer-initiated events, the information, materials, instructions or other data referenced in any Schedule, and the information reasonably requested by Adviser to enable it to comply with federal law concerning Know Your Customer rules under the USA PATRIOT Act, in such form and at such time as the parties mutually agree. Adviser reserves the right to reject or return any documents, materials, or other information that are unreadable, corrupted, or which Adviser is otherwise unable to process. Plan Sponsor agrees to provide or to assist Adviser in obtaining all participant data that is necessary to perform its duties under this Agreement, including but not limited to: date of birth, income, gender, and state of residence. Plan Sponsor acknowledges that timely receipt of appropriate information is a prerequisite to the performance of Adviser’s Services and Adviser shall not be liable for any delay or failure in the performance under this Agreement due to Plan Sponsor’s failure to comply with the information submission deadlines established and communicated to Plan Sponsor by Adviser in a timely manner.

**3.2.** Plan Sponsor or Plan Administrator shall make all discretionary decisions with respect to the administration of the Plan relative to the Services and shall direct Adviser in accordance with such decisions. Plan Sponsor shall be responsible for selecting and monitoring the investment options offered through the Plan. In addition, Plan Sponsor agrees, for itself and on behalf of the Plan, that neither Adviser nor Subadviser shall have any authority or responsibility under this Agreement for the selection or monitoring of the Plan’s investment options, or the provision of investment advice to Plan Sponsor with respect to the Plan’s investment options. Plan Sponsor acknowledges that Great-West, as the Plan’s recordkeeper, may facilitate the use and awareness of the Services during the Plan enrollment process or as otherwise requested by Plan Sponsor and Great-West’s call center may refer Participants to Adviser’s investment adviser representatives if the call concerns the Plan or their Plan account. Plan Sponsor understands and agrees that, in the event the individual terminates or otherwise un-enrolls from the Managed Account Service, such individual’s account shall remain invested in the investment options as selected by the Adviser or Subadviser prior to such termination or un-enrollment and that the individual or Plan Sponsor is responsible for changes to the investment options.

**3.3.** Plan Sponsor shall be responsible for deciding whether to implement the Opt-Out Feature of the Managed Account Service and determining which Participants shall be subject to the Opt-Out Feature and direct Adviser with respect to such decisions. To the extent Plan Sponsor designates the Managed Account Service as the default investment for the Plan, Plan Sponsor shall be responsible for selecting an investment option for purposes of allocating individual accounts until such time as the Adviser begins management of a Managed Account Participant’s account; provided, however, in the event the individual is not eligible for the Managed Account Service, such individual’s account shall remain invested in the investment options selected by the individual or the Plan Sponsor until the individual or Plan Sponsor directs otherwise.

**3.4.** Under the terms of this Agreement, Plan Sponsor appoints Adviser as an investment adviser or investment manager, as applicable. As an investment manager, Plan Sponsor authorizes Adviser, without limitation, to initiate with Great-West buys, sells, reallocations or other investment transactions and to calculate installment distributions, if applicable, under the Plan for Managed Account Participants. Plan Sponsor acknowledges and agrees that each Managed Account Participant will acknowledge Adviser at the time of participation in the Managed Account Service. Any Managed Account Participant enrolled in the Managed Account Service through the Opt-Out Feature or Plan default process will be deemed, by and through the Plan Sponsor, to have so acknowledged Adviser by the Managed Account Participant's continued participation in the Managed Account Service after the applicable deadline by which such Participant was required to have declined participation in the Managed Account Service. Plan Sponsor understands and acknowledges that: (i) Adviser does not affect investment transactions and that investment transactions will be affected by the appropriate party or agent chosen by the Plan Sponsor, including the Plan's trustee or custodian; (ii) Adviser will communicate, through Great-West, information to initiate the investment transactions to such parties; and (iii) Great-West will make available to Adviser the investment transaction information related to the investment allocations directed by Adviser. Plan Sponsor also agrees that transactions initiated by Adviser on behalf of Managed Account Participants shall not be subject to any Plan limitations or corporate policy restrictions, such as blackout periods (other than a blackout period applicable to all Managed Account Participants at the same time), preclearance requirements, or other transaction restrictions, unless required by law.

**3.5.** Plan Sponsor acknowledges and agrees that it has received and read Adviser's Form ADV Brochure and Brochure Supplement as required by Rule 204-3 of the Advisers Act.

**3.6.** Plan Sponsor understands and agrees that the Plan's investment options shall be held by a custodian or trustee duly appointed by Plan Sponsor. Except with respect to the fee deduction described in Section 4, nothing contained herein shall be deemed to authorize Adviser to take or receive physical possession of any of the assets of the Plan or to confer custody of such assets upon the Adviser within the meaning of Rule 206(4)-2 of the Advisers Act. Adviser does not have any proxy voting or other execution powers under the Plan, the Services, this Agreement or otherwise. Plan Sponsor has designated a person or persons other than Adviser to vote proxies with respect to the Plan's investment options.

**3.7.** Adviser shall be entitled to rely upon and act upon any instruction, certification, direction or approval received (whether in writing, orally, by telephone, voice response system, fax or other teleprocess, or by other electronic means or other medium, including internet or e-mail transmission, acceptable to Adviser) from any person Adviser reasonably believes to be so authorized to provide such instruction, certification, direction or approval. Adviser shall have no duty to inquire or question the accuracy or completeness of any data or instructions provided to it.

**3.8.** Plan Sponsor represents that the Plan is qualified under Section 401(a) or 457(b) of the Code, where applicable, that the Plan Administrator has been duly appointed under the Plan, and that the person executing this Agreement is authorized to do so. Plan Sponsor shall be responsible for maintaining the Plan's documents, including any amendments thereto based upon design modifications, for determining operational compliance of the Plan with Plan documents, and, where applicable, for ensuring that the Plan is qualified under Section 401(a) or 457(b) of the Code and its related trust is tax-exempt under Section 501(a) of the Code. Plan Sponsor will notify Adviser promptly if Plan Sponsor should learn of any facts or of any regulatory action or prospective action which may result in the Plan ceasing to be qualified, where applicable, under Section 401(a) or 457(b) of the Code. Plan Sponsor acknowledges that while Adviser may possess and consult a copy of the Plan, trust agreement or related document(s), the possession or consultation of those documents shall not alter or expand Adviser's responsibilities under this Agreement. If the Services will be offered in a non-qualified plan, Plan Sponsor has reviewed the form of payment of Adviser's fees and determined that it is appropriate given the design and operation of the non-qualified plan.

#### **4. Fees & Compensation**

**4.1.** Adviser shall be entitled to compensation for the Services it provides in accordance with the fee provisions set forth in the applicable Schedule. Fees will be deducted from the Plan's trust or other funding vehicle, charged to Participant accounts, or invoiced to the Plan Sponsor as elected in the applicable Schedule or directed by Plan Sponsor. Plan Sponsor shall be responsible for determining that fees paid are reasonable expenses of administering the Plan.

**4.2.** Plan Sponsor acknowledges and agrees the Managed Account Service fees will be deducted directly from Managed Account Participant accounts in arrears. Plan Sponsor authorizes Great-West to collect these fees on behalf of Adviser and to deduct fees from Managed Account Participant accounts in accordance with the service elections and fees described in Schedule B.

**4.3.** Adviser may provide additional services pursuant to instruction or direction from the Plan Sponsor. Any fees for such additional services will be agreed upon by Adviser and the Plan Sponsor prior to the provision of additional services.

## **5. Confidential Information**

**5.1.** In order to perform the Services, both parties may have access to certain information of the other party, including, without limitation, trade secrets, commercial and competitively sensitive information of the party related to business methods or practices, and proprietary software, websites, programming techniques, documentation and training materials owned or licensed by the party ("Confidential Information"). For the purpose of clarity, any software or website made available by Adviser, including software licensed by third parties ("Adviser Software") is Confidential Information of Adviser. The parties mutually agree to hold all Confidential Information of the other party in confidence and not to disclose any Confidential Information of the other party to anyone except the parties' affiliates, suppliers, and respective personnel in connection with the performance or receipt of Services hereunder or as directed or approved by the other party or its agents. Confidential Information does not include: information that is otherwise in the public domain through no action of the non-disclosing party; information that is acquired by a party from a person other than the other party or its agents without any obligation of confidentiality; information subject to disclosure under the California Public Records Act; or information that is independently developed by a party without reference to the Confidential Information of the other party.

**5.2.** In the event a party makes an unauthorized disclosure or use of Confidential Information of the other party, such party shall notify the other party of the disclosure as soon as reasonably practicable. In the event a party is legally compelled to disclose Confidential Information, the party shall notify the other and cooperate with any efforts by such party to obtain protective treatment of such Confidential Information to the extent permitted by law; provided that the foregoing shall not apply to broad-based regulatory examinations associated with a party's general business or operations. Both parties acknowledge that failure to comply with this section may cause irreparable harm to the party whose Confidential Information is disclosed and agrees that any court having jurisdiction may enter an order for equitable relief, including an injunction or an order for specific performance in the event of actual or threatened breach of these provisions. This provision shall not apply to information required to be disclosed pursuant to applicable law, legal subpoena, or other lawful process, or as permitted by Adviser or Plan Sponsor, as applicable, in writing.

## **6. Privacy & Data Security**

**6.1.** Plan Sponsor acknowledges and agrees that Adviser may receive Participant data from any and all Participants, including those Participants that are not enrolled in the Managed Account Service or the Online Advice Service (as described in Schedule B) and from Plan Sponsor or its authorized agent or advisors. Plan Sponsor authorizes Adviser to obtain all necessary data from Participants, Plan Sponsor, Plan Sponsor's agents or advisors, and Adviser's affiliates, including the Plan's recordkeeper, Great-West.



**6.2.** Adviser and Plan Sponsor agree to maintain and hold in confidence all Nonpublic Personal Information (“NPI”) received in connection with the performance of Services under this Agreement. Adviser and Plan Sponsor agree that their collection, use and disclosure of any and all NPI is and will be at all times conducted in compliance with all applicable data protection and/or privacy laws, rules and/or regulations. NPI includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act (“GLBA”). Adviser shall not use or disclose NPI to any third party, other than to its affiliates and third party service providers, and to other Plan service providers, without Plan Sponsor’s written consent, except as permitted or required by law.

**6.3.** The parties will use best efforts to secure NPI through the use of appropriate physical and logical security measures, and will take all commercially reasonable organizational and technical steps to protect against unlawful and unauthorized processing of NPI. For purposes of this section, NPI includes user credentials, passwords, and other authentication data that enables Plan Sponsor, its authorized agents, or Participants to access Adviser Software. The parties will promptly notify the other in the event of (i) any breach of its security that results in unauthorized access to NPI; (ii) the consequences of the breach; and (iii) the corrective action taken to remedy the breach.

**6.4.** Adviser acknowledges that it is a “financial institution,” within the meaning of Regulation S-P, Privacy of Consumer Financial Information, issued by the Securities and Exchange Commission (“Reg S-P”) along with the GLBA and other applicable federal and state laws. Adviser acknowledges and agrees that Participant information which uniquely identifies a Participant and as provided to Adviser under this Agreement (“Participant Information”) constitutes “personally identifiable financial information,” within the meaning of those federal and state laws. Adviser has adopted a privacy policy, which will apply to Participant Information that may be amended from time to time.

## **7. Business Continuity & Disaster Recovery**

Adviser will maintain business continuity and disaster recovery procedures to address the security, integrity and availability of the technology, operational, financial, human and other resources required to provide the Services. Such procedures shall be designed to enable Adviser to continue to perform mission-critical Services in the event of a natural disaster or other interruption of normal business operations. Further, Adviser agrees to review and test such disaster recovery procedures at least once annually. Upon request by the Plan Sponsor, Empower will provide a written summary of its then-current policies, procedures or programs, including an overview of recent business continuity exercise results.

## **8. Records**

Adviser shall retain all records in its custody and control that are pertinent to performance under this Agreement in accordance with its record retention policy, as amended from time to time. Subject to the foregoing, each party agrees to return or destroy the other party’s Confidential Information and NPI once it is no longer required for the purpose of performing or receiving the Services, provided that the parties are not obligated to destroy copies of Confidential Information or NPI that must be retained for audit, legal or regulatory purposes, or is stored in non-readily accessible electronic format, such as on archival systems.

## **9. Intellectual Property Rights**

**9.1. Plan Sponsor Materials.** As between the parties hereto, excluding Adviser Materials (as defined below), Plan Sponsor shall own all materials, trademarks, tradenames, logos, trade dress, and other information provided by Plan Sponsor or otherwise made accessible by Plan Sponsor to Adviser in providing the Services (collectively, the “Plan Sponsor Materials”). Plan Sponsor Materials do not include data and information in the form supplied by Adviser to Plan Sponsor. Plan Sponsor grants to Adviser a nonexclusive, nontransferable and non-sublicensable license to use Plan Sponsor Materials in connection with its provision of the Services.

**9.2. Adviser Materials.** As between the parties hereto, Adviser and its affiliates shall own all materials, documentation, user guides, forms, templates, business methods, trademarks, tradenames, logos, websites, software, technology, computer codes, domain names, text, graphics, photographs, artwork, interfaces and other information or material provided by Adviser or its affiliates hereunder (collectively, the “Adviser Materials”). The term “Adviser Materials” shall not include Plan Sponsor Materials as defined above. Adviser grants to Plan Sponsor a nonexclusive, non-transferable and non-sublicensable license to use the Adviser Materials during the term of the Agreement solely for purposes of using Adviser’s Services hereunder and subject to the terms and conditions set forth in this Agreement. Plan Sponsor and Plan Administrator shall not, and shall not enable third parties to, reproduce, modify, create derivative works of, or distribute any or all of Adviser’s services or reverse engineer any of the software or other technology related thereto. All rights with respect to the Adviser Materials not specifically granted hereunder are reserved by Adviser.

## **10. Liability & Indemnification**

**10.1.** Each party agrees to indemnify the other from and against any and all expenses, costs, reasonable attorneys’ fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, “Damages”) to the extent resulting from the indemnifying party’s breach of this Agreement, negligence, breach of fiduciary duty or willful misconduct. Notwithstanding anything to the contrary herein, Adviser shall not be liable to Plan Sponsor for, and Plan Sponsor will indemnify Adviser from and against, any Damages resulting from:

**10.1.1** acts or omissions undertaken by or at the direction of the Plan Sponsor or any authorized agent thereof, including (without limitation) the calculation of installment distributions or initiation of investment transactions, based upon inaccurate or incomplete data provided by or on behalf of Plan Sponsor;

**10.1.2** direction of any third party retained by Plan Sponsor to provide services relating to the Plan, including but not limited to prior service providers, investment advisors, or any authorized agent thereof;

**10.1.3** Plan Sponsor’s or its designee’s failure to provide accurate documents, material, information or data to Adviser on a timely basis.

**10.2.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFIT) EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**10.3.** Adviser represents that it maintains error and omissions insurance, a fidelity bond under Section 412 of ERISA, and other appropriate insurance coverage in amounts sufficient to satisfy all material obligations of Adviser for Services under this Agreement.

## **11. Dispute Resolution**

The parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Agreement. If the parties are unable to agree between themselves, the parties will submit the dispute to non-binding mediation conducted by a private mediator agreed to by both parties. If the parties cannot agree on a mediator, the mediator may be selected by a nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The costs of mediation shall be borne equally by the parties, and each party shall pay its own expenses. If the parties are unable to resolve the dispute through non-binding mediation, either party may initiate litigation; provided, however, that if one party requests mediation and the other party rejects the proposal or refuses to participate, the requesting party may initiate litigation immediately upon such refusal.

## 12. Term & Termination

**12.1. Term.** The term of this Agreement is for a period of five (5) years from the Effective Date as set forth above, with automatic renewal for successive one (1) year periods unless either party provides the other party with ninety (90) days written notice of its intent to terminate, or unless terminated in accordance with the applicable provisions of Section 12.2 of this Agreement.

**12.2. Termination.** This Agreement shall terminate automatically in the following circumstances:

**12.2.1** Either party notifies the other that it has determined in good faith that the Agreement is not consistent with its fiduciary duties under ERISA or applicable federal or state law; or

**12.2.2** The Service Agreement for recordkeeping, administrative and other services between Plan Sponsor and Great-West terminates or expires; or

**12.2.3** The agreement between Adviser and Subadviser terminates or expires and Adviser is unable to contract with a suitable replacement to serve as a Subadviser.

**12.3. Effect of Termination.** As of the effective date of the termination, Adviser will terminate Participant access to the Services and cease providing any Services to Participants. Plan Sponsor will notify Participants, including Online Advice Participants and Managed Account Participants, of the termination as soon as practicable. Adviser may assist Plan Sponsor in notifying Participants, Online Advice Participants and Managed Account Participants regarding the termination of Services; provided, however, to the extent Plan Sponsor requests such assistance, Adviser reserves the right to charge Plan Sponsor all reasonable fees, costs or expenses incurred by Adviser in connection with the provision of such assistance. Termination of the Agreement does not relieve Plan Sponsor or Managed Account Participants of their respective obligations, if any, to compensate Adviser for Services rendered through the effective date of such termination. If applicable, Adviser shall reimburse Plan Sponsor or Participants for any prepaid amounts that relate to the provision of Services after the effective date of termination.

## 13. Miscellaneous

**13.1. Affiliates & Agents.** Adviser may perform any of the Services required of it under this Agreement through affiliates, agents, vendors and suppliers selected by Adviser. Adviser's use of any such party will not relieve Adviser of its obligations, and Adviser shall at all times remain liable for the performance of the Services hereunder. Plan Sponsor acknowledges that Adviser has delegated certain of its obligations to Subadviser and that Adviser reserves the right, in its sole discretion, to replace Subadviser upon reasonable prior notice to Plan Sponsor. In the event, the Subadviser terminates its agreement with the Adviser and provides advance notice to the Adviser, Adviser will notify the Plan Sponsor of such change as soon as reasonably practicable. If the Subadviser replacement is deemed unsatisfactory by the Plan Sponsor, the Plan Sponsor may terminate this Agreement at any time in accordance with this Section 12. Adviser represents that Subadviser is not affiliated with Adviser or Great-West and that Adviser has entered into an agreement with Subadviser that includes representations that the Subadviser: (i) is registered with the Securities and Exchange Commission as an investment adviser under the Advisers Act, and (ii) will maintain the required federal or state investment advisory registrations that permit it to perform its obligations under its agreement with Adviser, and (iii) will act, at all times in providing the methodology and software for Adviser's Services, in conformity with the requirements imposed upon Subadviser as an Subadviser under Department of Labor Advisory Opinion 2001-09A (and any modifications or amendments thereto), to the extent applicable to the Services.



**13.2. Relationship of the Parties.** The relationship between the parties is that of independent contractors. Neither Adviser nor its personnel shall be considered employees of the Plan Sponsor for any purpose. None of the provisions of this Agreement shall be construed to create an agency, partnership or joint venture relationship between the parties or the partners, officers, members or employees of the other party by virtue of either this Agreement or actions taken pursuant of this Agreement.

**13.3. No Third Party Beneficiaries.** This Agreement is solely for the benefit of the parties hereto and their affiliates and is not intended to confer any rights or remedies upon any other person.

**13.4. Assignment.** This Agreement shall be binding upon and inure to the benefit of each of the parties, their affiliates, successors and permitted assigns; provided, however, that neither party may assign its rights or obligations hereunder without the other party's prior written consent, which will not be unreasonably withheld or delayed, and as consistent with the Advisers Act.

**13.5. Entire Agreement.** This Agreement, including all Exhibits, Schedules, notices and attachments, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersede all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services. Except as otherwise provided herein, this Agreement may be modified only by an Amendment signed by authorized representatives of each party. Notwithstanding the foregoing, Adviser reserves the right to unilaterally amend the Agreement in order to comply with applicable laws, in connection with any addition or enhancement to the Services or method of providing Services. Any Adviser policies that are attached to or referenced in this Agreement may be modified by Adviser at any time. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of such provision or any other provision hereof and no waiver shall be effective unless made in writing. In no event, however, will an amendment pursuant to this Section increase fees paid under the Agreement unless Plan Sponsor provides written approval.

**13.6. Governing Law; Waiver of Jury Trial.** To the extent not preempted by federal law, this Agreement shall be construed and enforced in accordance with and governed by the laws of the state of California, without regard to conflict of law principles, and any claim arising under or related to this Agreement shall be subject to the exclusive jurisdiction of the federal and state courts located in California. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim arising out of, connected with, related to or incidental to this Agreement to the fullest extent permitted by law.

**13.7. Force Majeure.** Neither Adviser nor Plan Sponsor shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control, including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, epidemics, explosions, sabotage, acts of God, civil disturbance, governmental restriction, transportation problems, failure of power or other utilities including phones, internet disruptions, fire or other casualty, natural disasters, or disruptions in orderly trading on any relevant exchange or market, or any other cause that is beyond the reasonable control of either party.

**13.8. Severability.** The provisions of this Agreement are severable, and if for any reason a clause, sentence, paragraph or provision of this Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement that can be given effect without the invalid provision.

**13.9. Notices.** The parties' execution and delivery of this Agreement, and any notices or other communications required to be given pursuant to this Agreement may be provided by email, facsimile, electronic copies, hand delivered, sent by overnight delivery, or by first class mail, postage prepaid, any of which shall have the same force and effect as execution and delivery of an original; provided, however, electronic mail transmissions for purposes of execution and delivery of the Agreement or amendments thereto

must include PDF or other facsimile transmissions clearly reproducing the manual signature of an individual duly authorized to execute such documents on behalf of the party. Notice or other communications shall be addressed as follows (or to such other address as a party designates in writing from time to time):

**To Adviser:**

Jeremy Hersch (or his successor)  
Vice President, Participant Advisory Services  
Advised Assets Group, LLC  
8515 East Orchard Road  
Greenwood Village, CO 80111

**with a copy to:**

Advised Assets Group, LLC  
8525 East Orchard Road  
Greenwood Village, CO 80111  
Attn: General Counsel

**To Plan Sponsor:**

6075 Kimball Ave., Building A  
PO Box 9020  
Chino, CA 91709  
Attn: General Manager

**with a copy to Plan Administrator:**

6075 Kimball Ave., Building A  
PO Box 9020  
Chino, CA 91709  
Attn: Executive Manager of Finance and Administration/Assistant General Manager

**13.10. Headings; Defined Terms; Counterparts.** Section headings used in this Agreement are intended for reference purposes only and shall not affect the interpretation of this Agreement. Unless the context requires otherwise, capitalized terms defined in this Agreement have the meanings set forth herein for all purposes of this Agreement including any Schedules or Exhibits. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original.

**13.11. Survival.** The provisions of the following sections shall survive the termination of this Agreement: Fees & Compensation; Confidential Information; Privacy & Data Security; Liability & Indemnification; Dispute Resolution; Governing Law; Waiver of Jury Trial; Survival; Severability; No Third-Party Beneficiaries; and any other section that would by its context be reasonably expected to survive termination.

**13.12. Signatures/Corporate Authenticity.** By signing this Agreement, in duplicate, the parties certify that they have read and understood it, that they agree to be bound by its terms, and that they have the authority to sign it. This Agreement is not binding on either party until signed by both parties.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

**ADVISED ASSETS GROUP, LLC**

\_\_\_\_\_  
Signature

Jeremy Hersch  
\_\_\_\_\_  
Printed Name

Vice President, Participant Advisory Services  
\_\_\_\_\_  
Title

3/26/2020  
\_\_\_\_\_  
Date Signed

**Plan Sponsor: Inland Empire Utilities Agency**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**Plan Administrator: Defined Contribution Plan Administrative Committee**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**SCHEDULE A**

**List of Plans**

1. **Inland Empire Utilities Agency 457(b) Deferred Compensation Plan (“457(b) Plan”)  
Group Account Number: 100079-01**
  
2. **Inland Empire Utilities Agency 401(a) Plan (“401(a) Plan”)  
Group Account Number: 100079-02**

## SCHEDULE B

### Discretionary Investment Advisory and Non-Discretionary Services Schedule

The parties agree that the Services under this Schedule will commence upon a date as directed by the Plan Sponsor and mutually agreed to by the parties, as administratively and operationally feasible.

#### I. General Description of Services

- A. Adviser provides a full suite of discretionary and non-discretionary investment advisory services to eligible Participants as selected by the Plan Sponsor. Such services may include set-up services, communications, reporting, investment recommendations, and initiation of investment transactions, subject to the terms and conditions of the Agreement and this Schedule, as the same may be amended in writing by the parties from time to time.
- B. As part of its Services, Adviser provides Participants access by telephone to the telephone call center (investment adviser representatives available from 7:00 a.m. to 8:00 p.m. Central Time, business days), and Adviser shall provide Participants, and designated representatives of Plan Sponsor, web access to Plan and Participant account information, subject to periodic maintenance and system availability.

#### II. Service Elections

##### A. Managed Account Service and Online Advice Service:

- 1. As further described in Adviser's Form ADV Brochure, the Managed Account Service provides discretionary advisory services, consisting of personalized portfolios created by Subadviser based upon the investment options available in the Plan, to Managed Account Participants. The Managed Account service allocates enrolled Participant accounts to personalized portfolios, and automatically rebalances portfolio allocations if Adviser believes rebalancing to be appropriate.
  - i. Unless otherwise agreed to by the parties, Adviser will construct portfolios using the Plan's core investment options ("Core Investment Options"), which are those investment options selected for use in the Plan by Plan Sponsor that provide investment choice under the following asset categories: Fixed Income/Cash, Bond, Large Cap, Small/Mid Cap, and International.
  - ii. Core Investment Options do not include any employer stock alternatives or self-directed brokerage option alternatives. Unless the Plan Sponsor restricts Adviser from selling employer stock held in an account managed by Adviser, Adviser will liquidate employer stock held in an account that Adviser manages. The Plan must select and at all times maintain Core Investment Options that cover the broad asset categories in order to utilize the Managed Account Service and the Online Advice Service. Managed Account Participants may further customize their portfolio by providing additional information to Adviser by phone or online and such information shall be considered by Subadviser to determine portfolio recommendations for the Managed Account Participant. Adviser shall periodically review and rebalance the Managed Account Participant's portfolio.
  - iii. A Managed Account Participant may cancel his or her participation in the Managed Account Service by calling Adviser's representative. Upon a Managed Account Participant terminating participation in the Managed Account Service, the Managed Account Participant is solely responsible for the investment of his or her Plan account.

2. Adviser shall provide access to the Online Advice Service to Participants. For the Online Advice Service, Adviser shall provide non-discretionary advisory services, consisting of investment recommendations created by Subadviser based upon the investment options available in the Plan, to Online Advice Participants. Online Advice Participants shall be responsible for implementing the investment recommendations. Beyond the initial recommendation, Adviser is not responsible for providing additional investment recommendations or the management of an Online Advice Participant's account. The Online Advice Service is only available through websites supported by Great-West and Subadviser. Managed Account Participants are not eligible for the Online Advice Service while participating in the Managed Account Service.

### III. Advisory and Portfolio Management Services Fees

#### Managed Accounts per Participant Annual Fee

<i>Account Balance</i>	<i>Managed Account Annual Fee – Opt In</i>	<i>Managed Account Annual Fee – Opt-Out</i>
First \$100,000 of account balance	0.50 %	0.45%
Next \$150,000, up to \$250,000 account balance	0.40 %	0.35%
Next \$150,000, up to \$400,000 account balance	0.30 %	0.25%
Amounts greater than \$400,000	0.20 %	0.15%

For example, if a Participant's account balance subject to the Managed Account service is \$50,000, the fee is **0.50%** of the account balance. If the account balance subject to the Managed Account service is \$500,000, the first \$100,000 will be subject to a fee of **0.50%**, the next \$150,000 will be subject to a fee of **0.40%**, the next \$150,000 will be subject to a fee of **0.30%**, and amounts over \$400,000 will be subject to a fee of **0.20%**.

### IV. Communication and Ongoing Maintenance

- A. Communication and ongoing maintenance includes monitoring the use of Services, and integrating Services communications into the Plan's overall communications campaign, including enrollment materials, forms, web site, and group meetings.
- B. As part of a Participant's enrollment in the Managed Account service, the Participant will receive the Managed Account service welcome kit shortly after enrollment. The Participant will receive an Annual Kit shortly after their birthday. Each kit provides the participant an update on their account and reaching their retirement goals. Standard materials may include a discussion of Services in enrollment/education materials, print/email communications specific to the Services, on the web site, and/or in personalized Participant materials. Additional or custom Participant communications materials may be used by Adviser and may be paid for by Adviser, Great-West or the Plan Sponsor. Such additional or custom communications may include targeted marketing techniques based upon participant demographical and/or account data (including but not limited to age, income, deferral rates, current investment elections) to identify Participants who may benefit from participation in the Managed Account service.
- C. Plan Sponsor agrees that Adviser will conduct, (at no additional charge to Plan Sponsor), an education/enrollment campaign as part of the rollout of the Services to all eligible Participants and an annual campaign thereafter. The campaign materials will be provided to each Participant and may include, but are not limited to a descriptive brochure, descriptive letter from Plan Sponsor, enrollment form, follow-up communication and other appropriate materials. Participants can enroll in the Managed

Account Service through an online website (accessed through the Plan's participant website or enrollment site), Adviser's investment adviser representatives or by returning an enrollment form.

#### **V. Addition of New Plans**

Tax-deferred plans not listed at the top of this Schedule B that are added to Plan Sponsor's program after the Effective Date will not be included in this Agreement, and will be subject to additional fees.

#### **VI. Limitations and Investment Option Changes**

Services will have limited capabilities for purposes of enrollment, rebalancing or reforecasting for approximately up to at least ten (10) business days following changes to the investment option lineup. Other functionality will be available during this time. Adviser and Subadviser need to conduct a new analysis of the available investment option array to accommodate these changes. This analysis will take approximately 10 business days, during which time, Online Investment Advice, and the Managed Account service will not be available for Participant use. Once the analysis is complete, Online Investment Advice and the Managed Account service will once again be available.

#### **VII. Plan Sponsor Directed Enrollment of Participants**

- A.** While this Agreement assumes that enrollments of Participants will be performed primarily on an "opt-in" basis such that Participants must voluntarily enroll in the Services described herein, the Plan Sponsor may also desire that Adviser's services be implemented for a selected group of Participants on an "opt-out" basis, pursuant to Plan Sponsor's instruction to Adviser. These opt-out events may occur at the time when the Plan begins receiving recordkeeping services from Adviser's affiliated recordkeeping provider, or on some other occasional or periodic basis. This section of the Agreement will refer to the group of Participants designated for opt-out enrollment as "Enrolling Participants."
- B.** For avoidance of doubt, in the event that Plan Sponsor seeks to implement the Managed Account Service as a default investment for Participants, the designation of the Managed Account Service as a default investment will be executed through documentation separate from this Appendix.
- C.** The Plan Sponsor will designate the population of Enrolling Participants through separate instructional documents provided to Adviser or its affiliated recordkeeper.
- D.** Adviser or its affiliated recordkeeper will notify Enrolling Participants of their automatic enrollment into the Managed Account Service at least two times. At least one enrollment notification will take place in advance of the automatic enrollment to give Enrolling Participants adequate opportunity to assess whether to opt-out of the enrollment process. Each Enrolling Participant actually enrolled in the Managed Account Service will be sent materials confirming Managed Account Service enrollment by Adviser shortly after enrollment processing.
- E.** Enrolling Participants may elect not to participate in the Managed Account Service through the methods described in enrollment notifications provided to Participants, such as by calling Adviser to opt-out, or by declining enrollment through Adviser's internet interface. Additionally, if a Participant has made a financial or investment election on their account after enrollment notification, but prior to the automatic enrollment process into the Managed Account Service, the Participant will not be enrolled.
- F.** In the event that Enrolling Participants are automatically enrolled when the applicable Plan converts onto the recordkeeping platform provided by Adviser's affiliated recordkeeper, Enrolling Participants' accounts will become actively managed by the Managed Account Service shortly after assets are transferred from the prior recordkeeper. For the short period between asset transfer from the prior recordkeeper until Adviser can assume active management of the account, Enrolling



Participants' accounts will be invested in similar investments as were held at the prior recordkeeper, pursuant to mapping instructions received by the Plan Sponsor. Once conversion to the recordkeeping platform is complete, Enrolling Participants may cancel their enrollment in the Managed Account Service at any time by completing the cancellation form available online or by calling Adviser at the Plan's existing toll-free customer service number.

**G.** In the event the Plan Sponsor directs Adviser to enroll Participants on an opt-out basis after the initial transition of the Plan to the Empower recordkeeping platform, Adviser will offer a free period for the Managed Account Service, under which no Managed Account Service fees will be assessed to Enrolling Participants within 60 days following enrollment date.

**H.** Data requirements for Enrolling Participants:

1. Subject to the information below, if Adviser does not have required indicative data for an Enrolling Participant, the Enrolling Participant will not be enrolled into the Managed Account Service.
2. Plan Sponsor may provide Adviser with default data for use in processing enrollments for Enrolling Participants, and in advising Participant accounts. If Plan Sponsor provides direction to use default data, such as income assumptions, Plan Sponsor agrees that use of such default data is consistent with Adviser's execution of its fiduciary responsibility in providing investment advice to Participants.
3. Gender Assumption. If gender information is missing on any Participant, Plan Sponsor instructs Adviser to default gender assumption to female, unless Plan Sponsor otherwise instructs Adviser, for purposes of processing Managed Account Service enrollment.
4. Date of Birth. If a Participant's date of birth is beyond the mortality tables used by the independent financial expert, or the participant's date of birth provided to Adviser is invalid, the participant will not be eligible to be enrolled into the service.



**TRUST AGREEMENT**

For

**INLAND EMPIRE UTILITIES AGENCY**

(the "Plan Sponsor")

**GROUP CLIENT NUMBER**

**100079-02**

Plan Name Inland Empire Utilities Agency 401(a) Plan (the "Plan")

Plan Administrator Defined Contribution Plan Administrative Committee

Effective Date (later of this date or the date executed by Trustee) April 28, 2020

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This Trust Agreement is by and between Inland Empire Utilities Agency (hereinafter referred to as "Plan Sponsor"), the Defined Contribution Plan Administrative Committee ("Plan Administrator") and Great-West Trust Company, LLC, a trust company chartered under the laws of the State of Colorado having a place of business in Greenwood Village, Colorado (hereinafter referred to as "Trustee").

Plan Sponsor has established or adopted the Plan for its eligible employees and their beneficiaries. A trust is maintained in connection with the Plan (the "Trust") to which Plan contributions are to be made to be held by the Trustee and to be managed, invested and reinvested for the exclusive benefit of participants of the Plan and their beneficiaries (collectively, "Participants"). The Plan and Trust are intended to qualify as a plan and trust which meet the applicable requirements of Section 401(a) and 501(a) or Sections 457(b) and (g), whichever is applicable, of the Internal Revenue Code of 1986, as amended, or any successor thereto (the "Code"). Plan Sponsor is a fiduciary to the Plan and is authorized under the terms of the Plan to appoint a Trustee. The Plan Sponsor desires Trustee to hold Plan funds and Trustee is willing to hold such funds pursuant to the terms of this Trust Agreement. The Plan Sponsor wishes to appoint Great-West Trust Company, LLC, as Trustee under the terms hereof. Plan Sponsor hereby warrants and represents that it is permitted, pursuant to its governing laws, including but not limited to applicable state and local laws, to appoint Great-West Trust Company, LLC, as Trustee. In consideration of the premises and of the mutual covenants herein contained, the parties covenant and agree as follows:

## **1. Definitions**

"Affiliate" means any corporation or entity now or hereafter controlled by a party to this Trust Agreement, that controls such party and/or that is under common control with such party, where "control" means either the direct or indirect holding of the shares of a corporation to which are attached more than fifty percent (50%) of the votes that may be cast to elect directors of the corporation, or more than fifty percent (50%) of the ownership interests of an unincorporated entity.

"Trust Agreement" includes this Trust Agreement and any exhibits, schedules, notices and other documents attached, incorporated or referenced herein.

"Plan Administrator" means the Defined Contribution Plan Administrative Committee established by Plan Sponsor and delegated by Plan Sponsor to assume administrative responsibilities as the named fiduciary in accord with the Defined Contribution Plan Administrative Committee Charter adopted by Plan Sponsor.

"Plan Sponsor" means the Plan Sponsor identified above, fiduciaries to the Plan, and other delegates of the Plan Sponsor (other than Trustee) as dictated by the context.

## **2. Creation and Operation of the Trust**

**2.1. Services.** Trustee will provide the services set forth in this Trust Agreement or as further described in schedules or appendixes hereto (collectively the "Services").

**2.2. Establishment/Acceptance of Trust.** In order to carry out the purposes of the Plan, the Trust is hereby created and established or, if previously established, is hereby continued. Trustee accepts this Trust and agrees to act as Trustee hereunder, but only on the terms and conditions set forth in this Trust Agreement. Subject to the terms and conditions of this Trust Agreement, all right, title and interest in and to the estate of the Trust fund shall be vested exclusively in Trustee.

**2.3. Acceptance of Property.** The Trust Fund shall include only those assets which Trustee initially accepts, and assets that are subsequently added to the Trust Fund pursuant to the provisions of Trust Agreement, hereinafter referred to as the "Trust Fund". Only assets actually received by Trustee will

become part of the Trust Fund. Plan Sponsor acknowledges and agrees that it is responsible for effectuating the transfer of any assets held by a prior trustee or custodian to Trustee. All assets so received, together with the income there from and any other increment thereon, shall be held by Trustee pursuant to the terms of this Trust Agreement without distinction between principal and income and without liability for the payment of interest thereon. In no event shall Trustee be considered a party to the Plan and, in the event of any conflict between this Trust Agreement and the provisions of the Plan or any other instrument or agreement forming part of such Plan, the provisions of this Trust Agreement shall take precedence. Trustee shall have only such duties with respect to the Plan as are set forth in this Trust Agreement.

## **2.4. Investment Powers.**

**2.4.1** Trustee shall have no discretion or authority with respect to the investment of Trust assets, but shall act solely as a directed Trustee, and in accordance with this Trust Agreement shall invest and reinvest the principal and income of the Trust and keep the Trust invested in such investments in securities or other property, real or personal, within or without the United States, including, without limitation, interests and part interests in any bond and mortgage or note and mortgage and interests and part interests in certificates of deposit, commercial paper and other short-term or demand obligations, secured or unsecured, whether issued by governmental or quasi-governmental agencies or corporations or by any firm or corporation, capital, common and preferred, voting and nonvoting stock (regardless of dividend or earnings record), and including shares of mutual funds, annuity or investment contracts issued by an insurance company, and financial options and futures or any other form of option, and shall hold such securities or property in one or more funds; or in any fund created and administered by Trustee or any other bank or Investment Manager, as defined in Paragraph 2.4.6 of this Trust Agreement, for the collective investment of the assets of employee benefit trusts that is (i) a collective investment fund or (ii) a group trust that meets all of the conditions of Revenue Ruling 81-100, as modified by Revenue Ruling 2011-1, (and while any portion of the Trust Fund is so invested, such collective investment fund or group trust shall constitute part of the Plan, and the instrument creating such fund shall constitute part of this Trust Agreement). Trustee may keep such portion of the Trust Fund in cash and cash balances or hold all or any portion of the Trust Fund in savings accounts, certificates of deposit, and other types of time or demand deposits with any financial institution or quasi-financial institution, either domestic or foreign (including Trustee and its Affiliates) as directed by the Plan Administrator, Plan Sponsor, Investment Manager, or other designated fiduciary of the Plan.

**2.4.2** To the maximum extent permitted by law, Trustee shall not be liable for the acquisition, retention or disposition of any assets of the Trust Fund or for any loss to or diminution of such assets unless due to Trustee's own willful misconduct or failure to act in good faith.

**2.4.3** Trustee shall not be the Plan Administrator. Trustee shall be a directed Trustee under the direction of the Plan Administrator, Plan Sponsor, Participants (only to the extent the investment of Plan assets are directed by Participants as provided below), Investment Manager, as appointed by Plan Sponsor or Plan Administrator, or other fiduciary of the Plan designated under the Plan, who is not the Trustee. The duties and obligations of Trustee hereunder shall be limited to those expressly imposed upon it by this Trust Agreement, notwithstanding any reference contrary in the Plan, and no further duties or obligations of Trustee shall be implied. For example, Trustee shall have no initial or ongoing duty to determine the prudence of any Plan investment directed to be made by Plan Sponsor or any delegate thereof, to diversify Plan investments, or to make or monitor investment decisions. The Plan Administrator, Plan Sponsor or Investment Manager, as applicable, and not the Trustee are solely responsible for the prudent selection of Plan investments and for the ongoing duty to monitor and remove imprudent Plan investments. Trustee shall not be liable for any loss to, or diminution of the Plan assets, or for any other loss or damage which may result from the discharging of its duties hereunder if it acts in good faith and in accordance with the terms of this Trust Agreement and in accordance with the applicable federal or state laws, rules, and regulations.

**2.4.4** Plan Administrator, Plan Sponsor or other designated fiduciary shall select investment alternatives for the Plan (each an "Investment Alternative") which include some or all of the following types, or some other type reasonably acceptable to Trustee from an administrative standpoint: (i)

securities issued by open-end investment companies registered under the Investment Company Act of 1940 ("Mutual Funds"), (ii) notes evidencing loans to Participants in accordance with the terms of the Plan, (iii) annuity or investment contracts issued by an insurance company, (iv) a portfolio of securities and obligations which is intended to produce a fixed rate of investment return, including but not limited to guaranteed investment contracts ("GICs"), United States government securities, corporate bonds, notes, debentures, convertible securities, preferred stocks, and interests in collective investment funds maintained by banks or other financial institutions which invest in such securities and obligations and other similar investments, in each case as chosen by Plan Sponsor, Plan Administrator or an Investment Manager, (v) portfolios of securities managed by an Investment Manager for which market values can be obtained readily from securities exchanges or pricing services subscribed to by Trustee, (vi) portfolios of securities issued by Mutual Funds, managed by an Investment Manager or Plan Administrator, and (vii) interests in collective investment funds and group trusts under Revenue Ruling 81-100, as modified by Revenue Ruling 2011-1, maintained by Trustee or another bank or financial institution for qualified plans.

**2.4.5** If the investment of Plan assets is to be directed by Participants, the Plan Administrator, Plan Sponsor or other designated fiduciary, who is not the Trustee, shall be solely responsible for the Plan selecting a broad range of investment alternatives among which Participants may designate investments of their accounts, providing Participants with information concerning the designated Investment Alternatives, and restricting the frequency with which Participants may issue investment instructions.

**2.4.6** Plan Administrator, Plan Sponsor or other designated fiduciary of the Plan may appoint an "Investment Manager," to manage any Investment Alternative, or any part of an Investment Alternative. Any Investment Manager so appointed shall be (i) an investment adviser registered as such under the Investment Advisers Act of 1940 ("Advisers Act"), (ii) a bank, as defined in the Advisers Act, (iii) an insurance company qualified to perform investment management services under the laws of more than one state of the United States, or (iv) another entity who has agreed to be a fiduciary with respect to the Plan. In the event of such appointment, the appointing fiduciary shall notify Trustee of any such appointment by delivering to Trustee written notice of the appointment of each Investment Manager hereunder, in the form provided by Trustee, together with an acknowledgment by the Investment Manager that it is a fiduciary of the Plan. Alternatively, the Plan Administrator or Plan Sponsor, in its capacity as a fiduciary to the Plan, may manage an Investment Alternative. In either case, the appointing fiduciary shall specify to Trustee the Investment Alternative that shall be subject to such investment management. The appointing fiduciary shall be responsible for ascertaining that, while each Investment Manager is acting in that capacity, that such Investment Manager satisfies the requirements of this paragraph 2.4.6. Trustee shall invest and reinvest the portion of the Trust Fund subject to such investment management only to the extent and in the manner directed by the Investment Manager, the Plan Administrator or Plan Sponsor, as the case may be. During the term of such appointment, Trustee shall have no liability for the acts or omissions of such Investment Manager, the Plan Administrator or Plan Sponsor, and except as provided in the preceding sentence, shall be under no obligation to invest, review, or otherwise manage the portion of the Trust Fund subject to such investment management. Trustee may maintain separate accounts within the Trust Fund for the assets of the Trust Fund subject to such investment management. The appointing fiduciary may terminate its appointment of an Investment Manager at any time and shall notify Trustee in writing of such termination. Trustee shall be protected in assuming that the appointment of an Investment Manager remains in effect until it is otherwise notified in writing by the appointing fiduciary.

**2.4.7** In the event an Investment Manager appointed hereunder is a bank or a trust company, or an affiliate of a bank or trust company, Trustee shall, upon the direction of Plan Sponsor, transfer funds to such bank, trust company, or affiliate for investment through the medium of any collective investment fund created and administered by such bank, trust company, or affiliate, acting as trustee therefor, for the collective investment of the assets of employee benefit trusts, provided that such fund is (i) a bank collective investment fund or (ii) a group trust that meets all of the conditions of Revenue Ruling 81-100, as modified by Revenue Ruling 2011-1. In order to implement the provisions of this subsection, Trustee is authorized to enter into any required ancillary trust, agency or other type of agreement with an Investment Manager, or its affiliate, as described in the preceding sentence.

## **2.5. Payments.**

Subject to the provisions of this Trust Agreement, Trustee shall from time to time transfer cash or other property from the Trust Fund to such persons as designated by the Plan Sponsor or Plan Administrator, at such addresses, in such amounts, for such purposes and in such manner as the Plan Sponsor or Plan Administrator may direct, provided that such transfer is administratively feasible, and Trustee shall incur no liability for any such payment made at the direction of Plan Administrator. Plan Sponsor or Plan Administrator shall be solely responsible to insure that any payment made at its direction conforms with the provisions of the Plan, the provisions of this Trust Agreement, and the Code, and Trustee shall have no duty to determine the rights or benefits of any person in the Trust Fund or under the Plan or to inquire into the right or power of Plan Sponsor or Plan Administrator to direct any such payment.

## **3. Powers of the Trustee**

**3.1.** Trustee is authorized to exercise from time to time in accordance with directions from the Plan Administrator, Plan Sponsor, an Investment Manager, or a Participant, as the case may be, the following powers in respect of any property, real or personal, of the Trust Fund, it being intended that these powers be construed in the broadest possible manner:

**3.1.1** to sell at public or private sale for cash or upon credit or partly for cash and partly upon credit;

**3.1.2** to exchange securities or property held by it for other securities or property, or partly for such securities or property and partly for cash, and to exercise conversion, subscription, option and similar rights with respect to securities held by it, and to make payments in connection therewith;

**3.1.3** to compromise and adjust all debts or claims due to or made against it, to participate in any plan of reorganization, consolidation, merger, combination, liquidation or other similar plan or any action thereunder, or any contract, lease, mortgage, purchase, sale or other action by any corporation or other entity;

**3.1.4** to exercise any conversion privilege or subscription right available in connection with any such property; to oppose or to consent to the reorganization, consolidation, merger or readjustment of the finances of any corporation, company or association or to the sale, mortgage, pledge or lease of the property of any corporation, company or association any of the securities of which may at any time be held in the Trust Fund and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payments of expenses, assessments or subscriptions, which may be deemed necessary or advisable in connection therewith and to hold and retain any securities or other property which it may so acquire;

**3.1.5** to make distributions in cash or in specific property, real or personal, or an undivided interest therein, or partly in cash and partly in such property;

**3.1.6** to commence or defend suits or legal proceedings and to represent the Trust in all suits or legal proceedings; to settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust, provided that Trustee shall notify Plan Sponsor or Plan Administrator of all such suits, legal proceedings and claims and, except in the case of a suit, legal proceeding or claim involving solely Trustee's action or omissions to act, shall obtain the written direction of Plan Sponsor or Plan Administrator before settling, compromising or submitting to binding arbitration any claim, suit or legal proceeding of any nature whatsoever. The Trustee shall have no obligation to undertake, defend or continue to maintain any action or proceeding arising in connection with the Trust, unless and until the Plan Sponsor requests the Trustee to do so and agrees in writing to indemnify the Trustee against the Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto, to be primarily liable for such payment and to make periodic payments in respect of such fees and expenses during the course of such proceedings. If the Plan Sponsor thereafter does not pay such costs, expenses and liabilities in a reasonably timely manner, the Trustee shall discontinue participation in such action or

proceeding, and charge the assets of the Trust Fund to the extent sufficient for any unpaid fees and expenses;

**3.1.7** upon the written direction of Plan Sponsor or Plan Administrator, to enter into any contract or policy with an insurance company or companies, for the purpose of insurance coverage or otherwise, provided that, except as provided in Section 3.3, Trustee shall be the sole owner of all such contracts or policies and all such contracts or policies shall be held as assets of the Trust Fund; and

**3.1.8** to transfer assets of the Trust Fund to a successor trustee as provided in Section 3.8.

**3.2.** Notwithstanding that Trustee acts solely as a directed trustee, Trustee shall have the following ministerial powers and authority, to be exercised in its sole discretion, with respect to the Trust Fund:

**3.2.1** to employ suitable agents and custodians;

**3.2.2** to delegate to its Affiliate, or others, any or all of its duties arising out of this Trust Agreement, including but not limited to, recordkeeping and reporting;

**3.2.3** to register any securities or other property held by it hereunder in its own name or in the name of a nominee with or without the addition of words indicating that such securities or other property are held in a fiduciary capacity and to hold any securities or other property in bearer form and to deposit any securities or other property in a depository or clearing corporation;

**3.2.4** to reverse any erroneous or provisional credit entries to the Trust Fund retroactively to the date upon which the correct entry or no entry should have been made;

**3.2.5** to make, execute and deliver, as Trustee, any and all deeds, leases, mortgages, conveyances, waivers, releases, subscription documents, or other instruments in writing necessary or desirable for the accomplishment of any of the foregoing powers, provided that in connection with the acquisition, holding or disposition of securities or other property other than publicly-traded securities, that the Investment Manager, Plan Sponsor, or Plan Administrator, as the case may, has provided written direction in a form satisfactory to Trustee; and

**3.2.6** generally to do all ministerial acts, whether or not expressly authorized, which Trustee may deem necessary or desirable in carrying out its duties under this Trust Agreement.

**3.3. Insurance Contracts.** Trustee may, at the direction of Plan Sponsor or Plan Administrator, (i) enter into one or more contracts issued by an insurance company, including such contracts providing for investment in a separate account maintained by an insurance company, (ii) transfer to any such insurance companies a portion of the Trust Fund in accordance with any such contracts, and (iii) hold any such contracts as a part of the Trust Fund until directed otherwise by Plan Sponsor or Plan Administrator. Trustee shall have no responsibility to review any contract or the creditworthiness of the insurance company issuing such contract at any time or from time to time. Plan Sponsor or Plan Administrator may direct Trustee to (i) demand or accept withdrawals or other distributions under any such contracts; (ii) exercise or not to exercise any rights, powers, privileges and options under any such contracts; and (iii) assign, amend, modify, or terminate any such contracts. Trustee shall take no action with respect to any such contracts except at the direction of Plan Sponsor or Plan Administrator. Trustee shall incur no liability for complying with, or failing to act in the absence of, any such direction of Plan Sponsor or Plan Administrator. Any insurance companies issuing any contracts as hereinabove described may deal with Trustee as the absolute owner of any such contracts and need not inquire as to the authority of Trustee to act with regard to such contracts. In no event shall the underlying assets of such insurance company in which such contracts are invested be considered assets of the Plan or part of the Trust Fund.

### **3.4. Fiduciary Standards.**

**3.4.1** Trustee shall perform those duties under this Trust Agreement that constitute it as a fiduciary with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent trustee acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Trustee shall exercise reasonable care with respect to its remaining duties and obligations under this Trust Agreement.

**3.4.2** Trustee shall not be responsible for the administration of the Plan, for determining the funding policy of the Plan or the adequacy of the Trust Fund to meet and discharge liabilities under the Plan, or for the investments of the Plan. Trustee shall not be responsible for any failure of Plan Administrator or Plan Sponsor to discharge any of their respective responsibilities with respect to the Plan nor be required to enforce payment of any contributions to the Trust Fund, which duty is assigned to the Plan Administrator, as a fiduciary to the Plan, and Trustee shall be a directed trustee with respect to contributions and shall have no obligation to take any action to collect any contributions except upon the direction of the Plan Administrator.

**3.4.3** Except as otherwise required by the Code, under no circumstances shall Trustee or its Affiliates or agents incur liability for any indirect, incidental, consequential or special damages (including, without limitation, lost profits) of any form incurred by any person, whether or not foreseeable and regardless of the form of the action in which such a claim may be brought, with respect to the Trust Fund or its role as Trustee.

### **3.5. Prohibition of Diversion.**

**3.5.1** At no time prior to the satisfaction of all liabilities with respect to Participants in the Plan shall any part of the corpus or income of the Trust Fund be used for, or diverted to, purposes other than for the exclusive benefit of such Participants. Except as provided below and Section 4, the assets of the Trust Fund shall never inure to the benefit of Plan Sponsor and shall be held for the exclusive purpose of providing benefits to Participants in the Plan and defraying the reasonable expenses of administering the Plan.

**3.5.2** In the case of a contribution that is made by Plan Sponsor by a mistake of fact, subsection 3.5.1 above shall not prohibit the return to Plan Sponsor of such contribution, without any earnings, but reduced by any losses, at the direction of Plan Sponsor or Plan Administrator within one year after the payment of the contribution.

**3.5.3** If a contribution by Plan Sponsor is expressly conditioned on initial qualification of the Plan under Section 401 of the Code, and if the Plan does not so qualify, then subsection 3.5.1 above shall not prohibit the return to Plan Sponsor of such contribution, without any earnings, but reduced by any losses, at the direction of Plan Sponsor or Plan Administrator within one year after the date of denial of qualification of the Plan, to the extent permitted by the Code.

**3.5.4** If a contribution by Plan Sponsor is expressly conditioned upon the deductibility of the contribution under Section 404 of the Code, then to the extent such deduction is disallowed, subsection 3.5.1 above shall not prohibit the return to Plan Sponsor of such contribution, without any earnings, but reduced by any losses, at the direction of Plan Sponsor or Plan Administrator, to the extent disallowed, within one year after the date of such disallowance.

### **3.6. Valuation of the Trust Fund and Periodic Accounts.**

**3.6.1** Trustee shall report the value of securities or other property held in the Trust Fund as follows:

a. Publicly-traded securities for which a price is readily available shall be reported based upon information and financial publications of general circulation, generally available statistical and valuation services, and records of security exchanges, or from quotes from brokers customarily used by Trustee for security pricing purposes;



b. Units or shares in Mutual Funds shall be reported at the most recently announced net asset value pursuant to regulations under the Investment Company Act of 1940;

c. Units or shares in limited liability companies, or other funds other than Mutual Funds (each, together with units or shares of Mutual Funds, a "Fund") or group trusts shall be reported at their most recent asset value or other unit or share value stated by the Fund or its operator received by Trustee prior to the date of the production of any particular statement of account;

d. Units in group trusts shall be reported at the value stated by the trustee of the group trust;

e. Contracts of a type that Trustee, acting reasonably, determines to be an over-the-counter derivative ("OTC Derivative Contracts") shall be reported at the price provided by the applicable Investment Manager, a vendor selected by that Investment Manager, Plan Sponsor or Plan Administrator; and

f. Other securities or other property shall be reported at prices certified by the applicable Investment Manager or at the price provided by a vendor or appraiser selected by the Investment Manager, Plan Sponsor or Plan Administrator.

**3.6.2** Trustee shall follow general market practice with regard to reviewing the reasonableness of prices received by it 3.6.1(a), but shall not otherwise be responsible for any error or inaccuracy in any such price as received by Trustee. Plan Sponsor, Plan Administrator, or the applicable Investment Manager, as the case may be, shall be deemed to have directed Trustee as to any price reported under clauses 3.6.1(b) through 3.6.1(f), and Trustee shall conduct no review or verification of any such price.

**3.6.3** Plan Sponsor, Plan Administrator or the applicable Investment Manager shall be responsible for assessing whether the prices reported by Trustee reflect the fair market value or fair value of the applicable asset at the time as of which Trustee reports the value of the Trust Fund. Trustee shall have no obligation to make a fair value adjustment of any price received by it, although it will incorporate into its reports any fair value adjustment that Plan Sponsor, Plan Administrator, or an Investment Manager may provide instructions for, to the extent that it is practicable for Trustee to do so from an operational perspective. Trustee shall be fully protected in relying upon the prices reported in accordance with this Section 3.6 for all purposes under this Trust Agreement, as well as any requirements of the Financial Accounting Standards Board or Governmental Accounting Standards Board.

**3.6.4** Plan Sponsor acknowledges that reported prices of securities and other property (particularly values of OTC Derivative Contracts and other assets lacking a readily available price) are indicative values only and do not indicate the actual terms at which the relevant asset or liability could be sold or unwound.

**3.6.5** Trustee shall have no responsibility to determine the price of OTC Derivative Contracts except as separately agreed to in writing between Plan Sponsor and Trustee.

**3.6.6** Trustee or its agent shall keep records of all transactions relating to the Trust Fund, which shall be made available at reasonable times during normal working hours to persons designated by Plan Sponsor or as may be required by law. Trustee or its agent shall render an accounting and statement of the Trust Fund assets and their values to Plan Sponsor as or on behalf of Plan Administrator at least annually. Plan Administrator may approve or file objections to such accounting on behalf of itself and Plan Sponsor by an instrument in writing delivered to Trustee. If Plan Administrator does not file with Trustee objections to any such accounting within ninety (90) days after its receipt, Plan Administrator shall be deemed to have approved such accounting on behalf of itself and Plan Sponsor. In such case, or upon the written approval of Plan Administrator of any such accounting, Trustee and its agent shall, to the extent permitted by law, be discharged from all liability for its act or failures to act described in such accounting. Except to the extent otherwise provided in the Code, no person, other than Plan

Sponsor or Plan Administrator, may require an accounting or bring any action against Trustee with respect to the Trust Fund.

**3.6.7** Nothing contained in this Trust Agreement or in the Plan shall deprive Trustee or its agent of the right to have a judicial settlement of its accounts. In any proceeding for a judicial settlement of the accounts of Trustee or its agent or for instructions with regard to the Trust, the only necessary parties thereto in addition to Trustee and its agent as appropriate shall be the Plan Administrator. If Trustee or its agent so elects, it may join as a party or parties defendant any other person or persons.

**3.7. Plan Administrator.** Plan Sponsor shall certify to Trustee and its agent the names of the entity or persons from time to time constituting the Plan Administrator and of any other persons with authority to provide direction on behalf of the Plan under this Trust Agreement. All directions to Trustee or its agent by Plan Administrator or any other authorized representatives shall be in writing which includes directions received via electronic methods acceptable to the Trustee. Trustee and its agent shall be entitled to rely without further inquiry upon all such written directions received from the Plan Administrator or any other authorized persons.

**3.8. Resignation or Removal of Trustee.**

**3.8.1** Trustee may resign at any time by giving ninety (90) days' written notice to Plan Sponsor. The Plan Sponsor may remove Trustee at any time by giving ninety (90) days' written notice to Trustee. In the case of the resignation or removal of Trustee, the Plan Sponsor shall appoint a successor trustee who shall have the same powers and duties as those conferred upon Trustee. If the Plan Sponsor fails to appoint a successor Trustee as of the effective date of the Trustee resignation or removal or as of the effective date of the termination of this Trust Agreement and no other Trustee remains, the Trustee will treat the Plan Sponsor as having appointed itself as Trustee and as having filed the Plan Sponsor's acceptance of appointment as successor Trustee with the Trustee.

**3.8.2** Trustee shall execute, acknowledge and deliver all documents and written instruments necessary to transfer and deliver all of the assets of the Trust Fund and all rights and privileges therein to the successor trustee or, in its discretion, to a court of competent jurisdiction as the Trustee deems necessary, within a reasonable time, after reserving such reasonable amount as it shall deem necessary to provide for any expenses and payments then chargeable against the Trust Fund for which the Trust Fund may be liable, or for payment of the retiring Trustee's fees and expenses in connection with the settlement of its account or otherwise. If the assets so withheld shall be insufficient or excessive for such purposes, the retiring Trustee shall be entitled to reimbursement for any deficiency out of the Trust Fund from the successor trustee, or shall deliver the excess to the successor trustee, as the case may be. Following the effective date of the removal or resignation of Trustee, upon request, the Trustee shall provide the Plan Sponsor a written account of all Trust Fund transactions since the most recent report provided to the Plan Sponsor. The provisions of Section 3.6 shall be applicable to such account. The term "Trustee" as used in this Trust Agreement shall be deemed to apply to any successor trustee, permitted under Section 3.8.1, acting hereunder.

**3.8.3** Upon the appointment of a successor trustee, the resigning and removed Trustee shall be discharged from further accountability for the Trust Fund, and shall be under no further duty, obligation or responsibility for the disposition by such successor trustee of the Trust Fund or any part thereof.

**3.9. Plan-to-Plan Transfers; Rollovers.**

**3.9.1** Trustee or its agent may transfer part or all of the property representing a Participant's interest in the Plan to the trustees of any trust qualified under Section 401(a) of the Code or Section 457(g) of the Code, whichever is applicable, in a plan-to-plan transfer, or with respect to an eligible rollover distribution, to any eligible retirement plan as provided under Section 402(c) of the Code or Section 457(e) of the Code, whichever is applicable. Trustee or its agent may make such a transfer only at the direction of the Plan Administrator.

**3.9.2** Trustee or its agent may accept as part of the Trust Fund such property as is acceptable to Trustee which represents a Participant's retirement benefits transferred from a trust qualified under Section 401(a) of the Code or Section 457(g) of the Code, whichever is applicable, or transferred as a permissible rollover under Section 402(c) or 408(d)(3) of the Code or Section 457(e) of the Code, whichever is applicable. The amount of such benefits shall at all times be separately accounted for by Plan Sponsor. A Participant shall at all times be fully vested in any property so transferred as a rollover to the Trust Fund. Such property shall be distributed to the Participant at the direction of the Plan Administrator within the time required for distribution of his retirement benefits under the applicable provisions of the Plan.

### **3.10. Participating Employers.**

**3.10.1** Any entity that is required to be treated as a single employer or otherwise required to be aggregated with Plan Sponsor and which has adopted the Plan in accordance with its terms (a "Participating Employer") shall become a party to this Trust Agreement upon Plan Sponsor delivering to Trustee or its Affiliates documentation that it agrees to adopt the Plan, to become a party to this Trust Agreement, and to be bound by all the terms and conditions of the Plan and this Trust Agreement. Plan Sponsor shall have the sole authority to enforce this Trust Agreement on behalf of all Participating Employers and Trustee or its agent shall in no event be required to deal with any such Participating Employer except by dealing with Plan Sponsor as such Participating Employer's agent. Irrespective of the number of Participating Employers which may become parties to this Trust Agreement, Trustee or its agent shall in all respects invest and administer the Trust Fund as a single fund for investment and accounting purposes without allocation of any part of the Trust Fund as between Plan Sponsor and any Participating Employer.

**3.10.2** A Participating Employer which has adopted the Plan shall cease to be a party to this Trust Agreement upon Plan Sponsor delivering to Trustee documentation that it is terminating its participation in the Plan. In such event, or in the event of the termination of Plan Sponsor or of any such Participating Employer, or in the event of the establishment, modification or continuance of any other retirement plan which separately or in conjunction with this Plan is qualified under Section 401(a) of the Code, Trustee or its agent shall continue to hold the portion of the Trust Fund which is attributable to the participation in the Plan of the employees and their beneficiaries affected by such termination, and this Trust Agreement shall continue in force with respect to such portion, until otherwise directed by the Plan Administrator, in accordance with the provisions of the Plan and the Code.

**3.11. Alienation.** No interest in the Trust Fund shall be assignable or subject to anticipation, sale, transfer, mortgage, pledge, charge, garnishment, attachment, bankruptcy or encumbrance or levy of any kind, and the Trustee or its agent shall not recognize any attempt to assign, sell, transfer, mortgage, pledge, charge, garnish, attach or otherwise encumber the same except to the extent that such attempt is made pursuant to (i) a court order determined by the Plan Administrator to be a qualified domestic relations order, as defined in Section 414 of the Code or (ii) as required by a federal tax levy made in accordance with Section 6331 of the Code, (iii) pursuant to an offset under Section 401(a)(13)(C) of the Code or (iv) as otherwise allowed under the Code.

**3.12. Bond.** Trustee shall not be required to give any bond or any other security for the faithful performance of its duties under this Trust Agreement except as required by law.

### **3.13. Proxies and Other Incidents of Ownership**

**3.13.1** The Trustee shall have no discretion with respect to voting proxies, tendering shares in a tender or exchange offer, or exercising any other rights of ownership.

**3.13.2** The Trustee shall deliver or cause to be delivered, as directed by the Plan Sponsor or Plan Administrator, to the Plan Sponsor, Plan Administrator, the designated Investment Manager, or a designated transfer agent, all proxies and proxy related materials relating to investments held under the Trust Agreement received by Trustee.

**3.13.3** The Plan Sponsor shall assign a fiduciary (which may be a person, committee or entity designated by the Plan Sponsor, or the Plan Sponsor, but which shall not be the Trustee) who shall be responsible for voting proxies, tendering shares and exercising shareholder rights.

**3.13.4** With respect to investments held in Participant-directed brokerage accounts, each Participant shall be responsible for directly voting proxies, tendering shares and exercising shareholder rights.

#### **4. Compensation and Expenses**

**4.1.** Trustee shall be compensated in accordance with the fee schedule provided to Plan Sponsor which may be incorporated as part of the fee schedule or other fee documentation provided to the Plan Sponsor under an agreement between the Plan Sponsor and an Affiliate of the Trustee to provide recordkeeping or other administrative services to the Plan where such fees may be paid by the Affiliate to the Trustee on behalf of the Plan. If Trustee proposes an amended written fee schedule and Plan Sponsor fails to object thereto within ninety (90) days of its receipt, the amended fee schedule shall be deemed accepted by Plan Sponsor. Trustee reserves the right to liquidate Trust assets in satisfaction of its fees hereunder in the event of non-payment by Plan Sponsor.

**4.2.** Plan Sponsor acknowledges and agrees if the Plan's assets pass through a bank account held by Trustee, it may earn credits and/or interest on Plan assets awaiting investment or pending distribution. Any credits or interest earned by Trustee are aggregated with credits and/or interest earned by its Affiliates and will be used to defray the aggregate expenses for the maintenance of bank accounts. Trustee will not retain credits and/or interest earned in excess of such maintenance expenses.

**4.3.** Credits and/or interest are earned from the use of (i) uninvested contributions received too late in the day or not received in good order to be invested same-day and (ii) proceeds from investment option redemptions where distribution checks have not been presented for payment by participants. Credits and/or interest (i) begin to accrue on contributions, on the date such amounts are deposited into the bank account and end on the date such amounts are invested pursuant to Plan participant or Plan representative instructions, and (ii) begin to accrue on distributions, on the date the check is written or on the wire date, as applicable and end on the date the check is presented for payment or when the wire clears again the account, as applicable. Earnings of credits and/or interest are at the rate the bank provides from time to time.

**4.4.** Trustee shall pay out of the Trust Fund, income taxes levied or assessed under existing or future laws against the Trust Fund, (including all Plan participant accounts) upon direction by a regulatory authority or agency or Plan Sponsor or Plan Administrator, as applicable.

**4.5.** Plan Sponsor shall pay, or if not paid by Plan Sponsor and the Plan so permits, Plan Sponsor directs Trustee to pay from the Trust Fund, the reasonable expenses relating to the Plan and Trust Fund that are permitted by law to be paid from the Trust Fund.

#### **5. Confidential Information**

**5.1.** In order to perform the Services, both parties may have access to certain information of the other party, including, without limitation, trade secrets, commercial and competitively sensitive information of the party related to business methods or practices, and proprietary software or websites of the party ("Confidential Information"). For the purpose of clarity, any software or website made available by Trustee or its Affiliates ("Trustee Software") is Confidential Information of Trustee. The parties mutually agree to hold all Confidential Information of the other party in confidence and not to disclose any Confidential Information of the other party to anyone except the parties' Affiliates, suppliers, and respective personnel in connection with the performance or receipt of Services hereunder or as directed or approved by the other party or its agents. Confidential Information does not include: information that is otherwise in the public domain through no action of the non-disclosing party; information that is acquired by a party from a person other than the other party or its agents without any obligation of confidentiality; information subject

to disclosure under the California Public Records Act; or information that is independently developed by a party without reference to the Confidential Information of the other party.

**5.2.** In the event a party makes an unauthorized disclosure or use of Confidential Information of the other party, or receives notice that it will be required to make a legally required disclosure of the other party's Confidential Information, such party shall notify the other party of the disclosure as soon as reasonably practicable. In the event a party is legally compelled to disclose Confidential Information, the party shall notify the other and cooperate with any efforts by such party to obtain protective treatment of such Confidential Information to the extent permitted by law; provided that the foregoing shall not apply to broad-based regulatory examinations associated with a party's general business or operations. Both parties acknowledge that failure to comply with this section may cause irreparable harm to the party whose Confidential Information is disclosed and agrees that any court having jurisdiction may enter an order for equitable relief, including an injunction or an order for specific performance in the event of actual or threatened breach of these provisions.

**5.3.** Plan Sponsor authorizes Trustee to disclose Confidential Information to: (i) any subcustodian, subcontractor, agent, securities depository, securities exchange, broker, third party agent, proxy solicitor, issuer, or any other person that Trustee believes is reasonably required to receive such information in connection with Trustee's provision of relevant services under this Trust Agreement; (ii) its professional advisors, auditors or public accountants; (iii) its Affiliates, and (iv) any revenue authority or any governmental entity in relation to the processing of any tax relief claim.

## **6. Privacy & Data Security**

**6.1.** Trustee and Plan Sponsor agree to maintain and hold in confidence all Nonpublic Personal Information ("NPI") received in connection with the performance of Services under this Trust Agreement. Trustee and Plan Sponsor agree that their collection, use and disclosure of any and all NPI is and will be at all times conducted in compliance with all applicable data protection and/or privacy laws, rules and/or regulations. NPI includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act. Trustee shall not use or disclose NPI to any third party, other than to its Affiliates and third party service providers, and to other Plan service providers, without Plan Sponsor's written consent, except as permitted or required by law. Any third party service provider retained by Trustee who has access to NPI shall agree in writing to be bound by obligations of confidentiality and non-disclosure.

**6.2.** The parties will use best efforts to secure NPI through the use of appropriate physical and logical security measures, and will take all commercially reasonable organizational and technical steps to protect against unlawful and unauthorized processing of NPI. For purposes of this section, NPI includes user credentials, passwords, and other authentication data that enables Plan Sponsor, its authorized agents, or Participants to access Trustee Software. The parties will promptly notify the other in the event of (i) any breach of its security that results in unauthorized access to NPI; (ii) the consequences of the breach; and (iii) the corrective action taken to remedy the breach.

## **7. Business Continuity & Disaster Recovery**

Trustee will, in conjunction with its Affiliates, maintain business continuity and disaster recovery procedures to address the security, integrity and availability of the technology, operational, financial, human and other resources required to provide the Services. Such procedures shall be designed to enable Trustee to continue to perform mission-critical Services in the event of a natural disaster or other interruption of normal business operations. Further, Trustee, in conjunction with its Affiliates, agrees to review and test such disaster recovery procedures at least once annually. Upon request by Plan Sponsor, Trustee will provide a written summary of its then-current policies, procedures or programs, including an overview of recent business continuity exercise results.

## **8. Records**

Trustee shall retain all records in its custody and control that are pertinent to performance under this Trust Agreement in accordance with its record retention policy, as amended from time to time. Subject to the foregoing, each party agrees to return or destroy the other party's Confidential Information and NPI once it is no longer required for the purpose of performing or receiving the Services, provided that the parties are not obligated to destroy copies of Confidential Information or NPI that must be retained for audit, legal or regulatory purposes, or is stored in non-readily accessible electronic format, such as on archival systems.

## **9. Intellectual Property Rights**

**9.1. Plan Sponsor Materials.** As between the parties hereto, except for Trustee Materials (as defined below), Plan Sponsor shall own all materials, trademarks, tradenames, logos, trade dress, and other information provided by Plan Sponsor or otherwise made accessible by Plan Sponsor to Trustee for use in providing the Services (collectively, the "Plan Sponsor Materials"). Plan Sponsor Materials do not include data and information in the form maintained by Trustee or supplied by Trustee to Plan Sponsor.

**9.2. Trustee Materials.** As between the parties hereto, Trustee and its Affiliates shall own all materials, documentation, user guides, forms, templates, business methods, trademarks, tradenames, logos, websites, software, technology, computer codes, domain names, text, graphics, photographs, artwork, interfaces and other information or material provided by Trustee or its Affiliates hereunder (collectively, the "Trustee Materials"). The term "Trustee Materials" shall not include Plan Sponsor Materials (as defined in paragraph 9.1). Trustee grants to Plan Sponsor a non-exclusive, non-transferable and non-sublicensable license to use the Trustee Materials during the term of the Trust Agreement solely for purposes of using Trustee's Services hereunder and subject to the terms and conditions set forth in this Trust Agreement. All rights with respect to the Trustee Materials not specifically granted hereunder are reserved by Trustee.

## **10. Liability & Indemnification**

**10.1. Indemnification.** Trustee agrees to indemnify the Plan Sponsor from and against any and all expenses, costs, reasonable attorneys' fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, "Damages") to the extent resulting from the Trustee's breach of this Trust Agreement, negligence, or willful misconduct. Notwithstanding anything to the contrary herein, Trustee shall not be liable to Plan Sponsor for any Damages resulting from: (i) any acts or omissions undertaken at the direction of the Plan Sponsor, Plan Administrator, Investment Manager or Participants and any authorized agent thereof; (ii) any direction of any third party retained by Plan Sponsor to provide services relating to the Plan, including but not limited to prior service providers, investment advisors, or any authorized agent thereof; or (iii) any performance of the Services as to which Trustee has complied with directions or instructions as contemplated by this Trust Agreement, or has refrained from acting in the absence of directions or instructions as contemplated by this Trust Agreement or that is in strict compliance with the terms of this Trust Agreement.

Plan Sponsor acknowledges that Trustee and its directors, officers, employees and authorized representatives are not responsible for the investment performance of any investments under the Trust.

**10.2. Limitation of Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFIT) EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## **11. Dispute Resolution**

The parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Trust Agreement. If the parties are unable to agree between themselves, the parties will submit the dispute to non-binding mediation conducted by a private mediator agreed to by both parties.

If the parties cannot agree on a mediator, the mediator may be selected by a nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The costs of mediation shall be borne equally by the parties, and each party shall pay its own expenses. If the parties are unable to resolve the dispute through non-binding mediation, either party may initiate litigation; provided, however, that if one party requests mediation and the other party rejects the proposal or refuses to participate, the requesting party may initiate litigation.

## **12. Term & Termination**

**12.1. Term.** This Trust Agreement may be terminated as specified below.

**12.2. Termination.** This Trust Agreement may be terminated as follows:

**12.2.1** in the event the contract providing a funding medium or providing for recordkeeping services is discontinued or terminated with an Affiliate of the Trustee, this Trust Agreement shall be terminated as well as of the date of discontinuance or termination of such contract with no further notice required from either party to the other; or

**12.2.2** this Trust Agreement and the Trust created may be terminated at any time by the Plan Sponsor upon ninety (90) days written notice, delivered to the Trustee. Upon receipt of such notice of termination, the Trustee shall, after payment of all expenses incurred in the administration of the Trust Fund and such compensation as to which Trustee may be entitled, distribute the Trust Fund in cash or in kind to such persons or entities, including Plan Sponsor, at such time and in such amounts as Plan Administrator shall direct, which direction shall be in conformity with the provisions of the Plan and applicable provisions of the Code. Notwithstanding the foregoing, Trustee shall not be required to pay out any assets of the Trust Fund until it shall have received such rulings or determinations of the Internal Revenue Service or any other administrative agency as it may deem necessary or appropriate in order to assure itself that any such payment is made in accordance with the provisions of law or that it will not subject the Trust Fund or the Trustee, individually or as such Trustee, to liability. The Plan Sponsor or Plan Administrator shall be responsible for obtaining such rulings.

**12.2.3** Notwithstanding the foregoing, either party may terminate this Trust Agreement immediately upon written notice to the other party in the event a material breach of this Trust Agreement by the other party has not been cured within thirty (30) days of that party being given written notice of the material breach.

## **13. Miscellaneous**

**13.1. Affiliates.** Plan Sponsor acknowledges and agrees that Trustee may utilize the services of Affiliates, agents, subcustodians, vendors and suppliers selected by Trustee. Trustee's use of any such party will not relieve Trustee of its obligations hereunder, and Trustee shall at all times remain liable for the performance of the Services hereunder.

**13.2. Relationship of the Parties.** The relationship between the parties is that of independent contractors. Neither Trustee nor its personnel shall be considered employees of Plan Sponsor or Plan Administrator for any purpose. None of the provisions of this Trust Agreement shall be construed to create an agency, partnership or joint venture relationship between the parties or the partners, officers, members or employees of the other party by virtue of either this Trust Agreement or actions taken pursuant of this Trust Agreement.

**13.3. Assignment.** This Trust Agreement shall be binding upon and inure to the benefit of each of the parties, their Affiliates, successors and permitted assigns; provided, however, that neither party may assign its rights or obligations hereunder without the other party's prior written consent. Notwithstanding the foregoing, a party may assign this Agreement in connection with: (i) the sale of substantially all of its assets to an entity that assumes the assignor's obligations under this Agreement; (ii) a merger, acquisition or divestiture; and/or (iii) a transfer to a parent or Affiliate, in each case without the other party's consent.

Any corporation which shall, by merger, consolidation, purchase or otherwise, succeed to substantially all the trust business of Trustee shall, upon such succession, and without any appointment or other action by any person, be and become successor Trustee hereunder. An assignor shall nevertheless give prompt written notice of any such permitted assignment reasonably identifying the assignee (including all pertinent addresses and contact information) and the effective date of the assignment to the other party.

#### **13.4. Entire Agreement; Amendment; Waiver.**

**13.4.1** This Trust Agreement, including all appendixes, exhibits, schedules, notices and attachments, constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services, and supersedes any prior trust agreement, statement, or representation relating to the obligations of the Trustee, whether oral or written. Except as otherwise provided herein, this Trust Agreement may be modified only by an amendment signed by authorized representatives of each party. Any Trustee policies that are attached to or referenced in this Trust Agreement may be modified by Trustee at any time. No waiver of any breach of any provision of this Trust Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of such provision or any other provision hereof and no waiver shall be effective unless made in writing.

**13.4.2** Notwithstanding anything contained in this Section to the contrary, no amendment shall divert any part of the Trust Fund to, and no part of the Trust Fund shall be used for, any purpose other than for the exclusive purpose of providing benefits to Participants; provided, however, that nothing in this Section shall be deemed to limit or otherwise prevent the payment from the Trust Fund of expenses and other charges as provided in Section 4.

**13.5. Governing Law; Waiver of Jury Trial.** To the extent not preempted by federal law, this Trust Agreement and the Trust shall be construed, regulated, and administered under the laws of the United States or the State of Colorado as they relate to the activities of the Trustee, and otherwise, in accordance with the laws of the State of California, as applicable, without regard to conflict of law principles, and any claim arising under or related to this Trust Agreement shall be subject to the exclusive jurisdiction of the federal and state courts located in California. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim arising out of, connected with, related to or incidental to this Trust Agreement to the fullest extent permitted by law.

**13.6. Force Majeure.** Neither Trustee nor Plan Sponsor shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control, including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, epidemics, explosions, sabotage, acts of God, civil disturbance, governmental restriction, transportation problems, failure of power or other utilities including phones, internet disruptions, fire or other casualty, natural disasters, or disruptions in orderly trading on any relevant exchange or market, failure of or the effect of rules or operations of any external funds transfer system, inability to obtain or interruption of external communications facilities, or any other cause that is beyond the reasonable control of either party.

**13.7. Severability.** The provisions of this Trust Agreement are severable, and if for any reason a clause, sentence, paragraph or provision of this Trust Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Trust Agreement that can be given effect without the invalid provision.

**13.8. Notices.** All formal notices required by this Trust Agreement will be in writing and shall be sent to Trustee as set forth below or to Plan Sponsor, as the case may be. The Plan Sponsor will be deemed to have received any applicable notices on behalf of the Plan Administrator. All notices sent shall be effective upon receipt. Provided, however, that upon either party's written request, such communications



shall be sent to such other address as a party may specify. No communication shall be binding on Trustee until it is received by Trustee.

**Trustee:**

Notice To Trustee: Great-West Trust Company, LLC  
8525 East Orchard Road  
Greenwood Village, CO 80111  
Attn: Trust Officer

With a copy to: Great-West Trust Company, LLC  
8525 East Orchard Road  
Greenwood Village, CO 80111  
Attn: General Counsel

**Plan Sponsor:** 6075 Kimball Ave., Building A  
PO Box 9020  
Chino, CA 91709  
Attn: General Manager

**Plan Administrator:** 6075 Kimball Ave., Building A  
PO Box 9020  
Chino, CA 91709  
Attn: Executive Manager of Finance and Administration/Assistant  
General Manager

**13.9. Headings; Defined Terms; Counterparts.** Section headings used in this Trust Agreement are intended for reference purposes only and shall not affect the interpretation of this Trust Agreement. Unless the context requires otherwise, capitalized terms defined in this Trust Agreement have the meanings set forth herein for all purposes of this Trust Agreement including any Schedules or Exhibits. This Trust Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Trust Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original. Neither the gender nor the number (singular or plural) of any word shall be construed to exclude another gender or number when a different gender or number would be appropriate.

**13.10. Survival.** The provisions of the following sections shall survive the termination of this Trust Agreement: Compensation and Expenses; Confidential Information; Privacy & Data Security; Records; Intellectual Property Rights; Liability & Indemnification; Dispute Resolution; Governing Law; Waiver of Jury Trial; Survival; Severability; and any other section that would by its context be reasonably expected to survive termination.

**13.11. Reports.** The Trustee has accepted this Trust with the understanding that Plan Sponsor or Plan Administrator has entered or is entering into a service agreement with an Affiliate of the Trustee whereby such Affiliate will provide recordkeeping services for all Plan assets held pursuant to this Trust Agreement. The recordkeeping reports and related financial information provided by Affiliate shall constitute the reports of the Trustee.

**13.12. Signatures.** By signing this Trust Agreement the parties certify that they have read and understood it, that they agree to be bound by its terms, and that they have the authority to sign it. This Trust Agreement is not binding on either party until signed by both parties.

IN WITNESS WHEREOF the Plan Sponsor, Plan Administrator, if applicable, and the Trustee have executed this instrument on such dates as specified below.

**Great-West Trust Company, LLC**

  
\_\_\_\_\_  
Signature

Sara Balts  
\_\_\_\_\_  
Printed Name

Trust Officer  
\_\_\_\_\_  
Title

March 26, 2020  
\_\_\_\_\_  
Date Signed

**Plan Sponsor: Inland Empire Utilities Agency**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**Plan Administrator: Defined Contribution  
Plan Administrative Committee**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**CUSTODY AGREEMENT**

For

**INLAND EMPIRE UTILITIES AGENCY**

(the "Plan Sponsor")

**GROUP CLIENT NUMBER**

**100079-01**

Plan Name	Inland Empire Utilities Agency 457(b) Deferred Compensation Plan (the "Plan")
Plan Administrator	Defined Contribution Plan Administrative Committee
Effective Date (later of this date or the date executed by Custodian)	April 28, 2020

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**THIS CUSTODIAL ACCOUNT AGREEMENT** is by and between Inland Empire Utilities Agency, in its capacity as the sponsoring employer of the Plan described below (hereinafter called the “Plan Sponsor”), the Defined Contribution Plan Administrative Committee (“Plan Administrator”), and Great-West Trust Company, LLC a trust company chartered under the laws of the State of Colorado having a place of business in Greenwood Village, Colorado (hereinafter called the “Custodian”). In consideration of the promises and mutual covenants herein contained, the parties hereto do hereby mutually declare and agree as follows:

The Plan Sponsor has established or adopted for its eligible employees the Inland Empire Utilities Agency 457(b) Deferred Compensation Plan (hereinafter called the “Plan”). The box checked immediately below describes the type of Plan so established or adopted by the Plan Sponsor:

Code section 401(a) qualified plan (defined contribution)

Code section 401(a) qualified plan (defined benefit)

Code section 457(b) governmental

Code section 457(b) non-governmental

Code section 403(b) -- subject to ERISA

Code section 403(b) – not subject to ERISA

Corporate non-qualified

PR Plan -- a plan designed and intended to qualify under Section 1081.01(a) of the Puerto Rico Internal Revenue Code of 2011, as amended, funded a trust with a situs in the Commonwealth of Puerto Rico, which is exempt from taxation under the Section 501(a) of the Code, pursuant to Section 1022(i)(1) of ERISA.

The Plan Sponsor is authorized under the terms of the Plan to appoint a Custodian. The Plan Sponsor has appointed Defined Contribution Plan Administrative Committee as Plan Administrator, as defined by ERISA. If not so appointed, the Plan Sponsor shall be the Plan Administrator.

If applicable, the Plan Administrator is authorized under the Plan to appoint a custodian to hold plan funds. The Plan Sponsor or Plan Administrator, as applicable, desires the Custodian to hold Plan funds and the Custodian is willing to hold such funds pursuant to the terms of this Custodial Agreement.

#### **1. Definitions.**

“Affiliate” means any corporation or entity now or hereafter controlled by a party to this Custodial Agreement, that controls such party and/or that is under common control with such party, where “control” means either the direct or indirect holding of the shares of a corporation to which are attached more than fifty percent (50%) of the votes that may be cast to elect directors of the corporation, or more than fifty percent (50%) of the ownership interests of an unincorporated entity.

“Custodial Agreement” includes this Custodial Account Agreement and any exhibits, schedules, notices and other documents attached, incorporated or referenced herein.

“Plan Administrator” means the Defined Contribution Plan Administrative Committee established by Plan Sponsor and delegated by Plan Sponsor to assume administrative responsibilities as the named fiduciary in accord with the Defined Contribution Plan Administrative Committee Charter adopted by Plan Sponsor.

“Plan Sponsor” means the Plan Sponsor identified above, named fiduciaries, and other delegates of the Plan Sponsor (other than Custodian) as dictated by the context.

## **2. Custodial Account.**

### **2.1 Establishment of Custodial Account.**

2.1.1 In order to carry out the purposes of the Plan, a Custodial Account (hereinafter called the "Custodial Account") is hereby created and established. The Custodian accepts this Custodial Account and agrees to act as Custodian hereunder, but only on the terms and conditions set forth in this Custodial Agreement. This Custodial Account shall be effective on the date this Custodial Agreement is executed by the Custodian.

2.1.2 The Custodial Account shall include only those assets which the Custodian initially accepts, and assets that are subsequently added pursuant to the provisions of Sections 2.3 and 2.4 of this Custodial Agreement. Only assets actually received by the Custodian will become part of the Custodial Account. The Plan Sponsor, or Plan Administrator, as applicable, acknowledges and agrees that it is responsible for effectuating the transfer of any assets held by a prior custodian to the Custodian. All assets so received, together with the income therefrom and any other increment thereon, shall be held by the Custodian pursuant to the terms of this Custodial Agreement without distinction between principal and income and without liability for the payment of interest thereon.

### **2.2 General Duties of the Plan Sponsor.**

2.2.1 The Plan Sponsor shall control and manage the operation of the Plan. The Plan Sponsor shall be responsible for determining benefit rights under the Plan, instructing the Custodian in the disbursement of benefits, investment management, soliciting stock voting instructions from Plan participants, directing the Custodian in voting proxies, and performing those plan administration functions specified in the Plan.

### **2.3 General Duties of Custodian.**

2.3.1 The Custodian shall receive, hold, invest and reinvest the assets of the Custodial Account pursuant to the provisions of this Section 2.3 and Section 2.4, in accordance with the directions received by it from Plan Sponsor, Plan Administrator, or its designees, as applicable, and shall have no duty to determine any facts or the propriety of any action taken or omitted by the Custodian in good faith pursuant to instructions from the Plan Administrator, Plan Sponsor, or its designees.

2.3.2 The Custodian shall be responsible only for such assets as are actually received by it as Custodian hereunder. The Custodian shall have no duty or authority to ascertain whether any contributions should be made to it pursuant to the Plan or to bring any action to enforce any obligation to make any contribution, nor shall it have any responsibility concerning the amount of any contribution or the application of the Plan's contribution formula.

2.3.3 The duties and obligations of the Custodian hereunder shall be limited to those expressly imposed upon it by this Custodial Agreement, notwithstanding any reference contrary in the Plan, and no further duties or obligations of the Custodian shall be implied. For example, the Custodian shall have no duty to determine the prudence of any Plan investment directed to be made by the Plan Administrator or its designees, to diversify Plan investments, or to make any investment decisions. The Custodian shall not be liable for any loss to, or diminution of the Plan assets, or for any other loss or damage which may result from the discharging of its duties hereunder if it acts in good faith and in accordance with the terms of this Custodial Agreement and in accordance with the applicable federal or state laws, rules, and regulations.

2.3.4 Custodian and its agents shall perform their responsibilities in a manner consistent with that of a professional custodian acting in the jurisdiction in which the assets are located.

**2.4 Powers and Duties of Custodian with Respect to Custodial Account Assets.** The Custodian shall have the following powers and duties regarding the Custodial Account:

2.4.1 To hold title to the assets of the Custodial Account, which may include entering into depository arrangements for the safekeeping of assets and records relevant to the ownership of such assets with any bank or banks and/or depositories as the Custodian may choose and the right to hold such assets in nominee name and in any other book entry or any other data processing form.

2.4.2 To invest the assets of the Custodial Account in investment options selected by the Plan Sponsor for which an affiliate of Custodian (hereinafter called "Recordkeeper") provides recordkeeping services pursuant to an election made by the Plan Sponsor with Recordkeeper including, but not limited to, funds invested through a self-directed option. Additionally, the Custodian may invest in "qualifying Plan Sponsor securities", as that term is defined under ERISA Section 407, if applicable, only in accordance with the directions received from the Plan Sponsor. The Custodian shall have no duty or responsibility to determine the appropriateness of any Plan investment (including but not limited to whether "qualifying Plan Sponsor securities" meet the applicable percentage limitations under ERISA Section 407), or to cause such investments to be changed.

2.4.3 To make transfers among investment vehicles or disbursements from the Custodial Account as directed by the Plan Sponsor, its designees, or Participants as allowed by the terms of the Plan. The Custodian shall be indemnified by the Plan Sponsor and entitled to rely on such direction, and shall have no responsibility to ascertain whether the Plan permits such a transfer or disbursement.

2.4.4 To delegate to Recordkeeper, affiliates or others, any or all of its duties arising out of this Agreement, including but not limited to, recordkeeping and reporting. Also, the Custodian may utilize the services of outside custodians to hold on the Custodian's behalf any of the Plan's assets invested in securities, which assets may be held in the Custodian's nominee name.

2.4.5 To vote securities proxies as directed by the Plan Sponsor or its designees.

**2.5 Disbursement of Custodial Account Assets.**

2.5.1 Upon receipt of written direction of the Plan Sponsor, Plan Administrator or designee thereof, the Custodian shall make payments from the Custodial Account to such persons in such manner and in such amounts as the Plan Sponsor or Plan Administrator, as applicable, shall direct in writing, and amounts paid pursuant to such direction shall no longer constitute a part of the Custodial Account. Notwithstanding the foregoing, the Plan Sponsor or Plan Administrator, as applicable, expressly reserves the right to provide direction directly to Recordkeeper regarding payments of Plan benefits or other disbursements.

2.5.2 Unless the Plan is a corporate non-qualified plan, or a Code section 457(b) non-governmental plan, as indicated in the preambles to this Custodial Agreement, at no time prior to the satisfaction of all liabilities with respect to Plan participants and beneficiaries under this Custodial Account shall any part of the corpus or income of the Custodial Account be used for, or diverted to, purposes other than for the exclusive benefit of Plan participants or beneficiaries. If the Plan is a corporate non-qualified plan or a Code section 457(b) non-governmental plan, the availability of the assets held hereunder for purposes other than the benefit of Plan participants or beneficiaries shall be determined in accordance with the terms of the Plan and the terms of any Plan trust for which the assets under this Custody Account are maintained.

**2.6 Reports of the Custodian.** The Custodian has accepted this Custodial Account with the understanding that Plan Sponsor or Plan Administrator has entered or is entering into a service agreement with an Affiliate of the Custodian, whereby such Affiliate will provide recordkeeping services for all Plan assets held pursuant to this Custodial Agreement. The recordkeeping reports and related financial information provided by the Affiliate shall constitute the reports of the Custodian.

## **2.7 Resignation, Removal and Substitution of Custodian.**

2.7.1 Custodian may resign at any time by giving ninety (90) days' written notice to Plan Sponsor. The Plan Sponsor may remove Custodian at any time by giving ninety (90) days' written notice to Custodian. In the case of the resignation or removal of Custodian, the Plan Sponsor shall appoint a successor Custodian who shall have the same powers and duties as those conferred upon Custodian. If the Plan Sponsor fails to appoint a successor Custodian as of the effective date of the Custodian resignation or removal and no other Custodian remains, the Custodian will treat the Plan Sponsor as having appointed itself as Custodian and as having filed the Plan Sponsor's acceptance of appointment as successor Custodian with the Custodian. If state law prohibits the Plan Sponsor from serving as successor Custodian, the appointed successor Custodian is the president of a corporate Plan Sponsor, the managing partner of a partnership Plan Sponsor, the managing member of a limited liability company Plan Sponsor, the sole proprietor of a proprietorship Plan Sponsor, or in the case of any other entity type, such other person with title and responsibilities similar to the foregoing. Notwithstanding the foregoing, either party may terminate this Custodial Agreement immediately upon written notice to the other party in the event a material breach of this Custodial Agreement by the other party has not been cured within thirty (30) days' of that party being given written notice of the material breach.

2.7.2 Custodian shall execute, acknowledge and deliver all documents and written instruments necessary to transfer and deliver all of the assets of the Custodial Account and all rights and privileges therein to the successor Custodian or, in its discretion, to a court of competent jurisdiction as the Custodian deems necessary, within a reasonable time, after reserving such reasonable amount as it shall deem necessary to provide for any expenses and payments then chargeable against the Custodial Account for which the Custodial Account may be liable, or for payment of the retiring Custodian's fees and expenses in connection with the settlement of its account or otherwise. If the assets so withheld shall be insufficient or excessive for such purposes, the retiring Custodian shall be entitled to reimbursement for any deficiency out of the Custodial Account from the successor Custodian, or shall deliver the excess to the successor Custodian, as the case may be. Following the effective date of the removal or resignation of Custodian, upon request, the Custodian shall provide the Plan Sponsor a written account of all Custodial Account transactions since the most recent report provided to the Plan Sponsor. The provisions of Section 2.6 shall be applicable to such account. The term "Custodian" as used in this Custodial Agreement shall be deemed to apply to any successor Custodian, permitted under Section 13.3, acting hereunder.

2.7.3 Upon the appointment of a successor Custodian, the resigning and removed Custodian shall be discharged from further accountability for the Custodial Account, and shall be under no further duty, obligation or responsibility for the disposition by such successor Custodian of the Custodial Account or any part thereof.

## **3. Participating Employers.**

3.1 Any corporation, trade or business that is required to be treated as a single employer or otherwise required to be aggregated with Plan Sponsor under Sections 414(b), (c), (m) or (o) of the Code and which has adopted the Plan in accordance with its terms (a "Participating Employer") shall become a party to this Custodial Agreement upon Plan Sponsor delivering to Custodian or its Affiliates documentation that it agrees to adopt the Plan, to become a party to this Custodial Agreement, and to be bound by all the terms and conditions of the Plan and this Custodial Agreement. Plan Sponsor shall have the sole authority to enforce this Custodial Agreement on behalf of all Participating Employers and Custodian or its agent shall in no event be required to deal with any such Participating Employer except by dealing with Plan Sponsor as such Participating Employer's agent. Irrespective of the number of Participating Employers which may become parties to this Custodial Agreement, Custodian or its agent shall in all respects invest and administer the Custodial Account as a single fund for investment and accounting purposes without allocation of any part of the Custodial Account as between Plan Sponsor and any Participating Employer.



3.2 A Participating Employer which has adopted the Plan shall cease to be a party to this Custodial Agreement upon Plan Sponsor delivering to Custodian documentation that it is terminating its participation in the Plan. In such event, or in the event of the merger, consolidation, sale of property or stock, separation, reorganization or liquidation of Plan Sponsor or of any such Participating Employer, or in the event of the establishment, modification or continuance of any other retirement plan which separately or in conjunction with this Plan is qualified under Section 401(a) of the Code, Custodian or its agent shall continue to hold the portion of the Custodial Account which is attributable to the participation in the Plan of the employees and their beneficiaries affected by such termination or by such transaction, and this Custodial Agreement shall continue in force with respect to such portion, until otherwise directed by the Plan Administrator, in accordance with the provisions of the Plan and ERISA.

3.3 **Alienation.** No interest in the Custodial Account shall be assignable or subject to anticipation, sale, transfer, mortgage, pledge, charge, garnishment, attachment, bankruptcy or encumbrance or levy of any kind, and the Custodian or its agent shall not recognize any attempt to assign, sell, transfer, mortgage, pledge, charge, garnish, attach or otherwise encumber the same except to the extent that such attempt is made pursuant to (i) a court order determined by the Plan Administrator to be a qualified domestic relations order, as defined in Section 414 of the Code and Section 206 of ERISA or (ii) as required by a federal tax levy made in accordance with Section 6331 of the Code, (iii) pursuant to an offset under Section 401(a)(13)(C) of the Code or (iv) as otherwise allowed under ERISA and the Code.

3.4 **Bond.** Custodian shall not be required to give any bond or any other security for the faithful performance of its duties under this Custodial Agreement except as required by law.

#### 3.5 **Proxies and Other Incidents of Ownership.**

3.5.1 The Custodian shall have no discretion with respect to voting proxies, tendering shares in a tender or exchange offer, or exercising any other rights of ownership.

3.5.2 The Custodian shall deliver or cause to be delivered, as directed by the Plan Sponsor or Plan Administrator, to the Plan Sponsor, Plan Administrator, the designated Investment Manager, or a designated transfer agent, all notices, prospectuses, finance statements and proxies and proxy related materials relating to investments held under the Custodial Agreement received by Custodian.

3.5.3 The Plan Sponsor shall assign a named fiduciary (which may be Participants, or a person, committee or entity designated by the Plan Sponsor, or the Plan Sponsor, but which shall not be the Custodian) who shall be responsible for voting proxies, tendering shares and exercising shareholder rights. Where the Plan Sponsor has assigned the Participants as the named fiduciary for purposes of proxy voting, tendering of shares or exercising other rights of ownership, the Plan Sponsor or Plan Administrator shall be responsible for distributing or causing to be distributed, proxies and proxy-related materials to the Plan participants.

3.5.4 With respect to investments held in Participant-directed brokerage accounts, each Participant shall be responsible for directly voting proxies, tendering shares and exercising shareholder rights.

#### 4. **Compensation and Expenses.**

4.1 Custodian shall be compensated in accordance with the fee schedule provided to Plan Sponsor, which may be incorporated as part of the fee schedule or other fee documentation provided to the Plan Sponsor under an agreement between the Plan Sponsor and an Affiliate of the Custodian to provide recordkeeping or other administrative services to the Plan where such fees may be paid by the Affiliate to the Custodian on behalf of the Plan. If Custodian proposes an amended written fee schedule and Plan Sponsor fails to object thereto within ninety (90) days of its receipt, the amended fee schedule shall be deemed accepted by Plan Sponsor. Custodian reserves the right to liquidate Custodial Account assets in satisfaction of its fees hereunder in the event of non-payment by Plan Sponsor.

4.2 Plan Sponsor acknowledges and agrees if the Plan's assets pass through a bank account held by Custodian, it may earn credits and/or interest on Plan assets awaiting investment or pending distribution. Any credits or interest earned by Custodian are aggregated with credits and/or interest earned by its Affiliates and will be used to defray the aggregate expenses for the maintenance of bank accounts. Custodian will not retain credits and/or interest earned in excess of such maintenance expenses.

4.3 Credits and/or interest are earned from the use of (i) uninvested contributions received too late in the day or not received in good order to be invested same-day and (ii) proceeds from investment option redemptions where distribution checks have not been presented for payment by Plan participants. Credits and/or interest (i) begins to accrue on contributions, on the date such amounts are deposited into the bank account and ends on the date such amounts are invested pursuant to Plan participant or Plan representative instructions, and (ii) begins to accrue on distributions, on the date the check is written or on the wire date, as applicable and ends on the date the check is presented for payment or when the wire clears against the account, as applicable. Earnings of credits and/or interest are at the rate the bank provides from time to time.

4.4 Custodian shall pay out of the Custodial Account, income taxes levied or assessed under existing or future laws against the Custodial Account, (including all Plan participant accounts) upon direction by a regulatory authority or agency or Plan Sponsor or Plan Administrator, as applicable.

4.5 Plan Sponsor shall pay, or if not paid by Plan Sponsor and the Plan so permits, Plan Sponsor hereby directs Custodian to pay from the Custodial Account, the reasonable expenses relating to the Plan and Custodial Account that are permitted by law to be paid from the Custodial Account.

## **5. Confidential Information.**

5.1 In order to perform the Services, both parties may have access to certain information of the other party, including, without limitation, trade secrets, commercial and competitively sensitive information of the party related to business methods or practices, and proprietary software or websites of the party ("Confidential Information"). For the purpose of clarity, any software or website made available by Custodian or its Affiliates ("Custodian Software") is Confidential Information of Custodian. The parties mutually agree to hold all Confidential Information of the other party in confidence using it solely for the purpose of performing or receiving Services under this Agreement and shall not disclose any Confidential Information of the other party to anyone except the parties' Affiliates, suppliers, and respective personnel as may be required to perform or receive Services hereunder. Confidential Information does not include: information that is otherwise in the public domain through no action of the non-disclosing party; or information that is acquired by the party from a person other than the other party or its agents without any obligation of confidentiality; information subject to disclosure under the California Public Records Act; or information that is known by or independently developed by the party prior to the Effective Date of this Agreement.

5.2 In the event a party makes an unauthorized disclosure or use of Confidential Information of the other party, or receives notice that it will be required to make a legally required disclosure of the other party's Confidential Information, such party shall notify the other party of the disclosure as soon as reasonably practicable. In the event a party is legally compelled to disclose Confidential Information, the party shall notify the other and cooperate with any efforts by such party to obtain protective treatment of such Confidential Information to the extent permitted by law; provided that the foregoing shall not apply to broad-based regulatory examinations associated with a party's general business or operations. Both parties acknowledge that failure to comply with this section may cause irreparable harm to the party whose Confidential Information is disclosed and agrees that any court having jurisdiction may enter an order for equitable relief, including an injunction or an order for specific performance in the event of actual or threatened breach of these provisions.

5.3 Plan Sponsor authorizes Custodian to disclose Confidential Information to: (i) any subcustodian, subcontractor, agent, securities depository, securities exchange, broker, third party agent, proxy solicitor, issuer, or any other person that Custodian believes is reasonably required to receive such information in connection with Custodian's provision of relevant services under this Custodial Agreement; (ii) its professional advisors, auditors or public accountants; (iii) its Affiliates, and (iv) any revenue authority or any governmental entity in relation to the processing of any tax relief claim.

## **6. Privacy & Data Security.**

6.1 Custodian and Plan Sponsor agree to maintain and hold in confidence all Non-public Personal Information ("NPI") received in connection with the performance of Services under this Custodial Agreement. Custodian and Plan Sponsor hereby represent warrant and agree that their collection, use and disclosure of any and all NPI is and will be at all times conducted in compliance with all applicable data protection and/or privacy laws, rules and/or regulations. NPI includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act. Custodian shall not use or disclose NPI to any third party, other than to its Affiliates and third party service providers, and to other Plan service providers, without Plan Sponsor's written consent, except as permitted or required by law. Any third party service provider retained by Custodian who has access to NPI shall agree in writing to be bound by obligations of confidentiality and non-disclosure.

6.2 The parties will use best efforts to secure NPI through the use of appropriate physical and logical security measures, and will take all commercially reasonable organizational and technical steps to protect against unlawful and unauthorized processing of NPI. For purposes of this section, NPI includes user credentials, passwords, and other authentication data that enables Plan Sponsor, its authorized agents, or Participants to access Custodian Software. The parties will promptly notify the other in the event of (i) any breach of its security that results in unauthorized access to NPI; (ii) the consequences of the breach; and (iii) the corrective action taken to remedy the breach.

**7. Business Continuity & Disaster Recovery.** Custodian will, in conjunction with its Affiliates, maintain business continuity and disaster recovery procedures to address the security, integrity and availability of the technology, operational, financial, human and other resources required to provide the Services. Such procedures shall be designed to enable Custodian to continue to perform mission-critical Services in the event of a natural disaster or other interruption of normal business operations. Further, Custodian, in conjunction with its Affiliates, agrees to review and test such disaster recovery procedures at least once annually. Upon request by Plan Sponsor, Custodian will provide a written summary of its then-current policies, procedures or programs, including an overview of recent business continuity exercise results.

**8. Record Retention.** Custodian shall retain all records in its custody and control that are pertinent to performance under this Custodial Agreement in accordance with its record retention policy, as amended from time to time. Subject to the foregoing, each party agrees to return or destroy the other party's Confidential Information and NPI once it is no longer required for the purpose of performing or receiving the Services, provided that the parties are not obligated to destroy copies of Confidential Information or NPI that must be retained for audit, legal or regulatory purposes, or is stored in non-readily accessible electronic format, such as on archival systems.

## **9. Intellectual Property Rights.**

9.1 **Custodian Materials.** As between the parties hereto, Custodian and its Affiliates shall own all materials, documentation, user guides, forms, templates, business methods, trademarks, tradenames, logos, websites, software, computer codes, domain names, text, graphics, photographs, artwork, interfaces and other information or material provided by Custodian or its Affiliates hereunder (collectively, the "Custodian Materials"). The term "Custodian Materials" shall not include Plan Sponsor Materials (as defined below). Custodian grants to Plan Sponsor a non-exclusive, non-transferable and non-sublicensable license to use the Custodian Materials during the term of the Custodial Agreement solely for purposes of using Custodian's Services hereunder and subject to the terms and conditions set forth in this

Custodial Agreement. All rights with respect to the Custodian Materials not specifically granted hereunder are reserved by Custodian.

9.2 **Plan Sponsor Materials.** As between the parties hereto, Plan Sponsor shall own all materials, trademarks, tradenames, logos, trade dress, and other information provided by Plan Sponsor or otherwise made accessible by Plan Sponsor to Custodian for use in providing the Services (collectively, the "Plan Sponsor Materials"). Plan Sponsor Materials do not include data and information in the form maintained by Custodian or supplied by Custodian to Plan Sponsor.

## 10. Liability & Indemnification.

10.1 **Indemnification.** Custodian agrees to indemnify the Plan Sponsor from and against any and all expenses, costs, reasonable attorneys' fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, "Damages") to the extent resulting from the indemnifying party's breach of this Custodial Agreement, negligence, or willful misconduct. Notwithstanding anything to the contrary herein, Custodian shall not be liable to Plan Sponsor for, and Plan Sponsor will indemnify Custodian from and against, any Damages resulting from: (i) any acts or omissions undertaken at the direction of the Plan Sponsor, Plan Administrator, Investment Manager, or Participants and any authorized agent thereof; (ii) any direction of any third party retained by Plan Sponsor to provide services relating to the Plan, including but not limited to prior service providers, investment advisors, or any authorized agent thereof; or (iii) any performance of the Services as to which Custodian has complied with directions or instructions as contemplated by this Custodial Agreement, or has refrained from acting in the absence of directions or instructions as contemplated by this Custodial Agreement, or that is in strict compliance with the terms of this Custodial Agreement.

10.2 Plan Sponsor acknowledges that Custodian and its directors, officers, employees and authorized representatives are not responsible for the investment performance of any investments under the Custodial Account.

10.3 **Limitation of Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFIT) EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11. **Dispute Resolution.** The parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Custodial Agreement. If the parties are unable to agree between themselves, the parties will submit the dispute to non-binding mediation conducted by a private mediator agreed to by both parties. If the parties cannot agree on a mediator, the mediator may be selected by a nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The costs of mediation shall be borne equally by the parties, and each party shall pay its own expenses. If the parties are unable to resolve the dispute through non-binding mediation, either party may initiate litigation; provided, however, that if one party requests mediation and the other party rejects the proposal or refuses to participate, the requesting party may initiate litigation.

## 12. Term & Termination.

12.1 **Term.** This Custodial Agreement may be terminated as specified below.

12.2 **Termination.** This Custodial Agreement may be terminated as follows:

12.2.1 In the event the contract providing a funding medium or providing for recordkeeping services is discontinued or terminated with an Affiliate of the Custodian, this Custodial Agreement shall be terminated as well as of the date of discontinuance or termination of such contract with no further notice required from either party to the other; or

12.2.2 This Custodial Agreement may be terminated at any time by the Plan Sponsor upon ninety (90) days prior written notice, delivered to the Custodian. Upon receipt of such notice of termination, the Custodian shall, after payment of all expenses incurred in the administration of the Custodial Account and such compensation as to which Custodian may be entitled, distribute the Custodial Account in cash or in kind to such persons or entities, including Plan Sponsor, at such time and in such amounts as Plan Administrator shall direct, which direction shall be in conformity with the provisions of the Plan and ERISA. Notwithstanding the foregoing, Custodian shall not be required to pay out any assets of the Custodial Account until it shall have received such rulings or determinations of the Internal Revenue Service, the United States Department of Labor or any other administrative agency as it may deem necessary or appropriate in order to assure itself that any such payment is made in accordance with the provisions of law or that it will not subject the Custodial Account or the Custodian, individually or as such Custodian, to liability. The Plan Sponsor or Plan Administrator shall be responsible for obtaining such rulings.

12.2.3 Notwithstanding the foregoing, either party may terminate this Custodial Agreement immediately upon written notice to the other party in the event a material breach of this Custodial Agreement by the other party has not been cured within thirty (30) days of that party being given written notice of the material breach.

### **13. Miscellaneous.**

13.1 **Affiliates.** Plan Sponsor acknowledges and agrees that Custodian may utilize the services of Affiliates, agents, subcustodians, vendors and suppliers selected by Custodian. Custodian's use of any such party will not relieve Custodian of its obligations hereunder, and Custodian shall at all times remain liable for the performance of the Services hereunder.

13.2 **Relationship of the Parties.** The relationship between the parties is that of independent contractors. Neither Custodian nor its personnel shall be considered employees of Plan Sponsor or Plan Administrator for any purpose. None of the provisions of this Custodial Agreement shall be construed to create an agency, partnership or joint venture relationship between the parties or the partners, officers, members or employees of the other party by virtue of either this Custodial Agreement or actions taken pursuant of this Custodial Agreement.

13.3 **Assignment.** This Custodial Agreement shall be binding upon and inure to the benefit of each of the parties, their Affiliates, successors and permitted assigns; provided, however, that neither party may assign its rights or obligations hereunder without the other party's prior written consent. Notwithstanding the foregoing, a party may assign this Agreement in connection with: (i) the sale of substantially all of its assets to an entity that assumes the assignor's obligations under this Agreement; (ii) a merger, acquisition or divestiture; and/or (iii) a transfer to a parent or Affiliate, in each case without the other party's consent. Any corporation which shall, by merger, consolidation, purchase or otherwise, succeed to substantially all the custodial and/or trust business of Custodian shall, upon such succession, and without any appointment or other action by any person, be and become successor Custodian hereunder. An assignor shall nevertheless give prompt written notice of any such permitted assignment reasonably identifying the assignee (including all pertinent addresses and contact information) and the effective date of the assignment to the other party.

### **13.4 Entire Agreement; Amendment; Waiver.**

13.4.1 This Custodial Agreement, including all appendices, exhibits, schedules, notices and attachments, constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services, and supersedes any prior custody agreement, statement, or representation relating to the obligations of the Custodian, whether oral or written. Except as otherwise provided herein, this Custodial Agreement may be modified only by an amendment signed by authorized representatives of each party. Any

Custodian policies that are attached to or referenced in this Custodial Agreement may be modified by Custodian at any time. No waiver of any breach of any provision of this Custodial Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of such provision or any other provision hereof and no waiver shall be effective unless made in writing.

13.4.2 Notwithstanding anything contained in this Section to the contrary, no amendment shall divert any part of the Custodial Account to, and no part of the Custodial Account shall be used for, any purpose other than for the exclusive purpose of providing benefits to Participants; provided, however, that nothing in this Section shall be deemed to limit or otherwise prevent the payment from the Custodial Account of expenses and other charges as provided in Section 4. If the Plan is a corporate non-qualified plan or a Code section 457(b) non-governmental plan, the availability of the assets held hereunder for purposes other than the benefit of Plan participants or beneficiaries shall be determined in accordance with the terms of the Plan and the terms of any Plan trust for which the assets under this Custody Account are maintained.

**13.5 Governing Law; Jurisdiction; Waiver of Jury Trial.** To the extent not preempted by Federal law, this Custodial Agreement and the Custodial Account shall be construed, regulated, and administered under the laws of the United States or the State of Colorado as they relate to the activities of the Custodian, and otherwise, in accordance with the laws of the State of California, as applicable, without regard to conflict of law principles, and any claim arising under or related to this Custodial Agreement shall be subject to the exclusive jurisdiction of the federal and state courts located in California. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim arising out of, connected with, related to or incidental to this Custodial Agreement to the fullest extent permitted by law.

**13.6 Force Majeure.** Neither Custodian nor Plan Sponsor shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control, including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, epidemics, explosions, sabotage, acts of God, civil disturbance, governmental restriction, transportation problems, failure of power or other utilities including phones, internet disruptions, fire or other casualty, natural disasters, or disruptions in orderly trading on any relevant exchange or market, failure of or the effect of rules or operations of any external funds transfer system, inability to obtain or interruption of external communications facilities, or any other cause that is beyond the reasonable control of either party.

**13.7 Severability.** The provisions of this Custodial Agreement are severable, and if for any reason a clause, sentence, paragraph or provision of this Custodial Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Custodial Agreement that can be given effect without the invalid provision.

**13.8 Notices.** All formal notices required by this Custodial Agreement will be in writing and shall be sent to Custodian as set forth below or to Plan Sponsor. The Plan Sponsor will be deemed to have received any applicable notices on behalf of the Plan Administrator. All notices sent shall be effective upon receipt. Provided, however, that upon either party's written request, such communications shall be sent to such other address as a party may specify. No communication shall be binding on Custodian until it is received by Custodian.

**Custodian:**

Notice To Custodian: Great-West Trust Company, LLC  
8525 East Orchard Road  
Greenwood Village, CO 80111  
Attn: Trust Officer

With a copy to: Great-West Trust Company, LLC

8525 East Orchard Road  
Greenwood Village, CO 80111  
Attn: General Counsel

**Plan Sponsor:** 6075 Kimball Ave., Building A  
PO Box 9020  
Chino, CA 91709  
Attn: General Manager

**Plan Administrator:** 6075 Kimball Ave., Building A  
PO Box 9020  
Chino, CA 91709  
Attn: Executive Manager of Finance and  
Administration/Assistant General Manager

13.9 **Headings; Defined Terms; Counterparts.** Section headings used in this Custodial Agreement are intended for reference purposes only and shall not affect the interpretation of this Agreement. Unless the context requires otherwise, capitalized terms defined in this Custodial Agreement have the meanings set forth herein for all purposes of this Custodial Agreement including any Schedules or Exhibits. This Custodial Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Custodial Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original. Neither the gender nor the number (singular or plural) of any word shall be construed to exclude another gender or number when a different gender or number would be appropriate.

13.10 **Survival.** The provisions of the following sections shall survive the termination of this Custodial Agreement: Compensation and Expenses; Confidential Information; Privacy & Data Security; Record Retention; Indemnification; Limitation of Liability; Dispute Resolution; Governing Law; Waiver of Jury Trial; Survival; Severability; and any other section that would by its context be reasonably expected to survive termination.

13.11 **Signatures/Corporate Authenticity.** By signing this Custodial Agreement, the parties certify that they have read and understood it, that they agree to be bound by its terms, and that they have the authority to sign it. This Custodial Agreement is not binding on either party until signed by both parties.

**IN WITNESS WHEREOF**, the Plan Sponsor and the Custodian have executed this instrument on such dates specified below.

**Great-West Trust Company, LLC**

  
\_\_\_\_\_  
Signature

Sara Balts  
\_\_\_\_\_  
Printed Name

Trust Officer  
\_\_\_\_\_  
Title

March 26, 2020  
\_\_\_\_\_  
Date Signed

**Plan Sponsor: Inland Empire Utilities Agency**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**Plan Administrator: Defined Contribution Plan  
Administrative Committee**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed



## Exhibit 1 – Ownership Structure and Subsidiary Information

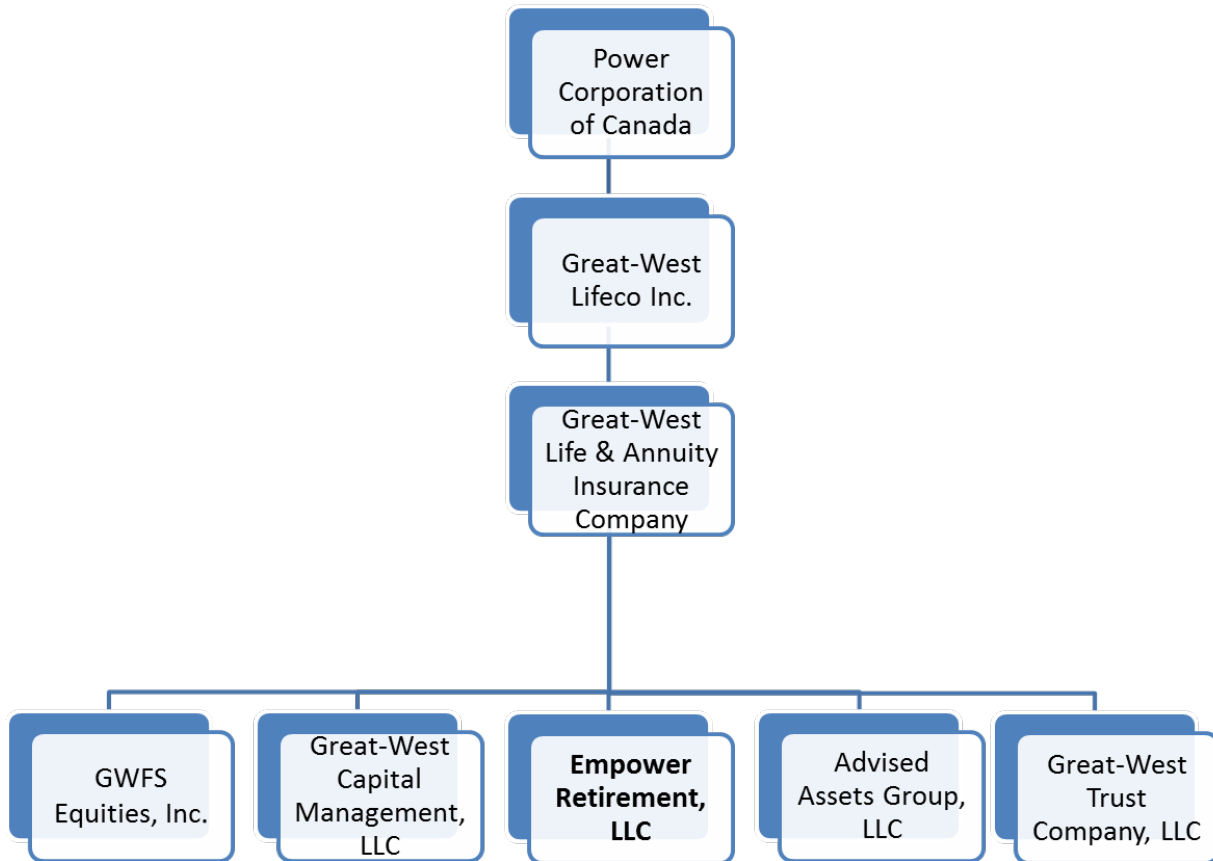
Empower Retirement, LLC and its affiliates offer innovative financial services solutions in plan administration design, enrollment services, recordkeeping, communications and investment options to public, corporate and non-profit employers. We are an indirect, wholly owned subsidiary of Great-West Lifeco Inc., a holding company that is owned by the Power Corporation of Canada. We have provided financial services and retirement solutions since 1940.

Empower's mission is to help retirement plan participants pursue a better financial future and to help plan sponsors provide a competitive benefits package with minimal administrative burden. Our headquarters are located in Greenwood Village, Colorado, with offices around the U.S.

Empower Retirement, LLC may utilize the following affiliates to provide certain services:

- **GWL&A** – An insurance company serving clients in 49 states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands. GWL&A is the direct parent company of Empower Retirement, LLC and provides facilities, financial backing and support for our retirement services and products.
- **Advised Assets Group, LLC (AAG)** – A registered investment adviser providing investment advisory tools and services, including managed accounts as Empower Retirement Advisory Services. AAG enters into a separate agreement with the client to provide investment advisory resources and services to plan participants as a registered investment adviser.
- **Great-West Capital Management, LLC** – A capital management company serving as the investment adviser to Great-West Funds, Inc. and Great-West Trust Company, LLC, supporting a variety of solutions, including risk-based funds, target date funds, lifetime income products and custom stable value funds.
- **GWFS Equities, Inc.** – A registered broker-dealer. Securities, when offered, are offered through GWFS.
- **Great-West Trust Company, LLC** – A trust company providing trustee and custodial services to employer-sponsored retirement plans and IRAs.

The following organizational chart illustrates the ownership structure of Empower Retirement, Great-West Life & Annuity Insurance Company and certain other affiliates. Certain intermediate holding companies and affiliates have been omitted.



**RESOLUTION NO. 2020-4-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DIRECTING THE PROPER OFFICERS IN THE NAME AND ON BEHALF OF IEUA TO EXECUTE AND ADOPT THE EMPOWER RETIREMENT SERVICES AGREEMENTS FOR THE 457(b) DEFERRED COMPENSATION AND 401(a) DEFINED CONTRIBUTION PLANS**

**WHEREAS**, the Inland Empire Utilities Agency (the “Agency”) sponsors the 457 Deferred Compensation Plan and 401(a) Defined Contribution Plan (collectively the “Plans” and each individually a “Plan”), which are retirement benefit plans established pursuant to Sections 457(b) and 401(a), respectively, of the Internal Revenue Code of 1986, as amended (the “Code”);

**WHEREAS**, pursuant to the documents governing each Plan, the Agency is the Plan Sponsor of the Plans and has the power and authority to delegate its administrative functions to such persons or committees it so selects;

**WHEREAS**, on December 18, 2019 the Agency established the Defined Contribution Plans Administrative Committee (Committee) as the Plan Administrator and delegated its administrative functions to the Committee and appointed the Executive Manager of Finance and Administration/Assistant General Manager as the Chairperson of the Committee;

**WHEREAS**, following a competitive solicitation, the Committee, as part of evaluation team, unanimously selected Empower Retirement to replace the current Plan providers comprised of California Public Employees’ Retirement System (CalPERS), Lincoln Financial Group, and ICMA Retirement Corporation;

**BE IT RESOLVED**, that the Board authorizes and directs the Chairperson of the Committee in the name and on behalf of the Agency to execute the Administrative Services Agreement, Investment Advisory and Management Service Agreement, Custody Agreement, and the Trust Agreement with Empower Retirement Services for the 457(b) Deferred Compensation and 401(a) Defined Contribution Plans (Plans); and

**BE IT RESOLVED**, that the Board authorizes and directs the Chairperson of the Committee to do all such acts and things as they, in their discretion and with advice of counsel, find necessary or desirable to implement the Plans, including making contributions out of funds of the Agency in accordance with the Plans; and

**BE IT RESOLVED**, that CalPERS, Lincoln, and ICMA Retirement Corporation are removed as Trustees and as Custodian of any Plan assets, which Empower Retirement actually receives to serve in accordance with the terms and conditions of the Plan effective April 27, 2020.

ADOPTED this 15<sup>th</sup> day of April 2020.

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Kati Parker  
President of the Inland Empire  
Utilities Agency\* and the Board  
of Directors thereof

ATTEST:

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Steven J. Elie  
Secretary/Treasurer of the Inland Empire  
Utilities Agency\* and the Board  
of Directors thereof

STATE OF CALIFORNIA                    )  
  )SS  
COUNTY OF SAN BERNARDINO        )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO  
HEREBY CERTIFY that the foregoing Resolution No. 2020-4-1 is a true and correct copy of the  
action adopted by the Board of Directors of Inland Empire Utilities Agency on April 15, 2020, and  
that the foregoing has not been changed and remains in full force and effect.

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Steven J. Elie  
Secretary/Treasurer of the Inland  
Empire Utilities Agency\* and the  
Board of Directors thereof

(Seal)

\*A Municipal Water District

**CONSENT  
CALENDAR  
ITEM**

**1 E**

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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

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

**Subject:** Contract Award for Agency-Wide Biofilter Media Replacement

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**Executive Summary:**

The Inland Empire Utilities Agency treats foul air from various locations within the facilities such as the headworks building, the influent pump station, primary clarifiers, and dewatering building through a biological process utilizing biofilters. The biofilters contain organic wood media where growth of diverse populations of microorganisms remove odorous compounds, hydrogen sulfide, and volatile organic compounds.

Periodically, the wood chip media degrades and requires replacement to keep the biofilter operating at optimal condition and to maintain South Coast Air Quality Management District permit compliance. Currently, there are four (4) biofilters serving the odor control needs of the Agency at RP-1, RP-4 and RP-5. Each site has unique design characteristics which require different techniques for the removal and replacement of new biofilter media.

The intent of this contract is to secure a long-term (up to 5-years and (2) 1-year extensions) biofilter media supplier and installer. The contract includes 3.5% CPI adjustment for inflation annually.

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**Staff's Recommendation:**

It is recommended that the Board of Directors:

1. Approve the award of Contract No. 4600002877 to Viramontes Express Inc. to provide Biofilter Media Procurement, Delivery, and Replacement Services for a total aggregate not-to-exceed amount of \$745,000 over a 5-year period with a two-1 year option to extend; and
2. Authorize the General Manager to execute the contracts, subject to non-substantive changes.

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**Budget Impact** *Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval: \$ 745,000*

*Account/Project Name:*

If approved, sufficient funds are available in Fiscal Year 2020/21 through Fiscal Year 2024/25 Regional Operations and Maintenance (RO) Funds, Contract Labor & Contract Materials, to support the contract services.

*Fiscal Impact (explain if not budgeted):*

If approved, sufficient funds are available in Fiscal Year 20220/21 under Regional Operations and Maintenance (RO) Funds, Contract Labor & Contract Materials, to support the contract services. For future Fiscal Years, Operations Division will include funds in its budget requests to cover the contract requirements.

**Prior Board Action:**

On May 21, 2014, the Board approved the award of the 5 year contract in the amount of a not-to-exceed \$317,900 to Viramontes Express Inc. (RFP-HD-12-020) which expired on March 31, 2019.

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**Environmental Determination:**

Statutory Exemption

The project is statutorily exempt based on the CEQA common sense exemption found in Section 15061(b)(3) of the State CEQA Guidelines.

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**Business Goal:**

IEUA's Business Goal of Environmental Stewardship, specifically the regulatory compliance objective that IEUA will comply with all federal, state, local, and environmental laws and regulations.

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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Contract No. 4600002877

Attachment 3- Contract Exhibits <https://ieua.sharefile.com/d-s619bc23f57d4975b>



# Contract Award for Agency-Wide Biofilter Media Replacement



# Biofilter Media Replacement - Purpose

- The Inland Empire Utilities Agency treats foul air through biological processes from various locations to maintain permit compliance with South Coast Air Quality Management District
  - Headworks
  - Influent Pump Stations
  - Primary Clarifiers
  - Dewatering
  - IERCA (not included in this contract)
- Original Contract: \$317,900 (5 Year – 5/21/14)



# Biofilter Media Replacement - Purpose

- Periodically, the wood chip media degrades & requires replacement to keep the biofilter operating at optimal condition and to maintain permit compliance.
- Contract Intent: Engage a long-term (up to 5-years with (2) 1-year options to extend) biofilter media supplier and installer for the following locations:
  - RP-1 Headworks & Primaries
  - RP-1 Dewatering
  - RP-4 Headworks & Primaries
  - RP-5 Headworks & Primaries

# Biofilter Media Replacement Bid Proposals

On February 11, 2020, two (2) Bid Proposals Received

Biofilter Media Replacement Proposed Bids		
Biofilter Site	Genesis Construction Inc.	Viramontes Express Inc.
RP- 1 Headworks	\$ 514,040	\$ 80,875
RP-1 Dewatering	\$ 328,300	\$ 57,549
RP- 4	\$ 255,400	\$ 33,539
RP-5	\$ 1,400,000	\$ 184,699
All IEUA Sites	\$ 2,497,740	\$ 356,662
Total (Estimated 2 Change Cycles)	\$ 5,000,000	\$ 745,000 *Inflation Adjusted



# Recommendation

- Approve the award of Contract No. 4600002877 to Viramontes Express Inc. to provide Biofilter Media Procurement, Delivery, and Replacement Services for a total aggregate not-to-exceed amount of \$745,000 over a 5-year period with a two 1-year option to extend; and
- Authorize the General Manager to execute the contracts, subject to non-substantive changes.

**IEUA's Business Goal of Environmental Stewardship**, specifically the regulatory compliance objective that IEUA will comply with all federal, state, local, and environmental laws and regulations.



**CONTRACT NUMBER 4600002877  
FOR  
BIOFILTER MEDIA REPLACEMENT SERVICES  
AT  
INLAND EMPIRE UTILITIES AGENCY**

THIS CONTRACT (the "Contract"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency" or "IEUA"), and Viramontes Express, Inc., of Corona, California (hereinafter referred to as "Contractor"), for the provision of Biofilter Media and Biofilter Media Replacement Service(s) needed to restore the operational performance of Odor Control Biofilters at Regional Wastewater Recycling Plants owned and operated by IEUA.

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

1. **AGENCY 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: Kevin Sayavong  
Company Name: Inland Empire Utilities Agency  
Address: 2662 East Walnut Street  
Ontario, CA 91761  
Telephone: 909-993-1896  
Facsimile: 909-993-1987  
Email: [ksayavong@ieua.org](mailto:ksayavong@ieua.org)  
Cell: 909-239-8478

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

Contractor: Henry Viramontes, President  
Company Name: Viramontes Express, Inc.  
Address: 17130 Hellman Avenue  
Corona, CA, 92880  
Telephone: 909-597-7232  
Facsimile: 909-597-6473  
Email: [ViramontesXpress@msn.com](mailto:ViramontesXpress@msn.com)  
Cell: 951-712-9712

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions the governing order of precedence shall be as follows:
1. Amendments to Contract Number 4600002877.
  2. Contract Number 4600002877 General Terms and Conditions.
  3. RFP-HD-20-001, dated January 16, 2020, Exhibit A.
  4. Contractor's Proposal dated February 11, 2020, Exhibit B.
4. SCOPE OF WORK AND SERVICES: Contractor's services and responsibilities shall encompass the procurement of clean woody material and all of the procedures and processes required to shred, grind, screen, and prepare the woody material for use as biofilter media in accordance with the specified characteristics and product profile shown in Exhibit A. Compliance with all QC/QA tasks, as shown in RFP-HD-20-001, are also incorporated. Additional Contractor's services and responsibilities will include, but not be limited to:
- A. The decisions relating to the schedule for replacing a specific biofilter's media will rest with IEUA's Project Manager. The biofilter media replacement schedule will, when modified by the Project Manager, be coordinated with the Contractor, who will prepare and provide, to the Project Manager, a Schedule of Work and Services that documents the proposed time-line for the selected biofilter.
  - B. Contractor shall procure, prepare, and deliver the crushed rock material and the woody material (collectively referred to as the biofilter media) in sufficient quantity to enable the scheduled biofilter media replacement when called upon.
  - C. Contractor will provide all of the labor and equipment needed to complete all of the scheduled tasks, at each biofilter, in an workmanlike manner. The number of persons assigned to the project, by the Contractor, will be adjusted to meet the completion date set by the Project Manager; preventing any interference with other contractor activities at any Agency site.
  - D. Additionally, Contractor will be responsible clearing any, and all obstruction of the foul air discharge holes (typically located on the top surface of the biofilter's air distribution piping network).
  - E. Contractor will ***not*** be responsible for any of the tasks associated with the inspection, cleaning, or operation of a biofilter's air ducts and under-drain systems, unless such service is negotiate, a price mutually agreed-upon, and the specific elements made part of a contract amendment; signed by both parties.
  - F. Contractor will provide all of the labor, equipment, trucks, and fuel needed to remove the old media (woody material and crushed rock) from each biofilter; taking care to protect any and all of the equipment and facilities associated with the existing biofilter operations.

- G. Contractor will provide all trucks, vehicles, and fuel needed to procure raw wood, to produce and prepare all new biofilter media, and to transport the new biofilter media to the Biofilter Media Replacement work-site.
- H. Contractor will provide all of the labor, equipment, trucks, and fuel needed to install the new biofilter media; including, if needed, the crushed rock material, a potential fiber membrane (that separates the crushed rock layer from the wood chip layer), and the moisture equilibrated wood chips.
- I. Contractor will provide the trucks, drivers, and the fuel needed to transport the old biofilter media away from the biofilter work-site, as directed.
- J. Through the duration of this contract, the Agency and Contractor may identify additional tasks, which on a “time and material” basis, shall be reduced to writing, signed by both parties, and amended to this contract.
- K. Method of Inspection:
  - 1. Work performed under this Contract may be required to undergo daily inspections.
  - 2. The Project Manager will be responsible for performance of the inspections.
  - 3. If Contractor fails an inspection, the Project Manager will be responsible for providing a written notice to the Contractor explaining the error and a determination of the urgency for the correction of the error (herein referred to as a “Cure Notice”).
- L. Cure Procedure:
  - 1. For a Cure Notice deemed by the Agency to be **urgent**, Contractor shall correct any error of the Work within two (2) calendar days after Contractor’s receipt of a Cure Notice, as directed by the Project Manager.
  - 2. For a Cure Notice deemed by the Agency to be **important**, Contractor shall correct any error of the Work within five (5) calendar days after Contractor’s receipt of a Cure Notice, as directed by the Project Manager.
  - 3. If the Project Manager rejects all, or any part of, the Work as unacceptable and agreement to correct such Work cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and the reason(s) for the Contractor’s position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.
- M. 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 compensation and Schedule of Work and Services shall be equitably adjusted, if required, to account for such changes and shall be set forth within the mutually approved Contract Amendment.

5. TERM: The term of this Contract shall extend from the date of the Notice to Proceed, and terminate on June 30, 2025, unless an alternate date agreed upon by both parties, reduced to writing, and amended to this Contract. In addition to the initial five-year term, IEUA and Contractor may agree to two additional, consecutive, one-year term extensions.

6. PAYMENT, INVOICING, AND COMPENSATION:

A. The Contractor may submit an invoice not more than once per month, during the term of this Contract, to the Agency's Accounts Payable Department. The preferred invoicing, however, would be upon completion of each biofilter, with the invoice showing the agree-upon pricing shown in the Contractor's proposal dated February 11, 2020; for the first 24 months of the contract. Thereafter, the pricing shall be, upon request be the Contractor, adjust to reflect any changes in an agreed-upon CPI Index. Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice.

B. As compensation for the Work performed under this Contract, Agency shall pay Contractor's invoices, a total contract price **NOT-TO-EXCEED \$745,000** for all services satisfactorily provided during the term of this Contract.

C. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:

1. The Contract Number – 4600002877, and;
2. The Contract Release Purchase Order Number – 45000\_\_\_\_\_

If Contractor submits invoice by email, such invoice shall be submitted as follows:

[APGroup@ieua.org](mailto:APGroup@ieua.org)  
Scan the invoice as a PDF file.  
Attach the scanned file to an email.

If Contractor submits invoice by mail, such invoice shall be submitted as follows:

Inland Empire Utilities Agency  
Re: Contract Number: 4600002877  
P.O. Box 9020  
Chino Hills, CA 91709

D. Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of the invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.

- E. No Additional Compensation: Nothing set forth in this Contract shall be interpreted to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract, as approved by the Project Manager.
  - F. Contractor may request taking advantage of the Agency's practice of offering an expedited payment protocol to a Contractor who has proposed accepting an invoice amount reduction in exchange for early payment; and the Agency has accepted, applying a (1%, 2%, or 5%) discount (invoice amount reduction) to any invoice in exchange for payment of all invoices within (20, 15, or 10) days, respectively, of the date the invoice is received at the Agency's [APGroup@ieua.org](mailto:APGroup@ieua.org) email address.
7. **CONTROL OF THE WORK:** The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.
8. **INSURANCE:** During the term of this Contract, the Contractor shall maintain, at Contractor's sole expense, the following insurance.
- A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:
    - 1. Commercial General Liability ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
    - 2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
    - 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the 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 Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. Commercial General Liability and Automobile Liability Coverage
    - a. Additional Insured Status: The 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 Contractor including materials, parts or equipment supplied in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85; or **by either** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 **and** CG 20 37 forms if later revisions are used).
    - b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the 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 Contractor's insurance and shall not contribute with it.
    - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
    - d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
    - e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of the Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the 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, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency pursuant to Section 14, page 12 of this Contract.

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

E. Verification of Coverage: Contractor shall provide the 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 Contractor'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: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency  
Attn: Angela Witte  
P.O. Box 9020  
Chino Hills, CA 91709

9. FITNESS FOR DUTY:

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

1. Shall report to work in a manner fit to do their job;

2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
  3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.
- B. Compliance: Contractor shall advise all personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.
10. LEGAL RELATIONS AND RESPONSIBILITIES:
- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
  - B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of providing the services described herein, and is not an employee of the 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, its employees, or subcontractors.
  - D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager and shall comply with State of California, Department of Industrial Relations, SB 854 requirements.
  - E. Grant Funded Projects: This is not a grant funded project. For grant-funded projects, the Contractor shall be responsible for complying with all grant requirements related to the Project. These may include, but shall not be

limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Record Retention and Public Access to Records, and Compliance Review.

- F. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1815 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the completion of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.
- G. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining agreements with the worker.
- H. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment provided to Contractor on account of said services to be rendered or said materials to be provided under this Contract and that may be secured by any lien against the 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 the Agency, its directors, employees, and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of, or are related to, the negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents, and assigns, in the performance of work under this contract.
- 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. The Agency is committed to creating and maintaining an environment free from harassment and discrimination.

L. Disputes:

1. All disputes arising out of or in relation to this Contract shall be resolved in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of a dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et seq., or their successor.
2. Any and all disputes prior to the work starting shall be subject to resolution by the Agency's Project Manager; and the Contractor shall comply, with the Agency Project Manager instructions. If the Contractor is not satisfied with the resolution directed by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written directive of the Project Manager's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Project Manager's resolution. The Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of the protest-related documents. The General Manager shall make his or her determination with respect to each protest filed with the Project Manager within ten (10) calendar days after receipt of the protest-related documents. If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.
3. In the event of arbitration, the parties to this contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
  - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The 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. Association 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 association shall be initiated by written notice from the Agency's representative to the Contractor.
- M. Workers' Legal Status: For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.
- N. 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.
- O. Contractor shall provide with their invoice certified payroll verifying that Contractor has paid prevailing wage requirements as stipulated in SB-854 (<http://www.dir.ca.gov/DIRNews/2014/2014-55.pdf>). *(Include with Public Works contracts > \$1,000.00 price).*



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 them to the Agency whenever requested to do so by the Project Manager and/or Agency representative. The Contractor agrees that all documents shall not be made available to any individual or organization, private or public, without the prior written consent of an Agency representative.
12. TITLE AND RISK OF LOSS:
- A. Documentation: Title to the Documentation shall pass to the Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display, or disclose the contents of the Documentation to others without the prior written authorization of the Agency or for the performance of Work related to the Scope of Work described in this Contract.
- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to the Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which the Agency has title as directed, in writing, by the Project Manager and/or an Agency representative.
13. PROPRIETARY RIGHTS:
- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
  2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work, or are necessary for Agency to have

complete control of the Work, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.

3. If the Work includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy, or dispose of any or all of the Work; and to grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
14. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green  
Manager of Contracts and Procurement  
Inland Empire Utilities Agency  
P.O. Box 9020  
Chino Hills, CA 91709

Contractor: Henry Viramontes, President  
Viramontes Express, Inc.  
17130 Hellman Avenue  
Corona, CA, 92880

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

15. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. No assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred, or otherwise disposed of, without the prior written consent of the 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. **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 this work. 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, in any action or proceeding arising under the Public Records Act.

17. 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 the Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
18. INTEGRATION: The Contract Documents represent the entire Contract made and entered into by and between the Agency and the Contractor as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Contractor.
19. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
20. TERMINATION FOR CONVENIENCE: The 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, as approved by the Project Manager.
21. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
22. LIQUIDATED DAMAGES: Liquidated Damages, in the amount of \$500 per day, may be assessed by the Agency for each calendar day that the Contractor fails to complete the services in accordance with the Work Schedule. Any and all Liquidated Damages assessed by the Agency will be taken as a direct credit against the Contractor's invoice for the missed services. The Contractor's acceptance of this contract, shall serve to indicate acceptance of this Liquidated Damages clause, and the daily assessment of damages expressed in this section.

this contract, shall serve to indicate acceptance of this Liquidated Damages clause, and the daily assessment of damages expressed in this section.

23. NOTICE TO PROCEED: No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a notice to proceed has been issued to the Contractor by the Project Manager.
24. AUTHORITY TO EXECUTE CONTRACT: The Signatories, below, each represent, warrant, and covenant that they have the full authority and right to enter into this Contract on behalf of the separate entities shown below.
25. DELIVERY OF DOCUMENTS: The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant agreement to be bound by such electronic versions.

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

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

\_\_\_\_\_  
Shivaji Deshmukh  
General Manager

(Date)

**VIRAMONTES EXPRESS, INC.:**

\_\_\_\_\_  
Henry Viramontes  
President

3/27/2020  
(Date)

**CONSENT  
CALENDAR  
ITEM**

**1 F**



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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

**Executive Contact:** Christiana Daisy, Executive Manager of Engineering/AGM

**Subject:** IEUA and CBWM Task Order No. 1 Amendment

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**Executive Summary:**

The IEUA and Chino Basin Watermaster (CBWM) Master Cost Sharing Agreement established a framework for each agency's responsibilities on jointly managed projects in terms of cost sharing, project management, indemnity, and other provisions. Task Order No. 1 was issued for the development of an amendment to the current Chino Groundwater Basin Plan (Basin Plan) in coordination with the Santa Ana Regional Water Quality Control Board (RWQCB). This effort will update the groundwater modeling for the Chino Basin to include future salinity projects, source water forecast, groundwater conditions, and climate impacts. The analysis will support obtaining approval for a Basin Plan amendment and revising the Recycled Water Discharge and Reuse Permit, potentially Groundwater Recharge Permit, and Maximum Benefit Salinity Management Plan with regards to the total dissolved solids (TDS) limit.

Based on preliminary modeling results and discussions with the RWQCB, additional technical scope is required to demonstrate potential impacts to the Chino Basin. CBWM's environmental consultant, Wildermuth Environmental, has submitted a proposal to incorporate the required modeling and analysis in the amount of \$195,909. IEUA and CBWM will share the revised total not to exceed amount of \$918,909, increasing the cost from \$723,000 (27% increase).

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**Staff's Recommendation:**

1. Approve the Amendment to Task Order No. 1 of the Master Cost Sharing Agreement between IEUA and CBWM in the amount of \$195,909, increasing the contract from \$723,000 to a revised total not-to-exceed amount of \$918,909; and
2. Authorize the General Manager to finalize and execute the Amendment, subject to non-substantive changes.

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

*Account/Project Name:*

Basin Plan Amendment, Project No. PL18002

*Fiscal Impact (explain if not budgeted):*

IEUA's cost share is \$80,712 of the total \$195,909 requested task order amendment. IEUA's new total cost share of \$567,712 is within the total project budget of \$650,000 currently being revised through the Ten Year Forecast update for FY2020/21.

**Prior Board Action:**

On September 20, 2017, IEUA's Board of Directors approved the Master Agreement between IEUA and Chino Basin Watermaster, along with Task Order No. 1 for cost sharing of the Basin Plan Amendment project under the Master Cost Sharing Agreement for a not-to-exceed total project cost of \$723,000.

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**Environmental Determination:**

Statutory Exemption

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

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**Business Goal:**

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

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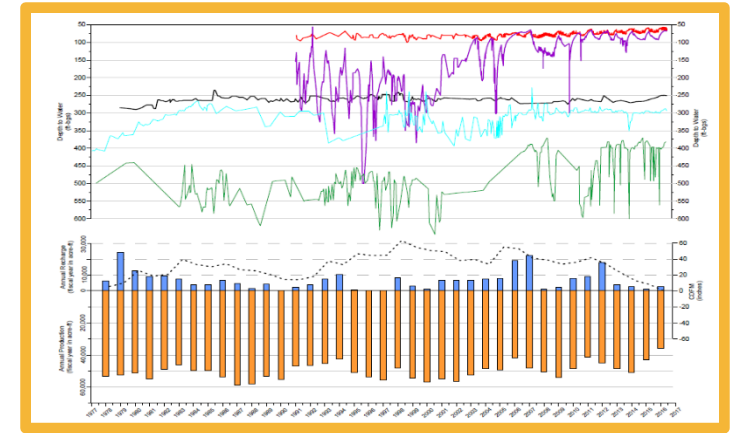
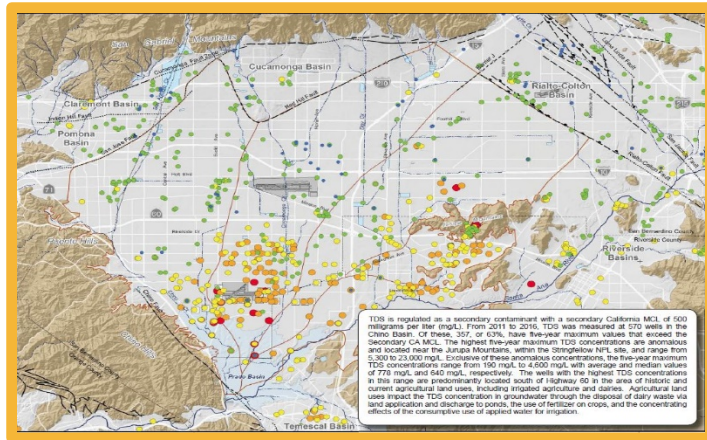
**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Amendment to Task Order No. 1 - Basin Plan Amendment



# IEUA and CBWM Task Order No. 1 Amendment





# Background

- Maximum Benefit Plan enables use of recycled water
- Commitment to implement regional programs to manage/reduce salinity
- Salinity/Total dissolved solids (TDS) trends:
  - Long-term trends show increasing salinity
  - Drought conditions further intensify salinity
  - Increased risk for IEUA to exceeds its National Pollutant Discharge Elimination System (NPDES) permit's TDS limit
- Regional Water Quality Control Board (RWQCB) requested groundwater modeling / antidegradation analysis to demonstrate the proposed change in NPDES TDS permit will be protective of the Basin

# Task Order No. 1: Basin Plan Amendment

- IEUA/Chino Basin Watermaster Master have a cost sharing agreement for joint projects (2017)
- Task Order No. 1 scope:
  - Groundwater model updates and analysis of projects, source water, groundwater, and others related to salinity
  - Support a Basin Plan Amendment and NPDES permit revisions with RWQCB
- Amendment scope:
  - Evaluate approaches to incorporate climate change and imported supplies
  - Additional modeling and sensitivity analysis
  - Additional collaboration with the RWQCB on modeling methodology

# Schedule and Budget

- Upcoming milestones:
  - Complete Modeling & Antidegradation Analysis – **Fall 2020**
  - Basin Plan Amendment through Regional & State Boards – **Summer 2021**
- Budget:

Entity	Task Order No. 1	Amendment	Revised Total Budget
<b>Watermaster</b>	\$236,000	\$115,197	\$351,197
<b>IEUA</b>	\$487,000	\$80,712	\$567,712
<b>Total</b>	\$723,000	\$195,909	\$918,909

# Recommendation

1. Approve the Amendment to Task Order No. 1 of the Master Cost Sharing Agreement between IEUA and CBWM in the amount of \$195,909, increasing the contract from \$723,000 to a revised total not-to-exceed amount of \$918,909: and
2. Authorize the General Manager to finalize and execute the Amendment, subject to non-substantive changes.

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

**FIRST AMENDMENT**  
to  
**TASK ORDER NO. 1**  
**BASIN PLAN AMENDMENT**  
under the  
**MASTER AGREEMENT**  
**REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS**  
between  
**INLAND EMPIRE UTILITIES AGENCY**  
and  
**CHINO BASIN WATERMASTER**

This First Amendment to Task Order No. 1 is made and entered into as of the \_\_ day of March, 2020 by and between the Inland Empire Utilities Agency (“IEUA”) and the Chino Basin Watermaster (“Watermaster”) (each a “Party” and collectively, the “Parties”).

**RECITALS**

A. Task Order No. 1 (“Task Order”) for the Basin Plan Amendment was executed by IEUA and Watermaster, effective September 28, 2017.

B. IEUA and Watermaster wish to amend the Task Order to include additional technical and environmental consulting services necessary for the completion of the Basin Plan Amendment contemplated in the Task Order, as detailed in **Exhibit B**.

**NOW THEREFORE IT IS AGREED TO AMEND THE TASK ORDER AS FOLLOWS:**

1. Section 2 of the Task Order titled “SCOPE” shall be amended as reflected below:

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

The scope of work encompassed by this Task Order is attached hereto as **Exhibit A and Exhibit B**, as well as any environmental review that is necessary to complete the projects contemplated by this Amendment to Task Order No. 1.

2. Section 5 of the Task Order titled “BUDGET AND COST ALLOCATION” shall be amended to read:

Unless the scope of work is changed and an increase is authorized by the Parties, the total

projected cost for the activities to be undertaken pursuant to this Task Order is nine hundred eighteen thousand nine hundred and nine dollars (\$918,909) (“Budget”). The Parties agree that the Budget is shared as shown in the table below. The Budget shown below is shared equally, except for the portion specific to nitrogen and the associated portion of contingency, which IEUA will solely bear. Watermaster will bear no costs with respect to the nitrogen portions of the project. The Parties shall budget, pursuant to their own budget mechanism, such that each is able to expend the amounts shown in the Fiscal Years shown in the table below, or as amended to this Task Order.

Description	Original Budget	Amended Budget	Difference
Salinity Basin Plan Amendment	\$408,000	\$603,909	\$195,909
Nitrogen Modeling & Evaluation	\$229,000	\$229,000	\$0
Environmental	\$20,000	\$20,000	\$0
Contingency	\$66,000	\$66,000	\$0
<b>Total</b>	<b>\$723,000</b>	<b>\$918,909</b>	<b>\$195,909</b>

Entity	Fiscal Year 2017/18	Fiscal Year 2018/19	Fiscal Year 2019/2020	Fiscal Year 2020/2021
Watermaster	\$106,981	\$31,042	\$110,912	\$102,262
IEUA	\$217,204	\$63,024	\$159,160	\$128,323
<b>Total</b>	<b>\$324,186</b>	<b>\$94,066</b>	<b>\$270,072</b>	<b>\$230,585</b>

- Section 6 of the Task Order titled “TOTAL BUDGETED COST” shall be amended to read:

The Parties agree to pay their respective portion of the total costs. The Parties shall not be required to pay more than \$918,909 (“Total Budgeted Cost”).

- Section 7 of the Task Order titled “MAXIMUM COSTS TO WATERMASTER” shall be amended to read:

The costs to be required of Watermaster under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or \$351,197.

- Section 8 of the Task Order titled “MAXIMUM COSTS TO IEUA” shall be amended to read:

The costs to be required of IEUA under this Agreement shall not exceed its share of the Total Budgeted Cost, as shown in Section 5 above, or \$567,712.

**ALL OTHER PROVISIONS SHALL REMAIN UNCHANGED.**

IN WITNESS WHEREOF, the Parties hereby have caused this Amendment to be entered as of the day and year first written above.

**INLAND EMPIRE UTILITIES AGENCY:**

**CHINO BASIN WATERMASTER:**

\_\_\_\_\_  
SHIVAJI DESHMUKH  
General Manager

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
PETER KAVOUNAS  
General Manager

\_\_\_\_\_  
(DATE)

# **Exhibit A**





March 6, 2017  
Revised June 26, 2017

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

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

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

Dear Ms. Lee and Mr. Kavounas,

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

### **Background and Project Objectives**

The IEUA owns and operates four treatment facilities that treat wastewater to tertiary standards prior to being recharged in the Chino Basin to support groundwater supply augmentation, directly reused for irrigation or discharged to streams and channels that are tributary to the Prado Basin Reservoir on the Santa Ana River. The discharge, reuse, and recharge of recycled water by the IEUA are regulated under two permits held with the Santa Ana Regional Water Quality Control Board (Regional Board). Regional Board Order R8-2015-0036 (NPDES No. CA 8000409)<sup>1</sup> regulates the discharge and direct reuse of recycled water. Order R8-2007-0039<sup>2</sup> (as amended by R8-2009-0057<sup>3</sup>) regulates the recharge of recycled water for indirect potable reuse, and is a joint permit held by the IEUA and Watermaster. Additionally,

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

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

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

the reuse of recycled water is regulated by the Basin Plan as part of the maximum benefit commitments for the Chino Basin<sup>4</sup>.

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

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

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

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

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

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

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

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

[http://www.waterboards.ca.gov/rwqcb8/water\\_issues/programs/basin\\_plan/docs/2016/Chapter\\_5\\_February\\_2016.pdf](http://www.waterboards.ca.gov/rwqcb8/water_issues/programs/basin_plan/docs/2016/Chapter_5_February_2016.pdf)

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

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

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

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

## Scope of Work

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

### Task 1 Develop Planning Data

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

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

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

### Task 2 Develop Planning Scenarios

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

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

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

The objective of this task is to develop a water quality modeling projection tool that will enable the development of TDS/N concentrations projections for the Chino Basin and to apply the tool to develop a TDS/N concentration projection for the baseline planning scenario. WEI proposes to develop an MT3D-based numerical solute transport model<sup>5</sup> that is based on the 2017 Chino Basin Watermaster Model (this is the latest version). WEI proposes to build this model for forward projections only and defer a formal calibration of it to a later time. A properly constructed uncalibrated TDS/N model can be used to test the impacts of different TDS/N management strategies on the relative rate of future TDS/N concentration changes. For example, an uncalibrated model can be used to reasonably compare the rate of TDS/N concentration degradation in the basin from a range of permit discharge limitations, as proposed in this scope of work.

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

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

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

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

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

#### Task 4 Evaluate Planning Scenarios

The objectives of this task are to use the water quality model developed in Task 3 to evaluate the planning scenarios defined in Task 2. This task will produce a series of projected TDS/N concentration time-histories for the Chino Basin groundwater management zones for the Chino Basin that can be compared to the results of the baseline scenario evaluated Task 3.<sup>6</sup> And, this information will be used to support the antidegradation analysis required by the Regional Board. If during Tasks 2 or 3, it is identified that no regulatory compliance strategies need to be modified for nitrate compliance, then no planning scenarios will need to be developed for nitrate.

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

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

#### Task 5 Develop Salinity Management Proposal

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

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



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

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

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

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

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

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

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

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

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

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

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

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

### Task 9 Meetings and Project Management

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

### Fee Estimate and Schedule

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

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

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

Very truly yours,

### Wildermuth Environmental, Inc.



Samantha Adams  
Vice President, Principal Scientist



Mark Wildermuth, PE  
President, Principal Engineer

**Enclosures:** Table 1

**cc:**

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

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

Description	Labor (person days)									Other Direct Costs					Total Project Costs				
	Staff								Task Repetition Multiplier	Person Days	Total Labor		Travel	Printing	CEQA Consultant	Total ODCs		Sub-Task	Task
	Principal Engineer III	Principal Scientist I	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/Engineer II	Tech Editor/Admin	Cost			Sub-Task	Task				Sub-Task	Task		
<b>Task 1 - Develop Planning Data</b>											<b>\$60,722</b>					<b>\$0</b>		<b>\$60,722</b>	
1.1 Collect Water Supply, TDS/N, and Waste Increment Data from IEUA, and Others as Necessary	0.3	0.8			1.3			1	2	\$3,748						\$0		\$3,748	
1.2 Develop Water Supply Plans for Dry, Wet and Other Conditions and Confirm Accuracy with Agencies		1.0			5.0			1	6	\$9,256						\$0		\$9,256	
1.3 Estimate the TDS/N Concentrations for SWP Water Based on Historical TDS/N and Associated SWP Allocations and Most Recent SWP Delivery Reliability Report	0.8	0.3			1.0			1	2	\$3,462						\$0		\$3,462	
1.4 Estimate TDS/N Concentrations in Local Supplies		1.0			2.0	4.0		1	7	\$9,616						\$0		\$9,616	
1.5 Evaluate TDS Waste Increment of Recycled Water and Develop Future Projection of It	0.5	1.0			2.0			1	4	\$5,828						\$0		\$5,828	
1.6 Collect, Compile and Validate Projected Surface Water Discharge and TDS/N data for Discharges in the Model Domain (Riverside Narrows, Temescal Wash, other SAR Tributaries, POTWs, and Recharge) for the Planning Period	1.0	3.5		3.0		6.0		1	14	\$21,288						\$0		\$21,288	
1.7 Document Planning Data in a Tech Memo	0.5	1.3			2.5		0.5	1	5	\$7,524						\$0		\$7,524	
<b>Task 2 Develop Planning Scenarios</b>											<b>\$16,818</b>					<b>\$0</b>		<b>\$16,818</b>	
2.1 Articulate the TDS/N Management Challenge and the Drivers of TDS/N Concentration Changes Over Time	1.0	2.5			1.0	0.5		1	5	\$8,744						\$0		\$8,744	
2.2 Develop Four Plausible Planning Scenarios Based on Historical Dry Periods that Can Be Identified in Local Data and in the Planning Hydrology in the SWP Delivery Reliability Report	0.5	0.5						1	1	\$1,940						\$0		\$1,940	
2.3 Develop Performance Metrics for Scenario Evaluation	0.3							1	0.3	\$506						\$0		\$506	
2.4 Document Planning Scenarios in a Tech Memo	0.5	1.5			0.5	0.5	0.5	1	4	\$5,628						\$0		\$5,628	
<b>Task 3 Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario</b>											<b>\$303,441</b>					<b>\$744</b>		<b>\$304,185</b>	
3.1 Develop 2017 Initial Conditions in the Saturated and Vadose Zones																			
3.1.1 Assemble well construction, groundwater level and TDS/N data for wells in model domain		0.3	2.0			2.0		1	4	\$6,576						\$0		\$6,576	
3.1.2 Construct groundwater level and TDS/N maps for each model layer		1.0	1.5			15.0		1	18	\$22,640						\$0		\$22,640	
3.1.3 Rasterize groundwater level and TDS/N concentration by model layer	0.5	0.5	3.0					1	4	\$7,508						\$0		\$7,508	
3.1.4 Develop model input files for initial groundwater level and TDS/N			1.0					1	1	\$1,856						\$0		\$1,856	
3.1.5 Collect and compile volumes of water served by water agencies and their associated TDS/N time histories for 1986 through 2016	0.5	1.0		4.0		15.0		1	21	\$28,292						\$0		\$28,292	
3.1.6 Develop TDS/N loads from fertilizer application and dairies waste disposal	5.0	1.0						1	6	\$11,976						\$0		\$11,976	
3.1.7 Develop R4 input files and test				4.0				1	4	\$7,424						\$0		\$7,424	
3.1.8 Develop DIPAW and associated TDS/N concentrations for 1986 through 2016	0.5	1.0		10.0				1	12	\$21,428						\$0		\$21,428	
3.1.9 Develop model input files for DIPAW	1.0		3.0					1	4	\$7,592						\$0		\$7,592	



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

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

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

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

Notes:

# **Exhibit B**



February 7, 2020

Inland Empire Utilities Agency  
Attn: Joshua Aguilar  
PO Box 9020  
Chino Hills, CA 91709

Chino Basin Watermaster  
Attn: Edgar Tellez Foster  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

**Subject: *Request to Amend the Budget and Schedule to Support the Basin Plan Amendment to Update the Maximum Benefit Salt and Nutrient Management Plan for the Chino Basin***

Dear Mr. Aguilar and Dr. Tellez Foster,

Pursuant to our recent discussions, WEI has prepared this change order request to amend the scope of work and budget for the WEI project to support a Basin Plan amendment to update the Maximum Benefit Salt and Nutrient Management Plan (maximum benefit SNMP) for the Chino Basin. The original scope of work and budget for the Basin Plan amendment project were described in the enclosed June 26, 2017 letter proposal.

The project work began in September 2017. Since that time the project team—e.g. staff from WEI, Watermaster, and the IEUA—have been meeting frequently to review interim project deliverables and plan next steps. The project team has also coordinated closely with Regional Board staff throughout the development of the technical work in support of the Basin Plan amendment. Through several meetings and discussions amongst the project team and with the Regional Board over the October 2019 through January 2020 period, it was identified that several changes to the scope of work are required to complete the project. This letter describes the project objectives and tasks, the work completed to date, the required revisions to the scope of work, and the revised cost and schedule to complete the project.

### **Background and Project Objectives**

In 2004, The Regional Board amended the Basin Plan to incorporate the maximum benefit SNMP for the Chino Basin to incorporate numerically higher, maximum-benefit-based TDS and nitrate objectives for the Chino-North groundwater management zone. The maximum benefit objectives created assimilative capacity for TDS and increased the nitrate objective to enable the cost-efficient, maximum reuse of recycled water for irrigation and recharge. The SNMP includes nine maximum benefit commitments that Watermaster and the IEUA must implement to obtain continued access to the maximum-benefit objectives. Maximum benefit commitment number 6, specifies that:

“Within 60 days after the IEUA 12-month running average effluent concentration (measured as an average for all IEUA wastewater treatment facilities) for TDS exceeds 545 mg/L for 3 consecutive months, or the 12-month running average total inorganic nitrogen (TIN) concentration (measured as an average for all IEUA wastewater treatment facilities) exceeds 8

mg/L in any month, the IEUA shall submit to the Regional Board a plan and time schedule for implementation of measures to insure that the 12-month running average agency wastewater effluent quality does not exceed 550 mg/L and 8 mg/L for TDS and TIN, respectively. The Plan and schedule are to be implemented upon Regional Board approval.”

In 2015, the TDS concentration in recycled water produced by the IEUA approached, but did not reach the regulatory limits that would require the IEUA and Watermaster to submit a plan and schedule to manage recycled water TDS concentrations. Although the TDS concentration declined from the 2015 peak before exceeding the regulatory limit, it was an important indicator that the TDS concentration of recycled water is likely to approach or exceed the discharge limitation and trigger the planning for recycled water quality improvements during the next prolonged dry period. Given the potential cost of implementing recycled water quality improvements for what might only be short-term exceedances of the 12-months running average limitation, the IEUA and Watermaster are interested in modifying the recycled water permits and the Basin Plan to allow for a longer-term averaging period for TDS concentrations.

To obtain approval from the Regional Board for the Basin Plan modifications, and any associated permit modifications, the IEUA and Watermaster must perform a detailed evaluation of the TDS and nitrate concentration impacts to Chino Basin groundwater. The objective of the evaluation is to compare the relative water quality and economic impacts of the existing and proposed regulatory compliance strategies. The objectives of the WEI scope of work to support the Basin Plan amendment are: to develop and use updated modeling tools to evaluate the TDS and nitrate concentrations of the Chino Basin, to define alternative salinity management scenarios and perform an antidegradation analysis, to use the results to develop a regulatory compliance strategy that includes a longer-term average period for recycled water TDS concentrations, to support the negotiation of a final compliance strategy with the Regional Board, and to provide required assistance to the Regional Board to prepare a Basin Plan amendment.

### Scope of Work and Progress to Date

The scope of work to support the Basin Plan amendment was broken down into nine tasks, as follows:

Task 1 - Develop Planning Data

Task 2 - Develop Planning Scenarios

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

Task 4 - Evaluate Planning Scenarios

Task 5 - Develop Salinity Management Proposal

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

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

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

Task 9 - Meetings and Project Management

The task objectives, subtasks, and deliverables were described in the enclosed June 26, 2017 proposal.

The estimated cost to complete the project based on the 2017 proposal was \$636,626 and it was anticipated that it would take 24 months to complete the project.

The following is the summary of the work completed by WEI over the period of September 2017 through December 2019:

- Completed the development of the proposed technical approach and planning assumptions and technical approach for approval by the Regional Board.
- Completed the development of the planning data.
- Completed the development of the vadose zone initial TDS and nitrate conditions based on loading from 1978 through 2017 and the aquifer initial TDS and nitrate concentrations based on 2012-2017 water quality conditions.
- Completed the development of computer codes for four models and a process to automate the integration and running of them.
- Completed the design of the proposed baseline planning scenario.
- Documented the planning data, technical approach, initial conditions, and computer codes in draft sections of the technical report.
- Used the models to run and analyze a baseline scenario (Scenario BPA-1a) based on the approved technical approach and assumptions. Documented the results in tables and charts and reviewed them with Watermaster and IEUA.
- Based on the model results of Scenario BPA-1, used the models to run and analyze the baseline scenario under an alternative assumption for the fate and transport of TDS and nitrate in the Vadose Zone (Scenario BPA-1b). Documented the results in tables and charts and reviewed them with Watermaster and IEUA.
- Prepared an alternative methodology to address the fate and transport of TDS and nitrate in the vadose zone based on the results of Scenarios BPA-1a and -1b. Prepared a presentation to explain the need for the alternative methodology for review with the Regional Board.
- Prepared for and led four project status and technical review meetings with the Regional Board on February 22, 2018; May 31, 2018; December 10, 2018; and October 3, 2019.
- Per the request and direction of IEUA and Watermaster, began work to update the planning projections initially developed for the project to comport with the projections being used for the Watermaster's 2020 SMP and the IEUA's Chino Basin Project.
- Participated in regular project progress conference calls and meetings with the project team.

Table 1, attached, summarizes the project costs invoiced to Watermaster as of December 31, 2019 and the allocation of the total costs to Watermaster and the IEUA per Task Order 1. A total of \$443,814 has been invoiced for work performed under Tasks 1, 2, 3, 4, and 9. Work has not yet begun on Tasks 5, 6, 7 or 8.

### Required Revisions to the Project Scope of Work

Several changes to the scope of work have been identified as required to complete the project. The changes are based on the preliminary results of the technical work performed to date, additional work requested by the Regional Board, and additional work requested by the IEUA and Watermaster. The changes to the scope of work for each task are described below.



**Task 1 - Develop Planning Data.** The initial planning data developed, documented, and used to design and run the models for baseline scenarios BPA-1a and -1b was based on the water supply plans and data compiled in late 2017 and early 2018. Recently, Watermaster and the IEUA have performed planning studies that contain updated water supply plans of the parties and other new information: the Watermaster's 2020 Storage Management Plan (2020 SMP) and the IEUA's Chino Basin Project (CBP). Because the 2020 SMP, CPB, and this Basin Plan amendment project are all subject to CEQA review within the next year, IEUA has requested that the planning data for the Basin Plan amendment be updated to (1) reflect the water supply plans of the parties included in the 2020 SMP and CBP and (2) incorporate a revised methodology to project the future TDS concentrations of State Water Project water that is consistent with new information being used to support the CBP.

Additionally, the Regional Board has requested the development of a technical memorandum to document how the Basin Plan amendment project will account for climate change, noting that the memo will be required for Regional Board and State Board approval of the Basin Plan amendment.

The subtasks to complete Task 1 are:

- A. Revise estimate the TDS/N Concentrations for SWP water based on December 11, 2019 meeting to review technical approaches and document in a technical memorandum
- B. Evaluate technical approaches to incorporating climate change into the planning projections and document selected approach in a technical memorandum
- C. Update pumping and recycled water reuse projections for the parties and IEUA recycled recharge to match the 2020 SMP planning projections and document in a technical memorandum
- D. Update projected POTW surface water discharges (volume, TDS/N) in the model domain to reflect planning projections reported in 2019 Wasteload Allocation Model Summary Report
- E. Update Sections 2 and 3 of the final project report with updated planning data

**Task 2 - Develop Planning Scenarios.** Since the development of the original scope of work, additional concepts for managing salinity in the Basin have been developed, several of these are articulated as part of the CBP. It is prudent to reconsider which salinity management alternatives should be evaluated for the project, however, it is only necessary to evaluate some of the alternatives to capture the range of TDS and nitrate impacts to the Chino Basin. The universe of expanded alternatives will be described in a technical memorandum and WEI will recommend three alternatives for evaluation. WEI will present the recommendation to the project team and Watermaster and the IEUA will select the final alternatives for analysis. The subtasks to complete Task 2 are:

- A. Define the universe of salinity management alternatives to comply with maximum benefit and describe how to implement selected alternatives for the model analysis.
- B. Present them to IEUA/Watermaster and select three alternatives to evaluate in Task 4
- C. Document selected planning scenarios in a technical memorandum

**Task 3 - Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario.** One of the key components of the technical work to characterize the TDS and nitrate impacts of Watermaster and IEUA's recycled water programs and salinity management activities is to simulate the fate and transport of TDS and nitrate in the unsaturated zone of the aquifer (vadose zone). This approach was required by the Regional Board and is the first time it has been required of any discharger in the Santa Ana River watershed.

WEI, in close coordination with the Regional Board, developed a proposed approach to simulate the reduction in TDS and nitrate mass that occurs in the vadose zone. After running the models for Scenario BPA-1a, it was evident that the vadose zone assumption developed was not reasonable and that a

sensitivity analysis of the basin response to the assumption was required. WEI ran Scenario BPA-1b (under Task 4) to test an alternative assumption. The results of BPA-1a and -1b were summarized in tables and charts and reviewed them with Watermaster and IEUA. WEI then prepared an alternative methodology to address the fate and transport of TDS and nitrate in the vadose zone based on the results of Scenarios BPA-1a and -1b. The need for the alternative methodology was reviewed with the Regional Board and the Regional Board concurred that the original assumption was not plausible and that developing a single assumption is not reasonable. Thus, the Regional Board approved an approach to run additional sensitivity studies on the vadose zone assumptions and to characterize the TDS and nitrate impacts of the salinity management alternatives as a range based on the uncertainty of the assumption. A final alternative of the baseline scenario—Scenario BPA-1c—will need to be run. Additionally, the Regional Board requested that the sensitivity of the model results be tested and documented for other model assumptions including: the TDS concentration of subsurface inflows, the TDS concentration of SWP water, and the TDS of other non-Chino Basin water supplies.

Prior to running Scenario BPA-1c, Scenarios BPA-1a and -1b must be rerun to reflect the changes in the planning data required in Task 1.

The subtasks to complete Task 3 are:

- A. Re-run Scenario 1A and 1B with updated assumptions for SWP TDS and POTW discharges
- B. Run Scenario 1C with vadose zone loss assumption of 15% per direction of Regional Board staff in November 2019
- C. Test sensitivity of model results to three input data assumptions
- D. Summarize 3.A through 3.C in tables and charts and (1) review with IEUA and Watermaster and (2) review with Regional Board
- E. Update Sections 3 and 4 of the project technical report to reflect new results produced in tasks 3.A through 3.C

**Task 4 - Evaluate Planning Scenarios.** The original scope of work anticipated that three planning alternatives would be run. Thus far, one alternative version of the baseline scenario (Scenario BPA-1b) was run and evaluated. To complete the work, up to three salinity management alternatives will still need to be evaluated and compared. The scope of work for running these alternatives has not changed. If in Task 2, in evaluating the range of potential salinity management alternatives, it is identified that it is not necessary to use the model to evaluate three alternatives to capture the range of water quality impacts, the scope of Task 4 could be reduced to evaluating two salinity management alternatives.

The subtasks to complete Task 4 are:

- A. Simulate Planning Scenario BPA-2 with the flow and transport model
- B. Summarize results of the Scenario BPA-2 in tables and charts and review with IEUA/Watermaster staff
- C. Repeat Tasks 4.A and 4.B for remaining two planning scenarios
- D. Document evaluation of planning scenarios in project technical report

**Task 5 - Develop Salinity Management Proposal.** There are no changes to the scope of Task 5. The subtasks to complete Task 5 are:

- A. Develop draft Salinity Management Proposal, including updated Maximum Benefit Commitments
- B. Review draft proposal with IEUA/Watermaster Staff
- C. Finalize proposal for formal submittal to Regional Board



**Task 6 - Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders.** There are no changes to the scope of Task 6. The subtasks to complete Task 6 are:

- A. Summarize salinity management proposal in a Microsoft PowerPoint Presentation
- B. Attend up to four meetings to present the proposal to stakeholders

**Task 7 - Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board.** There are no changes to the scope of Task 7. The subtasks to complete Task 7 are:

- A. Attend up to four meetings with Regional Board Staff when Task 5.C is complete
- B. Prepare updates to the Salinity Management Proposal based on Regional Board feedback
- C. Finalize Salinity Management Proposal

**Task 8 - Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal.** Since the development of the project proposal, the Regional Board has determined that the Basin Plan amendment will be subject to the State Board's peer review process and thus a full Substitute Environmental Document (SED) and economic analysis will be required. The original scope of work assumed that only an SED checklist would be required. The SED is the Regional Board's substitute CEQA process. The SED will be prepared by a CEQA sub-consultant.

The subtasks to complete Task 8 are:

- A. Support CEQA consultant in preparing the SED
- B. Support the Regional Board in applying for the State Board's peer review process
- C. Prepare Staff Report, Economic Analysis, and other supporting documentation for the Basin Plan amendment at the request of Regional Board staff

**Task 9 - Meetings and Project Management.** There is no change to the scope of work, other than to extend the duration of the project management activities to comport with the new schedule to complete the project by December 31, 2020. The subtasks to complete Task 9 are:

- A. Biweekly conference calls with IEUA/Watermaster
- B. Monthly project management activities

### Fee Estimate

Table 2, attached, includes a work breakdown structure and fee estimate to characterize the labor effort and cost to complete the nine project tasks based on the revised scope of work and subtasks listed above. Table 2 also shows the original estimated labor effort and approved budget, the total costs invoiced to date, the cost to complete the remaining work, and the revised total project costs. The costs are summarized in the table below.

Original Approved Budget (1)	Billed to Date as of December 31, 2020 (2)	Cost to Complete Project in 2020 (3)	Revised Project Costs = (2) + (3)
\$636,626	\$443,814	\$388,722	\$832,535

The increased cost to complete the project is \$195,909 based on the rate schedule contained in the 2019 contract between Watermaster and WEI.

## Schedule

Based on the labor effort and the time required for reviewing work products and negotiating with the Regional Board, it is estimated that the remaining project duration will be about 12 months, a completion date of December 31, 2020. Table 3 summarizes the scheduled completion month of each project task. This schedule will be highly dependent on the ability to secure meetings with Regional Boards staff to review interim deliverables. Thus far, the difficulties in scheduling meetings with the Regional Board have contributed to schedule delays. To avoid delays, WEI will work with Regional Board staff to pre-schedule all project check-ins.

Note that even if WEI's work is completed by December 2020, it should be expected that it will take the Regional Board a minimum of an additional six months to complete the peer review process and formally adopt the Basin Plan amendment.

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Per our discussion at the January 21, 2020 coordination meeting, WEI is continuing work on the project to ensure we are able to meet the project schedule. If you have any questions on the scope, schedule, and deliverables of the project please let us know. We look forward to continuing our work with you on this important and timely project.

Very truly yours,

### Wildermuth Environmental, Inc.



Samantha S. Adams  
Vice President, Principal Scientist



Mark Wildermuth, PE  
President, Principal Engineer

**Enclosures:** Tables 1, 2 and 3; June 26, 2017 Proposal

**Table 1**  
**Work to Support the Basin Plan Amendment to Update the Maximum Benefit**  
**Salt and Nutrient Management Plan for the Chino Basin**  
**Project Costs Invoiced as of December 31, 2019**

<b>Task</b>	<b>Contract Budget</b>	<b>Billed to Date</b>	<b>Budget Remaining</b>
T1 - Develop Planning Data	\$60,722.00	\$60,720.03	\$1.97
T2 - Develop Planning Scenarios	\$16,818.00	\$15,416.73	\$1,401.27
T3 - Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario	\$304,185.00	\$305,763.42	-\$1,578.42
T4 - Evaluate Planning Scenarios (Antidegradation Analysis)	\$140,239.00	\$29,679.56	\$110,559.44
T5 - Develop Salinity Management Proposal	\$17,184.00	\$0.00	\$17,184.00
T6 - Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders	\$8,820.00	\$0.00	\$8,820.00
T7 - Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board	\$28,842.00	\$0.00	\$28,842.00
T8 - Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal	\$21,800.00	\$0.00	\$21,800.00
T9 - Project Management	\$38,016.00	\$32,234.32	\$5,781.68
<b>Totals</b>	<b>\$636,626.00</b>	<b>\$443,814.06</b>	<b>\$192,811.94</b>

<b>Allocation of Project Billings per Task Order No. 1 -- Basin Plan Amendment</b>	<i>IEUA</i>	<i>Watermaster</i>	<i>Total</i>
Percent Share of Project Cost (including additionally budgeted contingency and environmental review)	67%	33%	100%
Allocation of Current Billings	\$2,598.58	\$1,279.90	\$3,878.48
Allocation of Total Billings to Date	\$297,355.42	\$146,458.64	\$443,814.06

**Table 2**  
**Work Breakdown Structure and Line-Item Cost Estimate to Complete**  
**the Basin Plan Amendment to Update the Maximum Benefit Salt and Nutrient Management Plan for the Chino Basin**

Description	Labor (person days)										Other Direct Costs	Original Approved Budget  (1)	Billed to Date as of December 31, 2020  (2)	Cost to Complete Project in 2020  (3)	Revised Project Costs  = (2) + (3)	
	Staff								Task Repetition Multiplier	Total Labor						Travel, Printing, Subs
	Principal Engineer III	Principal Scientist II	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/Engineer II	Tech Editor/Admin	Person Days		Labor Cost						
									Sub-Task	Task						
<b>Task 1 - Develop Planning Data</b>																
<i>2017-2019 Original budget estimate for all Task 1 subtasks in June 2017 Project Proposal</i>	3.0	8.8		3.0	13.8	10.0	0.5	1	39.0		\$60,722	\$0	\$60,722	\$60,720	\$45,774	\$106,494
2020 Remaining Work to Complete Develop Planning Data																
A. Revise estimate the TDS/N Concentrations for SWP water based on December 11, 2019 meeting to review technical approaches and document in a technical memorandum	1.8	1.0			6.5		0.8	1	10.0	\$17,114		\$0			\$17,114	
B. Evaluate technical approaches to incorporating climate change into the planning projections and document selected approach in a technical memorandum	5.0	1.0	1.0					1	7.0	\$14,912		\$0			\$14,912	
C. Update pumping and recycled water reuse projections for the parties and IEUA recycled recharge to match the 2020 SMP planning projections and document in a technical memorandum	1.5	0.5						1	2.0	\$4,296		\$0			\$4,296	
D. Update projected POTW surface water discharges (volume, TDS/N) in the model domain to reflect planning projections reported in 2019 Wasteload Allocation Model Summary Report	0.3	0.3						1	0.5	\$1,064		\$0			\$1,064	
E. Update Sections 2 and 3 of the final project report with updated planning data	0.5	2.0					2.0	0.5	1	5.0	\$8,388	\$0			\$8,388	
<b>Task 2 Develop Planning Scenarios</b>																
<i>2017-2019 Original budget estimate for all Task 2 subtasks in June 2017 Project Proposal</i>	2.3	4.5	0.0	0.0	1.5	1.0	0.5	1	9.8		\$16,818	\$0	\$16,818	\$15,417	\$6,908	\$22,325
2020 Remaining Work to Complete Develop Planning Scenarios																
A. Define the universe of salinity management alternatives to comply with maximum benefit and describe how to implement selected alternatives for the model analysis.	0.5	0.8						1	1.3	\$2,650		\$0			\$2,650	
B. Present them to IEUA/Watermaster and select three alternatives to evaluate in Task 4	0.4	0.8						1	1.1	\$2,379		\$0			\$2,379	
C. Document selected planning scenarios in a technical memorandum	0.3	0.5					0.1	0.1	1	1.0	\$1,879	\$0			\$1,879	
<b>Task 3 Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario</b>																
<i>2017-2019 Original budget estimate for all Task 3 subtasks in June 2017 Project Proposal</i>	22.1	17.8	45.5	30.5	0.0	68.5	2.5	1	186.9	\$303,441		\$744	\$304,185	\$305,763	\$61,886	\$367,649
2020 Remaining Work to Complete Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario																
A. Re-run Scenario 1A and 1B with updated assumptions for SWP TDS and POTW discharges	0.5	0.0	7.0					1	7.5	\$14,972		\$0			\$14,972	
B. Run Scenario 1C with vadose zone loss assumption of 15% per direction of Regional Board staff in November 2019			2.0					1	2.0	\$3,968		\$0			\$3,968	
C. Test sensitivity of model results to three input data assumptions	0.5	0.5	6.5			1.0		1	8.5	\$16,328		\$0			\$16,328	
D. Summarize 3.A through 3.C in tables and charts and (1) review with IEUA and Watermaster and (2) review with Regional Board	0.5	0.8	2.0			4.0		1	7.3	\$11,834		\$200			\$12,034	
E. Update Sections 3 and 4 of the project technical report to reflect new results produced in tasks 3.A through 3.C	1.0	3.0	1.0			2.0	1.5	1	8.5	\$14,584		\$0			\$14,584	

**Table 2**  
**Work Breakdown Structure and Line-Item Cost Estimate to Complete**  
**the Basin Plan Amendment to Update the Maximum Benefit Salt and Nutrient Management Plan for the Chino Basin**

Description	Labor (person days)										Other Direct Costs	Original Approved Budget	Billed to Date as of December 31, 2020	Cost to Complete Project in 2020	Revised Project Costs		
	Staff								Task Repetition Multiplier	Total Labor							
	Principal Engineer III	Principal Scientist II	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/Engineer II	Tech Editor/Admin	Person Days		Labor Cost							
										Sub-Task						Task	
											Travel, Printing, Subs	(1)	(2)	(3)	= (2) + (3)		
<b>Task 4 Evaluate Planning Scenarios (Antidegradation Analysis)</b>																	
2017-2019	Original budget estimate for all Task 4 subtasks in June 2017 Project Proposal											\$683	\$140,239	\$29,680	\$118,920	\$148,599	
2020	Remaining Work to Complete Evaluate Planning Scenarios (Antidegradation Analysis)																
A.	Simulate Planning Scenario BPA-2 with the flow and transport models																
A.1	Update Scenario BPA-1C to incorporate features of the planning scenario										1	5.5	\$9,552	\$0	\$9,552		
A.2	Run flow and MT3D models for BPA-2										1	5.0	\$9,544	\$0	\$9,544		
B.	Summarize results of the Scenario BPA-2 in tables and charts and review with IEUA/Watermaster staff										1	7.3	\$12,370	\$75	\$12,445		
C.	Repeat Tasks 4.A and 4.B for remaining two planning scenarios										2	34.6	\$61,845	\$150	\$61,995		
D.	Document evaluation of planning scenarios in project technical report										1	14.0	\$25,384	\$0	\$25,384		
<b>Task 5 Develop Salinity Management Proposal</b>																	
2017-2019	Original budget estimate for all Task 3 subtasks in June 2017 Project Proposal												\$61	\$17,184	\$0	\$18,877	\$18,877
2020	Remaining Work to Complete Develop Salinity Management Proposal :																
A.	Develop draft Salinity Management Proposal and updated Maximum Benefit Commitments										1	8.0	\$14,556	\$0	\$14,556		
B.	Review draft proposal with IEUA/Watermaster Staff										1	1.0	\$2,128	\$75	\$2,203		
C.	Finalize proposal for formal submittal to Regional Board										1	1.1	\$2,118	\$0	\$2,118		
<b>Task 6 Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders</b>																	
2017-2019	Original budget estimate for all Task 3 subtasks in June 2017 Project Proposal												\$244	\$8,820	\$0	\$9,868	\$9,868
2020	Remaining Work to Complete Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders :																
A.	Summarize salinity management proposal in a Microsoft PowerPoint Presentation										1	1.0	\$1,696		\$1,696		
B.	Attend up to four meetings to present the proposal to stakeholders										4	4.0	\$7,872	\$300	\$8,172		
<b>Task 7 Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board</b>																	
2017-2019	Original budget estimate for all Task 3 subtasks in June 2017 Project Proposal												\$220	\$28,842	\$0	\$31,730	\$31,730
2020	Remaining Work to Complete Provide Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board :																
A.	Attend up to four meetings with Regional Board Staff when Task 5.C is complete										4	5.0	\$10,520	\$300	\$10,820		
B.	Prepare updates to the Salinity Management Proposal based on Regional Board feedback										1	10.0	\$18,336		\$18,336		
C.	Finalize Salinity Management Proposal										1	1.5	\$2,574		\$2,574		

**Table 2**  
**Work Breakdown Structure and Line-Item Cost Estimate to Complete**  
**the Basin Plan Amendment to Update the Maximum Benefit Salt and Nutrient Management Plan for the Chino Basin**

Description	Labor (person days)											Other Direct Costs	Original Approved Budget (1)	Billed to Date as of December 31, 2020 (2)	Cost to Complete Project in 2020 (3)	Revised Project Costs = (2) + (3)
	Staff								Task Repetition Multiplier	Total Labor						
	Principal Engineer III	Principal Scientist II	Principal GW Modeler	Principal SW Modeler	Senior Scientist II	Staff Scientist/Engineer II	Tech Editor/Admin	Person Days		Labor Cost						
									Sub-Task	Task						
<b>Task 8 Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal</b>													<b>\$21,800</b>	<b>\$0</b>	<b>\$72,715</b>	<b>\$72,715</b>
<i>2017-2019 Original budget estimate for all Task 3 subtasks in June 2017 Project Proposal</i>	0.5	6.0	0.0	0.0	2.0	1.0	0.5	1	10.0	\$16,800		\$5,000				
<b>2020 Remaining Work to Complete Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal :</b>																
A. Support CEQA consultant in preparing the SED	0.8	3.0	1.0			2.0		1	6.8	\$12,482		\$28,000			\$40,482	
B. Prepare Staff Report, Economic Analysis, and other supporting documentation for the Basin Plan amendment at the request of Regional Board staff	1.5	6.0	1.0		2.0	4.0	2.0	1	16.5	\$28,276		\$0			\$28,276	
C. Support the Regional Board in applying for the State Board's peer review process	0.3	0.5	0.5			1.0		1	2.3	\$3,882		\$75			\$3,957	
<b>Task 9 Project Management</b>													<b>\$38,016</b>	<b>\$32,234</b>	<b>\$22,044</b>	<b>\$54,278</b>
<i>2017-2019 Original budget estimate for all Task 3 subtasks in June 2017 Project Proposal</i>	6.0	12.0	0.0	0.0	0.0	3.0	0.0	1	21.0	\$38,016		\$0				
<b>2020 Remaining Work to Complete Project Management :</b>																
A. Biweekly conference calls with IEUA/Watermaster	0.06	0.13						24	4.5	\$9,516		\$0			\$9,516	
B. Monthly project management activities		0.5						12	6.0	\$12,528		\$0			\$12,528	
<b>Total Tasks 1 through 9</b>													<b>\$636,626</b>	<b>\$443,814</b>	<b>\$388,722</b>	<b>\$832,535</b>

## Revised Schedule To Complete the Maximum Benefit SNMP Basin Plan Amendment

Tasks and Subtasks	Estimated Task Completion Date
<b>Task 1 - Develop Planning Data (subtasks A through E)</b>	<b>February 2020</b>
<b>Task 2 - Develop Planning Scenarios (Subtasks A through C)</b>	<b>March 2020</b>
<b>Task 3 - Develop Solute Transport Model Based on the 2017 Chino Basin Watermaster Model and Evaluate Baseline Planning Scenario</b>	<b>April 2020</b>
<i>A. Re-run Scenario 1A and 1B with updated assumptions for SWP TDS and POTW discharges</i>	<i>March 2020</i>
<i>B. Run Scenario 1C with vadose zone loss assumption of 15% per direction of Regional Board staff in November 2019</i>	<i>March 2020</i>
<i>C. Test sensitivity of model results to three input data assumptions</i>	<i>March 2020</i>
<i>D. Summarize 3.A through 3.C in tables and charts and (1) review with IEUA and Watermaster and (2) review with Regional Board</i>	<i>April 2020</i>
<i>E. Update Sections 3 and 4 of the project technical report to reflect new results produced in tasks 3.A through 3.C</i>	<i>April 2020</i>
<b>Task 4 - Evaluate Planning Scenarios (Antidegradation Analysis)</b>	<b>June 2020</b>
<i>A. Simulate Planning Scenario BPA-2 with the flow and transport models</i>	<i>April 2020</i>
<i>B. Summarize results of the Scenario BPA-2 in tables and charts and review with IEUA/Watermaster staff</i>	<i>May 2020</i>
<i>C. Repeat Tasks 4.A and 4.B for remaining two planning scenarios</i>	<i>June 2020</i>
<i>D. Document evaluation of planning scenarios in project technical report</i>	<i>June 2020</i>
<b>Task 5 - Develop Salinity Management Proposal (subtasks A through C)</b>	<b>August 2020</b>
<b>Task 6 - Provide Support to IEUA/ Watermaster in Communicating the Salinity Management Proposal to Their Stakeholders (Subtasks A through B)</b>	<b>October 2020</b>
<b>Task 7 - Provide Technical Support to IEUA/ Watermaster in Negotiating the Salinity Management Proposal with the Regional Board (Subtasks A through C)</b>	<b>October 2020</b>
<b>Task 8 - Support Development of a Basin Plan Amendment to Formalize the Salinity Management Proposal</b>	<b>December 2020</b>
<i>A. Prepare Substitute Environmental Document (SED)</i>	<i>December 2020</i>
<i>B. Prepare Staff Report, Economic Analysis, and other supporting documentation for the Basin Plan amendment at the request of Regional Board staff</i>	<i>December 2020</i>
<i>C. Support the Regional Board in applying for the State Board's peer review process</i>	<i>December 2020</i>
<b>Task 9 - Project Management</b>	<b>December 2020</b>

**CONSENT  
CALENDAR  
ITEM**

**1G**



**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

**Executive Contact:** Christiana Daisy, Executive Manager of Engineering/AGM

**Subject:** RP-5 Expansion Project Photo Documentation Consultant Contract Award

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**Executive Summary:**

The Regional Water Recycling Plant No. 5 (RP-5) Expansion Construction Contract is scheduled to be awarded in May 2020. During the bidding phase of the project, Inland Empire Utilities Agency (IEUA) staff determined that a professional photo documentation firm would be required to capture the progress of construction due to the significance of the project to IEUA. It was also desired that the firm would mount two cameras atop the existing radio tower and have "bird's eye" streaming capabilities of both the Liquids and Solids work areas. IEUA staff began procurement efforts to find such a qualified firm.

On January 13, 2020, IEUA released a Request for Proposals (RFP) for Photo Documentation Services. On March 12, 2020, IEUA received one proposal in response to this RFP. IEUA staff and consultants reviewed the proposal to ensure it met all the requirements based upon the criteria described in the RFP. In addition, the proposal fee was under the engineers estimate for the scope of services. Discussions with other photo documentation firms who did not propose on the RFP alluded that their firms could not complete the entirety of the scope or work or could not meet IEUA's standard contractual requirements. Based on the firm's qualifications, experience, capability, and understanding of the scope, staff recommends awarding the contract to Multivista.

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**Staff's Recommendation:**

1. Award a professional photo documentation services consultant contract for the RP-5 Expansion, Project Nos. EN19001 and EN19006, to Multivista for the not-to-exceed amount of \$153,405; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

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

*Account/Project Name:*

EN19001.00/RP-5 Liquids Expansion to 22.5 MGD  
EN19006.00/RP-5 Biosolids Treatment Facility

*Fiscal Impact (explain if not budgeted):*

Per the updated construction estimate, the total project cost is estimated to be approximately \$400,000,000, while the approved budget is \$340,000,000. Request for additional budget will be made at the time of construction contract award, if necessary.

**Prior Board Action:**

None.

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**Environmental Determination:**

Program Environmental Impact Report (Finding of Consistency)

A Finding of Consistency with IEUA's Program Environmental Impact Report and a CEQA Plus evaluation for SRF Loan Funding have been completed.

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**Business Goal:**

The RP-5 Expansion Project is consistent with IEUA's Business Goal of Wastewater Management, specifically the Water Quality objective that IEUA will ensure that systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.

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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Contract - <https://ieua.sharefile.com/d-sca5a4b1e7524c03a>

# **Attachment 1**

# RP-5 Expansion Photo Documentation Services Consultant Contract Award Project Nos. EN19001 and EN19006





# RP-5 Expansion Project Location



RP-5 Facility

Liquid Expansion



Biosolids Facility



# Photo Documentation Services Scope

To capture all aspects of the work as it progresses using various forms of mixed media elements including, but not limited to, still photos and video footage taken from ground, web camera positions and area levels.

- Radio tower on which web cameras will be mounted.



# Consultant Selection

- One proposal received on March 12, 2020
- Evaluation criteria for selection:
  - Qualifications, experience, and project understanding
  - Thoroughness of Consultants scope and proposed staffing work effort
  - Ability to meet project schedule and provide innovative, creative, cost reducing alternatives to meet IEUA needs
  - Exceptions to the request for proposal taken by the Consultant
- Multivista fee was within the engineers estimate.
- Other firms did not propose due to:
  - Not being able to complete entirety of the scope of work
  - Not being able to meet IEUA's contractual requirements

Proposals Received
Multivista

# Project Budget & Schedule

## EN19001 and EN19006

Description	Estimated Cost
<b>Design Services</b>	<b>\$23,402,612</b>
Consultant Design Contract	\$19,068,704
Other Design Services	\$4,333,908
<b>Construction Services</b>	<b>\$36,714,992</b>
Engineering Services During Construction	\$12,589,469
Construction Management Services	\$21,125,523
Photo Documentation Services	\$153,405
Other Construction Services	\$2,846,595
<b>Construction</b>	<b>\$340,000,000</b>
Construction (estimate)	\$309,000,000
Contingency (~10%)	\$31,000,000
<b>Total Project Cost:</b>	<b>\$400,117,604</b>
<b>Total Project Budget:</b>	<b>\$340,000,000</b>

Project Milestone	Date
<b>Design</b>	
✔ Consultant Design Contract Award	May 2017
✔ 30% Design Completion	December 2017
✔ 50% Design Completion	July 2018
✔ 90% Design Completion	June 2019
✔ Final Design Completion	October 2019
<b>Construction</b>	
Construction Bid Phase	October 2019
Construction Contract Award	May 2020
Solids Facility Completion	November 2023
Liquids Construction Completion	November 2024



# Recommendation

- Award a photo documentation services contract for the RP-5 Expansion, Project Nos EN19001 and EN19006, to Multivista for the not-to exceed amount of \$153,405; and
- Authorize the General Manager to execute the consulting services contract, subject to non-substantive changes

The RP-5 Liquids Treatment Expansion Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Water Quality objective that IEUA will ensure that systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.

**ACTION  
ITEM**

**2A**



**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

**Executive Contact:** Shivaji Deshmukh, General Manager

**Subject:** LAFCO Special District Election

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**Executive Summary:**

IEUA received a notification of an election for a regular LAFCO Special District Member. LAFCO has received nominations for two candidates for the position. Pursuant to the provisions of Government Code Section 56332, the voting period will commence as of March 24, 2020 and end at close of business on April 27, 2020.

The vote shall be cast as directed by the Board of Directors at an Inland Empire Utilities Agency Board meeting, by roll call vote. The two candidates are Ms. Kimberly Cox, Incumbent, Mojave Water Agency Director and Mr. T. Milford Harrison, San Bernardino Valley Municipal Water District Director. The candidate statements are attached.

The original ballot must be signed by the President or other authorized signer, with the name of each Board Member next to their vote, and must be received in the LAFCO office by 5:30 on April 27, 2020.

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**Staff's Recommendation:**

Select a candidate to serve in the position of a regular LAFCO Special District Member.

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

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

None

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**Prior Board Action:**

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

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**Attachments:**

Attachment 1 - Candidate Statements

Attachment 2 - Ballot



13846 Conference Center Drive ♦ Apple Valley, California 92307  
Phone (760) 946-7000 ♦ Fax (760) 240-2642 ♦ [www.mojavewater.org](http://www.mojavewater.org)

March 18, 2020

Dear Special District Member:

I have been honored to represent Special Districts as the Regular Member on the San Bernardino County Local Agency Formation Commission (LAFCO) for over 15 years. This is a unique area of service and it is important that special districts have a knowledgeable seat at the table. For that reason, I would respectfully request your support to continue representing you on LAFCO.

My background includes more than 15 years as an elected official on the Mojave Water Agency, more than 20 years of experience working in local government. As the General Manager of a Community Services District (CSD) that provides water, wastewater and park and recreation services, I have extensive knowledge regarding issues faced by special districts throughout the County. Attached to this letter is a copy of my resume. I have dedicated my life to public service, and it is my hope that you believe I have fairly represented you at LAFCO.

Please feel free to contact me at 760-217-2221 should you have any questions regarding this letter of interest and my desire to continue to represent both large and small special districts on the Local Agency Formation Commission for San Bernardino County.

Thank you for your consideration.

Kind regards,

Kimberly Cox, DPA  
Treasurer/Board Member  
Mojave Water Agency

## KIMBERLY COX, DPA

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EDUCATION    Doctorate, Public Administration, California Baptist University –2019  
                  Masters, Public Administration, Cal State San Bernardino – 2004  
                  Bachelor of Science, Business Administration, University of Phoenix – 1999

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PUBLIC    **MOJAVE WATER AGENCY**  
SERVICE

*November 2003 – Present*

First elected in 2003. Served in numerous board positions including president, vice-president, Watermaster chair and vice-chair.

**LOCAL AGENCY FORMATION COMMISSION (LAFCO)**

*April 2004 – Present*

Appointed to LAFCO by special districts within San Bernardino County.

**LAHONTAN REGIONAL WATER QUALITY CONTROL BOARD**

*September 2013 – Present*

Received three appointments from Governor Jerry Brown (2013, 2014, 2018)

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- MEMBERSHIPS/    •    California Special Districts Association (CSDA) – Current Member  
ACTIVITIES        Participates in expert working groups including Human Resources; LAFCO;  
                         Administration; Legislation
- American Public Works Association – Current Member
  - Association of California Water Agencies – Current Member
  - American Water Works Association – Current Member
  - California Parks and Recreation Society – Current Member
  - International City/County Management Association – Current Member
  - American Society of Public Administration – Current Member
  - Integrated Waste Management Board (2010-2013, 2016-present) –  
      Special District Representative
  - Zone 4 Flood Commission, Director (2010-2013)
  - San Bernardino County Commission on the Status of Women (2005-2007)
  - Measure I Renewal Task Force (2005)
  - Helendale Chamber of Commerce Board (2004-2006)
  - California WaterReuse Association Board (2003-2005)
  - League of California Cities Public Works Committee (2003-2005)
-

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**WORK EXPERIENCE** **GENERAL MANAGER/HELENDALE COMMUNITY SERVICES DISTRICT**  
*February 2007 – Present*

Responsible for administrative activities of an organization considered a "junior city" providing many municipal-level services. Duties include budget development, contract negotiations, oversight of day-to-day service delivery including water, wastewater, solid waste management, park and recreation and street lighting. Implements/revises five-year Capital Improvement Plan. Implements vision and direction of the elected board of directors. Informs board of issues and opportunities. Interfaces with community organizations, government entities and individuals on behalf of the organization.

**SENIOR MANAGEMENT ANALYST – CITY OF VICTORVILLE**

*August 2002 – February 2007*

Served in the City Manager's office on special projects (2005-2007) and in Public Works Department (2002-2005) serving as acting director in the director's absence. Provided oversight for 100 staff with operating budget of over \$50 million. Represented the City by attending inter-governmental meetings including the regional wastewater authority, League of California Cities Mountain Desert meetings, San Bernardino Area Governments (renamed SBCTA), and American Public Works Association High Desert Chapter, San Bernardino County Flood Control and local community groups.

**WATER RESOURCE SPECIALIST – CITY OF HESPERIA**

*August 1999 – August 2002*

Represented the City at various organizations such as Mojave Water Agency, Lahontan Regional Water Quality Control Board, Victor Valley Wastewater Reclamation Authority. Monitored regulatory standards, legislation and adjudicatory matters impacting the City's core functions. Developed and implemented public outreach programs with the community and schools providing education and resources. Prepared department budget and participated in inter-governmental work groups.

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2020 MAR -3 PM 4: 34

LOCAL AGENCY  
FORMATION COMMISSION

March 3, 2020

San Bernardino County Special Districts

Dear Special District Agency Representatives,

Thank you for the privilege of reaching out to you with regard to our Special Districts' representation on the Local Agency Formation Commission (LAFCO). I have received the support of my San Bernardino Valley Municipal Water District (Valley District) Board, to submit my name for your consideration for appointment as Regular Member representing Special Districts on the LAFCO Commission.

LAFCO has a direct impact upon each of our Special Districts as well as other forms of local government. Issues are presented and actions taken which can significantly affect the operations, entitlements and futures of our Districts. Fortunately, Special Districts have the privilege of appointing two of our members to represent us on the Commission and protect our interests.

In addition to my Valley District position I have for the last four years been a Member of our Association of San Bernardino County Special Districts Board (ASBCSD) representing the San Bernardino Valley Water Conservation District and for the last year, Valley District. During this period several of us on the ASBCSD Board have had a growing frustration as to why we receive so few reports from our two LAFCO Special District Commissioners, as to what is occurring each month at LAFCO and how it may affect any or all of our Special Districts.

It is my opinion, and that of a number of other Special District members who have approached me regarding this concern, that our Special District LAFCO representatives should attend each of our Special District monthly membership meetings and report as to what has occurred or is being proposed at LAFCO which may affect any or all of our Districts. In addition, we feel that our representative should reach out to any Special Districts who are directly affected by any LAFCO agenda items. We feel they should also be soliciting the advice of our Members as to what positions the Association recommends on upcoming relevant agenda issues.

I have an extensive background in local government and have been directly involved in several issues upon which LAFCO decisions were critical. My experience includes City, County, regional and Special District positions in the last twenty plus years. I served as a Councilmember and Mayor for the City of Loma Linda, as Executive Director for San Bernardino International Airport and as Chief of Staff for two County Supervisors. My education includes a JD degree from California Southern Law School. I thoroughly enjoy serving on a Special District Board, with our ASBCSD Association and with our State Organization, CSDA, where I serve on the Legislative Committee, as well as Election and By-Laws.

**Board of Directors and Officers**

JUNE HAYES  
Division 1

GIL NAVARRO  
Division 2

SUSAN LONGVILLE  
Division 3

T. MILFORD HARRISON  
Division 4

PAUL R. KIELHOLD  
Division 5

HEATHER DYER  
General Manager



If I am selected by our Association to serve on the LAFCO Commission, I pledge to keep Special Districts informed of LAFCO agendas and initiatives and to represent you to the best of my ability. I will solicit your input on matters affecting any of our individual members and those affecting all Districts.

All of my contact information is listed below and I solicit any advice or input you might provide. I would appreciate your consideration in voting for my appointment to the LAFCO Commission.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'T. Milford Harrison', with a long horizontal flourish extending to the right.

T. Milford Harrison, Board President, San Bernardino Valley Municipal Water District

Cell: 909-645-1731; Email: [milfordharrison@aol.com](mailto:milfordharrison@aol.com);

Personal Mail Address: P.O. Box 966, Linda, CA 92354

**BALLOT**

**REGULAR SPECIAL DISTRICT MEMBER  
OF THE LOCAL AGENCY FORMATION COMMISSION  
FOR SAN BERNARDINO COUNTY**

The \_\_\_\_\_  
(Name of District)

hereby votes for the marked candidate as indicated below:

**REGULAR SPECIAL DISTRICT MEMBER OF LAFCO:**

\_\_\_\_\_ **KIMBERLY COX (Incumbent -- Member of the Board of  
Directors of the Mojave Water Agency)**

\_\_\_\_\_ **T. MILFORD HARRISON (Member of the Board of  
Directors of San Bernardino Valley Municipal Water District)**

I, \_\_\_\_\_, do hereby certify that at its scheduled meeting  
of \_\_\_\_\_, the Board of Directors voted to elect the above-marked  
candidate as the Regular Special District Member of the Local Agency Formation  
Commission for San Bernardino County, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

Dated: \_\_\_\_\_



**ACTION  
ITEM**

**2B**



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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

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

**Subject:** Adoption of Resolution No. 2020-4-3, Approving the Update of the Agency's Investment Policy

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**Executive Summary:**

The Agency's Investment Policy (Policy) mandates an annual review and Board approval of the Policy, or whenever there are significant changes. The Fiscal Year 2019/20 Investment Policy was updated and approved on March 20, 2019. As the Agency's financial and investment advisor, PFM Asset Management LLC (PFM), has reviewed the Agency's current Policy confirmed the Policy is in compliance with the California Government Code (CGC) which governs the investment of public funds.

The Policy remains largely unchanged from the prior year apart from a change in sections 18.0 which requires the Board to review investment advisor performance benchmarks on a quarterly versus monthly basis. Additionally, minor clarifications and updates were made to sections 8.0 and 9.0 and to the Policy's glossary.

The Policy continues to emphasize the Agency's public funds management objectives of safety, liquidity, and return on investment, listed in order of priority and consistent with CGC.

---

**Staff's Recommendation:**

Adopt Resolution No. 2020-4-3, approving the update of the Agency's Investment Policy for Fiscal Year 2020/21.

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

*Account/Project Name:*

*Fiscal Impact* (explain if not budgeted):

None.

**Prior Board Action:**

On March 20, 2019, the Board of Directors adopted Resolution No. 2019-3-1, approving the Agency's Investment Policy for Fiscal Year 2019/20.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The amendments to the investment policy are consistent with the Agency's Business Goal of Fiscal Responsibility in optimizing the Agency's investment of surplus funds in accordance with the Agency's Investment Policy.

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**Attachments:**

Attachment 1 - Background

Attachment 2 - PFM Memorandum

Attachment 3 - Agency Investment Policy

Attachment 4 - Blacklined or Tracked Changes to FY 2020/21 Investment Policy

Attachment 5 - Resolution 2020-4-3

## Background

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Subject: Adoption of Resolution 2020-4-3, Approving the Update of the Agency's Investment Policy

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The FY 2019/20 Investment Policy (Policy) established procedures and guidelines by which surplus funds can be managed in a prudent and fiscally-sound manner. The Policy encompasses those funds over which the Agency exercises fiscal control, stipulates allowable and unallowable investment alternatives, establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business and prioritizes the Agency's public funds management objectives of safety, liquidity, and yield. The Policy also mandated a review and approval by the Board to be done annually, or whenever there are significant changes. The Policy was last updated and approved in March 2019.

On December 20, 2017, the Board awarded a three-year contract to PFM Asset Management LLC (PFM) to provide investment advisory services and day to day management of the Agency's portfolio consistent with the Agency's Investment Policy Section 5. As the Agency's financial and investment advisor, PFM reviewed the Agency's FY 2020/21 Investment Policy and provided confirmation that the Policy is in compliance with the California Government Code which governs the investment of public funds. PFM did not recommend any substantial changes to the Policy. Therefore, the Policy remains largely unchanged from the prior year. Changes included; were to add additional language to further clarify Section 8.0 item D. Due to issues with arbitrage regulations the additional language requires the Agency to consult with legal counsel before purchasing securities issued by the Agency. Minor language changes were made to Section 9.0 replacing the word "funds" with "proceeds". Changes made in Section 18.0, which require the Agency's investment advisor to provide the Board with investment performance benchmarks, changed "monthly" to "quarterly". The change will provide consistency in the policy with the current practice of a quarterly presentation to the Board by PFM. Additionally, minor updates were made to the Policy's glossary.

The Agency's Policy continues to emphasize the primary objectives of the investment activities of safety, liquidity, and return on investments, listed in order of priority.



April 1, 2020

## Memorandum

To: Christina Valencia, CFO/AGM  
Paula Hooven, Financial Analyst II  
*Inland Empire Utilities Agency*

From: Sarah Meacham, Managing Director  
Richard Babbe, Senior Managing Consultant  
*PFM Asset Management LLC*

Re: 2020 Investment Policy Review

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At your request, we reviewed the Inland Empire Utilities Agency's (the "IEUA") Investment Policy (the "Policy"), as part of the IEUA's annual review process. As written, the Policy is in compliance with the California Government Code (the "Code") sections that govern the investment of public funds. Although no changes are required, we are recommending a couple minor edits to improve the Policy's clarity.

### **8.0.D California Local Agency Municipal Securities**

As we did following the financial crisis, we have received inquiries from various clients about purchasing their own debt given current market conditions. Although the purchase of an agency's own debt is explicitly permitted by Code Section 53601(a), there are also arbitrage rebate regulations that need to be considered before making such a purchase. As such, we recommend that IEUA insert a sentence into this Policy section to remind IEUA to consult with its bond counsel before IEUA buys its own debt.

### **9.0 Authorized Investments for Bond Funds**

For greater clarity, we recommend that IEUA change "Bond Funds" to "Bond Proceeds." There is no change in the Policy's investment requirements. The change simply clarifies the type of moneys that are being referenced. The term "bond proceeds" is commonly understood to be those funds received from the issuance of municipal debt, while the term "bond funds" is often interpreted to refer to a type of mutual fund.

Although we are not recommending any changes to the Policy, we also wanted to make you aware of several recent changes to local agency investment requirements. Effective January 1, 2020, California State Treasurer Fiona Ma increased the Local Agency Investment Fund's deposit limit for regular accounts to \$75 million from the previous \$65 million. As IEUA's Policy does not list a specific dollar limit for LAIF, no change to the Policy is required to incorporate this change.





Assembly Bill No. 857, which took effect January 1, 2020, provides for the establishment of public banks by local agencies, subject to approval by the Department of Business Oversight (DBO) and Federal Deposit Insurance Corporation (FDIC). As a part of the Bill, subsection (r) was added to Code Section 53601, which will permit local agencies to invest in the commercial paper, debt securities, or other obligations of a public bank. However, we do not recommend that IEUA add this investment type to the Policy at this time as we are not aware of any public banks that are currently in operation. Furthermore, we would want to review the operational history and credit quality of any public bank before we could recommend investing in its securities.

In addition, Assembly Bill No. 954, which took effect January 1, 2020, increased the amount that local agencies are allowed to invest in placement service deposits (Code Section 53601.8) to 50% from 30%. Unless amended, this revision is repealed as of January 1, 2026. To encourage diversification, our recommendation is that IEUA retain the Policy's current 30% limit for this investment type.

Please let us know if you have any questions or if you would like to discuss our comments in more detail.



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# INVESTMENT POLICY

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# INLAND EMPIRE UTILITIES AGENCY

## INVESTMENT POLICY

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## INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY

### 1.0 POLICY

WHEREAS; The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) § 53600.6 and 53630.1 (CGC §53600.6 and §53630.1);

WHEREAS; the legislative body of a local agency may invest surplus monies, not required for the immediate necessities of the local agency, in accordance with the provisions of CGC §5922 and CGC §53601 et seq.; and

WHEREAS; the Executive Manager of Finance and Administration/ Assistant General Manager (EMFA/AGM) or the General Manager (GM) of the Inland Empire Utilities Agency (IEUA) shall annually, or whenever there are recommended changes, whichever occurs first, prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (CGC §53646[a]).

NOW, THEREFORE, BE IT RESOLVED that the policy of IEUA is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the IEUA; and (iii) the highest investment return while conforming to all statutes governing the investment of IEUA funds within the constraints of this Investment Policy.

### 2.0 SCOPE

This Investment Policy applies to all surplus monies of IEUA, as defined below.

*Surplus Monies* are defined, for the Investment Policy, as all funds of the IEUA except:

- Monies held in Deferred Compensation Accounts
- Monies held in Capital Capacity Reimbursement Accounts
- Bond funds pursuant to bond documents

#### *Pooling of funds*

Except for cash in certain restricted and special funds, IEUA will consolidate cash and reserve balances from all funds to maximize investments earnings and to increase efficiencies with regards to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### 3.0 PRUDENCE

The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of IEUA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Designated investment signatories, acting in accordance with written procedures, this Investment Policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### 4.0 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. *Safety*: Safety of principal is the foremost objective of the investment program. Investments made by IEUA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.
- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable IEUA to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investments*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

#### 5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC §53600, et seq. Management's responsibility for the investment program is hereby delegated for a one-year period by the Board of Directors, to the Executive Manager of Finance and Administration/ Assistant General Manager (EMFA/AGM) or the General Manager (GM) who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked by the Board of Directors. Subject to review, the Board of Directors may renew the delegation of authority each year. The EMFA/AGM or the GM shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons/positions responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the EMFA/AGM or the GM and Administration. The EMFA/AGM or GM shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

The EMFA/AGM and/or GM may engage the services of one or more external investment advisors to assist in the management of the IEUA's investment portfolio in a manner consistent with this Investment Policy and the Agency's investment objectives and any written directions provided by the EMFA/AGM or GM. Furthermore, the advisors may not take possession of IEUA's cash or securities. Such investment advisors must be registered under the Investment Advisers Act of 1940.

## 6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees and financial advisors involved in the placement of investments shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## 7.0 AUTHORIZED FINANCIAL INSTITUTIONS, BROKERS AND DEALERS

If IEUA plans to initiate investment transactions on its own behalf, excluding bank deposits and investments made directly with an issuer, the EMFA/AGM or the GM shall maintain a list of approved and authorized financial institutions selected based on credit-worthiness, financial strength, experience, and capitalization.

In selecting the *financial institutions* for the deposit or investment of IEUA funds, the EMFA/AGM or the GM's consideration shall include the depository's latest equity/asset ratio data and continue to monitor the financial institutions' credit characteristics and financial history throughout the period during which IEUA funds are deposited or invested.

The minimum qualifications for Agency approved depository/financial institutions include: (i) that they must be at least three (3) years old; have total assets in excess of ten (\$10) billion dollars; a core capital/asset ratio of 5 percent or better; or (ii) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of 6 percent or better.

For the services of *banks, savings banks, and savings and loan associations*, depository agreements shall be prepared by the EMFA/AGM or the GM and authorized representatives of the respective financial institutions for consideration and execution by the Board of Directors.

If IEUA plans to initiate investment transactions on its own behalf, for *broker/dealer* services utilized to invest in government securities and other investments, the EMFA/AGM or the GM is designated to select only brokers/dealers who are licensed and in good standing with the California Department of Securities (CDS), the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or other applicable self-regulatory organizations. A periodic review of authorized brokers/dealers is essential to serve the IEUA's investment needs.

If IEUA has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, *brokers/dealers and financial institution* to conduct transaction on the IEUA's behalf.

## 8.0 AUTHORIZED AND SUITABLE INVESTMENTS

IEUA's investments are governed by Government Code. Within the investments permitted by the Government Code, IEUA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this investment policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase.

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- C. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated in a rating category of “A” or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor’s, F-1 by Fitch, and MIG-1 by Moody’s. These ratings for short term municipal securities signify the issuer’s strong capacity to pay principal and interest. Not more than 10 percent of IEUA’s funds shall be invested in state and local municipal securities.
- D. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IEUA. Given potential issues with arbitrage regulations, IEUA’s legal counsel shall review any potential purchase of IEUA’s own debt before the purchase. Securities eligible for investment under this paragraph shall be rated in a rating category of “A” or its equivalent or better by a NRSRO.
- E. Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.
- F. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of “A” (long-term) and/or “A-1” (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in this category. The maximum investment maturity will be restricted to five years.
- G. Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.
- H. Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
- (1) The entity meets the following criteria:
    - (a) Is organized and operating in the United States as a general corporation;
    - (b) Has total assets more than five hundred million dollars (\$500,000,000);
    - (c) Has debt other than commercial paper, if any, that is rated in category of “A” or its equivalent or better by a NRSRO.

(2) The entity meets the following criteria:

- (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;
- (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;
- (c) Has commercial paper that is rated in a rating category of "A-1" or better, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. A maximum of 25 percent of the portfolio may be invested in this category with no more than 10 percent of the outstanding commercial paper of any single issuer.

I. Local Agency Investment Fund (LAIF) investment pool is a voluntary program created by statute as an investment alternative for California's local governments and special districts and is under the administration of the State Governor of California. All securities purchased by LAIF are under the authority of Government Code §16429 and §16480.4. As part of the Pooled Money Investment Account (PMIA), LAIF has oversight by the Pooled Money Investment Board (PMIB), and an in-house Investment Committee. LAIF also has oversight by the Local Agency Investment Advisory Board and is audited by the Bureau of State Audits on an annual basis. Investment in California LAIF cannot exceed the maximum deposit per agency limit as set by the Local Agency Investment Fund.

J. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p).

Whenever the IEUA has any fund invested in a LGIP, the CFO/AGM or the GM shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis. Investment in LGIPs cannot exceed the maximum deposit limit as set by each LGIP.

K. Money Market Funds - Investing solely in U.S. Treasury securities and U.S. Government Agency securities, and repurchase agreements relating to the above obligations. To be eligible, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment advisor with not less than five years of experience and registered or exempt from registration with the SEC, with assets under management more than five hundred million dollars (\$500,000,000). No more than 20 percent of the portfolio may be invested in Money Market Funds with no more than 10 percent invested in any one money market mutual fund.

L. Repurchase Agreements - IEUA may invest in repurchase agreements with banks and dealers with which IEUA has entered into a master repurchase agreement which specifies terms and conditions of repurchase agreements.

- 1) Transactions shall be limited to the primary dealers and banking institutions rated in a rating category of "A" or its equivalent or better by a NRSRO, or with a financially stable banking institution which the Agency has a substantial banking relationship. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the EMFA/AGM or GM and will not be allowed to fall below 102 percent of the value of the repurchase agreement plus the value of collateral more than the value of the repurchase agreement.



To conform with the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States.

- 2) Not more than 40 percent of the portfolio may be invested in repurchase agreements and a security interest satisfactory to IEUA shall always be maintained in the securities subject to a repurchase agreement.

**M.** Medium Term Notes (MTN): MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed 30 percent of the portfolio and must be rated in a rating category of "A" or its equivalent, or better by a NRSRO.

**N.** U.S. Instrumentalities (Supranational). United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that are rated in a rating category of "AA" or its equivalent or better by a NRSRO. A maximum of 20 percent of the portfolio may be invested in United States Instrumentalities.

**Ineligible Investments:** Investments not described herein, including but not limited to, reverse repurchase agreements and common stocks are prohibited from use in this portfolio. This Investment Policy further specifically disallows investments in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

## 9.0 AUTHORIZED INVESTMENTS FOR BOND PROCEEDS

Bond proceeds shall be invested in the securities permitted pursuant to Board approved bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this Investment Policy, the dollar portfolio, percentage, and term limitations listed elsewhere in the Investment Policy do not apply to bond proceeds. In addition to the securities listed in Section 8.0 above, bond proceeds may be invested in a structured investment product if approved by the EMFA/AGM or GM.

## 10.0 SAFEKEEPING AND CUSTODY

As required by CGC §53601 all security transactions entered by IEUA shall be conducted on Delivery versus Payment basis. Delivery versus Payment or DVP basis means all securities purchased or acquired shall be delivered to IEUA by book entry, physical delivery, or third-party custodial agreement. Investments in the state pool, local government investment pools, or money market funds are undeliverable, and therefore, not subject to the delivery or third-party safe keeping requirements.

## 11.0 DIVERSIFICATION

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To promote diversification, no more than 5 percent of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC §53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

The EMFA/AGM or the GM shall periodically establish diversification guidelines, within the context of this policy, and strategies to control any risks of default, market price changes, and illiquidity.

## 12.0 TRADING OF SECURITIES

A trade is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. The purchase and sale transaction and the sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

The EMFA/AGM or the GM may obtain competitive bids from at least two brokers or financial institutions on all purchases based on investment analysis recommended by staff about the investment policy guidelines. Competitive bids can be also obtained by other communication channels when necessary.

If the Agency has contracted with an investment advisor to provide investment service, the trading of the funds managed by the investment advisor will be performed by the investment advisor based on their established policies and procedure to evaluate and monitor the firms' credit worthiness, as well as their ability to perform the duties necessary for efficient trade execution. All trading activity conducted by the investment advisor shall be made in accordance with this Investment Policy and any written directions provided by the EMFA/AGM and/or GM.

## 13.0 MAXIMUM MATURITIES

Where no maturity limit is stated for an investment under Section 8.0, no investment shall be made in any security that at the time of the investment, has a remaining term to maturity of more than five years unless the Board of Directors has granted express authority to make that investment either specifically or as part of a previous investment program, no less than three (3) months prior to the investment. Any investment currently held at the time the investment policy is adopted which does not meet the new policy guidelines will be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation such funds shall be reinvested only as provided in the most current policy.

## 14.0 PORTFOLIO MATURITY LIMITATION

The weighted average maturity of the entire portfolio shall not exceed three (3) years.

## 15.0 MONITORING CREDIT RATINGS

The EMFA/AGM or the GM or the investment advisor shall monitor the ratings of all investments in their portfolios on a continuous basis. If an existing investment's rating drops below the minimum credit rating required for new investments made pursuant to this Investment Policy, the EMFA/AGM or the GM shall make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

## 16.0 REPORTING

The EMFA/AGM or the GM shall submit to each member of the Board of Directors a monthly investment report. This report will include the elements of the quarterly report as recommended by CGC §53646, to include:

- a. Type of investment
- b. Name of institution
- c. Date of maturity
- d. Amount of deposit or cost of the security and the par value
- e. Current market value of all securities
- f. Rate of interest/earnings (yield)
- g. A monthly list of transactions

CGC §53646(b)(2), (3) recommends that the investment report must include a statement that (i) all investment actions executed since the last investment report have been made in full compliance with the Investment Policy or a Board of Directors' minute action (waiver) and, that (ii) IEUA will meet its expenditure obligations for the next six months. The EMFA/AGM or the GM shall maintain a complete and timely record of all investment transactions in support of the above statement.

## 17.0 INTERNAL CONTROLS

The EMFA/AGM or the GM is responsible for establishing and maintaining a control structure designed to ensure that the assets of the IEUA are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation and benefits require estimates and judgments by management.


An annual independent review, or as needed to address recommended changes, by an external auditor to assure compliance with policies and procedures will be performed as part of the IEUA's annual audit.

## 18.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. To determine whether market rate of return is being achieved, the EMFA/AGM or the GM shall identify comparable benchmark(s) to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate).

If the Agency has contracted with an investment advisor to provide investment service, the investment performance of the managed funds shall be evaluated and compared to an appropriate benchmark to assess the success of the investment program relative to IEUA's safety, liquidity, return objectives. This comparative analysis is included in the investment report presented to the Board of Directors quarterly.

## 19.0 POLICY REVIEW



This Investment Policy shall be reviewed regularly to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this Investment Policy to ensure that IEUA can adapt readily to changing market conditions and approve any modification to the Investment Policy prior to implementation.

## **20.0 STATE LAW**

The legislated authority of the IEUA's investments is covered in Sections 53601, 53607, 53635, 53638, 53646, 53652, and 53653 of the Government Code. It is the policy of the IEUA to comply with the State laws governing its investments.

## **21.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Board of Directors of IEUA (A Municipal Water District). Moreover, the Policy shall be reviewed whenever there are recommended changes or annually, whichever occurs first, and modifications must be approved by the Board of Directors.

### **ADOPTED AND APPROVED:**

**Name:** Kati Parker

**Title:** President, Board of Directors

**Date:**

## APPENDIX: GLOSSARY OF CASH MANAGEMENT TERMS

### **BOND PROCEEDS:**

The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

### **BROKER:**

A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

### **CERTIFICATE OF DEPOSIT (CD):**

A time deposit with a specific maturity evidenced by a certificate.

### **CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):**

A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

### **COLLATERAL:**

Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

### **COMMERCIAL PAPER:**

A short-term, unsecured, promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

### **CREDIT RISK:**

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

### **CUSTODIAN:**

A bank or other financial institution that keeps custody of stock certificates and other assets.

### **DEALER:**

A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own risk and account or inventory.

### **DELIVERY OF SECURITIES:**

There are two methods of delivery of securities; *Delivery versus Payment* and *Delivery versus Receipt*. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

### **DIVERSIFICATION:**

Dividing investment funds among a variety of securities offering independent returns.

### **DURATION:**

A measure of the timing of the cash flows to be received from a given-fixed income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits.

### **FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):**

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees over 4,200 brokerage firms, about 162,000 branch offices and approximately 634,000 registered securities representatives.

### **INTEREST ONLY STRIPS:**

The interest portion of a Treasury note or bond that has been stripped of its principal component through the commercial book-entry system.

### **INTEREST RATE RISK:**

The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

### **INVERSE FLOATER:**

Fixed income instrument whose coupon or interest rate is periodically reset according to a short-term rate index such as LIBOR, or prime rate. Unlike the traditional floating rate instrument, however, the inverse floater's rate is set equal to a fixed rate minus the short-term rate index.

### **INVESTMENT POLICY:**

A clear and concise statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**INVESTMENT PORTFOLIO:**

A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**LIQUIDITY:**

The measure of an asset's ability to be converted easily and rapidly into cash with minimum risk on principal.

**LOCAL AGENCY INVESTMENT FUND (LAIF):**

An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**MARKET VALUE:**

The price at which a security is currently being sold in the market. See FAIR VALUE.

**MASTER REPURCHASE AGREEMENT:**

A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:**

The date that the principal or stated value of a debt instrument becomes due and payable.

**MEDIUM-TERM NOTES (MTNs):**

Corporate notes, having any or of the features of corporate bonds and ranging in maturity from nine months out to thirty years. The difference between corporate bonds and MTNs is that corporate bonds are underwritten.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

**NEGOTIABLE CERTIFICATES OF DEPOSIT:**

Time deposits issued by Federal Deposit Insurance Corporation (FDIC) insured banks and are underwritten by the Financial Industry Regulatory Authority (FINRA) registered Broker/Dealers. Also known as "DTC Eligible CDs" or "Brokered Deposits", this type of deposit is offered to investors by issuing institutions looking to raise liquidity and funding through the wholesale and institutional markets.

**PAR VALUE:**

The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in increments of \$1,000 per bond.

**PRIMARY DEALER:**

A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

**PRINCIPAL:**

The face or par value of a debt instrument or the amount of capital invested in a security.

**PRUDENT INVESTMENT STANDARD:**

The way a prudent person of discretion and intelligence would be expected to manage the investment program in seeking a reasonable income and preservation of capital.

**RANGE NOTES:**

Securities that accrue interest during an interest period at a fixed or variable rate if a specified index is within a specified range during a designated period or at a point in time. A Range Note may not bear interest if the specified index is outside the specified range.

**RATE OF RETURN:**

- 1) The yield which can be attained on a security based on its purchase price or its current market price.
- 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

**REPURCHASE AGREEMENT (RP OR REPO):**

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the Agency) with an agreement to repurchase them at a fixed date. The security "buyer" (e.g. the Agency) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):**

A counterparty (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counterparty in effect lends the seller (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.



**SAFEKEEPING:**

A service banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or, if called, on the call date.

**SECURITIES:**

Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

**SECURITIES AND EXCHANGE COMMISSION (SEC):**

Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SECONDARY MARKET:**

A market for the repurchase and resale of outstanding issues following the initial distribution.

**SUPRANATIONALS:**

International organizations whereby member states transcend national boundaries or interests to share in the decision-making process and vote on issues pertaining to the wider grouping.

**TOTAL RETURN:**

Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realized over a given period.

**TREASURY SECURITIES:**

Securities issued as direct obligations of the U.S. Government and backed by the full faith and credit of the federal government.

**WEIGHTED AVERAGE MATURITY (WAM):**

The average maturity of all the securities that comprise a portfolio, typically expressed in days of years.

**YIELD:**

The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security.

**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM  
OR GENERAL MANAGER  
INVESTMENT ADVISOR**

The following investment advisor is authorized to provide investment services to the IEUA, in accordance with the IEUA's Investment Policy:

1. PFM Asset Management LLC – Contract Number 4600002440 Approved 12/20/2017, expiring 1/10/2021.



**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM  
OR GENERAL MANAGER  
Authorized Brokers/Dealers**

NONE



6075 Kimball Avenue Chino CA 91708 909 993 1600 [www.ieua.org](http://www.ieua.org)

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# INVESTMENT POLICY

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## INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY

### 1.0 POLICY

WHEREAS; The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) § 53600.6 and 53630.1 (CGC §53600.6 and §53630.1);

WHEREAS; the legislative body of a local agency may invest surplus monies, not required for the immediate necessities of the local agency, in accordance with the provisions of CGC §5922 and CGC §53601 et seq.; and

WHEREAS; the Executive Manager of Finance and Administration/ Assistant General Manager (EMFA/AGM) or the General Manager (GM) of the Inland Empire Utilities Agency (IEUA) shall annually, or whenever there are recommended changes, whichever occurs first, prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (CGC §53646[a]).

NOW, THEREFORE, BE IT RESOLVED that the policy of IEUA is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the IEUA; and (iii) the highest investment return while conforming to all statutes governing the investment of IEUA funds within the constraints of this Investment Policy.

### 2.0 SCOPE

This Investment Policy applies to all surplus monies of IEUA, as defined below.

*Surplus Monies* are defined, for the Investment Policy, as all funds of the IEUA except:


- Monies held in Deferred Compensation Accounts
- Monies held in Capital Capacity Reimbursement Accounts
- Bond funds pursuant to bond documents

#### *Pooling of funds*

Except for cash in certain restricted and special funds, IEUA will consolidate cash and reserve balances from all funds to maximize investments earnings and to increase efficiencies with regards to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### 3.0 PRUDENCE

The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of IEUA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.



Designated investment signatories, acting in accordance with written procedures, this Investment Policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### 4.0 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. *Safety*: Safety of principal is the foremost objective of the investment program. Investments made by IEUA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.
- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable IEUA to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investments*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

#### 5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC §53600, et seq. Management's responsibility for the investment program is hereby delegated for a one-year period by the Board of Directors, to the Executive Manager of Finance and Administration/ Assistant General Manager (EMFA/AGM) or the General Manager (GM) who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked by the Board of Directors. Subject to review, the Board of Directors may renew the delegation of authority each year. The EMFA/AGM or the GM shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons/positions responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the EMFA/AGM or the GM and Administration. The EMFA/AGM or GM shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

The EMFA/AGM and/or GM may engage the services of one or more external investment advisors to assist in the management of the IEUA's investment portfolio in a manner consistent with this Investment Policy and the Agency's investment objectives and any written directions provided by the EMFA/AGM or GM. Furthermore, the advisors may not take possession of IEUA's cash or securities. Such investment advisors must be registered under the Investment Advisers Act of 1940.

## 6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees and financial advisors involved in the placement of investments shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## 7.0 AUTHORIZED FINANCIAL INSTITUTIONS, BROKERS AND DEALERS

If IEUA plans to initiate investment transactions on its own behalf, excluding bank deposits and investments made directly with an issuer, the EMFA/AGM or the GM shall maintain a list of approved and authorized financial institutions selected based on credit-worthiness, financial strength, experience, and capitalization.

In selecting the *financial institutions* for the deposit or investment of IEUA funds, the EMFA/AGM or the GM's consideration shall include the depository's latest equity/asset ratio data and continue to monitor the financial institutions' credit characteristics and financial history throughout the period during which IEUA funds are deposited or invested.

The minimum qualifications for Agency approved depository/financial institutions include: (i) that they must be at least three (3) years old; have total assets in excess of ten (\$10) billion dollars; a core capital/asset ratio of 5 percent or better; or (ii) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of 6 percent or better.

For the services of *banks, savings banks, and savings and loan associations*, depository agreements shall be prepared by the EMFA/AGM or the GM and authorized representatives of the respective financial institutions for consideration and execution by the Board of Directors.

If IEUA plans to initiate investment transactions on its own behalf, for *broker/dealer* services utilized to invest in government securities and other investments, the EMFA/AGM or the GM is designated to select only brokers/dealers who are licensed and in good standing with the California Department of Securities (CDS), the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or other applicable self-regulatory organizations. A periodic review of authorized brokers/dealers is essential to serve the IEUA's investment needs.

If IEUA has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, *brokers/dealers and financial institution* to conduct transaction on the IEUA's behalf.

## 8.0 AUTHORIZED AND SUITABLE INVESTMENTS

IEUA's investments are governed by Government Code. Within the investments permitted by the Government Code, IEUA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this investment policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase.

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- C. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated in a rating category of “A” or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor’s, F-1 by Fitch, and MIG-1 by Moody’s. These ratings for short term municipal securities signify the issuer’s strong capacity to pay principal and interest. Not more than 10 percent of IEUA’s funds shall be invested in state and local municipal securities.
- D. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IEUA. Given potential issues with arbitrage regulations, IEUA’s legal counsel shall review any potential purchase of IEUA’s own debt before the purchase. Securities eligible for investment under this paragraph shall be rated in a rating category of “A” or its equivalent or better by a NRSRO.
- E. Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.
- F. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of “A” (long-term) and/or “A-1” (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in this category. The maximum investment maturity will be restricted to five years.
- G. Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.
- H. Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
- (1) The entity meets the following criteria:
    - (a) Is organized and operating in the United States as a general corporation;
    - (b) Has total assets more than five hundred million dollars (\$500,000,000);
    - (c) Has debt other than commercial paper, if any, that is rated in category of “A” or its equivalent or better by a NRSRO.

(2) The entity meets the following criteria:

- (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;
- (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;
- (c) Has commercial paper that is rated in a rating category of "A-1" or better, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. A maximum of 25 percent of the portfolio may be invested in this category with no more than 10 percent of the outstanding commercial paper of any single issuer.

I. Local Agency Investment Fund (LAIF) investment pool is a voluntary program created by statute as an investment alternative for California's local governments and special districts and is under the administration of the State Governor of California. All securities purchased by LAIF are under the authority of Government Code §16429 and §16480.4. As part of the Pooled Money Investment Account (PMIA), LAIF has oversight by the Pooled Money Investment Board (PMIB), and an in-house Investment Committee. LAIF also has oversight by the Local Agency Investment Advisory Board and is audited by the Bureau of State Audits on an annual basis. Investment in California LAIF cannot exceed the maximum deposit per agency limit as set by the Local Agency Investment Fund.

J. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p).


Whenever the IEUA has any fund invested in a LGIP, the CFO/AGM or the GM shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis. Investment in LGIPs cannot exceed the maximum deposit limit as set by each LGIP.

K. Money Market Funds - Investing solely in U.S. Treasury securities and U.S. Government Agency securities, and repurchase agreements relating to the above obligations. To be eligible, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment advisor with not less than five years of experience and registered or exempt from registration with the SEC, with assets under management more than five hundred million dollars (\$500,000,000). No more than 20 percent of the portfolio may be invested in Money Market Funds ~~and~~ with no more than 10 percent invested in any one money market mutual fund.

L. Repurchase Agreements - IEUA may invest in repurchase agreements with banks and dealers with which IEUA has entered into a master repurchase agreement which specifies terms and conditions of repurchase agreements.

- 1) Transactions shall be limited to the primary dealers and banking institutions rated in a rating category of "A" or its equivalent or better by a NRSRO, or with a financially stable banking institution which the Agency has a substantial banking relationship. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the EMFA/AGM or GM and will not be allowed to fall below 102 percent of the value of the repurchase agreement plus the value of collateral more than the value of the repurchase agreement.





To conform with the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States.

- 2) Not more than 40 percent of the portfolio may be invested in repurchase agreements and a security interest satisfactory to IEUA shall always be maintained in the securities subject to a repurchase agreement.

- M.** Medium Term Notes (MTN): MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed 30 percent of the portfolio and must be rated in a rating category of "A" or its equivalent, or better by a NRSRO.
- N.** U.S. Instrumentalities (Supranational). United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that are rated in a rating category of "AA" or its equivalent or better by a NRSRO. A maximum of 20 percent of the portfolio may be invested in United States Instrumentalities.

**Ineligible Investments:** Investments not described herein, including but not limited to, reverse repurchase agreements and common stocks are prohibited from use in this portfolio. This Investment Policy further specifically disallows investments in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

## 9.0 AUTHORIZED INVESTMENTS FOR BOND ~~FUNDS~~PROCEEDS

Bond ~~funds-proceeds~~ shall be invested in the securities permitted pursuant to Board approved bond documents. If the bond documents are silent as to the permitted investments, bond ~~funds-proceeds~~ will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this Investment Policy, the dollar portfolio, percentage, and term limitations listed elsewhere in the Investment Policy do not apply to bond ~~funds-proceeds~~. In addition to the securities listed in Section 8.0 above, bond ~~funds-proceeds~~ may be invested in a structured investment product if approved by the EMFA/AGM or GM.

## 10.0 SAFEKEEPING AND CUSTODY

As required by CGC §53601 all security transactions entered by IEUA shall be conducted on Delivery versus Payment basis. Delivery versus Payment or DVP basis means all securities purchased or acquired shall be delivered to IEUA by book entry, physical delivery, or third-party custodial agreement. Investments in the state pool, local government investment pools, or money market funds are undeliverable, and therefore, not subject to the delivery or third-party safe keeping requirements.



## 11.0 DIVERSIFICATION

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To promote diversification, no more than **5% percent** of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC §53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

The EMFA/AGM or the GM shall periodically establish diversification guidelines, within the context of this policy, and strategies to control any risks of default, market price changes, and illiquidity.

## 12.0 TRADING OF SECURITIES

A trade is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. The purchase and sale transaction and the sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

The EMFA/AGM or the GM may obtain competitive bids from at least two brokers or financial institutions on all purchases based on investment analysis recommended by staff about the investment policy guidelines. Competitive bids can be also obtained by other communication channels when necessary.

If the Agency has contracted with an investment advisor to provide investment service, the trading of the funds managed by the investment advisor will be performed by the investment advisor based on their established policies and procedure to evaluate and monitor the firms' credit worthiness, as well as their ability to perform the duties necessary for efficient trade execution. All trading activity conducted by the investment advisor shall be made in accordance with this Investment Policy and any written directions provided by the EMFA/AGM and/or GM.

## 13.0 MAXIMUM MATURITIES

Where no maturity limit is stated for an investment under Section 8.0, no investment shall be made in any security that at the time of the investment, has a **remaining** term **remaining** to maturity **of** more than five years unless the Board of Directors has granted express authority to make that investment either specifically or as part of a previous investment program, no less than three (3) months prior to the investment. Any investment currently held at the time the investment policy is adopted which does not meet the new policy guidelines will be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation such funds shall be reinvested only as provided in the most current policy.

#### 14.0 PORTFOLIO MATURITY LIMITATION

The weighted average maturity of the entire portfolio shall not exceed three (3) years.

#### 15.0 MONITORING CREDIT RATINGS

The EMFA/AGM or the GM or the investment advisor shall monitor the ratings of all investments in their portfolios on a continuous basis. If an existing investment's rating drops below the minimum credit rating required for new investments made pursuant to this Investment Policy, the EMFA/AGM or the GM shall make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

#### 16.0 REPORTING

The EMFA/AGM or the GM shall submit to each member of the Board of Directors a monthly investment report. This report will include the elements of the quarterly report as recommended by CGC §53646, to include:

- a. Type of investment
- b. Name of institution
- c. Date of maturity
- d. Amount of deposit or cost of the security and the par value
- e. Current market value of all securities
- f. Rate of interest/earnings (yield)
- g. A monthly list of transactions

CGC §53646(b)(2), (3) recommends that the investment report must include a statement that (i) all investment actions executed since the last investment report have been made in full compliance with the Investment Policy or a Board of Directors' minute action (wavier) and, that (ii) IEUA will meet its expenditure obligations for the next six months. The EMFA/AGM or the GM shall maintain a complete and timely record of all investment transactions in support of the above statement.

#### 17.0 INTERNAL CONTROLS

The EMFA/AGM or the GM is responsible for establishing and maintaining a control structure designed to ensure that the assets of the IEUA are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation and benefits require estimates and judgments by management.

An annual independent review, or as needed to address recommended changes, by an external auditor to assure compliance with policies and procedures will be performed as part of the IEUA's annual audit.

#### 18.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. To determine whether market rate of return is being achieved, the EMFA/AGM or the GM shall identify comparable benchmark(s) to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate).

If the Agency has contracted with an investment advisor to provide investment service, the investment performance of the managed funds shall be evaluated and compared to an appropriate benchmark to



assess the success of the investment program relative to IEUA’s safety, liquidity, return objectives.

This comparative analysis is included in the investment report presented to the Board of Directors monthlyquarterly.

## 19.0 POLICY REVIEW

This Investment Policy shall be reviewed regularly to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this Investment Policy to ensure that IEUA can adapt readily to changing market conditions and approve any modification to the Investment Policy prior to implementation.

## 20.0 STATE LAW

The legislated authority of the IEUA’s investments is covered in Sections 53601, 53607, 53635, 53638, 53646, 53652, and 53653 of the Government Code. It is the policy of the IEUA to comply with the State laws governing its investments.

## 21.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Board of Directors of IEUA (A Municipal Water District). Moreover, the Policy shall be reviewed whenever there are recommended changes or annually, whichever occurs first, and modifications must be approved by the Board of Directors.

### ADOPTED AND APPROVED:

**Name:** Kati Parker  
**Title:** President, Board of Directors  
**Date:**

## APPENDIX: GLOSSARY OF CASH MANAGEMENT TERMS

### **BOND PROCEEDS:**

The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

### **BROKER:**

A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

### **CERTIFICATE OF DEPOSIT (CD):**

A time deposit with a specific maturity evidenced by a certificate.

### **CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):**

A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

### **COLLATERAL:**

Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

### **COMMERCIAL PAPER:**

A short-term, unsecured, promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

### **CREDIT RISK:**

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

### **CUSTODIAN:**

A bank or other financial institution that keeps custody of stock certificates and other assets.

### **DEALER:**

A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own risk and account or inventory.

### **DELIVERY OF SECURITIES:**

There are two methods of delivery of securities; *Delivery versus Payment* and *Delivery versus Receipt*. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

### **DIVERSIFICATION:**

Dividing investment funds among a variety of securities offering independent returns.

### **DURATION:**

A measure of the timing of the cash flows to be received from a given-fixed income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

### **FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):**

A federal agency that insures bank deposits.

### **FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):**

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees over ~~3,600~~ 4,200 brokerage firms, about ~~155,000~~ 162,000 branch offices and approximately ~~630,000~~ 634,000 registered securities representatives.

### **INTEREST ONLY STRIPS:**

The interest portion of a Treasury note or bond that has been stripped of its principal component through the commercial book-entry system.

### **INTEREST RATE RISK:**

The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

### **INVERSE FLOATER:**

Fixed income instrument whose coupon or interest rate is periodically reset according to a short-term rate index such as LIBOR, or prime rate. Unlike the traditional floating rate instrument, however, the inverse floater's rate is set equal to a fixed rate minus the short-term rate index.

### **INVESTMENT POLICY:**

A clear and concise statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.



**INVESTMENT PORTFOLIO:**

A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**LIQUIDITY:**

The measure of an asset's ability to be converted easily and rapidly into cash with minimum risk on principal.

**LOCAL AGENCY INVESTMENT FUND (LAIF):**

An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**MARKET VALUE:**

The price at which a security is currently being sold in the market. See FAIR VALUE.

**MASTER REPURCHASE AGREEMENT:**

A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:**

The date that the principal or stated value of a debt instrument becomes due and payable.

**MEDIUM-TERM NOTES (MTNs):**

Corporate notes, having any or of the features of corporate bonds and ranging in maturity from nine months out to thirty years. The difference between corporate bonds and MTNs is that corporate bonds are underwritten.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

**NEGOTIABLE CERTIFICATES OF DEPOSIT:**

Time deposits issued by Federal Deposit Insurance Corporation (FDIC) insured banks and are underwritten by the Financial Industry Regulatory Authority (FINRA) registered Broker/Dealers. Also known as "DTC Eligible CDs" or "Brokered Deposits", this type of deposit is offered to investors by issuing institutions looking to raise liquidity and funding through the wholesale and institutional markets.

**PAR VALUE:**

The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in increments of \$1,000 per bond.

**PRIMARY DEALER:**

A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

**PRINCIPAL:**

The face or par value of a debt instrument or the amount of capital invested in a security.

**PRUDENT INVESTMENT STANDARD:**

The way a prudent person of discretion and intelligence would be expected to manage the investment program in seeking a reasonable income and preservation of capital.

**RANGE NOTES:**

Securities that accrue interest during an interest period at a fixed or variable rate if a specified index is within a specified range during a designated period or at a point in time. A Range Note may not bear interest if the specified index is outside the specified range.

**RATE OF RETURN:**

- 1) The yield which can be attained on a security based on its purchase price or its current market price.
- 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

**REPURCHASE AGREEMENT (RP OR REPO):**

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the Agency) with an agreement to repurchase them at a fixed date. The security "buyer" (e.g. the Agency) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):**

A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

  
**SAFEKEEPING:**

A service banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or, if called, on the call date.

**SECURITIES:**

Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

**SECURITIES AND EXCHANGE COMMISSION (SEC):**

Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SECONDARY MARKET:**

A market for the repurchase and resale of outstanding issues following the initial distribution.

**SUPRANATIONALS:**

International organizations whereby member states transcend national boundaries or interests to share in the decision-making process and vote on issues pertaining to the wider grouping.

**TOTAL RETURN:**

Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realized over a given period.

**TREASURY SECURITIES:**

Securities issued as direct obligations of the U.S. Government and backed by the full faith and credit of the federal government.

**WEIGHTED AVERAGE MATURITY (WAM):**

The average maturity of all the securities that comprise a portfolio, typically expressed in days of years.

**YIELD:**

The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security.

**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM  
OR GENERAL MANAGER  
INVESTMENT ADVISOR**

The following investment advisor is authorized to provide investment services to the IEUA, in accordance with the IEUA's Investment Policy:

1. PFM Asset Management LLC – Contract Number 4600002440 Approved 12/20/2017, [expiring 1/10/2021](#).



**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM  
OR GENERAL MANAGER  
Authorized Brokers/Dealers**

NONE

**RESOLUTION NO. 2020-4-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO  
COUNTY, CALIFORNIA, APPROVING THE ANNUAL  
UPDATE OF THE AGENCY'S\* INVESTMENT POLICY**

**WHEREAS**, a "Statement of Investment Policy" is rendered to the Board of Directors on an annual basis or whenever there are recommended changes, whichever occurs first;

**WHEREAS**, the Secretary/Treasurer, the General Manager or Executive Manager of Finance and Administration/Assistant General Manager of the Inland Empire Utilities Agency (Agency), in accordance with Government Code Section 53646.(a)(2), shall annually prepare and submit a Statement of Investment Policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; and

**WHEREAS**, the existing policy has been reviewed and revised in order to provide for operational flexibility without sacrificing internal controls or increasing financial risk to the Agency.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors that:

Section 1. The revisions, if any, to the Inland Empire Utilities Agency\* Investment Policy dated April 15, 2020 are to be adopted.

Section 2. This resolution shall take effect from and after its date of adoption.

Section 3. Upon adoption of this resolution, Resolution No. 2019-3-1 is hereby rescinded in its entirety.

**ADOPTED** this 15<sup>th</sup> day of April 2020

ATTEST:

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Kati Parker  
President of the Inland Empire Utilities  
Agency\* and of the Board of Directors  
thereof

---

Steven J. Elie  
Secretary/ Treasurer of the Inland Empire  
Utilities Agency\* and of the Board of  
Directors thereof

*\*a Municipal Water District*

STATE OF CALIFORNIA                     )  
  )SS  
COUNTY OF SAN BERNARDINO         )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2020-4-3, was adopted at a regular Board Meeting on April 15th, 2020, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Steven J. Elie  
Secretary/Treasurer of the Inland Empire  
Utilities Agency\* and of the Board of  
Directors thereof

*\* a Municipal Water District*

(SEAL)

**ACTION  
ITEM**

**2C**

**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SSD*

**Committee:**

**Executive Contact:** Christiana Daisy, Executive Manager of Engineering/AGM

**Subject:** NRW East End Flow Meter Replacement Construction Contract Award

---

**Executive Summary:**

The existing non-reclaimable water (NRW) Parshall flume was originally installed in 1967. The flume measures the discharged NRW wastewater flows from Inland Empire Utilities Agency (IEUA) customers to the Los Angeles County Sanitation District (LACSD) for processing. IEUA pays fees based on the NRW flow and quality. The existing Parshall flume does not measure the flow to LACSD accurately. The project scope includes installing a new magnetic flow meter and two new access vaults, which will increase the accuracy of the flow measurement and safety of personnel.

On December 23, 2019, IEUA issued an invitation for bids from the under \$2,000,000 prequalified contractors (based on the engineer's estimate of \$1,600,000). Three bids were received on February 6, 2020. SCW Contracting Corp., was the lowest responsive, responsible bidder with a bid price of \$2,307,674.

Civiltec Engineering Inc., has been providing engineering design services since project conception. For continuity, staff requests the existing contract with Civiltec Engineering Inc., be amended by \$44,260 to include engineering design services during construction, increasing the contract from \$232,144 to \$276,404 (19% increase).

---

**Staff's Recommendation:**

1. Award a construction contract for the NRW East End Flow Meter Replacement Project, No. EN22002, to SCW Contracting Corp., in the amount of \$2,307,674;
2. Approve a contract amendment to Civiltec Engineering Inc., for engineering services during construction for the not-to-exceed amount of \$44,260, increasing the contract from \$232,144 to \$276,404 (19% increase); and
3. Authorize the General Manager to execute the contract and contract amendment, subject to non-substantive changes.

---

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

*Account/Project Name:*

EN22002/NRW East End Flow Meter Replacement

*Fiscal Impact (explain if not budgeted):*

The total project budget will be amended through the Fiscal Year 2020/21 budget process from \$1,986,985 to \$3,600,000. There is no impact to the current fiscal year budget.

**Prior Board Action:**

On December 21, 2016, the Board of Directors awarded a consultant engineering services contract for the NRW East End Flow Meter Replacement Project to Civiltec Engineering Inc., for the not-to-exceed amount of \$213,554.

---

**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 of the State CEQA Guidelines.

---

**Business Goal:**

The NRW East End Flow Meter Replacement 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.

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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

Attachment 3 - Consultant Amendment

# **Attachment 1**

# NRW East End Flow Meter Construction Contract Award

Project No. EN22002





# Project Location



# The Project

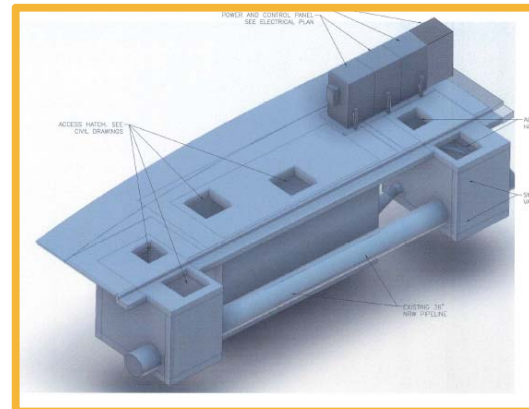
- Replace Parshall Flume with new Flow Meter
- Scope of Work:
  - Maintain/bypass flows
  - Construct new flow meter vault
  - Install flow meter and flow sampler
  - Install flow meter and sampler panels and controls



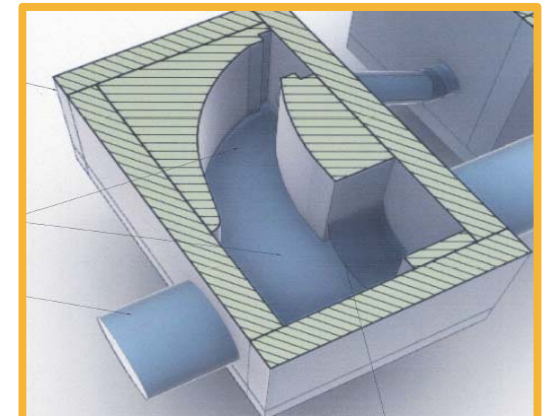
Existing Sampler



Parshall Flume



Proposed New Structure



Proposed Diversion Vault

# Contractor Selection

Three bids were received on February 6, 2020:

Bidder's Name	Final Bid Amount
SCW Contracting Corp.	\$2,307,674
Ferreira Construction Co.	\$2,484,083
Norstar Plumbing and Engineering, Inc.	\$3,000,000
<b>Engineer's Estimate</b>	<b>\$1,600,000</b>

# Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
<b>Design Services</b>	<b>\$378,200</b>	<b>Construction</b>	
Design Consultant Contract	\$213,554	Construction Contract Award	March 2020
Design Consultant Amendments 1 & 2	\$18,590	Construction Completion	March 2021
IEUA Design Services (actuals)	\$146,056		
<b>Construction Services</b>	<b>\$321,181</b>		
Engineering Services During Construction	\$44,260		
IEUA Construction Services (~12%)	\$276,921		
<b>Construction</b>	<b>\$2,653,825</b>		
Construction Contract (this action)	\$2,307,674		
Contingency (~10%)	\$346,151		
<b>Total Project Costs</b>	<b>\$3,353,206</b>		
<b>Current Total Project Budget:</b>	<b>\$1,986,985</b>		
<b>Amended Total Project Budget:</b>	<b>\$3,600,000*</b>		

\*The total project budget will be amended through the Fiscal Year 2020/21 budget process from \$1,986,985 to \$3,600,000.

# Recommendation

- Award a construction contract for the NRW East End Flow Meter Replacement Project, No. EN22002, to SCW Contracting Corp., in the amount of \$2,307,674;
- Approve a contract amendment to Civiltec Engineering Inc., for engineering services during construction, for the not-to-exceed amount of \$44,260, increasing the contract from \$232,144 to \$276,404 (19% increase); and
- Authorize the General Manager to execute the contract and contract amendment, subject to non-substantive changes.

The NRW East End Flow Meter 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.

# **Attachment 2**



## SECTION D - CONTRACT AND RELEVANT DOCUMENTS

### 1.0 CONTRACT

THIS CONTRACT, made and entered into this 15 day of April, 2020, by and between SCW Contracting Corporation, 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 "IEUA".

#### **WITNESSETH:**

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

- A.** CONTRACTOR agrees to perform and complete in a workmanlike manner, all Work required under these Bid Documents FOR EN22002 East End Flow Meter Replacement, in accordance with the Bid Documents, 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 Bid Documents to be furnished by IEUA, and to do everything required by this Contract and the said Bid Documents.
- B.** 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 Bid Documents; 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 IEUA, 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 Bid Documents are expressly stipulated to be borne by IEUA; and for completing the Work in accordance with the requirements of said Bid Documents, IEUA will pay and said CONTRACTOR shall receive, in full compensation therefore, the price(s) set forth in this Contract.
- C.** That IEUA 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 IEUA, and set forth in this below.

Total Bid Price \$ Two Million, Three Hundred and Seven Thousand, Six Hundred and Seventy-Four Dollars.

and Zero Cents.

- D. IEUA 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 Bid Documents; 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.
- E. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractor's License Declaration, Specifications, Drawings, all General Conditions Special Conditions and all Project Requirements, and all Addenda issued by IEUA 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.
- F. 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 IEUA three hundred and sixty-five (365) calendar days after award of the Contract. All Work shall be completed before final payment is made.
- G. Time is of the essence on this Contract .
- H. CONTRACTOR agrees that in case the Work is not completed before or upon the expiration of the Contract Time, damage will be sustained by IEUA, and that it is and will be impracticable to determine the actual damage which IEUA will sustain in the event and by reason of such delay, and it is therefore agreed that the CONTRACTOR shall pay to IEUA the amounts as set forth in General Conditions, Section C – Changes to the Contract for each day of delay, which shall be the period between the expiration of the Contract Time and the date of final acceptance by IEUA, 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 IEUA, and the CONTRACTOR agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the CONTRACTOR agrees that IEUA 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.



- I. In addition to the liquidated damages, which may be imposed if the CONTRACTOR fails to complete the Work within the time agreed upon, IEUA may also deduct from any sums due or to become due to the CONTRACTOR, penalties and fines for violations of applicable local, state, and federal law.
- J. That the CONTRACTOR shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
- K. That the CONTRACTOR shall have furnished, prior to execution of the Contract, two bonds approved by IEUA, 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.
- L. The CONTRACTOR hereby agrees to protect, defend, indemnify and hold IEUA 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 IEUA 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 to the extent permitted by law.

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.

- M. The CONTRACTOR, by signing the contract does swear under penalty of perjury that no more than one final unappeasable finding of contempt of court by a Federal court has been issued against the CONTRACTOR within the immediately preceding two year period because of the CONTRACTOR's failure to comply with an order of a Federal court which orders the CONTRACTOR to comply with an order of the National Labor Relations Board (Public Contract Code 10296).

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

By \_\_\_\_\_  
*General Manager*  
Shivaji Deshmukh

CONTRACTOR

By \_\_\_\_\_  
*PRESIDENT*  
Title



\* *A Municipal Water District*

# **Attachment 3**



**CONTRACT AMENDMENT NUMBER: 4600002248-003**

**FOR**

**EAST END AVENUE NRW FLOWMETER REPLACEMENT PROJECT No. EN22002**

THIS AMENDMENT NUMBER 003 to Contract Number 4600002248, between the Inland Empire Utilities Agency, a Municipal Water District and Civiltec Engineering, Inc., with offices located in Monrovia, California, shall revise the Contract as follows:

**SECTION FOUR, SCOPE OF WORK AND SERVICES, IS CHANGED TO ADD:** Consultant's additional services and responsibilities shall include and be in accordance with Consultant's proposal dated February 9, 2020, which is attached hereto, reference herein, and made a part hereof as **Exhibit A-1**.

**REVISE SECTION 6, COMPENSATION, ADDING TEXT TO READ:**

As compensation for the satisfactory performance of the work required under Contract Amendment 4600002248-003, Agency shall pay Consultant's invoices within 30 days. All payments shall be made in accordance with properly-issued and approved invoices, processed in accordance with the payment provisions of Section 6 of Contact Number 4600002248 and SAP Purchase Requisition 10053096.

This Amendment increases the value of the Contract by **\$44,260.00** for these additional services. The total, Not-To-Exceed value of the Contract shall be increased to **\$276,404.00**

**All other terms and conditions of Contract 4600002248 shall remain in full force and effect.**

The parties hereto have mutually covenanted and agreed as per the above amendment item, and in doing so have caused this document to become incorporated into the Contract Documents.

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

**CIVILTEC ENGINEERING, INC.:**

\_\_\_\_\_  
Warren T. Green  
Manager of Contracts, Procurement,  
And Risk Services

(Date)

\_\_\_\_\_  
*C. Hawes*  
Shem Hawes  
Principal, Senior Engineer

\_\_\_\_\_  
*3/25/2020*  
(Date)

# **Exhibit A-1**



Civil, Water, Wastewater, Drainage, Transportation and  
Electrical/Controls Engineering • Construction Management • Surveying  
California • Arizona

February 7, 2020

Inland Empire Utilities Agency  
6075 Kimball Ave, Building A,  
Chino, California 91708

ATTN: Josh Biesiada, Senior Engineer

RE: Proposal for NRW Pipeline Construction Support

Dear Mr. Biesiada:

**Civiltec Engineering, Inc. (Civiltec)** appreciates the opportunity to submit this proposal to Inland Empire Utilities Agency (IEUA) for the above referenced project. We understand this project requires support for the construction of the NRW pipeline. The project will consist of attending monthly meetings, coordinating contract issues, addressing contractor issues as is reasonable, as well as reviewing change orders/requests for information (RFIs)/submittals. We will perform all services directly from our Monrovia office.

## **AUTHORIZED RESPONSIBLE ENGINEERS**

**Civiltec** proposes to assign Shem Hawes, PE, as company representative. He will be responsible for the firm's timely response and quality completion of this project. Mr. Hawes will be the principal with complete authority to handle all contractual matters, commit **Civiltec's** resources as necessary and take all action necessary to meet your requests. Mr. Hawes will be assisted by Greg Ripperger, PE, as the project engineer. This team has completed numerous similar projects during the last 5 years together.

## **SCOPE OF SERVICES**

Based on our project understanding and professional experience, we have identified the following scope of services.

### **Phase A. Engineering Services During Construction**

#### **Task 1. Pre-Construction**

**Civiltec** will assist the City in conducting a pre-construction meeting under the supervision of the construction manager. We will coordinate and schedule the meeting with representatives from the County, IEUA, construction manager, contractor, utilities and other project stakeholders; as well as distribute an agenda and meeting minutes to the project team.



**Task 2. Construction Support and Shop Drawing Review**

*Civiltec* will provide construction support services including an evaluation of the contractor’s master schedule to ensure compliance with the specifications and that what is proposed is deemed realistic. We will also provide recommendations if there are opportunities for greater efficiency. We will review shop drawings and manufacturer’s submittals (40 assumed). We will also review Contractor requests for information (RFIs) and have assumed 30 RFI responses will be required during construction. We will review requests for change orders as is reasonable as well as meet with IEUA to discuss any change orders and/or construction issues.

**Phase B. Post-Construction Services**

**Task 1. Final Observation and Punch List**

*Civiltec* will arrange and conduct the final observation of work to be witness by the project team. We will prepare a punch list of all items to be completed by the contractor to obtain final completion and ensure all items are finalized.

**Task 2. As-Built Record Drawings/Final Project Records**

All updates will be compiled into a final set of as-builts to be provided to the City. We will review, organize and compile all final records and documentation and provide the City a final bound records package.

**Phase C. Meetings**

**Task 1. Coordination and Progress Meetings**

The engineer will attend monthly progress meetings with IEUA until final observation. Construction is assumed to have a 6 month duration. We will provide input on meeting minutes prepared by the Construction Manager. The schedule assumes four progress meetings throughout the duration of construction.

**FEE DISTRIBUTION SCHEDULE**

Professional fees for the above-described services will be billed on a time and materials, not to exceed basis as summarized below. A breakdown of our hours and fees is included as Attachment A.

Phase A. Engineering Services During Construction.....	\$28,470.00
Phase B. Post-Construction Services.....	\$10,730.00
<u>Phase C. Meetings .....</u>	<u>\$5,060.00</u>
<b>Total.....</b>	<b>\$44,260.00</b>

**Reimbursables / Additional Services**

Capacity and impact fees associated with application filings shall be the responsibility of the Client. *Civiltec* will bill monthly for all work performed and expenses incurred on the project’s behalf. Unpaid invoices after 30 days will accrue service charges at 1 1/2% per month and include any costs of collections and reasonable attorney’s fees, unless noted differently in the existing contract.

Josh Biesiada, Inland Empire Utilities Agency  
NRW Pipeline Construction Support  
February 6, 2020  
Page 3 of 3



If this proposal is acceptable, please return a signed copy to our office. Again, thank you for the opportunity to submit this proposal. We look forward to working with you on this exciting project. Please contact the undersigned directly with any comments or questions.

Sincerely,

**CIVILTEC ENGINEERING, INC.**

A handwritten signature in blue ink that reads 'C. Shem Hawes'.

C. Shem Hawes, PE  
Principal, Senior Engineer

Attachment(s): A - Breakdown of Hours and Fees

**Proposal Acceptance:**

The Terms and Conditions of this proposal are:

Accepted this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

By Authorized Client Representative:

\_\_\_\_\_  
Josh Biesiada, Senior Engineer

\_\_\_\_\_  
Date



**IEUA NRW Construction Support  
PM20020  
Time and Fee Estimate**

Date: February 7, 2020

Scope of Work	HOURS BY SrE	HOURS BY PrEE	HOURS BY PE	HOURS BY D	HOURS BY CADT	HOURS BY JrE	HOURS BY Admin	TOTAL COST
	\$ 230.00	\$ 205.00	\$ 190.00	\$ 140.00	\$ 105.00	\$ 80.00	\$ 80.00	
<b>Phase A - Engineering Services During Construction</b>								\$ 28,470.00
Task 1. Preconstruction	4	2						\$ 1,330.00
Task 2. Construction Support and Shop Drawing Review	37.5	20	72.5			8		\$ 27,140.00
<b>Phase B - Post Construction Services</b>								\$ 10,730.00
Task 1. Final Observation and Punch List	4	2	8					\$ 2,850.00
Task 2. As-Built Record Drawings/Final Project Records	8		8	12	24	4		\$ 7,880.00
<b>Phase C - Meetings</b>								\$ 5,060.00
Task 1. Coordination and Progress Meetings	14		8				4	\$ 5,060.00
<b>HOURS</b>	<b>67.5</b>	<b>24</b>	<b>96.5</b>	<b>12</b>	<b>24</b>	<b>12</b>	<b>4</b>	<b>240</b>
<b>BUDGET</b>	<b>\$ 15,525.00</b>	<b>\$ 4,920.00</b>	<b>\$ 18,335.00</b>	<b>\$ 1,680.00</b>	<b>\$ 2,520.00</b>	<b>\$ 960.00</b>	<b>\$ 320.00</b>	<b>\$ 44,260.00</b>

SR, PIC = Sr. Principal Engineer  
 SrPM = Sr. Project Manager  
 SrPE = Sr. Project Engineer  
 SE = Staff Engineer  
 CADT = CAD Technician  
 Admin = Administrative Assistant/Clerical  
 SM = Survey Manager  
 PIC = Principal Engineer  
 PrEE = Principal Electrical Engineer  
 PE = Project Engineer  
 D = Designer  
 JrE = Junior Engineer  
 CO = Resident Eng./Const. Observer  
 SLS = Staff Land Surveyor  
 SrE = Senior Engineer  
 PM = Project Manager  
 SrD = Sr. Designer  
 DD = Designer/Drafter  
 PT = Planning Technician  
 2MS = Two Person Survey Crew

**ACTION  
ITEM**

**2D**



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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SSD*

**Committee:**

**Executive Contact:** Christiana Daisy, Executive Manager of Engineering/AGM

**Subject:** RP-1 Roofing Replacement Construction Contract Award

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**Executive Summary:**

Regional Water Recycling Plant No.1 (RP-1) is located in the City of Ontario and has been in operation since 1948. Several leaks have occurred in the roofs which require replacement. The scope of the project includes removing the existing roof and decks then placing new roofing material with new mechanical/safety upgrades.

On March 12, 2020, Inland Empire Utilities Agency (IEUA) received three construction bids from three pre-selected contractors. Exbon Development, Inc., was the lowest responsive, responsible bidder with a bid price of \$1,299,000 (engineer's estimate was \$1,394,000). After a technical review, it was recommended by the Project Architect that an additive bid item for rigid insulation for the maintenance building be added to the contract at a cost of \$12,000. This results in a final recommended contract in the amount of \$1,311,000.

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**Staff's Recommendation:**

1. Award a construction contract for the RP-1 Roofing Replacement Project, No. FM20002, to Exbon Development, Inc., in the amount of \$1,311,000;
2. Approve a total project budget amendment and Fiscal Year 2019/20 budget amendment in the General Administration (GG-10200) Fund for Project No. FM20002 in the amount of \$318,936, increasing the project from \$1,481,064 to \$1,800,000; and
3. Authorize the General Manager to execute the budget amendment and contract, subject to non-substantive changes.

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**Budget Impact** *Budgeted* (Y/N): N *Amendment* (Y/N): Y *Amount for Requested Approval:* \$ 318,936

*Account/Project Name:*

FM20002/RP-1 Roofing Replacement Project

*Fiscal Impact (explain if not budgeted):*

If approved, the RP-1 Roofing Replacement Project total project budget and FY 2019/20 budget in the General Administration (GG-10200) Fund will increase in the amount of \$318,936, increasing the budget from \$1,481,064 to \$1,800,000.

**Prior Board Action:**

None.

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**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 of the State CEQA Guidelines.

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**Business Goal:**

The RP-1 Roofing Replacement Project is consistent with IEUA's Business Goal of Wastewater Management, specifically the Asset Management and Staff Safety objectives that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment exceeding industry best practices.

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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

# **Attachment 1**

# RP-1 & TP-1 Roofing Replacement Construction Contract Award

Project No. FM20002





# Project Location (Phase 2)

**RP-1  
Operations  
Building**



**TP-1  
Maintenance  
Building**

**TP-1  
Operations  
Building**

**RP-1  
Plant No. 2**

# The Project

- Scope of Work:
  - Demo existing roofs
  - Install new roofs
  - Replace roof drains and vent hoods
  - Replace rotted wood fascia and clean CMU Block



RP-1 Ops Building: Rotted Fascia



3 TP-1 Maintenance Building



Plant 2 Roof



# Contractor Selection

Three bids were received on March 12, 2020:

Bidder's Name	Final Bid Amount
Exbon Development, Inc.	\$1,299,000 <sup>1</sup> .
Good-Men Roofing & Construction, Inc.	\$1,418,672
Best Contracting Services, Inc.	\$1,474,666
<b>Engineer's Estimate</b>	<b>\$1,394,000</b>

1. Bid evaluation did not include the addition of Rigid insulation on the Maintenance Building. This addition was part of Additive Bid cost which could be added to final contract. This addition was recommended by Architect.

# Project Budget and Schedule

Description	Estimated Cost
<b>Design Services</b>	<b>\$121,000</b>
Design Consultant Contracts (actuals)	\$65,000
IEUA Design Services (actuals)	\$56,000
<b>Construction Services</b>	<b>\$210,000</b>
Design Services During Construction (~1%)	\$18,000
Construction Management (~13%)	\$192,000
<b>Construction</b>	<b>\$1,442,000</b>
Construction Contract (this action)	\$1,299,000
Add Alt Rigid Installation (this action)	\$12,000
Contingency (~10%)	\$131,000
<b>Total Project Cost :</b>	<b>\$1,773,000</b>
<b>Current Project Budget:</b>	<b>\$1,481,064</b>
<b>Requested Amendment:</b>	<b>\$318,936</b>
<b>Revised Project Budget:</b>	<b>\$1,800,000</b>

Project Milestone	Date
<b>Construction</b>	
Construction Contract Award	April 2020
Construction Completion	November 2020

# Recommendation

- Award a construction contract for the RP-1 Roofing Replacement Project, No. FM2002, to Exbon Development, Inc., in the amount of \$1,311,000;
- Approve a total project budget amendment and Fiscal Year 2019/20 budget amendment in the General Administration (GG-10200) Fund for Project No. FM20002 in the amount of \$318,936, increasing the project from \$1,481,064 to \$1,800,000; and
- Authorize the General Manager to execute the budget amendments and contract, subject to non-substantive changes.

The RP-1 & TP-1 Agency Wide Roofing Replacement Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management and Staff Safety objectives that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment, exceeding industry best practices.

# **Attachment 2**

## SECTION D - CONTRACT AND RELEVANT DOCUMENTS

### 1.0 CONTRACT

THIS CONTRACT, made and entered into this 24 day of March, 2020, by and between Exbon Development, 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 "IEUA".

#### WITNESSETH:

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

- A. CONTRACTOR agrees to perform and complete in a workmanlike manner, all Work required under these Bid Documents FOR TP-1 & RP-1 Agency-wide Roofing Project No. FM20002, in accordance with the Bid Documents, 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 Bid Documents to be furnished by IEUA, and to do everything required by this Contract and the said Bid Documents.
- B. 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 Bid Documents; 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 IEUA, 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 Bid Documents are expressly stipulated to be borne by IEUA; and for completing the Work in accordance with the requirements of said Bid Documents, IEUA will pay and said CONTRACTOR shall receive, in full compensation therefore, the price(s) set forth in this Contract.
- C. That IEUA 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 IEUA, and set forth in this below.

Bid Price, Bid Items 1 through 5: \$1,299,000 Dollars and Zero Cents.  
Additive Alternative (sheet G-3) Rigid Insulation replacement at Maintenance Building, Bid Item 6: \$12,000 Dollars and Zero Cents.

**For a Total Contract Amount of: One-Million, Three-Hundred, Eleven-Thousand Dollars and Zero Cents (\$1,311,000.00).**

- D. IEUA 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 Bid Documents; 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.
- E. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractor's License Declaration, Specifications, Drawings, all General Conditions Special Conditions and all Project Requirements, and all Addenda issued by IEUA 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.
- F. 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 IEUA one-hundred and eighty (180) calendar days after award of the Contract. All Work shall be completed before final payment is made.
- G. Time is of the essence on this Contract.
- H. CONTRACTOR agrees that in case the Work is not completed before or upon the expiration of the Contract Time, damage will be sustained by IEUA, and that it is and will be impracticable to determine the actual damage which IEUA will sustain in the event and by reason of such delay, and it is therefore agreed that the CONTRACTOR shall pay to IEUA the amounts as set forth in General Conditions, Section C – Changes to the Contract for each day of delay, which shall be the period between the expiration of the Contract Time and the date of final acceptance by IEUA, 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 IEUA, and the CONTRACTOR agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the CONTRACTOR agrees that IEUA 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.
- I. In addition to the liquidated damages, which may be imposed if the CONTRACTOR fails to complete the Work within the time agreed upon, IEUA may also deduct from any sums due or to become due to the CONTRACTOR, penalties and fines for violations of applicable local, state, and federal law.
- J. That the CONTRACTOR shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
- K. That the CONTRACTOR shall have furnished, prior to execution of the Contract,

two bonds approved by IEUA, 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.

- L. The CONTRACTOR hereby agrees to protect, defend, indemnify and hold IEUA 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 IEUA 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 to the extent permitted by law.

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

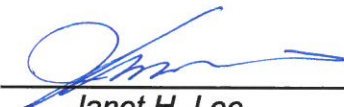
IN WITNESS WHEREOF, The CONTRACTOR and the General Manager of Inland Empire Utilities Agency\*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

- M. The CONTRACTOR, by signing the contract does swear under penalty of perjury that no more than one final unappeasable finding of contempt of court by a Federal court has been issued against the CONTRACTOR within the immediately preceding two year period because of the CONTRACTOR's failure to comply with an order of a Federal court which orders the CONTRACTOR to comply with an order of the National Labor Relations Board (Public Contract Code 10296).

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

By \_\_\_\_\_  
*Shivaji Deshmukh*  
*General Manager*

CONTRACTOR

By  \_\_\_\_\_  
*Janet H. Lee*  
*President / Secretary*

\* A Municipal Water District

**ACTION  
ITEM**

**2E**





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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SSD*

**Committee:**

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

**Subject:** Contract Award for Electrical Repair Services

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**Executive Summary:**

The Agency's treatment facilities use many electrical equipment such as motors, submersible mixers, and submersible pumps to transport and treat water and wastewater. These electrical equipment require periodic repair and rebuild. The most cost effective and reliable way to service these equipment is by establishing a long term contract with a reputable shop that can provide high quality service. This contract would provide the option for off-site repair of electrical equipment and will be used at any Agency facility. Operations Division estimates a usage of \$1,200,000 over the next five years. On January 20, 2020, staff issued a Request for Proposal RFP-TWL-20-001 through PlanetBids online solicitation system and receiving six proposals. Superior Electric Motor Service, Inc. of Vernon, California was determined to be the lowest responsive bidder. Staff has worked with Superior Electric Motor Service, Inc. in the past and is pleased with their workmanship and quality of service.

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**Staff's Recommendation:**

1. Approve the award of Contract No. 4600002881 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of electrical equipment for a total aggregate not-to-exceed amount of \$1,200,000 over a five-year period with a two one-year options to extend; and
2. Authorize the General Manager to execute the contracts.

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

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

If approved, sufficient funds are available in Fiscal Year 2020/21 under Regional Operations and Maintenance (RO), Recycled Water (WC), and Non-Reclaimable Wastewater (NC) Funds, under Contract Labor & Contract Materials. For future Fiscal Years, Operations Division will include funds in its budget requests to cover the contract requirements.

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

**Prior Board Action:**

On May 20, 2015 - Approved the award of contract No. 4600001868 to Superior Electric Motor Service, Inc. for the aggregate not-to-exceed amount of \$240,000.

On December 12, 2018 - Approved amendment to Contract No. 4600001868 to Superior Electric Motor Service, Inc. for an aggregate not-to-exceed amount of \$670,000.

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**Environmental Determination:**

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This contract qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. When the project is implemented, it will be subject to environmental evaluation.

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**Business Goal:**

Wastewater Management, IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Contract No. 4600002881

# Attachment 1

# Contract Award for Electrical Repair Services





# Background

- Electrical equipment is used to drive pumps, blowers, compressors, valves, etc.
- Electrical equipment are vital assets to ensure the safe and reliable operation of our facilities
- IEUA owns, operates, and maintains electrical equipment ranging from 0.75 to 750 horsepower



# Background

- Periodically, electrical equipment requires maintenance to preserve and/or to increase its reliability and design.
- Agency utilizes predictive maintenance technologies to identify failures in equipment and acts accordingly to remove equipment out of service and to perform necessary repairs.
- A long-term contract with a reputable and highly-qualified service provider will ensure reliability of Agency equipment at a competitive cost.
- Supports Maximizing Uptime of electrical equipment consistent with IEUA's Asset Management Program.

# Electrical Equipment Repair Bid Proposals

On February 10, 2020, received six Bid Proposals

Repair, Rebuild or Refurbishment of Electrical Equipment Proposed Bids						
Service Type	Energy Management Electric Corp	Pamco Machine Works Inc	Power Bros	PumpMan SoCal	Superior Electric	Xylem
Pick-up and Delivery	\$ 0	\$ 275	\$ 84	\$ 300	\$ 0	\$ 250
Failure Analysis Report	\$ 600	\$ 0	\$ 370	\$ 400	\$ 25	\$ 350
Hourly Rate (repair/rebuild labor)	\$ 85	\$ 98	\$ 74	\$ 150	\$ 50	\$ 130
Hourly Rate (Machining)	\$ 75	\$ 98	\$ 74	\$ 150	\$ 50	\$ 130
Material Mark-up	20%	25%	14%	30%	25%	20%

# Recommendation

- Approve the award of Contract No. 4600002881 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of electrical equipment for a total aggregate not-to-exceed amount of \$1,200,000 over a five year period with a two, one year options to extend; and
- Authorize the General Manager to execute the contract, subject to non-substantive changes.

*IEUA's Business Goal of Wastewater Management*, specifically committed to meeting regional demands in an environmentally responsible and cost-effective manner.



# Attachment 2



**MASTER CONTRACT No. 4600002881**

**FOR**

**Master Agreement for Electric Motors, Submersible Mixers and Submersible Pumps: Repairs and Rebuilds**

THIS CONTRACT (the "Contract"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency"), and Superior Electric Motor Service Inc, of Vernon, California (hereinafter referred to as "Contractor") in order to establish the terms and conditions which will govern various "as needed / as requested" Master Agreement for Electric Motors, Submersible Pumps: Repairs and Rebuilds projects that may arise during the term of this contract.

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: Albert Van Breukelen  
Inland Empire Utilities Agency  
Address: 6075 Kimball Avenue, Suite B  
Chino, CA 91709  
Telephone: (909) 993-1628  
E-mail: [avanbreukelen@ieua.org](mailto:avanbreukelen@ieua.org)

Project Manager: Robert Delgado  
Inland Empire Utilities Agency  
Address: 6075 Kimball Avenue, Suite B  
Chino, CA 91709  
Telephone: (909) 993-1853  
E-mail: [Rdelgado@ieua.org](mailto:Rdelgado@ieua.org)

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

Contractor: Chris Marachelian  
Superior Electric Motor Service, Inc.  
Address: 4622 Alcoa Avenue  
Vernon, CA 90058  
Telephone: (323) 583-1040  
Facsimile: (323) 583-9266  
Email: [ChrisM@superiorelectricmotors.com](mailto:ChrisM@superiorelectricmotors.com)

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents; each of which is hereby incorporated as an integral part of this Contract. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
  1. Amendments to Contract number 4600002881-000
  2. Contract Number 4600002881, including Exhibit A - Statement of Work
  3. Agency Request for Proposal No. RFP-TWL-20-001
  4. Contractor's Proposal, dated February 5, 2020 - Exhibit B
  
4. **SCOPE OF WORK AND SERVICES:** On an "as needed / as requested" basis, the Agency's assigned Project Manager may contact the Contractor, discuss the particulars of a given equipment repair project and (once agreement is reached as to the appropriate level-of-effort, not-to-exceed price involved and the associated repair schedule) request via e-mail (not verbally) the Contractor to travel to the appropriate IEUA facility, pick-up the designated equipment in need of repair, and proceed with the agreed-upon repair or rebuild task(s). IEUA will be responsible for disconnecting, removing and palletizing (if feasible) the designated equipment prior to the Contractor's arrival on-site for equipment pick-up, as well as for re-installation of the repaired equipment subsequent to the Contractor's return delivery. The IEUA Project Manager's e-mail authorization shall/must convey a separate and discrete billing purchase order number which is to be referenced on the Contractor's associated invoice. Note: The Agency reserves the right to send staff to Contractor's facility in order to witness final inspection/test of the repaired equipment prior to return shipment to the Agency. Contractor services and responsibilities shall include and be in accordance with is Exhibit A - Statement of Work to this Contract.
  - A. **Cure Procedure:**
    1. For a Cure Notice deemed by the Agency to be urgent, Contractor shall correct any error of the Work within 3 calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
    2. For a Cure Notice deemed by the Agency to be important, Contractor shall correct any error of the Work within 10 calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
    3. If the Project Manager rejects all, or any part of, the Work as unacceptable and agreement to correct such Work cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and the reason(s) for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.
  - B. 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 compensation and Schedule of Work and Services shall be equitably adjusted, if required, to account for such changes and shall be set forth within the mutually approved Contract Amendment.
  
5. **TERM:** The term of this Contract shall extend from the date of its execution and terminate five (5) years hence, unless agreed to by both parties, reduced to writing, and incorporated as an amendment to this Contract. This contract may be extended for an additional two years in one-year increments.

6. **PAYMENT, INVOICING AND COMPENSATION:** Contractor may invoice once per month during the course of this project. The Contractor's monthly invoices shall be formulated consistent with the Schedule of Rates shown below.

<u>Item Description</u>	<u>Invoiceable Rate</u>
Pick-up/Delivery R/T Chrg	No Charge
Failure Analysis Reports	\$ 25.00
Hourly Machining Rate	\$ 50.00
Hourly In-Shop Labor Rate	\$ 50.00
Replacement Parts	@ actual costs plus Contractor Mark-up
Subcontracted Services	@ actual costs plus Contractor Mark-up
Contractor Mark-Up %	25.0%

Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the 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.

Contractor's invoices shall be submitted as follows:

Inland Empire Utilities Agency  
Attention: Accounts Payable Department  
P.O. Box 9020  
Chino Hills, CA 91709

OR e-mail invoice submittal via: APGroup@ieua.org

Concurrent with submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall e-mail a copy of said invoice to the Agency's designated Project Manager identified on page 1 of this Contract.

As compensation for the work performed under this Contract, Agency shall pay Contractor, on a **fixed price level-of-effort basis**, a total aggregate price **not-to-exceed \$1,200,000** for all work/services satisfactorily provided hereunder.

7. **LIQUIDATED DAMAGES:** Liquidated damages are not applicable to this contract.
8. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the Work Schedule established by the Agency's Project Manager. 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. **FITNESS FOR DUTY:**
- A. **Fitness:** Contractor 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:** Contractor 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. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

10. **INSURANCE**: During the term of this Contract, the Contractor shall maintain at Contractor's sole expense, the following insurance.
- A. **Minimum Scope of Insurance**:
1. Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
  2. 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.
- 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 Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. **Other Insurance Provisions**: The 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 Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractors insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
    - e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any 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 Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether 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: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A minus: VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B: VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, 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, CA 91709

11. 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 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.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Agency's Project Manager.

- E. 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.
- F. 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.
- G. 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.
- H. 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.
- I. Equal Opportunity and Unlawful Discrimination: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency's Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency's Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency's Human Resources Administrator. Please be assured that any possible infraction will be thoroughly investigated by the Agency.
- J. Non-Conforming Work and Warranty: Contractor represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. 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 in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Contractor by Agency, or any other person or entity. Contractor shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation unusable and shall correct other errors within thirty (30) calendar days after Contractor's receipt of notice of the error. Upon request of Agency, Contractor shall correct any such error deemed important by Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven (7) calendar days after Contractor's receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and reason for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.
- K. 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.

L. Workers' Legal Status: For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

12. INDEMNIFICATION: Contractor shall indemnify and hold harmless and defend as permitted by law, the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:

- A. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Agency and/or Contractor, or any directors, officers, employees, or authorized volunteers of Agency or Contractor, and damages to or destruction of property of any person, including but not limited to, Agency and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, except for the sole negligence or willful misconduct or active negligence of the Agency or its directors, officers, employees, or authorized volunteers;
- B. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, or every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;



- C. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respects to the failure, neglect, or refusal of Contractor to faithfully perform the work and all of the Contractor's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

13. **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.

14. **TITLE AND RISK OF LOSS:**

- A. **Documentation:** Title to any/all Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Project.
- B. **Material:** Title to all Material, equipment, procured or fabricated under the Contract shall pass to Agency when delivered to the Agency's jobsite and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. **Disposition:** Contractor shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and /or Agency.

15. **PROPRIETARY RIGHTS:**

- A. **Rights and Ownership:** Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
  - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
  - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
  - 3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
- B. **No Additional Compensation:** Nothing Set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

16. **INFRINGEMENT:** Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trademark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Contractor shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Contractor shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

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

Contractor: Chris Marachelian  
Vice President  
Superior Electric Motor Service, Inc.  
4600 Alcoa Avenue  
Vernon, CA 90058

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.

18. **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.

19. **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.

20. **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.

21. **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.

22. GOVERNING LAW:

This Contract is to be governed by and constructed in accordance with the laws of the State of California, County of San Bernardino.

23. 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.

24. 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.

25. 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.

26. 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 separate billing purchase order number has been relayed to the Contractor for each job/project authorized under this contract.

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)**

**SUPERIOR ELECTRIC MOTOR SERVICE, INC:**

\_\_\_\_\_  
Shivaji Deshmukh P.E.  
General Manager

(Date)



\_\_\_\_\_  
Chris Marachelian  
Vice President

3/26/20

(Date)

# STATEMENT OF WORK

## EXHIBIT A

Master Agreement for Electric Motors, Submersible Mixers and Submersible Pumps;  
Repair and Rebuilds  
(Agency Wide)  
RFP -TWL-20-001

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### PROJECT DESCRIPTION

The maintenance department is responsible for managing the repairs, service and maintenance of electrical assets for the Agency water recycling plants, sewer lift stations and WGR/RW systems. This Scope of work is intended to solicit RFP's for the repairs and service of IEUA's electric motors, submersible mixers, and submersible pumps.

### PROJECT LOCATION

Agency wide.

### SCOPE OF WORK

The vendors shall provide service and repairs on an "as needed basis" for the Agency's electric motors, submersible mixers, and submersible pumps. Vendor shall be able to provide off-site service including pick-up and delivery.

Vendor shall fully complete this Summary Fee Schedule and return it with their proposal. All proposed fees will be stated as NET-PRICE, whereas the NET-PRICE shall represent the **total and final cost** to the Agency for providing the services as stated in the SOW. The NET-PRICE shall include all proposed costs associated with all materials, labor, equipment, transportation, overhead, profit, insurance, taxes, fees, incidentals, and any/all other related costs necessary to supply the services required

1. Must be capable of machining parts if required.
2. Following are the different types of equipment the Agency uses and what the vendor will be asked to provide service to.
  - a) AC electric motors ranging from 120 VAC to 4160 VAC, ¼ hp – 700 hp, vertical and horizontal
  - b) DC electric motors ranging from 12VDC to 100 VDC, ¼ hp – 5 hp
  - c) AC electric submersible pumps ranging from 120 VAC to 480 VAC, 1hp – 250 hp
  - d) AC electric submersible mixers ranging from 120VAC to 480 VAC, 1hp – 250 hp
  
1. Below is a list of Manufacturers that are commonly used but not limited to. Vendor will be asked to provide service, support and OEM parts.
  - a) Baldor
  - b) US Motors
  - c) Toshiba
  - d) Weg
  - e) Century
  - f) Emerson
  - g) A.O. Smith
  - h) Leeson
  - i) Marathon
  - j) GE
  - k) ABB
  - l) Lincoln
  - m) Broan
  - n) Fasco

# STATEMENT OF WORK

## EXHIBIT A

Master Agreement for Electric Motors, Submersible Mixers and Submersible Pumps;  
Repair and Rebuilds  
(Agency Wide)  
RFP -TWL-20-001

Page 2 of 3

- o) Siemens
- p) Nidec
- q) Franklin
- r) Westinghouse
- s) Hitachi
- t) SEW Eurodrive
- u) Flygt
- v) Dayton
- w) Wilo
- x) Barnes
- y) Esco

### PROJECT SCHEDULE

On an "as needed basis" as required by the agency.

Typical working hours when pick-ups and deliveries will take place are Monday thru Thursday 7:00 AM to 3:30 PM. Pick-ups and deliveries will take place at designated location as instructed by IEUA Personnel.

### PROJECT ASSUMPTIONS & APPLICABLE SPECIFICATIONS

1. Vendor must provide a repair completion report with analysis of equipment failure as found.
  - a) Documentation shall include pictures and a description of repairs performed.
  - b) Report shall include "As-found" conditions and corrective actions performed.
2. Vendor must provide pick-up and delivery as part of the service.
3. Vendor shall provide a one-year warranty on parts and labor.
4. Vendor must be able to provide Emergency response within 24hrs notice.
5. Vendor must be able to prove capability in terms of:
  - a) A local facility available for tour with Agency's Representatives prior to award.
  - b) Must be able to provide minimum of 5 (five references, including company or agency information).
6. Provide a minimum of five references that use the same type and manufacturer's equipment as the Agency. Include company name & contact person.
7. All repairs shall receive OEM parts only unless otherwise approved by authorized maintenance representatives.
8. **It is preferred for the vendor to be a UL Certified facility who is able to work on submersible pumps and explosion proof motors. Proof of certification will be required.**

# **STATEMENT OF WORK**

## **EXHIBIT A**

Master Agreement for Electric Motors, Submersible Mixers and Submersible Pumps;

Repair and Rebuilds

(Agency Wide)

RFP -TWL-20-001

Exhibit B



## **REQUEST FOR PROPOSAL**

**No. RFP-TWL-20-001**

for

**Master Agreement for Electric Motors, Submersible Mixers and Submersible  
Pumps**

**Repairs and Rebuilds**

**All Inland Empire Utilities Agency Facilities**

*January 20, 2020*

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## SECTION 1 - SUBMITTAL INFORMATION

- A. **INTRODUCTION**: The Inland Empire Utilities Agency ("IEUA" or "Agency") invites submittal of fixed unit rate proposals in accordance with this Request for Proposal document to provide electric motors, submersible mixers, and submersible pumps mechanical repair and rebuild services on an "as needed/as requested" basis over a three (3) year with two (2) one (1) year options; contract period anticipated to begin approximately **7/1/2020**. The general details and anticipated scope of this project are conveyed within Pages 3-1 through 3-2 (Summary and Statement of Work) of this document.
- B. **PROPOSAL SUBMITTAL CLOSING DATE & TIME**: Proposals will not be accepted after the "closing" date and time indicated.

**Submittal Closing: Monday, February 10, 2020 by 3:00pm**

**Location: Electronic only through PlanetBids.**

- C. **INQUIRIES & QUESTIONS**:  
Inquiries & questions regarding this solicitation should be submitted on PlanetBids. The cut-off date for submitting questions is **12:00 P.M. Wednesday, January 29, 2020**. **Questions will be answered and uploaded to PlanetBids to all prospective bidders.**

Torres Waters-Leiva  
Procurement Specialist II  
[Twaters-Leiva@ieua.org](mailto:Twaters-Leiva@ieua.org)  
909-993-1777

- D. **PROPOSAL SUBMITTAL: (if applicable): Any Proposals found to be illegible or incomplete shall be considered for rejection.** Whether sent electronically or by courier, mail, or by means of personal delivery, Offerors assume full responsibility for having their proposal deposited at the proper address and **no later than the scheduled closing time.** More than one (1) proposal from any individual, firm, partnership, or corporation under the same or different names, will not be considered.

## SECTION 3 - TECHNICAL PROVISIONS

**NOTE: IT IS THE OFFEROR'S RESPONSIBILITY TO EXAMINE THIS "REQUEST FOR PROPOSAL" DOCUMENT IN ITS ENTIRETY PRIOR TO SUBMITTING A PROPOSAL.**

- A. **BACKGROUND INFORMATION:** The Inland Empire Utilities Agency is a regional wastewater treatment agency, which provides sewage treatment to the west end of San Bernardino County. Additionally, the Agency serves as a supplemental source of potable water and reclaimed water to the same geographic area. The Agency was incorporated in June 1950, under the Municipal Water District Act of 1911, as a municipal corporation. The Agency service area encompasses approximately 225 square miles, including the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Rancho Cucamonga, Upland, and the unincorporated areas of western San Bernardino County.
- B. **WAITING PERIOD / BID VALIDITY:** All offerors are alerted that a waiting period of up to ninety (90) days measured from the date of the proposal submitted deadline, may be required before proceedings are completed and award is made. Offerors shall assume full responsibility for the effect of such waiting period on all proposal fees and terms.
- C. **INSURANCE REQUIREMENTS:** Offeror's attention is directed to the insurance requirements set forth within Article 10 of Attachment A - Sample Contract. All Offerors are requested to submit, along with their proposal, certificates of insurance evidencing coverage or a letter from the Offeror's insurance agent or corporate Risk Management Department acknowledging that the Offeror will, if selected, be able to comply with all IEUA insurance requirements. It is highly recommended that each Offeror confer with their respective insurance carriers or brokers to determine in advance of proposal submittal, the availability of insurance certificates and endorsements as prescribed herein. If an apparent best-Offeror fails to strictly comply with the insurance requirements, that Offeror may be disqualified from receiving the award. All insurance certificates and endorsements meeting the Agency's requirements must be received and accepted by the Agency prior to issuance of a notice-to-proceed order against the associated contract.
- D. **ENVIRONMENTAL PURCHASING POLICY:** The goal of the Inland Empire Utilities Agency (IEUA) is to reduce global warming and other environmentally harmful effects generated by its operations. In this endeavor, the terms and conditions of all IEUA solicitations encourage, whenever possible and practical, the proposal of services and products that are proven to be beneficial to the environment
- E. **PROPOSAL PREPARATION COSTS:** The Agency is not, nor shall be deemed, liable for any costs incurred by Offeror in the preparation, submittal, or presentation of their proposal.
- F. **PROPOSAL INCLUSIONS:** Offeror shall fully complete and return all applicable forms contained within this Request for Proposal document. All Offerors are encouraged to review and confirm that their proposal includes and specifically addresses each of the following proposal requirements prior to submitting or proposal may be deemed non-responsive.
1. Proposal Rate Schedule (See Page 4-1)
  2. Offeror's Identification Form (See Page 4-2)
  3. Subcontractor/References Form (See Page 4-3)
  4. Workers' Compensation Certificate (See Page 4-4)
  5. Non-Collusion Affidavit (See Page 4-5)
  6. Exceptions Form (See Page 4-6)
  7. Certificates of Insurances (See Article 10 of Attachment A – Sample Contract)
- G. **WITHDRAWAL OF PROPOSAL BEFORE CLOSING:** Any Offeror may request the withdrawal of their submitted proposal, either in person, by telegraphic, telephonic (facsimile), e-mail, or written request, at any time **prior** to the scheduled closing date and time. Upon receiving the written request to withdraw a proposal, the Agency will consider the Offeror's proposal null and void and return the proposal to the Offeror unopened. Withdrawal of Offeror's proposal will not prejudice Offeror's resubmittal for this or any future proposal(s).



## SECTION 3 - TECHNICAL PROVISIONS

- H. **MISTAKE IN PROPOSAL**: Any Offeror may withdraw their proposal after the proposal closing, subject to the time restrictions indicated below, **only** if the Offeror can establish to Agency's satisfaction, that a material mistake was made in preparing the proposal.
1. An Offeror declaring a mistake must provide a written notice to Agency within five (5) calendar days following the scheduled closing date, specifying in detail, how the mistake occurred, and how the mistake made the proposal materially different than as was intended.
  2. Withdrawal of the proposal will **only** be permitted for mistakes made in the completion of the proposal. An Offeror who claims a mistake shall be **prohibited** from submitting further proposals on the Project in which the mistake in proposal was claimed. (*Public Contract Code 5105*).
- I. **PROPOSAL ACCEPTANCE**: The Agency reserves the right to **accept or reject** any or all proposals or waive any informality in any proposal, postpone the project, or any portion thereof, if such action is deemed to be in the best interest of the Agency (*Ordinance No. 108*).
- J. **INTERPRETATION OF DOCUMENTS**: During the proposal solicitation period, should an Offeror find discrepancies or omissions in the specifications of the "Request for Proposal," or should the Offeror be in doubt as to their interpretation, the Offeror shall immediately contact the person indicated in Section 1(C), above. Should it be found necessary, a written addendum will be sent to all known (interested) Offerors. Any addenda issued prior to the scheduled proposal closing date and time, shall form a part of this solicitation and shall become a part of the submitted proposal.
- K. **PUBLIC RECORD**: Be advised that **all** information contained in proposals submitted in response to this solicitation, **shall** become a matter of public record, shall be subject to the California Records Act of 2004(Government Code Section 6250 et seq.) and the information's use and disclosure are governed by this act.
- L. **CONTRACT EXECUTION / EXCEPTIONS**: The selected Offeror shall execute a contract with the Agency for the required work/services. A sample of the Agency's standard contract is provided as Attachment "A" to this document. The Agency will issue the selected Offeror a contract of similar form which incorporates, by reference, this "Request for Proposal" document. Thus, Offerors are encouraged to review the acceptability of the sample contract and must advise as to any exceptions to its content, or to the content of this "Request for Proposal" document, through the use of the Exceptions form contained on page 4-6 of this document.
- M. **AWARD / SELECTION CRITERIA**: The Agency anticipates issuing at least one contract award in conjunction with this proposal activity to the Offeror judged to be responsive to the requirements of this solicitation, capable of accomplishing all specified requirements in a timely manner and offering the most advantageous price. However, the Agency reserves the right to make multiple awards subsequent to this Request for Proposal, if deemed to be in the Agency's best interest to do so. The following criteria will be used during the rating process for selection of the award recipient(s).
1. Proposed rate schedule for each type of equipment repair. (what type of rate? Labor rate per hour?)
  2. Capability(s) for repairing/rebuilding the various types and makes of equipment listed within the Statement of Work section of this document (See Page 3-1).
  3. Professional references:  
Past record of performance in providing similar services for other companies; including such factors as performance quality, adherence to a schedule, and helpfulness and cooperation with their company's personnel.
  4. Comprehensiveness & completeness of proposal; specifically addressing each item as noted in the "Request for Proposal" documents (See Section 2.F)



## SECTION 3 - TECHNICAL PROVISIONS

5. Exceptions taken to Scope of Work and/or specifications, this solicitation document, the sample contract terms & conditions (Attachment A).

### A. SUMMARY:

On an "as needed / as requested" basis, the Agency's assigned Project Manager or their assign may contact the Contractor, discuss the particulars of a given equipment repair project and (once agreement is reached as to the appropriate level-of-effort, not-to-exceed price involved and the associated repair schedule) request via e-mail (not verbally) the Contractor to travel to the appropriate IEUA location, pick-up the designated equipment in need of repair, and proceed with the agreed-upon repair or rebuild task(s).

IEUA will be responsible for:

1. disconnecting, removing and palletizing (if feasible) the designated equipment prior to the Contractor's arrival on-site for equipment pick-up,
2. re-installation of the repaired equipment following to the Contractor's return delivery of the repaired equipment.

The IEUA Project Manager's e-mail authorization shall/must convey a separate and distinct billing purchase order number which is to be referenced on the Contractor's associated invoice for the repair. **Note: The Agency reserves the right to send staff to Contractor's facility in order to witness final inspection/test of the repaired equipment prior to return shipment to the Agency.**

Contractor services and responsibilities shall include and be in accordance with Statement of Work content that appears below.

### B. STATEMENT OF WORK:

PROJECT DESCRIPTION
<p>The maintenance department is responsible for managing the repairs, service and maintenance of electrical assets for the Agency water recycling plants, sewer lift stations and WGR/RW systems. This Scope of work is intended to solicit RFP's for the repairs and service of IEUA's electric motors, submersible mixers, and submersible pumps.</p>
PROJECT LOCATIONS
<p>Agency Wide.</p>
SCOPE OF WORK
<p>The vendors shall provide service and repairs on an "as needed basis" for the Agency's electric motors, submersible mixers, and submersible pumps. Vendor shall be able to provide off-site service including pick-up and delivery.</p> <p><i>Vendor shall fully complete this Summary Fee Schedule and return it with their proposal. All proposed fees will be stated as NET-PRICE, whereas the NET-PRICE shall represent the <b>total and final cost</b> to the Agency for providing the services as stated in the SOW. The NET-PRICE shall include all proposed costs associated with all materials, labor, equipment, transportation, overhead, profit, insurance, taxes, fees, incidentals, and any/all other related costs necessary to supply the services required</i></p> <ol style="list-style-type: none"> <li>1. Must be capable of machining parts if required.</li> <li>2. Following are the different types of equipment the Agency uses and what the vendor will be asked to provide service to.             <ol style="list-style-type: none"> <li>a) AC electric motors ranging from 120 VAC to 4160 VAC, ¼ hp – 700 hp, vertical and horizontal</li> <li>b) DC electric motors ranging from 12VDC to 100 VDC, ¼ hp – 5 hp</li> <li>c) AC electric submersible pumps ranging from 120 VAC to 480 VAC, 1hp – 250 hp</li> <li>d) AC electric submersible mixers ranging from 120VAC to 480 VAC, 1hp – 250 hp</li> </ol> </li> </ol>

## SECTION 3 - TECHNICAL PROVISIONS

1. Vendor will be asked to provide service, support and OEM parts.

Below is a list of Manufacturers that are commonly used but not limited to.

- a) Baldor
- b) US Motors
- c) Toshiba
- d) Weg
- e) Century
- f) Emerson
- g) A.O. Smith
- h) Leeson
- i) Marathon
- j) GE
- k) ABB
- l) Lincoln
- m) Broan
- n) Fasco
- o) Siemens
- p) Nidec
- q) Franklin
- r) Westinghouse
- s) Hitachi
- t) SEW Eurodrive
- u) Flygt
- v) Dayton
- w) Wilo
- x) Barnes
- y) Esco

### PROJECT SCHEDULE

On an "as needed basis" as required by the Agency.

Typical working hours when pick-ups and deliveries will take place are Monday thru Thursday 7:00 AM to 3:30 PM. Pick-ups and deliveries will take place at designated location as instructed by IEUA personnel.

### PROJECT ASSUMPTIONS & APPLICABLE SPECIFICATIONS

1. Vendor must provide a repair completion report with analysis of equipment failure as found.
  - a) Documentation shall include pictures and a description of repairs performed.
  - b) Report shall include "As-found" conditions and corrective actions performed.
2. Vendor must provide pick-up and delivery as part of the service.
3. Vendor shall provide a one-year warranty on parts and labor.
4. Vendor must be able to provide Emergency response within 24hrs notice.
5. Vendor must be able to prove capability in terms of:
  - a) A local facility available for tour with Agency's Representatives prior to award.
  - b) Must be able to provide minimum of 5 (five references, including company or agency information).
6. Provide a minimum of five references that use the same type and manufacturer's equipment as the Agency. Include company name & contact person.
7. All repairs shall receive OEM parts only unless otherwise approved by authorized maintenance representatives.
8. **It is preferred for the vendor to be a UL Certified facility who is able to work on submersible pumps and explosion proof motors. Proof of certification will be required.**



## SECTION 4 - FORMS

### PROPOSAL RATE SCHEDULE

Offeror shall complete this Proposal Rate Schedule and return it with their proposal submittal. All proposed rates shall be "fully burdened" and firm/fixed through out the three (3) year term with two (2) one (1) year options of the anticipated contract and valid for acceptance through **07/01/2025**.

Pick-up and return delivery charge (roundtrip) for each authorized repair/rebuild: \$0

Charge for preparation and submittal of each requested failure analysis report: \$25.00

In-Shop hourly rate (machining): \$50.00

In-Shop hourly rate (repair/rebuild labor): \$50.00

Materials handling burden (mark-up % above contractor's actual cost) applicable to contractor-supplied replacement parts and any sub-tier subcontractor costs: 25%

Offeror has thoroughly read this RFP and agrees to all the terms and conditions stipulated herein.

  
Offeror's Signature

Chris Marachelian  
Printed Name

Sales Manager  
Title

Superior Electric Motor Service  
Company Name

GBL-011052  
Business License Number

2/5/20  
Date

## SECTION 4 - FORMS

### OFFEROR'S IDENTIFICATION

1. Legal name of Offeror: Superior Electric Motor Service, Inc.
2. Street Address: 4622 Alcoa Ave - Vernon CA 90058
3. Mailing Address: Same
4. Business Telephone: 323 583 1040
5. Facsimile Telephone: 323 583 9266
6. Type of Business:  Sole Proprietor  Partnership  Corporation  
Other: \_\_\_\_\_  
If corporation, indicate State where incorporated: California
7. Business License number issued by the City where the Offeror's principal place of business is located.  
Number: GBL-011052 Issuing City: Vernon CA
8. Federal Tax Identification Number: 95-3660722
9. Offeror's Project Manager: Chris Marachelian
10. Offeror's Project Manager's e-mail address: Chrism@superiorelectrictmotors.com
11. Offeror's Project Manager's cell-phone number: \_\_\_\_\_
12. Offeror's Public Works Contractor Registration number from the Department of Industrial Relations: 1000035665

# SECTION 4 - FORMS

## SUBCONTRACTORS

List any subcontractors who may provide services in support of this project.

<u>COMPANY</u>	<u>ADDRESS</u>	<u>LICENSE #</u>	<u>TRADE</u>

## REFERENCES

Provide at least five (5) references for which similar products/services have been provided within the last five (5) years.

<u>COMPANY</u>	<u>CONTACT PERSON</u>	<u>CITY</u>	<u>PHONE NUMBER</u>
<u>City of Los Angeles</u>	<u>Kyle Yoder</u>	<u>Los Angeles</u>	<u>(213) 485-5878</u>
<u>LA County Sanitation</u>	<u>Glenn Flores</u>	<u>Los Angeles</u>	<u>(310) 830 2400 ext 5542</u>
<u>Layne Christensen</u>	<u>Gary Grace</u>	<u>Redlands, CA</u>	<u>(909) 390-2833</u>
<u>City of Newport Beach</u>	<u>Casey Parks</u>	<u>Newport Beach, CA</u>	<u>(949) 644-3011</u>
<u>Eastern Municipal Water Dist.</u>	<u>Mark Theves</u>	<u>Perris, CA</u>	<u>(951) 928-3777</u>




## SECTION 4 - FORMS

### WORKERS' COMPENSATION CERTIFICATE

The Offeror shall execute the following form as required by the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and on behalf of my firm, I will comply with such provisions before commencing the performance of the services of any contract entered into.

 _____ Signature	<i>Superior Electric Motor Service</i> _____ Company Name
<i>Chris Marachelian</i> _____ Printed Name	<i>GBL-011052</i> _____ Business License Number
<i>Sales Manager</i> _____ Title	<i>2/5/20</i> _____ Date

SECTION 4 - FORMS

NON-COLLUSION AFFIDAVIT

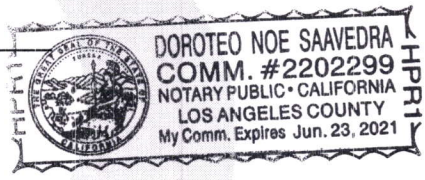
State of California )  
County of Los Angeles ) ss.

Chris Marachelian, being first duly sworn, deposes and says that he or she is Sales Manager, of Superior Electric Mfg. Co. ("Offeror") the party making the foregoing Proposal that the Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the Proposal is genuine and not collusive or sham; that the Offeror has not directly or indirectly solicited any other Offeror to put in a false or sham Proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any Offeror or anyone else to put in a sham Proposal, or that anyone shall refrain from bidding; that the Offeror has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Proposal fee or the Offeror or any other Offeror, or to fix any overhead, profit, or cost element of the Proposal fee, or of that of any other Offeror, or to secure any advantage against the public body awarding the Contract of anyone interested in the proposed Contract; that all statements contained in the Proposal are true; and, further, that the Offeror has not, directly or indirectly, submitted his or her Proposal fee or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, Proposal depository, or to any member or agent thereof to effectuate a collusive or sham Proposal.

[Signature]  
Signature of Affiant

Subscribed and sworn to before me this 05 day of February, 2020.

[Signature]  
Signature of Notary Public in and for the County of  
State of California.



# ACKNOWLEDGMENT

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

State of California  
County of LOS ANGELES )

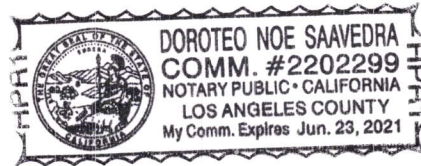
On 04/05/2020 before me, DOROTEO NOE SAAVEDRA NOTARY PUBLIC  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_



(Seal)



# SECTION 4 - FORMS

## EXCEPTION FORM

Should Offeror take exception to **ANY** of the terms and conditions or other contents provided in the "Request for Proposal" - list the exceptions below. **THIS COMPLETED FORM MUST BE RETURNED WITH YOUR PROPOSAL.** If no exception(s) are taken, enter "**NONE**" for the first item. *(Make additional copies of this form as necessary)*

Page Number: \_\_\_\_ Section Title: None

Paragraph Number: \_\_\_\_ Exception Taken: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Page Number: \_\_\_\_ Section Title: \_\_\_\_\_

Paragraph Number: \_\_ Exception Taken: \_\_\_\_\_

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Page Number: \_\_\_\_ Section Title: \_\_\_\_\_

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Paragraph Number: \_\_\_\_ Exception Taken: \_\_\_\_\_

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**INFORMATION  
ITEM**

**3A**



**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *ADD*

**Committee:**

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

**Subject:** FY 2020/21 Proposed Budget Amendment for Regional Wastewater and Recycled Water Programs

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**Executive Summary:**

On June 19, 2019 the Board of Directors approved the Agency’s Biennial Budget for fiscal years (FY’s) 2019/20 and 2020/21 and Ten Year Forecast (formerly called Ten Year Capital Improvement Plan) for FY’s 2020-2029. As part of the biennial budget cycle, a review of the second budget year is done prior to the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions.

For the Regional Wastewater and Recycled Water programs, the Agency is projecting to spend an additional \$2.6 million over the FY 2020/21 adopted budget. The increase is primarily due to changes in the Ten Year Forecast and new PFAS testing requirements. Conversely, a decrease in sources of funds of \$12.8 million is due to reduced state loan and grant proceeds due to changes in related capital projects. If revenues and expenses occur as planned in FY 2020/21 amended budget for the Agency's Regional Wastewater and Recycled Water program, the estimated gap of \$12.9 million between total funding sources and total uses of funds will be supported by fund reserves.

The proposed amended budget will be presented to the Regional Committees in April/May.

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**Staff's Recommendation:**

This is an informational item.

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

Account/Project Name:

*Fiscal Impact (explain if not budgeted):*

If revenues and expenses occur as planned, total fund reserves for the Regional Wastewater and Recycled Water programs are estimated to be \$232.1 million at the end of FY 2020/21; a decrease of approximately \$12.8 million from total projected fund reserves of \$245 million.

**Prior Board Action:**

On June 19, 2019, the Board of Directors approved the Agency's biennial budget for FYs 2019/20 and 2020/21.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The information item about the proposed amendment to the FY 2020/21 Adopted Budget for the Agency's programs is consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices to optimize investment earnings.

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**Attachments:**

Attachment 1 - Background  
Attachment 2 - PowerPoint

## Background

Subject: Fiscal Year 2020/21 Proposed Budget Amendment for the Regional Wastewater and Recycled Water Programs

### Fiscal Year 2020/2021 Proposed Budget Amendments

On June 19, 2019 the Board of Directors approved the Agency's Biennial Budget for fiscal years (FYs) 2019/20 and 2020/21, and Ten-Year Capital Improvement Plan (TYCIP) for FYs 2020-2029. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions. Summarized below are the proposed amendments recommended for FY 2020/21 total Sources and Uses of funds.

**Table 1: FY 2020/21 Proposed Budget Amendments (\$Millions)  
Regional Wastewater and Recycled Water Programs**

Consolidated FY 2020/21	Adopted	Proposed	Amendment Amount
<b>Sources of funds</b>	\$271.9	\$ 259.1	<b>(\$12.8)</b>
<b>Uses of funds</b>	(\$269.3)	(\$271.9)	<b>\$2.6</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$2.6</b>	<b>(\$12.8)</b>	<b>(\$15.4)</b>

### TOTAL SOURCES OF FUNDS

The \$12.8 million decrease to Sources of Funds is due to change in the assumptions reflecting a decrease in proceeds from federal and state loans, recycled water sales, and interest earnings. The distribution by program and major category of the proposed Sources of Funds is shown below in Table 2.

**Table 2: FY 2020/21 Proposed Amendment to Sources of Funds (\$Millions)  
Regional Wastewater and Recycled Water Programs**

Sources of Funds	Adopted	Proposed	Amendment Amount
<b>User Charges</b>	\$70.4	\$70.4	<b>\$0.0</b>
<b>Federal and State Loans</b>	85.4	70.8	<b>(14.6)</b>
<b>Property Tax</b>	46.8	46.8	<b>0.0</b>
<b>Connection Fees</b>	36.7	36.8	<b>0.1</b>
<b>Recycled Water Sales</b>	18.8	17.3	<b>(1.5)</b>
<b>Grants</b>	4.9	6.9	<b>2.0</b>
<b>Capital Reimbursement</b>	5.0	6.2	<b>1.2</b>
<b>*Other Sources</b>	3.9	3.9	<b>0.0</b>
<b>Total</b>	<b>\$271.9</b>	<b>\$259.1</b>	<b>\$12.8</b>

*\*Other Sources includes contract cost reimbursements, interest income, and miscellaneous revenue.*



**Connection Fees:** Wastewater connection units remain unchanged from the adopted 4,000 equivalent dwelling units (EDUs). Water connections units increased by 70-meter equivalent units (MEUs) to align with current pace of construction activity anticipated to continue in FY 2020/21.

**Recycled Water:** Projected recycled water direct and groundwater sales updated assumptions decreased from the adopted 36,000 acre-feet (AF) to 33,100 AF for FY 2020/21. The reduction is consistent with the current recycled water sales volume trend, resulting in a decrease in revenue projections by \$1.5 million.

**State Loans and Grants:** The decrease is the result of delays at the State Water Resources Control Board in securing State Revolving Fund (SRF) loans to support the RP-5 Expansion and Solids Handling Facility projects planned for FY 2020/21 in the Regional Wastewater program. Due to the uncertainty in the availability of SRF loan funding, a key assumption in the adopted and amended FY 2020/21 budget is pay-go funding of planned capital projects

## TOTAL USES OF FUNDS

The \$2.6 million change in total Uses of Funds is primarily due to an increase in non-capital project expenditures (Regional System Asset Management projects) offset by decrease in capital project spending. Table 3 below provides a summary by program and category.

**Table 3: FY 2020/21 Proposed Amendments to Uses of Funds (\$Millions)  
Regional Wastewater and Recycled Water Programs**

Uses of Funds	Adopted	Proposed	Amendment Amount
<b>Capital Projects</b>	\$147.6	\$142.6	<b>(\$5.0)</b>
<b>Operations &amp; Administration</b>	87.6	93.5	<b>5.9</b>
<b>Debt Service</b>	26.0	26.2	<b>0.2</b>
<b>Inter-Fund Transfers</b>	8.1	9.7	<b>1.5</b>
<b>Total</b>	<b>\$269.3</b>	<b>\$271.9</b>	<b>\$2.6</b>

**Operations & Administration:** Overall, the same level of expenditures for operations & administration cost was maintained. The only change in this category is in the non-capital project costs mainly due to the TCE Plume Cleanup projects and the acceleration of the Regional System Asset Management projects. Amendments to non-capital project costs are reflected at the latest Ten-Year Forecast (TYF) report.

**Capital Projects:** Decrease is primarily due to changes in project scope and project execution timelines. Amendments to capital project costs are reflected at the latest Ten-Year Forecast (TYF) report.

**Inter-Fund Transfers:** Increase was mainly due to support for Administrative Services program related projects like the PFAS and California Energy Commission (CEC) Testing and Headquarters Driveway improvements.

### Adopted Multi-Year Rates

In November 2019, the Board adopted the FY 2020/21 and 2021/22 *EDU monthly sewer rates*. FY 2019/20 is the final year of the five-year rates adopted by the Board for the Agency's Regional Wastewater Operations and Maintenance fund. The adopted rates for FYs 2020/21 and 2021/22 represent an increase of three percent each year to support the costs on the Regional Wastewater Operations & Maintenance fund.

The Regional Wastewater *connection fee rates* are proposed to increase at three percent each year for FYs 2020/21 and 2021/22. The proposed two-year rate will allow the Agency to complete pilot studies to develop an updated EDU methodology, the basis for the wastewater sewer rates and connection fees.

The Recycled Water *direct delivery volumetric rates* are proposed to increase at three percent each year for FYs 2020/21 and 2021/22. No increase to the groundwater recharge surcharge is proposed. Recycled water rates will continue to be evaluated and refined to ensure long-term program sustainability.

The multi-year rates support the Board's commitment to set rates and fees, is proven to be beneficial to both the Agency and its member agencies in terms of predictability, lessens the process to comply with the Proposition 218 requirements, provides revenue stability, and helps achieve rates closer to full cost of service recovery.

**Table 4: Adopted and Proposed Fees and Rates**

	Adopted*	Proposed			
Fund	Wastewater Operation	Wastewater Capital	Recycled Water		
As of July 1	Month Sewer (EDU)	Wastewater Connection Fee (EDU)	Recycled Water Direct Use (AF)	Recycled Water Recharge (AF)	One Water Connection Fee (MEU)
FY 2019/20	\$20.00	\$6,955	\$490	\$550	\$1,684
FY 2020/21	\$20.60	\$7,164	\$504	\$564	\$1,735
FY 2021/22	\$21.22	\$7,379	\$519	\$579	\$1,787
FY 2022/23	To be reviewed based on the sewer use evaluation results		To be determined after additional evaluation to ensure long-term program sustainability		\$1,841
FY 2023/24					\$1,896
FY 2024/25					\$1,953

\*Monthly EDU rates for FYs 2020/21 and 2021/22 adopted November 2019 as unanimously recommended by the Regional Committees.

**Conclusion**

The proposed FY 2020/21 amendments will decrease the net position of the Regional Wastewater and Recycled Water programs to (\$12.8) million compared to FY 2020/21 Adopted Budget increase in net position of \$2.6 million. This reduction is primarily due to lower SRF loans secured to support capital projects in the Recycled Water and Regional Wastewater programs.

The proposed amendment to the FY 2020/21 Adopted Budget for the Agency's programs is consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices*.

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2020/21 MID-YEAR BUDGET**  
**REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	AMENDED BUDGET
<b>REVENUES</b>					
Interest Revenue	\$838	\$790	\$790	\$826	\$826
<b>TOTAL REVENUES</b>	<b>\$838</b>	<b>\$790</b>	<b>\$790</b>	<b>\$826</b>	<b>\$826</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax - Debt and Capital	\$34,476	\$34,037	\$34,037	\$35,058	\$35,058
Regional System Connection Fees	22,435	27,820	27,820	28,655	28,655
State Loans	-	9,800	9,800	80,250	65,293
Other Revenues	23	1	1	1	1
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$56,938</b>	<b>\$71,658</b>	<b>\$71,658</b>	<b>\$143,963</b>	<b>\$129,006</b>
<b>EXPENSES</b>					
Employment Expenses	\$3,899	\$3,613	\$3,613	\$3,743	\$3,743
Contract Work/Special Projects	134	125	246	-	-
Operating Fees	263	267	267	275	275
Professional Fees and Services	295	407	705	420	420
Other Expenses	969	1,548	1,548	1,535	1,535
<b>TOTAL EXPENSES</b>	<b>\$5,560</b>	<b>\$5,960</b>	<b>\$6,378</b>	<b>\$5,973</b>	<b>\$5,973</b>
<b>CAPITAL PROGRAM</b>					
Work In Progress	\$24,845	\$24,824	\$24,824	\$102,243	\$98,645
IERCA investment	-	500	500	500	500
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$24,845</b>	<b>\$25,324</b>	<b>\$25,324</b>	<b>\$102,743</b>	<b>\$99,145</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$211	\$139	\$139	\$256	\$256
Interest	2,786	3,017	3,017	2,656	2,656
Principal	8,922	9,370	9,370	9,630	9,630
<b>TOTAL DEBT SERVICE</b>	<b>\$11,919</b>	<b>\$12,526</b>	<b>\$12,526</b>	<b>\$12,543</b>	<b>\$12,543</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	\$4,426	\$3,399	\$3,399	\$10,426	(\$805)
Debt Service	(3,174)	(3,299)	(3,299)	(3,327)	(3,192)
Capital - Connection Fees Allocation	(5,008)	(8,984)	(8,984)	(8,656)	(12,595)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$3,755)</b>	<b>(\$8,883)</b>	<b>(\$8,883)</b>	<b>(\$1,556)</b>	<b>(\$16,591)</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	\$11,697	\$19,755	\$19,336	\$21,974	(\$4,420)
Beginning Fund Balance July 01	84,996	88,794	88,794	108,548	108,130
<b>ENDING FUND BALANCE AT JUNE 30*</b>	<b>\$96,693</b>	<b>\$108,548</b>	<b>\$108,130</b>	<b>\$130,523</b>	<b>\$103,709</b>
<b>RESERVE BALANCE SUMMARY</b>					
Capital Construction	\$14,645	\$20,434	\$17,485	\$83,645	\$14,187
CCRA Capital Construction	66,474	72,262	75,294	30,916	73,948
Debt Service & Redemption	15,574	15,853	15,351	15,962	15,574
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$96,693</b>	<b>\$108,548</b>	<b>\$108,130</b>	<b>\$130,523</b>	<b>\$103,709</b>

\*Numbers may not tie due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2020/21 MID-YEAR BUDGET**  
**REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	AMENDED MID YEAR
<b>REVENUES</b>					
User Charges	\$66,499	\$68,158	\$68,158	\$70,366	\$70,366
Cost Reimbursement JPA	4,024	4,065	4,065	4,227	4,227
Contract Cost Reimbursement	111	66	66	66	66
Interest Revenue	1,667	1,700	1,700	1,300	1,300
<b>TOTAL REVENUES</b>	<b>\$72,301</b>	<b>\$73,988</b>	<b>\$73,988</b>	<b>\$75,959</b>	<b>\$75,959</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax Revenues - Debt/Capital	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549
State Loans	2,519	0	0	0	0
Grants	712	1,261	7,570	1,135	3,794
Other Revenues	385	909	909	909	909
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$13,164</b>	<b>\$11,718</b>	<b>\$18,027</b>	<b>\$11,593</b>	<b>\$14,252</b>
<b>EXPENSES</b>					
Employment Expenses	\$28,726	\$33,985	\$33,985	\$35,261	\$35,261
Contract Work/Special Projects	4,744	5,800	13,409	6,425	11,744
Utilities	5,318	6,022	6,272	6,266	6,266
Operating Fees	1,613	1,953	1,953	2,015	2,015
Chemicals	4,572	4,867	5,235	5,013	5,013
Professional Fees and Services	2,971	4,723	5,171	4,226	4,226
Biosolids Recycling	4,305	4,384	4,389	4,515	4,515
Materials & Supplies	2,074	2,019	2,230	2,064	2,064
Other Expenses	2,728	4,277	4,277	4,231	4,231
<b>TOTAL EXPENSES</b>	<b>\$57,052</b>	<b>\$68,034</b>	<b>\$76,925</b>	<b>\$70,020</b>	<b>\$75,339</b>
<b>CAPITAL PROGRAM</b>					
Capital Construction & Expansion (WIF)	\$20,629	\$25,988	\$26,547	\$21,047	\$39,887
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$20,629</b>	<b>\$25,988</b>	<b>\$26,547</b>	<b>\$21,047</b>	<b>\$39,887</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$0	\$0	\$0	\$0	\$0
Interest	819	655	655	641	627
Principal	728	756	756	771	754
<b>TOTAL DEBT SERVICE</b>	<b>\$1,548</b>	<b>\$1,412</b>	<b>\$1,412</b>	<b>\$1,412</b>	<b>\$1,381</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	(\$3,559)	(\$4,598)	(\$4,598)	(\$11,010)	(\$1,368)
Debt Service		265		123	
Operation support to GG for Non-Cap	(320)	(2,176)	(2,176)	(1,307)	(1,987)
Capital - Connection Fees Allocation	4,481	5,717	5,717	4,785	10,378
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>\$909</b>	<b>(\$792)</b>	<b>(\$792)</b>	<b>(\$7,409)</b>	<b>\$7,133</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	\$7,163	(\$10,519)	(\$13,269)	(\$12,335)	(\$19,263)
Beginning Fund Balance July 01	76,837	76,428	84,000	65,909	70,731
<b>ENDING FUND BALANCE JUNE 30*</b>	<b>\$84,000</b>	<b>\$65,909</b>	<b>\$70,731</b>	<b>\$53,574</b>	<b>\$51,468</b>
<b>RESERVE BALANCE SUMMARY</b>					
Operating Contingies	\$17,701	\$21,323	\$24,156	\$21,931	\$23,704
Rehabilitation/Replacement	27,331	10,783	10,500	10,783	7,311
Debt Service	1,412	1,412	1,412	1,412	1,381
Sinking Fund	37,557	32,390	34,663	19,448	19,072
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$84,000</b>	<b>\$65,909</b>	<b>\$70,731</b>	<b>\$53,574</b>	<b>\$51,468</b>

\* Numbers may not tie due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2020/21 MID-YEAR BUDGET**  
**RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
		ADOPTED	AMENDED	ADOPTED	AMENDED
	ACTUAL	BUDGET	BUDGET	BUDGET	MID-YEAR
<b>REVENUES</b>					
Interest Revenue	\$769	\$983	\$983	\$949	\$857
Water Sales	13,902	18,120	18,120	18,752	17,289
<b>TOTAL REVENUES</b>	<b>\$14,670</b>	<b>\$19,103</b>	<b>\$19,103</b>	<b>\$19,701</b>	<b>\$18,145</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax - Debt/Capital	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170
Connection Fees	5,916	7,915	7,915	8,032	8,154
State Loans	2,373	8,153	8,153	5,220	5,554
Grants	753	7,032	7,032	3,750	3,120
Capital Contract Reimbursement	88	2,075	2,075	702	1,875
Other Revenues	24	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 11,324</b>	<b>\$ 27,345</b>	<b>\$ 27,345</b>	<b>\$ 19,875</b>	<b>\$ 20,873</b>
<b>EXPENSES</b>					
Employment Expenses	\$4,451	\$5,184	\$5,184	\$5,370	\$5,370
Contract Work/Special Projects	1,333	1,780	2,049	1,365	1,990
Utilities	2,240	2,801	2,721	2,885	2,885
Operating Fees	3	10	10	10	10
Chemicals	0	0	0	0	0
Professional Fees and Services	641	666	1,008	632	632
Office and Administrative expenses	4	3	3	3	3
Materials & Supplies	141	169	184	174	174
Other Expenses	805	1,132	1,185	1,122	1,122
<b>TOTAL EXPENSES</b>	<b>\$9,619</b>	<b>\$11,743</b>	<b>\$12,342</b>	<b>\$11,562</b>	<b>\$12,187</b>
<b>CAPITAL PROGRAM</b>					
Work In Progress	\$6,636	\$18,727	\$23,849	\$23,800	\$3,570
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$6,636</b>	<b>\$18,727</b>	<b>\$23,849</b>	<b>\$23,800</b>	<b>\$3,570</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$2	\$3	\$3	\$3	\$3
Interest	2,870	2,657	2,657	2,881	2,933
Principal	5,256	5,367	5,367	6,232	6,309
Short Term Inter-Fund Loan	3,000	3,000	3,000	3,000	3,000
<b>TOTAL DEBT SERVICE</b>	<b>\$11,129</b>	<b>\$11,027</b>	<b>\$11,027</b>	<b>\$12,116</b>	<b>\$12,245</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	(\$1,873)	(\$88)	(\$88)	(\$21)	(\$503)
Debt Service	2,394	2,400	2,400	2,542	2,547
Operation support	(526)	(836)	(836)	(755)	(623)
Water Connection Allocation	(454)	(2,021)	(2,021)	(950)	(1,614)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$459)</b>	<b>(\$545)</b>	<b>(\$545)</b>	<b>\$816</b>	<b>(\$194)</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	(\$1,848)	\$4,405	(\$1,315)	(\$7,086)	\$10,823
Beginning Fund Balance July 01	29,628	36,651	27,781	41,056	26,465
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$27,781</b>	<b>\$41,056</b>	<b>\$26,465</b>	<b>\$33,970</b>	<b>\$37,288</b>
<b>RESERVE BALANCE SUMMARY</b>					
Operating Contingency	\$3,206	\$3,914	\$4,114	\$3,854	\$4,062
Capital Construction	1,932	15,511	(2,282)	4,664	5,437
Water Connection	14,615	12,516	15,518	14,478	16,646
Rehabilitation/Replacement (R&R)	0	0	0	1,500	1,500
Debt Service	8,027	9,116	9,116	9,475	9,643
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$27,781</b>	<b>\$41,056</b>	<b>\$26,465</b>	<b>\$33,970</b>	<b>\$37,288</b>

\* Numbers may not total due to rounding



# FY 2020/2021 Proposed Budget Amendments

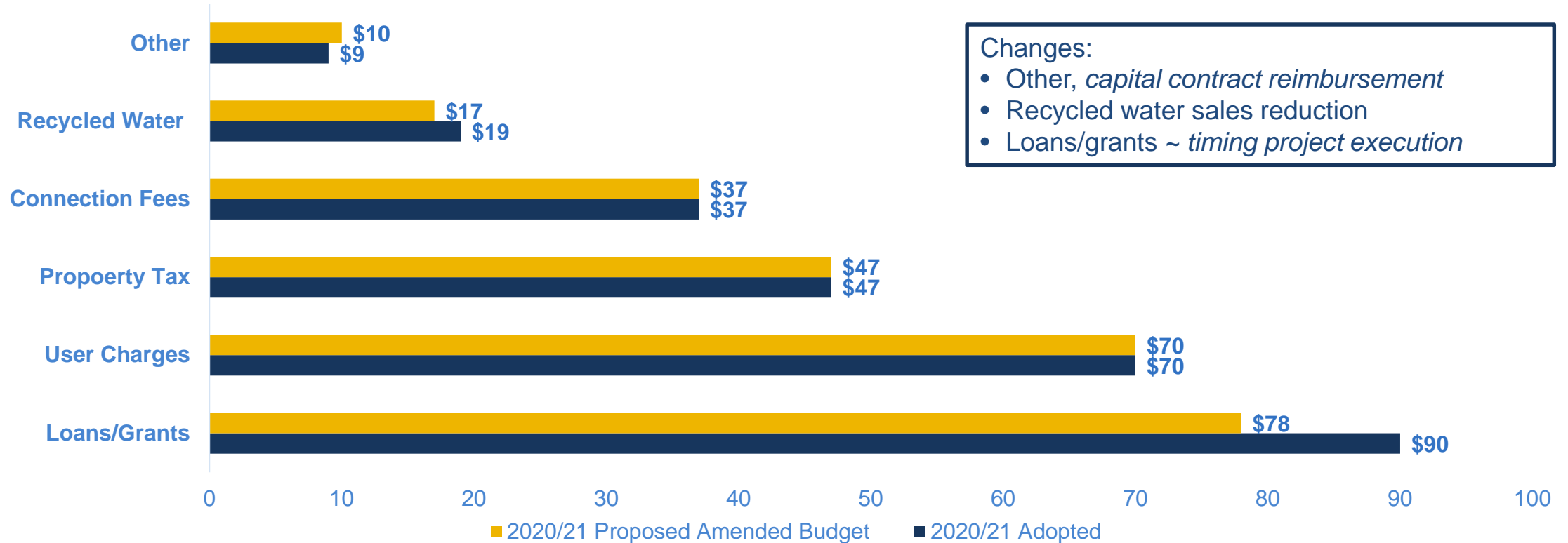
## Regional Wastewater and Recycled Water Programs



# Regional Wastewater and Recycled Water

## SOURCES OF FUNDS

\$ Millions	FY 2020/21 Adopted	FY 2020/21 Proposed	Amendments
Total Sources of Funds	\$271.9	\$259.1	(\$12.8)

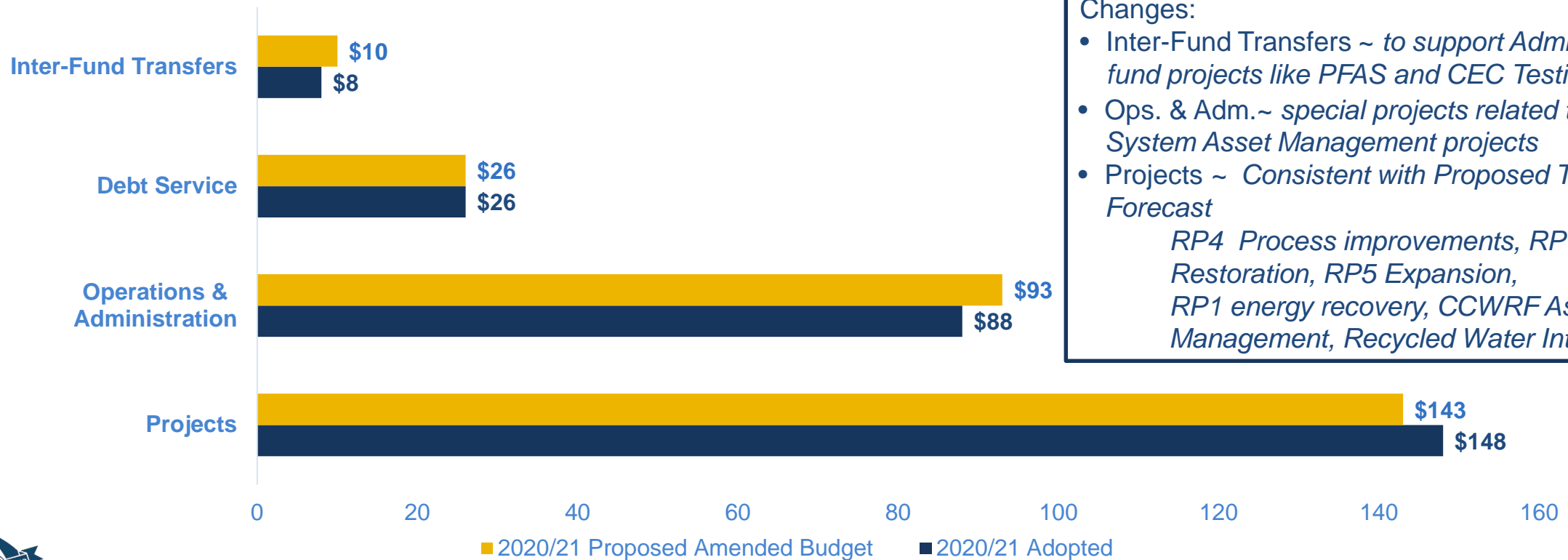




# REGIONAL PROGRAMS USES OF FUNDS

## Regional Wastewater and Recycled Water

\$ Millions	FY 2020/21 Adopted	FY 2020/21 Proposed	Amendments
Total Uses of Funds	\$269.3	\$271.9	\$2.6



**Changes:**

- Inter-Fund Transfers ~ to support Admin Services fund projects like PFAS and CEC Testing
- Ops. & Adm.~ special projects related to Regional System Asset Management projects
- Projects ~ Consistent with Proposed Ten-Year Forecast  
*RP4 Process improvements, RP1 Mechanical Restoration, RP5 Expansion, RP1 energy recovery, CCWRF Asset Management, Recycled Water Interties*

# Summary Regional Wastewater and Recycled Water Programs

<b>\$ Millions</b>	<b>FY 2020/21 Adopted</b>	<b>FY 2020/21 Proposed</b>	<b>Amendments</b>
Total Sources of Funds	\$271.9	\$259.1	(\$12.8)
Total Uses of Funds	<u>\$269.3</u>	<u>\$271.9</u>	<u>\$2.6</u>
Increase (decrease) net position	\$2.6	(\$12.8)	(\$15.4)

# Questions



The proposed amendments to the FY 2020/21 Adopted Budget are consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices.*

**INFORMATION  
ITEM**

**3B**

# Engineering and Construction Management Project Updates



Jerry Burke, P.E.  
April 2020



# RP-1 1158 RWPS Upgrades

Project Goal: Increase pump capacity



Drilling Anchors for New Pumps

**Total Project Budget: \$7.7 M**  
**Project Completion: August 2020**  
**Construction Percent Complete: 75%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Stantec	\$1 M	149%
Construction (Current)	Stanek Construction	\$4.6 M	5%

# RP-1 Mechanical Restoration and Upgrades

**Project Goal:** Improve efficiency and replace critical assets

**Total Project Budget: \$10.6 M**  
**Project Completion: March 2021**  
**Construction Percent Complete : 15%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Stantec	\$1 M	121%
Construction (Current)	Kiewit	\$6.6 M	0%



Waste Activated Sludge Pumps

# RP-4 Recycled Water Leak

**Project Goal:** Maintain recycled water supply



Located Broken Pipe

**Total Project Budget: \$10 K**  
**Project Completion: January 2020**  
**Construction Percent Complete: 100%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	N/A	N/A	N/A
Construction (Current)	W.A. Rasic Contracting	\$10 K	N/A



# 1158 West Reservoir Re-coating/painting and Upgrades

Project Goal: Extend asset life

**Total Project Budget: \$1.8 M**  
**Project Completion: May 2020**  
**Construction Percent Complete: 60%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Harper & Assoc. Engineering	\$34 K	0%
Construction (Current)	Spiess Construction	\$1.4 M	13%

\*Only \$25 K or 1.8% not included as additive bid item



Jan 16, 2020 at 2:02:33 PM  
CA, Rancho Cucamonga

Exterior after Cladding Removal

# Lower Day Basin Improvements

**Project Goal:** Improve basin storage and stormwater capture for groundwater recharge

**Total Project Budget: \$4 M**  
**Project Completion: November 2020**  
**Construction Percent Complete: 35%**

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Scheevel/Carollo	\$270 K	2%
Construction (Current)	Ferreira Construction	\$2.99 M	0%



Lower Day Basin

**INFORMATION  
ITEM**

**3C**



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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

**Executive Contact:** Christiana Daisy, Executive Manager of Engineering/AGM

**Subject:** Presentation on IEUA's Proposed "Asset Management Policy"

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**Executive Summary:**

Early 2019, Inland Empire Utilities Agency (IEUA) embarked on developing an overall Enterprising Asset Management Strategy (EAMS) to provide the policies and roadmap to improve and build upon IEUA's Asset Management Program. The EAMS documented IEUA's asset management efforts to date, identified gaps, and recommended an asset management implementation plan to improve the program. A key finding from the EAMS' gap assessment was the need to establish an asset management policy to communicate from a management level IEUA's direction, functions, practices, and responsibilities to maintain over \$1.0B of assets while delivering the expected levels of services. In February 2020, IEUA prepared the draft "Asset Management Business Practice Guideline," the core document to meet a key global standard for an Asset Management Program.

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**Staff's Recommendation:**

This is an informational item for the Board of Directors to receive and file.

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

*Account/Project Name:*

None.

*Fiscal Impact (explain if not budgeted):*

None.

**Prior Board Action:**

None.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Asset Management Policy 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.

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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Draft "Asset Management Policy"

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# **Attachment 1**



# Presentation

## Asset Management Policy

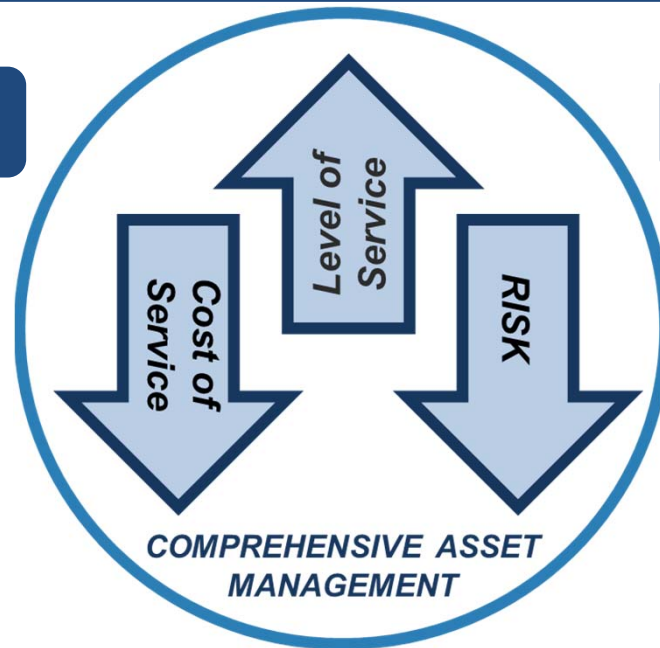


# Asset Management Program

Maintaining Delivery of Level of Services

Minimizing Lifecycle Cost of Assets

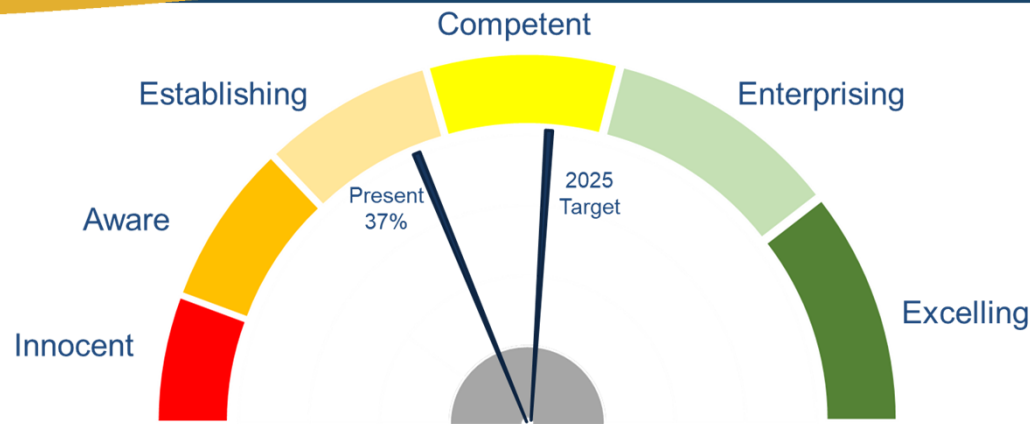
Establishing Acceptable Risks



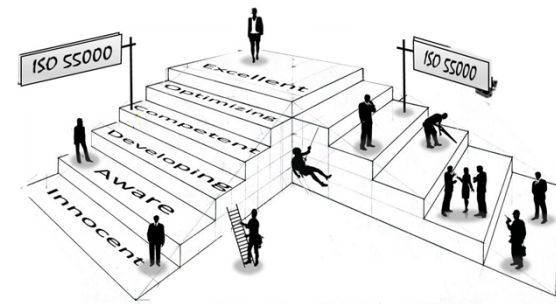
Right Projects at the Right Time at the Right Cost



# Asset Management Program's Maturity Assessment

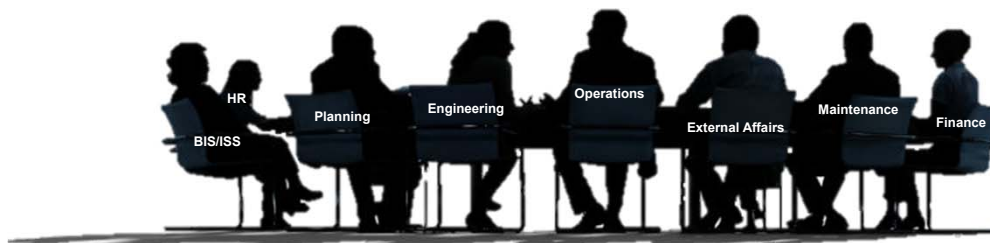
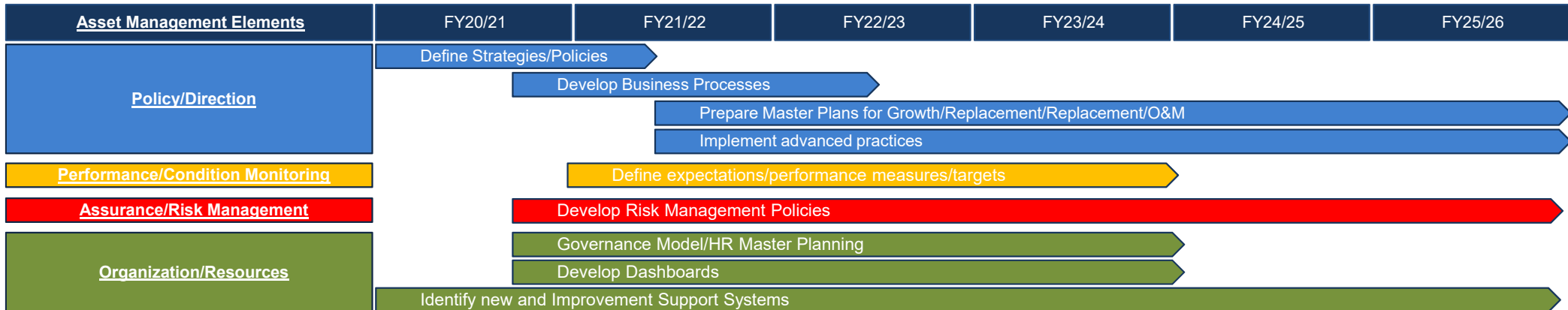


- Innocent – not recognizing the need and no commitment in place
- Aware – recognizes the need and intent to progress it
- Establishing – identifies the means of achievement and demonstrates progress
- Competent – demonstrates consistent achievements
- Enterprising – demonstrates an optimized practice in asset management
- Excelling – employs the leading practices and achieves maximum value of assets



# Enterprising Asset Management Strategy

- Develop AM Roadmap closes program gaps and improvement AM maturity
- Establish a leadership group, the Asset Management Steering Committee, to guide program.



# Asset Management Policy

## Purpose of the Policy

Organization

Framework

Communication

## Guiding Principles of the Policy

Service/Customer Focused

Stakeholder Engagement

Compliance

Safety

Asset Life Cycle Costs

Sustainability/Resilience

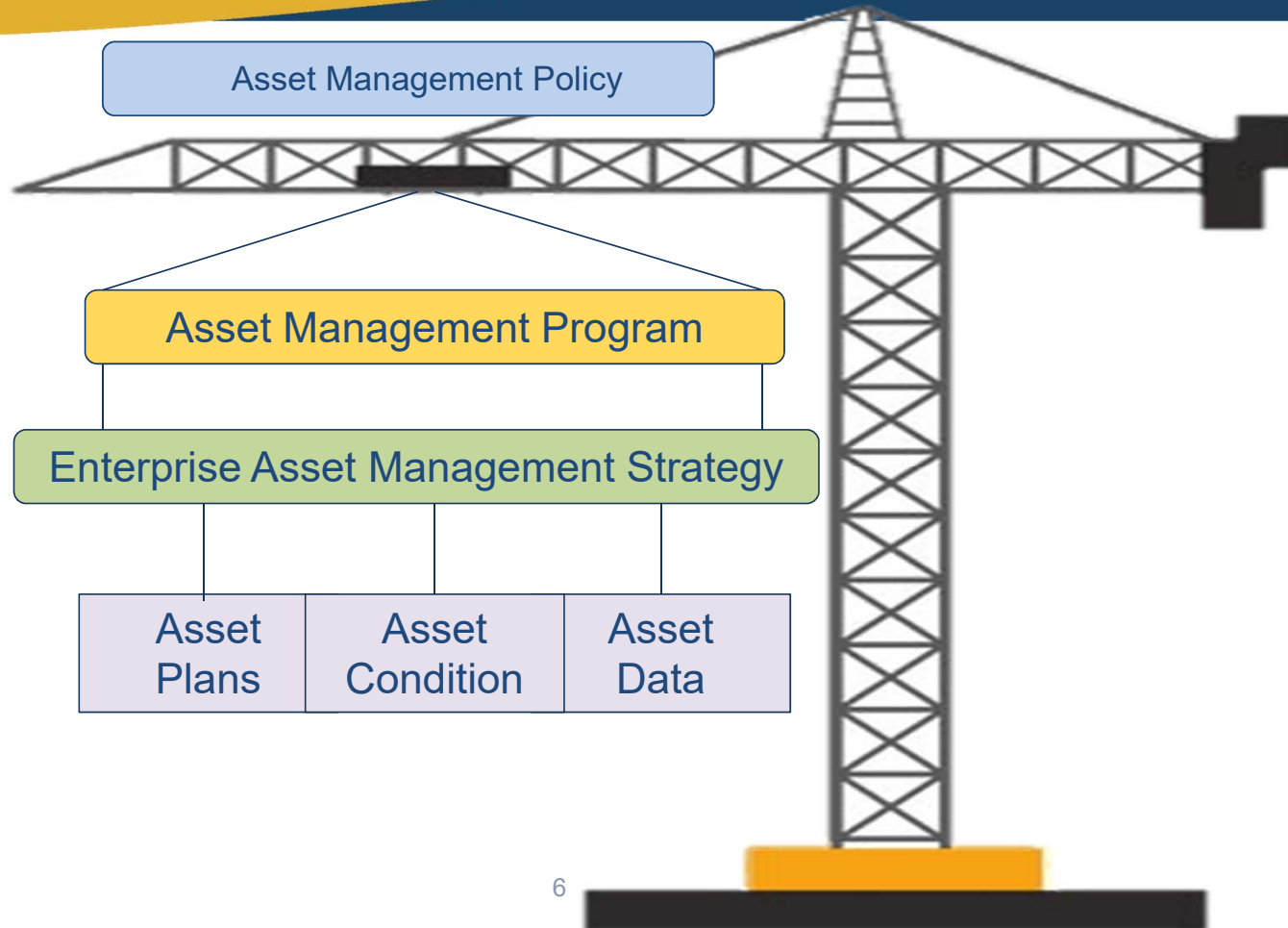
Capacity Building

Reliability

Transparent/Defensible

Innovate

# Function of the Asset Management Policy



# QUESTIONS

# **Attachment 2**

## Policy Statement

We will consistently provide service excellence at sustainable and responsible asset lifecycle costs and acceptable levels of risk. This vision will be implemented over a multi-year period (5 years), and will be reviewed every 5 years or as needed to provide stakeholders ongoing service excellence and cost effectiveness.

## Purpose

The purpose of this Asset Management policy is to formalize IEUA's direction, functions, practices and responsibilities associated with the management of all assets used to support service delivery. This includes:

- Outlining the organizational context including the importance of employing Asset Management governance and principles to support IEUA's mission, vision, and goals
- Establishing the broad framework for undertaking Asset Management in a structured and coordinated way throughout IEUA's delivery of services
- Communicating and ensuring a common understanding of key responsibilities and review processes for Asset Management

## Guiding Principles

Practices will be aligned with the International Standard ISO 55000 Asset Management series and incorporate the principles of balancing risk, cost and performance. The availability and sources of funding affect the level of asset performance that can be achieved and the risks associated with service provision. The following principles will guide IEUA to achieve its Asset Management vision:

*Service and Customer Experience Focused:* Consistently meet service levels agreed amongst the Board, Member Agencies, and relevant stakeholders through planning and managing the performance of assets.

*Stakeholder Engagement:* IEUA will seek to understand the current and future needs of its stakeholders, be adaptable, and incorporate these perspectives into Asset Management plans.

*Compliance:* Ensure and demonstrate compliance with respect to relevant regulations, legislation, standards and industry codes.

*Safety:* Actively work to reduce safety risks in managing IEUA's assets.

*Asset Life Cycle Costs, Value and Affordability:* Incorporate asset resource and financial requirements over the asset's life cycle and identify the best combination of investments based on risk, funding, resources, and schedule constraints including customers' willingness and ability to pay.

*Sustainability and Resilience:* Invest in the asset base to sustain a state of good repair, meet current and future service demands, achieve stable rate adjustments through more accurate budgeting and planning and consider the long-term societal and environmental impacts.

*Capacity Building:* Enable staff to improve their asset management knowledge, skills and competencies.

*Reliability:* Understand and apply risk management practices to provide reliability of system capacity and services.

*Transparent and Defensible:* Use formal, consistent, scalable, and repeatable approaches.

*Innovative:* Continuously improve asset management processes and procedures using innovative tools, techniques and solutions.

**INFORMATION  
ITEM**

**3D**

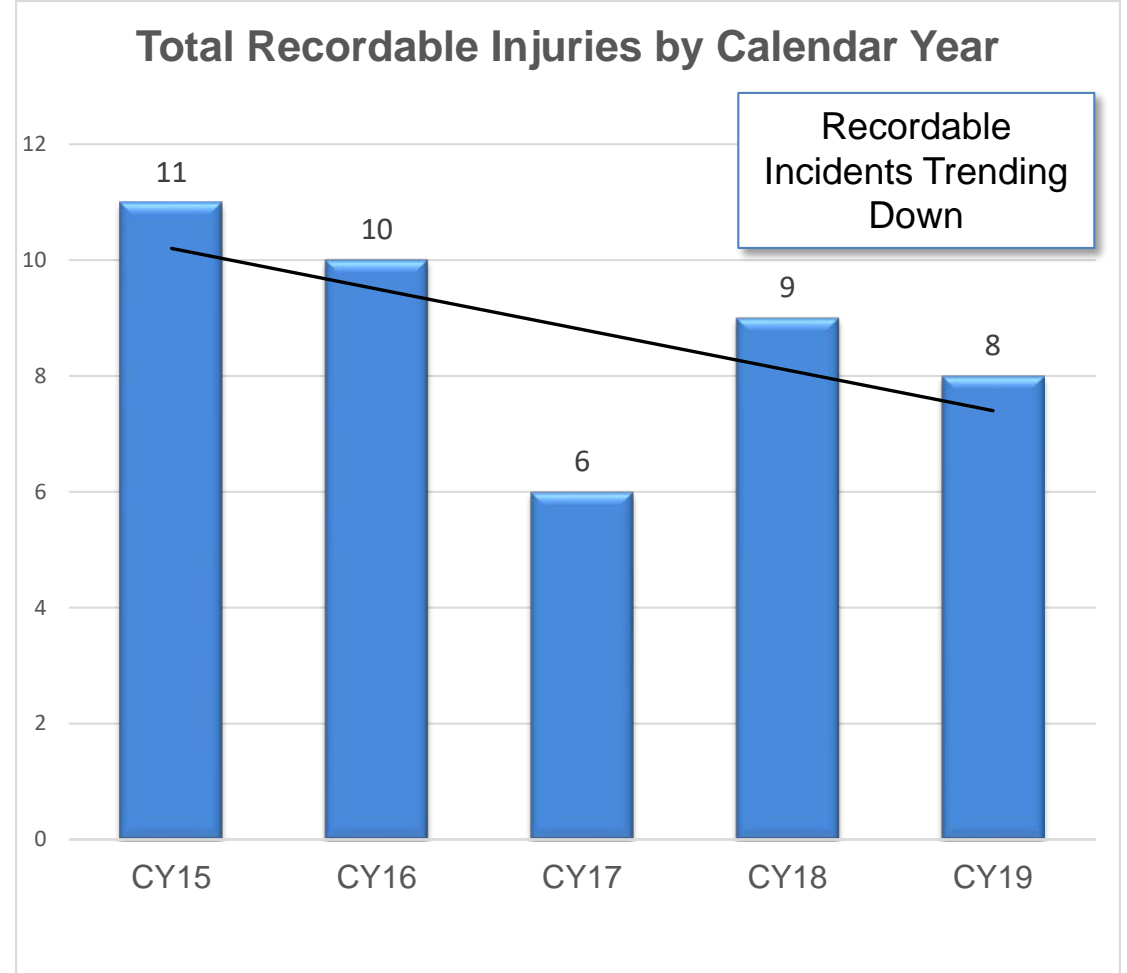
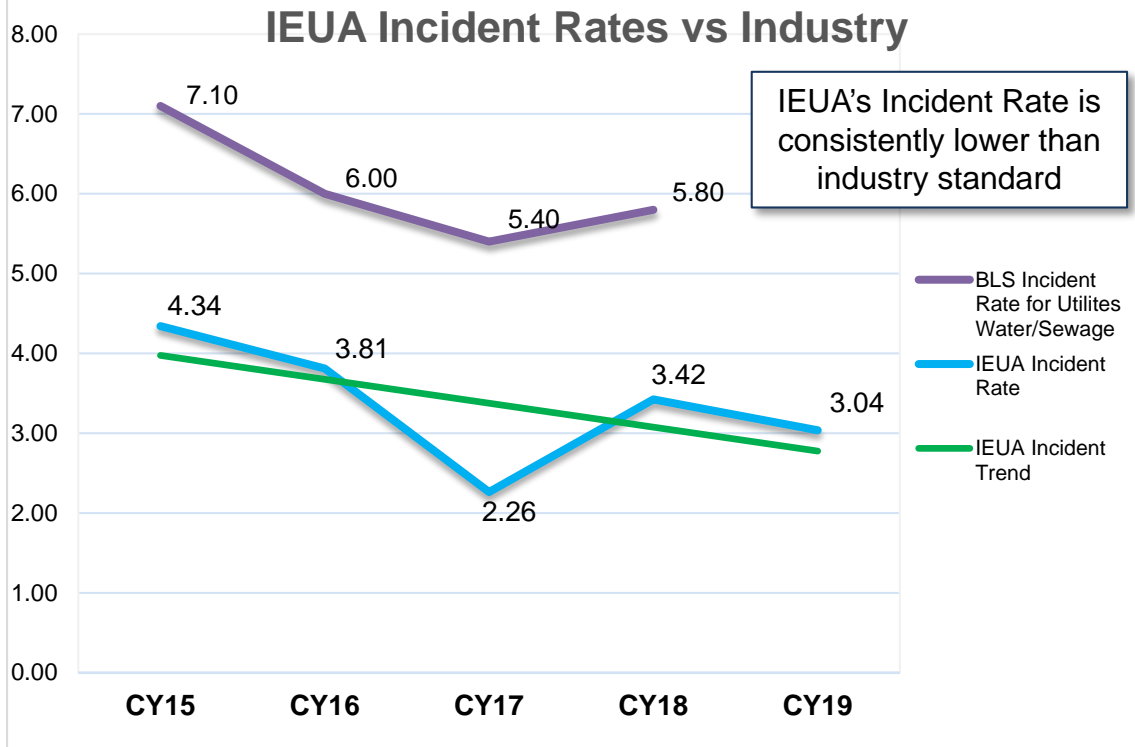


# Operations Division Quarterly Update



- Staff and community safety are priority
- IEUA operations continuing to run at full capacity
- Maximizing social distancing and minimizing cross contamination
  - >30% O&M staff working remotely
  - Still completing all essential work including:
    - Permit compliance
    - Preventive and Corrective maintenance
    - Recycled water distribution and ground water recharge
    - Biosolids processing through composting and safe distribution

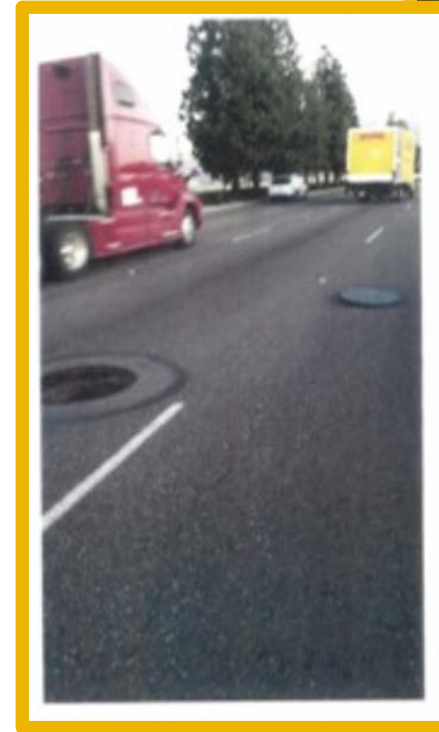
# IEUA Incident Rates vs Industry & Total Recordable Injuries



- Incident Rate= Recordable Incidents X 200,000 / Number of hours worked
- RECORDABLE INCIDENT RATE - Incident rates are a metric used to compare a company's safety performance against a national. This comparison is a safety benchmark to gauge performance with other companies in the same business group, so you can make an "apples to apples" comparison

# Collections

- Sanitary Sewer System
  - No SSOs
  - City of Chino Approves Prado Lift Station actions
- Manholes on Haven Ave.
- Mutual Aid Support
  - Semi-Annual Meeting:
    - @ Jurupa Community Services District (to be rescheduled)





# Facilities Management

- **Janitorial/Facilities**

- Overall 80% positive feedback from customer survey (IEUA staff)
- Incorporate feedback into next contract
- Request for Proposal scheduled for later this year

- **Landscape**

- Addressing performance issues
- Request for Proposal scheduled for later this year



## Information Security

Identify

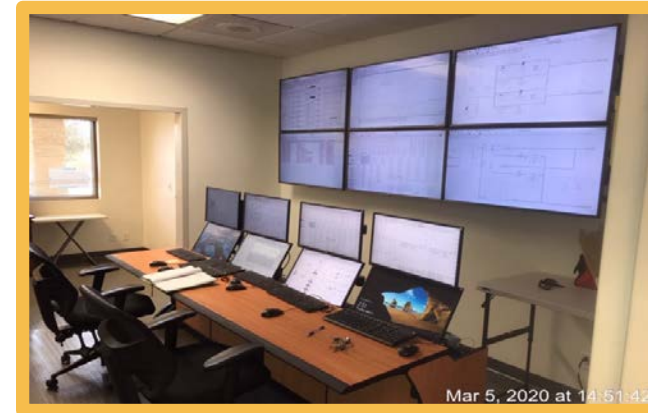
Protect

Detect

Recover

Respond

## RP-4 SCADA Upgrade



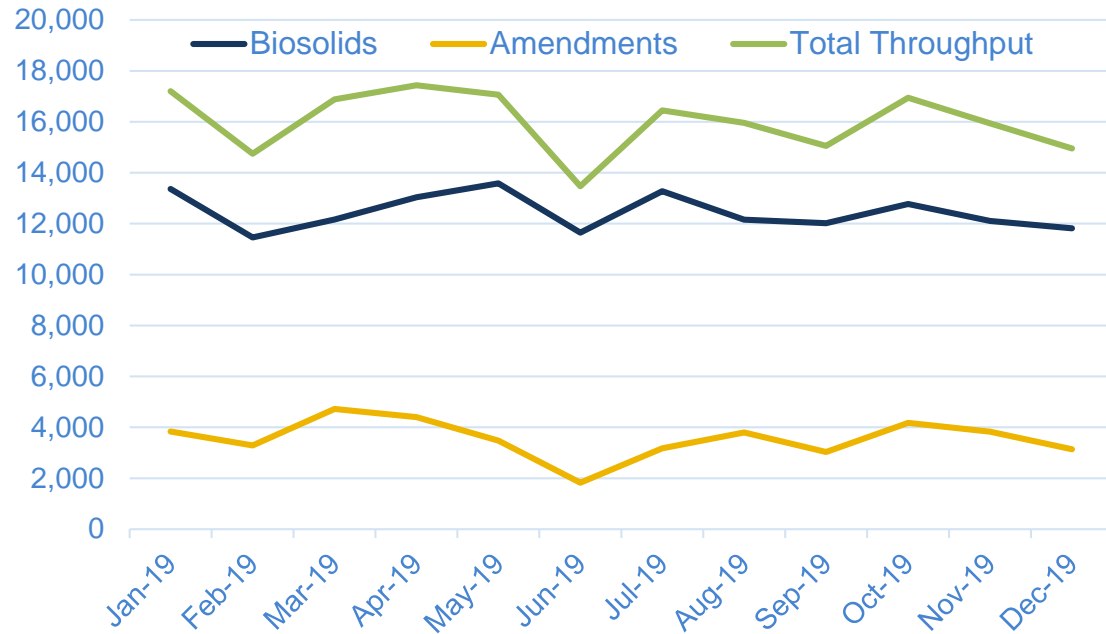
Upgraded Control Rooms



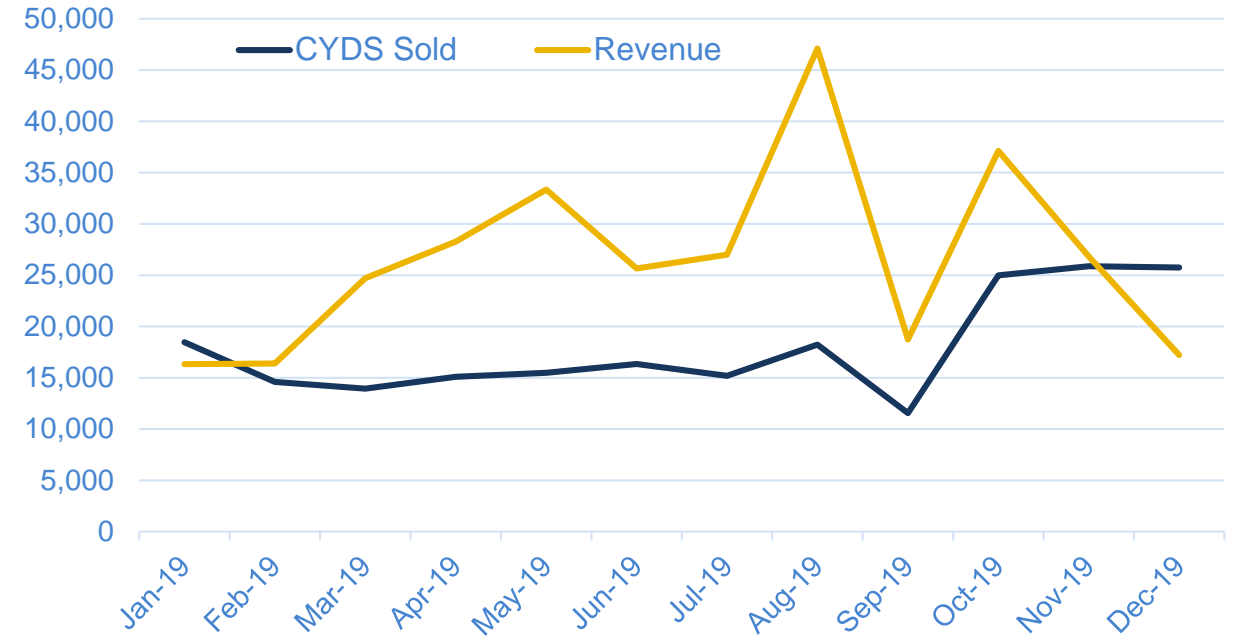
New Servers & Hardware

# IERCF in 2019

## Throughput



## Compost Sales



**Total Throughput:** 90% of facility capacity  
**Total Revenue:** \$8,386,331  
**Biosolids:** 99.6% of biosolids target

**Total Cubic Yards Sold:** 215,538.32  
**Total Revenue:** \$318,692  
**Price:** \$1.55/yard<sup>3</sup> (average)

**INFORMATION  
ITEM**

**31**





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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

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

**Subject:** Treasurers Report of Financial Affairs

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**Executive Summary:**

The Treasurer's Report of Financial Affairs for the month ended February 29, 2020 is submitted in a format consistent with the State requirement.

For the month of February 2020, total cash, investments, and restricted deposits of \$279,055,142 reflects a decrease of \$4,018,425 compared to the total of \$283,073,567 reported for January 2020. The decrease was primarily due to State Revolving Fund (SRF) loan payments and higher construction project payments. The average days cash on hand for the month ended February 2020 decreased from 263 days to 248 days.

The unrestricted Agency investment portfolio yield in February 2020 was 2.222 percent, a decrease of 0.048 percent compared to the January 2020 yield of 2.270 percent. The slight decrease in overall yield is mainly attributed to a decrease in the yield of the Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP) accounts as a result of the declining interest rate market conditions.

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**Staff's Recommendation:**

The Treasurer's Report of Financial Affairs for the month ended February 29, 2020 is an information item for the Board of Director's review.

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**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:**

On March 18, 2020, the Board of Directors approved the Treasurer's Report of Financial Affairs for the month ended January 31, 2020.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Treasurer's Report of Financial Affairs 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.

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**Attachments:**

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Treasurer's Report of Financial Affairs

## Background

Subject: Treasurer's Report of Financial Affairs

The Treasurer's Report of Financial Affairs for the month ended February 29, 2020 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. 2019-3-1).

Agency total cash, investments, and restricted deposits for the month of February 2020 was \$279.1 million, a decrease of \$4.0 million from the \$283.1 million reported for the month ended January 2020. The decrease was primarily due to State Revolving Fund (SRF) loan debt payments and high construction costs.

Table 1 represents the unrestricted Agency investment portfolio, by authorized investment and duration, with total portfolio amount of \$146.6 million. The Agency portfolio excludes cash and restricted deposits in the amount of \$132.5 million held by member agencies and with fiscal agents.

**Table 1: Agency Portfolio**

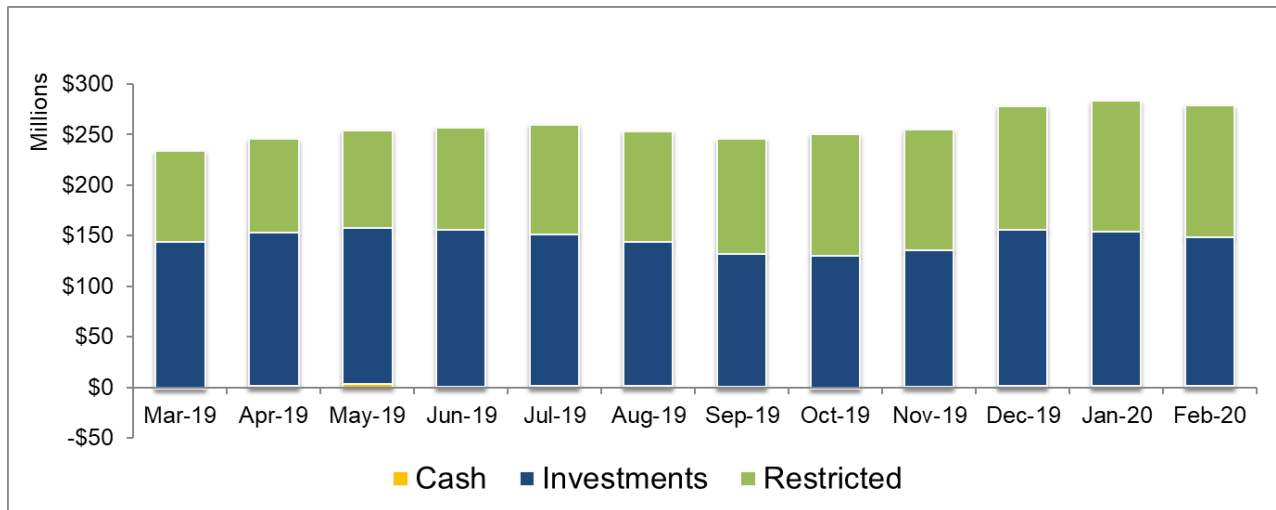
Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of February 29, 2020 (\$ million)				Average Yield %	Portfolio% (Unrestricted)
		Under 1 Year	1-3 Years	Over 3 Years	Total		
LAIF*- Unrestricted	\$75	\$23.9	\$0	\$0	\$23.9	1.91%	16.4%
CAMP** – Unrestricted	n/a	21.0			21.0	1.75	14.3
Citizens Business Bank – Sweep	40%	8.7			8.7	0.90	5.9
<b>Sub-Total Agency Managed</b>		<b>\$53.6</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53.6</b>	<b>1.68%</b>	<b>36.6%</b>
Brokered Certificates of Deposit	30%	\$3.0	\$2.5	\$0	\$5.5	2.76%	3.7%
Medium Term Notes	30%	0.3	10.7	5.8	16.8	2.84	11.5
US Treasury Notes	n/a	2.9	23.8	21.4	48.1	2.43	32.8
US Gov't Securities	n/a	5.0	10.5	7.1	22.6	2.47	15.4
<b>Sub-Total PFM Managed</b>		<b>\$11.2</b>	<b>\$47.5</b>	<b>\$34.3</b>	<b>\$93.0</b>	<b>2.53%</b>	<b>63.4%</b>
<b>Total</b>		<b>\$64.8</b>	<b>\$47.5</b>	<b>\$34.3</b>	<b>\$146.6</b>	<b>2.22%</b>	<b>100.0%</b>

\*LAIF – Local Agency Investment Fund

\*\*CAMP – California Asset Management Program

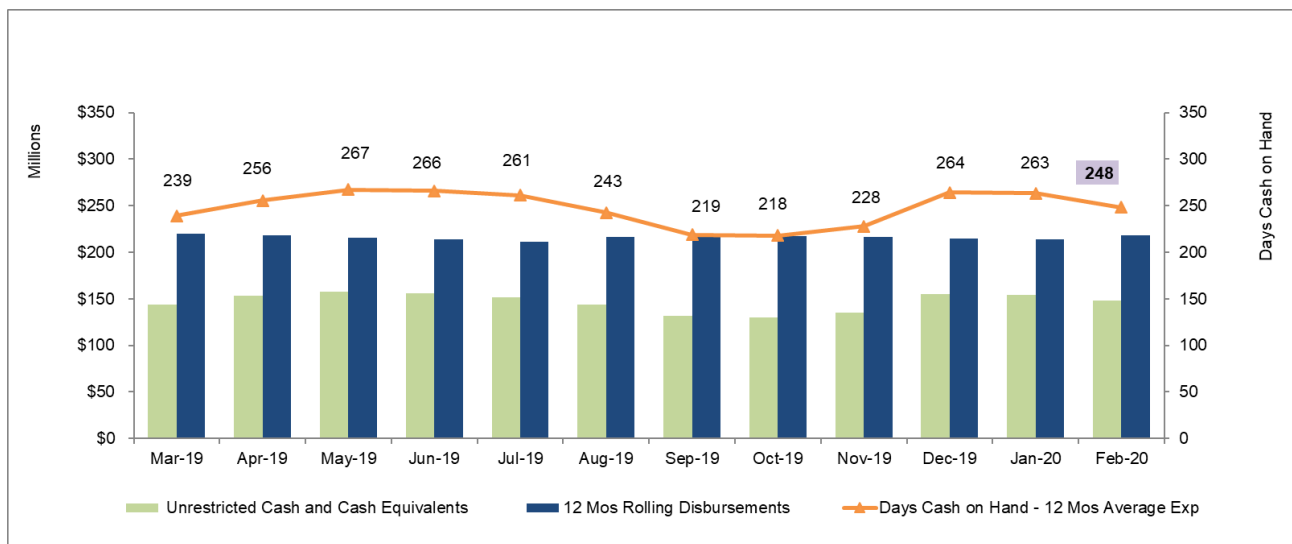
+/- due to rounding

**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 average days cash on hand for the month ended February 2020 decreased from 264 days to 263 days 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: <https://www.ieua.org/fy-2019-20-cash-and-investment-summary/>

# Treasurer's Report of Financial Affairs for Month Ended February 29, 2020



# Agency Liquidity

- Decrease in agency total investment primarily due to State Revolving Fund (SRF) debt payments and high construction project payments.
- Slight decrease in overall yield mainly attributed to yield decreases in Local Agency Investment Fund and California Asset Management Program accounts due to the declining interest rate market conditions.

Description	February(\$ million)	January (\$ million)	Increase/ (Decrease) (\$ million)
Investment Portfolio	\$146.6	\$152.5	(\$5.9)
Cash and Restricted Deposits	\$132.5	\$130.5	\$1.9
<b>Total Investments, Cash, and Restricted Deposits</b>	<b>\$279.1</b>	<b>\$283.1</b>	<b>(\$4.0)</b>
Investment Portfolio Yield	2.222%	2.270%	(0.048%)
Weighted Average Duration (Years)	1.15	1.18	(0.03)
Average Cash on Hand (Days)	248	263	(15)

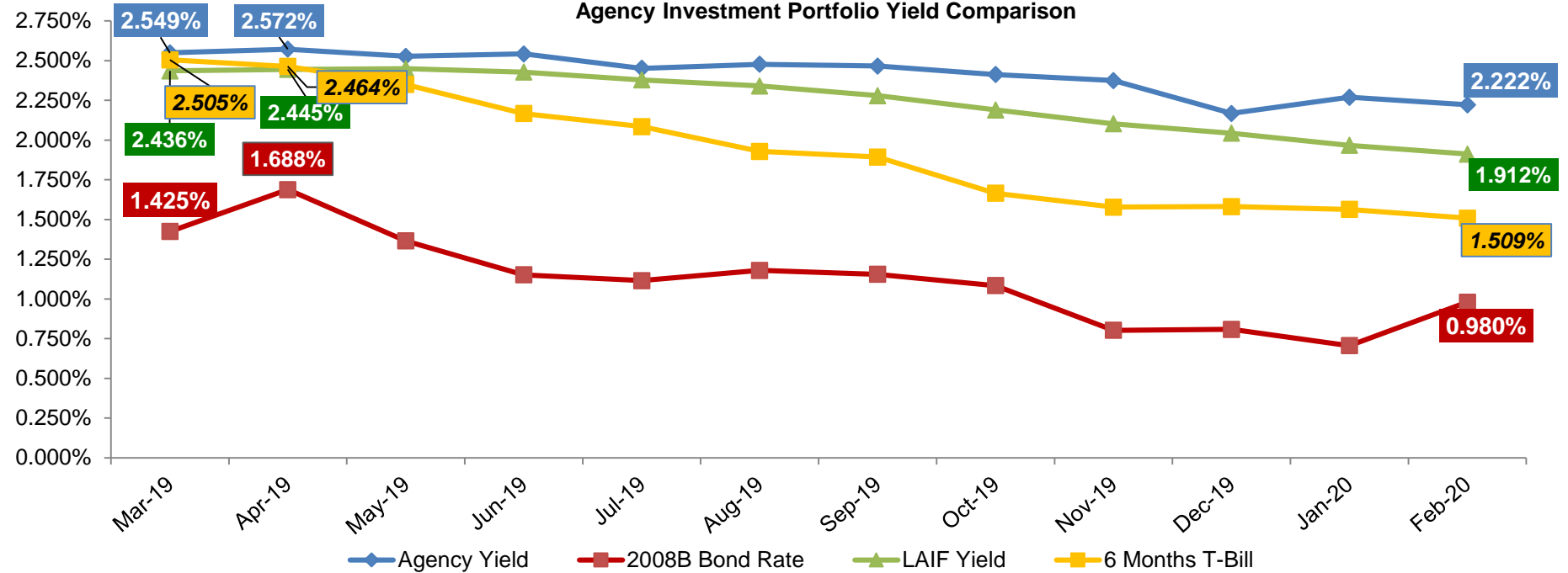
Monthly cash and investment summaries available at <https://www.ieua.org/read-our-reports/cash-and-investment/>

# Agency Investment Position

Authorized Investments	Allowable Threshold (\$ million or %)	Under 1 Year	1 – 3 Years	Over 3 Years	Total	Average Yield %	Portfolio % (Unrestricted)
Local Agency Investment Fund	\$75	\$23.9	\$0	\$0	\$23.9	1.91%	16.4%
California Asset Management Program	n/a	21.0	-	-	21.0	1.75	14.3
Citizens Business Bank – Sweep	40%	8.7	-	-	8.7	0.90	5.9
<b>Sub-Total Agency Managed</b>		<b>\$53.6</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53.6</b>	<b>1.68%</b>	<b>36.6%</b>
Brokered Certificates of Deposit (CD)	30%	\$3.0	\$2.5	\$0	\$5.5	2.76%	3.7%
Medium Term Notes	30%	0.3	10.7	5.8	16.8	2.84	11.5
US Treasury Notes	n/a	2.9	23.8	21.4	48.1	2.43	32.8
US Government Securities	n/a	5.0	10.5	7.1	22.6	2.47	15.4
<b>Sub-Total PFM Managed</b>		<b>\$11.2</b>	<b>\$47.5</b>	<b>\$34.3</b>	<b>\$93.0</b>	<b>2.53%</b>	<b>63.4%</b>
<b>Total</b>		<b>\$64.8</b>	<b>\$47.5</b>	<b>\$34.3</b>	<b>\$146.6</b>	<b>2.22%</b>	<b>100.0%</b>

# Portfolio Yield Comparison

**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
 Month Ended February 29, 2020  
 Agency Investment 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 February 29, 2020



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2019-3-1) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on May 15, 2019.

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  
February 29, 2020

	February	January	Variance
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>	\$1,410,741	\$1,540,622	(\$129,881)
<b><u>Investments</u></b>			
<b>Agency Managed</b>			
Citizens Business Bank (CBB) Repurchase (Sweep)	\$8,714,697	\$6,273,378	\$2,441,319
Local Agency Investment Fund (LAIF)	23,898,082	32,398,080	(\$8,499,998)
California Asset Management Program (CAMP)	21,001,157	20,972,134	\$29,023
<b>Total Agency Managed Investments</b>	53,613,936	59,643,592	(\$6,029,656)
<b>PFM Managed</b>			
Certificates of Deposit	\$5,514,928	\$4,579,905	\$935,023
Medium Term Notes	16,769,649	16,767,429	\$2,220
U.S. Treasury Notes	48,087,223	51,424,345	(\$3,337,122)
U.S. Government Sponsored Entities	22,603,750	20,110,039	\$2,493,711
<b>Total PFM Managed Investments</b>	92,975,550	92,881,718	\$93,832
<b>Total Investments</b>	\$146,589,486	\$152,525,310	(\$5,935,824)
<b>Total Cash and Investments Available to the Agency</b>	\$148,000,227	\$154,065,932	(\$6,065,705)
<b><u>Restricted Deposits</u></b>			
CAMP Water Connection Reserve	\$20,091,190	\$19,571,303	\$519,887
LAIF Self Insurance Reserve	6,525,056	6,525,056	\$0
Debt Service Accounts	2,631,288	2,874,702	(\$243,414)
Capital Capacity Reimbursement Account (CCRA) Deposits Held by Member Agencies**	83,851,765	81,619,945	\$2,231,820
California Employers' Retirement Benefit Trust Account - CERBT (Other Post Employment Benefits - OPEB)	17,790,212	18,302,127	(\$511,915)
Escrow Deposits	165,404	114,502	\$50,902
<b>Total Restricted Deposits</b>	\$131,054,915	\$129,007,635	\$2,047,280
<b>Total Cash, Investments, and Restricted Deposits</b>	<b>\$279,055,142</b>	<b>\$283,073,567</b>	<b>(\$4,018,425)</b>

\*\*Total reported as of January 2019

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
February 29, 2020

**Cash, Bank Deposits, and Bank Investment Accounts**

CBB Demand Account (Negative balance offset by CBB Sweep Balance)	\$230,530
CBB Payroll Account	-
CBB Workers' Compensation Account	35,610
Subtotal Demand Deposits	<u>\$266,140</u>

**Other Cash and Bank Accounts**

Petty Cash	\$2,250
Subtotal Other Cash	<u>\$2,250</u>

**US Bank Pre-Investment Money Market Account**

\$1,142,351

***Total Cash and Bank Accounts***

**\$1,410,741**

**Unrestricted Investments**

**CBB Repurchase (Sweep) Investments**

Freddie Mac	\$4,456,121
Fannie Mae	4,258,576
Subtotal CBB Repurchase (Sweep)	<u>\$8,714,697</u>

**Local Agency Investment Fund (LAIF)**

LAIF Fund	\$23,898,082
Subtotal Local Agency Investment Fund	<u>\$23,898,082</u>

**California Asset Management Program (CAMP)**

Short Term	\$21,001,157
Subtotal CAMP	<u>\$21,001,157</u>

**Subtotal Agency Managed Investment Accounts**

**\$53,613,936**

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
February 29, 2020

**Unrestricted Investments Continued**

**Brokered Certificates of Deposit**

Brokered Certificates of Deposit	\$5,514,928
Subtotal Brokered Certificates of Deposit	<u>\$5,514,928</u>

**Medium Term Notes**

Hershey Company	334,905
American Honda Finance	785,712
UnitedHealth Group Inc	752,401
Toyota Motor	1,189,000
Bank of NY Mellon	2,769,403
American Express	792,275
Walt Disney Company	806,326
Paccar Financial Corp	929,629
Visa Inc	807,488
Bank of America	781,447
Oracle Corporation	1,400,479
Amazon Inc	927,980
Burlington North Santa Fe Corp	794,143
Pfizer Inc	1,273,550
Walmart Inc	1,488,389
Walt Disney Company	936,522
Subtotal Medium Term Notes	<u>\$16,769,649</u>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
February 29, 2020

**Unrestricted Investments Continued**

**U.S. Treasury Notes**

Treasury Note	\$48,087,223
Subtotal U.S. Treasury Notes	<u>\$48,087,223</u>

**U.S. Government Sponsored Entities**

Fannie Mae Bank	10,673,138
Freddie Mac Bank	7,697,567
Federal Home Loan Bank	4,233,045
Subtotal U.S. Government Sponsored Entities	<u>\$22,603,750</u>

**Subtotal PFM Managed Investment Accounts** \$92,975,550

***Total Investments*** \$146,589,486

**Restricted Deposits**

**Investment Pool Accounts**

CAMP -Water Connection Reserves	\$20,091,190
LAIF - Self Insurance Fund Reserves	6,525,056
Subtotal Investment Pool Accounts	<u>\$26,616,246</u>

**Debt Service**

2008B Debt Service Accounts	\$2,630,725
2017A Debt Service Accounts	562
Subtotal Debt Service	<u>\$2,631,288</u>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
February 29, 2020

**Restricted Deposits Continued**

**CCRA Deposits Held by Member Agencies**

City of Chino	\$13,278,557
Cucamonga Valley Water District	12,579,681
City of Fontana	11,795,020
City of Montclair	3,198,715
City of Ontario	29,769,728
City of Chino Hills	6,692,350
City of Upland	6,537,714
Subtotal CCRA Deposits Held by Member Agencies**	\$83,851,765

\*\*Total reported as of January 2019

**CalPERS**

CERBT Account (OPEB)	\$17,790,212
Subtotal CalPERS Accounts	\$17,790,212

**Escrow Deposits**

Stanek Construction	\$165,404
Subtotal Escrow Deposits	\$165,404

***Total Restricted Deposits*** \$131,054,915

***Total Cash, Investments, and Restricted Deposits as of February 29, 2020*** \$279,055,142

Total Cash, Investments, and Restricted Deposits as of 2/29/2020	\$279,055,142
Less: Total Cash, Investments, and Restricted Deposits as of 1/31/20	283,073,567

***Total Monthly Increase (Decrease)*** (\$4,018,425)

**INLAND EMPIRE UTILITIES AGENCY**

**Cash and Investment Summary**

Month Ended  
February 29, 2020

	Par	Cost Basis	Term	February	%	%	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon	Yield to Maturity	Date	Value
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>								
<b>Citizens Business Bank (CBB)</b>								
Demand Account	\$230,530	\$230,530	N/A	\$230,530		N/A	N/A	\$230,530
Payroll Checking	0	0	N/A	0		N/A	N/A	0
Workers' Compensation Account	35,610	35,610	N/A	35,610		N/A	N/A	35,610
Subtotal CBB Accounts	\$266,140	\$266,140		\$266,140				\$266,140
<b>US Bank (USB)</b>								
Custodial Money Market ( <i>Investment Mgmt.</i> )	\$629,922	\$629,922	N/A	\$629,922		1.10%	N/A	\$629,922
Custodial Money Market ( <i>Debt Service</i> )	512,429	512,429	N/A	512,429		1.10%	N/A	512,429
Subtotal USB Account	\$1,142,351	\$1,142,351		\$1,142,351		1.10%		\$1,142,351
Petty Cash	\$2,250	\$2,250	N/A	\$2,250		N/A	N/A	\$2,250
<b>Total Cash, Bank Deposits and Bank Investment Accounts</b>	<b>\$1,410,741</b>	<b>\$1,410,741</b>		<b>\$1,410,741</b>				<b>\$1,410,741</b>
<b><u>Investments</u></b>								
<b>CBB Daily Repurchase (Sweep) Accounts</b>								
Freddie Mac	\$4,456,121	\$4,456,121	N/A	\$4,456,121		0.90%	N/A	\$4,456,121
Fannie Mae	4,258,576	4,258,576	N/A	4,258,576			N/A	4,258,576
Subtotal CBB Repurchase Accounts	\$8,714,697	\$8,714,697		\$8,714,697		0.90%		\$8,714,697
<b>LAIF Accounts</b>								
Non-Restricted Funds	\$23,898,082	\$23,898,082	N/A	\$23,898,082		1.912%	N/A	\$23,898,082
Subtotal LAIF Accounts	\$23,898,082	\$23,898,082		\$23,898,082		1.912%		\$23,898,082
<b>CAMP Accounts</b>								
Non-Restricted Funds	\$21,001,157	\$21,001,157	N/A	\$21,001,157		1.75%	N/A	\$21,001,157
Subtotal CAMP Accounts	\$21,001,157	\$21,001,157		\$21,001,157		1.75%		\$21,001,157
<b>Subtotal Agency Managed Investment Accounts</b>	<b>\$53,613,936</b>	<b>\$53,613,936</b>		<b>\$53,613,936</b>		<b>1.68%</b>		<b>\$53,613,936</b>
<b>Brokered Certificates of Deposit (CDs)</b>								
Bank of Nova Scotia Houston	\$1,410,000	\$1,409,464	729	\$1,409,928	3.08%	3.10%	06/05/20	\$1,415,757
Bank of Montreal Chicago	1,400,000	1,400,000	731	1,400,000	3.19%	3.23%	08/03/20	1,410,038
Synchrony Bank	240,000	240,000	1827	240,000	2.25%	2.25%	10/02/20	240,922
Royal Bank of Canada NY	815,000	815,000	1095	815,000	3.24%	3.24%	06/07/21	830,442
Societe Generale NY	935,000	935,000	726	935,000	1.80%	1.80%	02/14/22	934,467
DNB Bank ASA NY	715,000	715,000	1092	715,000	2.04%	2.04%	12/02/22	719,984
Subtotal Brokered CDs	\$5,515,000	\$5,514,464		\$5,514,928		2.76%		\$5,551,610



**INLAND EMPIRE UTILITIES AGENCY**

**Cash and Investment Summary**

Month Ended  
February 29, 2020

	Par	Cost Basis	Term	February	%	%	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon	Yield to Maturity	Date	Value
<b>Investments (continued)</b>								
<b>US Treasury Note</b>								
US Treasury Note	1,000,000	989,219	1019	996,374	2.125%	2.53%	01/31/21	1,009,375
US Treasury Note	1,900,000	1,886,938	753	1,893,842	2.250%	2.59%	02/15/21	1,921,078
US Treasury Note	2,781,000	2,761,120	838	2,769,358	2.125%	2.45%	06/30/21	2,821,411
US Treasury Note	2,615,000	2,588,543	1201	2,603,351	2.250%	2.57%	07/31/21	2,661,171
US Treasury Note	580,000	567,426	1202	573,503	2.000%	2.69%	10/31/21	589,878
US Treasury Note	2,555,000	2,480,346	1323	2,518,105	1.750%	2.60%	11/30/21	2,590,930
US Treasury Note	1,575,000	1,523,813	1436	1,547,222	1.875%	2.75%	03/31/22	1,606,254
US Treasury Note	3,070,000	2,969,266	1336	3,011,448	1.875%	2.82%	03/31/22	3,130,920
US Treasury Note	3,790,000	3,678,225	1302	3,723,446	1.875%	2.75%	03/31/22	3,865,208
US Treasury Note	1,605,000	1,558,480	1474	1,579,448	1.875%	2.64%	04/30/22	1,638,103
US Treasury Note	1,300,000	1,252,570	1456	1,271,641	1.750%	2.72%	06/30/22	1,325,594
US Treasury Note	2,065,000	1,980,706	1577	2,013,417	1.750%	2.76%	09/30/22	2,110,494
US Treasury Note	894,000	864,177	1641	875,856	2.000%	2.80%	10/31/22	919,982
US Treasury Note	1,040,000	990,356	1580	1,005,834	1.750%	2.93%	01/31/23	1,065,838
US Treasury Note	310,000	293,289	1699	299,001	1.500%	2.74%	02/28/23	315,619
US Treasury Note	1,235,000	1,189,508	1508	1,200,629	1.500%	2.44%	03/31/23	1,258,156
US Treasury Note	2,000,000	1,899,453	1618	1,923,394	1.38%	2.58%	06/30/23	2,031,562
US Treasury Note	1,260,000	1,196,951	1630	1,211,162	1.25%	2.44%	07/31/23	1,274,963
US Treasury Note	650,000	667,088	1611	664,012	2.88%	2.25%	09/30/23	695,094
US Treasury Note	3,450,000	3,484,904	1713	3,477,980	2.75%	2.52%	11/15/23	3,681,797
US Treasury Note	2,525,000	2,479,826	1786	2,489,911	2.13%	2.52%	11/30/23	2,638,231
US Treasury Note	120,000	120,356	1795	120,283	2.63%	2.56%	12/31/23	127,725
US Treasury Note	2,345,000	2,355,534	1792	2,354,020	2.00%	1.90%	04/30/24	2,448,327
US Treasury Note	575,000	580,930	1824	580,176	2.00%	1.78%	06/30/24	601,414
US Treasury Note	1,000,000	1,016,172	1818	1,014,430	2.13%	1.78%	07/31/24	1,052,031
US Treasury Note	1,310,000	1,349,146	1824	1,346,040	2.13%	1.50%	09/30/24	1,380,413
US Treasury Note	1,100,000	1,135,965	1822	1,133,728	2.25%	1.57%	10/31/24	1,166,344
US Treasury Note	1,710,000	1,749,611	1789	1,748,464	2.13%	1.63%	11/30/24	1,804,852
US Treasury Note	2,100,000	2,143,148	1823	2,141,148	2.13%	1.69%	11/30/24	2,216,484
Subtotal US Treasuries	48,460,000	47,753,066		48,087,223		2.43%		\$49,949,248

**INLAND EMPIRE UTILITIES AGENCY**

**Cash and Investment Summary**

Month Ended  
February 29, 2020

	Par	Cost Basis	Term	February	%	%	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon	Yield to	Date	Value
						Maturity		
<b><u>Investments (continued)</u></b>								
<b><u>U.S. Government Sponsored Entities</u></b>								
Freddie Mac Bond	2,500,000	2,485,350	1,036	2,494,936	2.38%	2.59%	02/16/21	2,528,978
Freddie Mac Bond	2,550,000	2,527,994	1,028	2,542,323	2.38%	2.70%	02/16/21	2,579,557
Fannie Mae Bond	2,510,000	2,502,671	1,092	2,507,198	2.50%	2.60%	04/13/21	2,551,380
Federal Home Loan Bank	1,865,000	1,882,718	992	1,875,700	3.00%	2.63%	10/12/21	1,925,023
Fannie Mae Bond	795,000	794,428	1,096	794,640	2.63%	2.65%	01/11/22	819,150
Fannie Mae Bond	890,000	886,903	1,096	887,395	1.38%	1.49%	09/06/22	899,558
Fannie Mae Bond	1,655,000	1,603,678	1,632	1,624,443	2.00%	2.74%	10/05/22	1,699,753
Federal Home Loan Bank	1,280,000	1,277,645	1,092	1,277,666	1.38%	1.44%	02/17/23	1,295,963
Fannie Mae Bond	1,520,000	1,520,152	1,091	1,520,148	1.70%	1.70%	02/21/23	1,523,432
Freddie Mac Bond	1,450,000	1,444,461	1,810	1,446,235	2.75%	2.83%	06/19/23	1,534,200
Fannie Mae Bond	855,000	853,273	1,741	853,714	2.88%	2.92%	09/12/23	911,459
Fannie Mae Bond	1,820,000	1,803,274	1,772	1,807,618	2.88%	3.08%	09/12/23	1,940,182
Federal Home Loan Bank	870,000	895,642	1,772	890,218	3.38%	2.72%	12/08/23	947,315
Fannie Mae Bond	680,000	677,470	1,823	677,982	2.50%	2.58%	02/05/24	720,065
Federal Home Loan Bank	190,000	189,327	1,824	189,461	2.50%	2.58%	02/13/24	201,257
Freddie Mac Bond	1,215,000	1,214,064	1,825	1,214,073	1.50%	1.52%	02/12/25	1,241,236
Subtotal U.S. Gov't Sponsored Entities	22,645,000	22,559,050		22,603,750		2.47%		\$23,318,508
<b><u>Medium Term Notes</u></b>								
Toyota Motor	200,000	199,880	731	199,948	3.05%	3.08%	01/08/21	202,742
Hershey Company	335,000	334,769	1101	334,905	3.10%	3.12%	05/15/21	341,975
American Honda Finance	800,000	767,016	1181	785,712	1.65%	3.00%	07/12/21	802,734
Toyota Motor	1,000,000	978,790	1355	989,052	2.60%	3.21%	01/11/22	1,022,678
Bank of NY Mellon	1,400,000	1,371,048	1391	1,384,868	2.60%	3.18%	02/07/22	1,429,352
American Express	800,000	785,488	1415	792,275	2.70%	3.20%	03/03/22	820,276
Walt Disney Company	815,000	798,692	1416	806,326	2.45%	3.00%	03/04/22	834,165
Paccar Financial Corp	930,000	929,498	1096	929,629	2.65%	2.67%	05/10/22	960,714
Visa Inc	825,000	795,407	1611	807,488	2.15%	3.03%	09/15/22	842,295
Bank of America	800,000	769,264	1647	781,447	2.50%	3.43%	10/21/22	812,670
Oracle Corp	1,420,000	1,389,001	1763	1,400,479	2.63%	3.11%	02/15/23	1,469,497
Amazon Inc	935,000	925,996	1409	927,980	2.40%	2.66%	02/22/23	963,604
Burlington North Santa Fe Corp	800,000	790,800	1792	794,143	3.00%	3.26%	03/15/23	834,566
Bank of NY Mellon	1,375,000	1,387,595	1555	1,384,535	3.50%	3.27%	04/28/23	1,462,348
UnitedHealth Group Inc	720,000	755,741	1330	752,401	3.50%	2.08%	06/15/23	770,793
Pfizer Inc	1,260,000	1,276,392	1807	1,273,550	2.95%	2.67%	03/15/24	1,333,329
Walmart Inc	1,425,000	1,495,196	1768	1,488,389	2.85%	1.78%	07/08/24	1,506,869
Walt Disney Company	940,000	936,165	1820	936,522	1.75%	1.84%	08/30/24	951,194
Subtotal Medium Term Notes	\$16,780,000	\$16,686,738		\$16,769,649		2.84%		\$17,361,801
<b>Subtotal PFM Managed Investment Accounts</b>	<b>\$93,400,000</b>	<b>\$92,513,318</b>		<b>\$92,975,550</b>		<b>2.53%</b>		<b>\$96,181,167</b>

**INLAND EMPIRE UTILITIES AGENCY**

**Cash and Investment Summary**

Month Ended  
February 29, 2020

	Par	Cost Basis	Term	February	%	%	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon	Yield to	Date	Value
						Maturity		
<b>Total Investments</b>	<b>\$147,013,936</b>	<b>\$146,127,254</b>		<b>\$146,589,486</b>				<b>\$149,795,103</b>

*(Source of Investment Amortized Cost: PFM)*

**INLAND EMPIRE UTILITIES AGENCY**

**Cash and Investment Summary**

Month Ended  
February 29, 2020

	Par	Cost Basis	Term	February	%	%	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon	Yield to	Date	Value
						Maturity		
<b>Restricted Deposits</b>								
<b>Investment Pool Accounts</b>								
CAMP - Water Connection Reserves	\$20,091,190	\$20,091,190	N/A	\$20,091,190		1.75%	N/A	\$20,091,190
LAIF - Self Insurance Reserves	6,525,056	6,525,056	N/A	6,525,056		1.91%	N/A	6,525,056
<b>Total Investment Pool Accounts</b>	<b>26,616,246</b>	<b>26,616,246</b>		<b>26,616,246</b>		<b>1.79%</b>		<b>26,616,246</b>
<b>Debt Service and Arbitrage Accounts</b>								
2008B Debt Service Accounts	\$2,630,725	\$2,630,725	N/A	\$2,630,725		1.03%		\$2,630,725
2010A Debt Service Accounts	1	1	N/A	1		0.00%		1
2017A Debt Service Accounts	562	562	N/A	562		0.12%		562
<b>Total Debt Service Accounts</b>	<b>\$2,631,288</b>	<b>\$2,631,288</b>		<b>\$2,631,288</b>		<b>1.03%</b>		<b>\$2,631,288</b>
<b>CCRA Deposits Held by Member Agencies</b>								
City of Chino	\$13,278,557	\$13,278,557	N/A	\$13,278,557		N/A	N/A	\$13,278,557
City of Chino Hills	6,692,350	6,692,350	N/A	6,692,350		N/A	N/A	6,692,350
Cucamonga Valley Water District	12,579,681	12,579,681	N/A	12,579,681		N/A	N/A	12,579,681
City of Fontana	11,795,020	11,795,020	N/A	11,795,020		N/A	N/A	11,795,020
City of Montclair	3,198,715	3,198,715	N/A	3,198,715		N/A	N/A	3,198,715
City of Ontario	29,769,728	29,769,728	N/A	29,769,728		N/A	N/A	29,769,728
City of Upland	6,537,714	6,537,714	N/A	6,537,714		N/A	N/A	6,537,714
<i>Subtotal CCRA Deposits Held by Member Agencies**</i>	<i>\$83,851,765</i>	<i>\$83,851,765</i>		<i>\$83,851,765</i>				<i>\$83,851,765</i>
<i>**Total reported as of January 2019</i>								
<b>CalPERS Deposits</b>								
CERBT Account (OPEB)	\$15,000,000	\$15,000,000	N/A	\$17,790,212		N/A	N/A	\$17,790,212
Subtotal CalPERS Deposits	\$15,000,000	\$15,000,000		\$17,790,212				\$17,790,212
<i>CERBT Strategy 2 Performance as of January 2020 based on 1 Year Net Return was 13.85%.</i>								
<b>Escrow Deposits</b>								
Stanek Contractors Escrow	\$165,404	\$165,404	N/A	\$165,404		N/A	N/A	\$165,404
Subtotal Escrow Deposits	\$165,404	\$165,404		\$165,404				\$165,404
<b>Total Restricted Deposits</b>	<b>\$128,264,703</b>	<b>\$128,264,703</b>		<b>\$131,054,915</b>				<b>\$131,054,915</b>
<b>Total Cash, Investments, and Restricted Deposits as of February 29, 2020</b>	<b>\$276,689,380</b>	<b>\$275,802,698</b>		<b>\$279,055,142</b>				<b>\$282,260,759</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
February 29, 2020

**February Purchases**

No.	Date	Transaction	Investment Security	Type	Par Amount Purchased	Investment Yield to Maturity
1	02/05/20	Purchase	United States Treasury	Treasury Bond	\$1,160,000	2.50%
2	02/14/20	Purchase	Freddie Mac Note	Federal Agency Bond	1,215,000	1.70%
3	02/19/20	Purchase	Societe Generale NY	Certificate of Deposit	935,000	1.80%
4	02/21/20	Purchase	Federal Home Loan Banks Note	Federal Agency Bond	1,280,000	2.72%
5	02/26/20	Purchase	FNMA (Callable) Note	Federal Agency Bond	1,520,000	1.70%
					<b><u>\$ 6,110,000</u></b>	

**February Investment Maturities, Calls & Sales**

No.	Date	Transaction	Investment Security	Type	Par Amount Matured/Sold	Investment Yield to Maturity
1	02/05/20	Sell	US Treasury Note	Treasury Bond	1,225,000	2.53%
2	02/14/20	Sell	US Treasury Note	Treasury Bond	1,160,000	2.50%
3	02/19/20	Sell	US Treasury Note	Treasury Bond	925,000	2.75%
4	02/21/20	Sell	US Treasury Note	Treasury Bond	305,000	2.69%
5	02/21/20	Sell	US Treasury Note	Treasury Bond	965,000	2.74%
6	02/26/20	Maturity	Freddie Mac Note	Federal Agency Bond	1,520,000	2.05%
<b>Total Maturities, Calls &amp; Sales</b>					<b><u>\$ 6,100,000</u></b>	

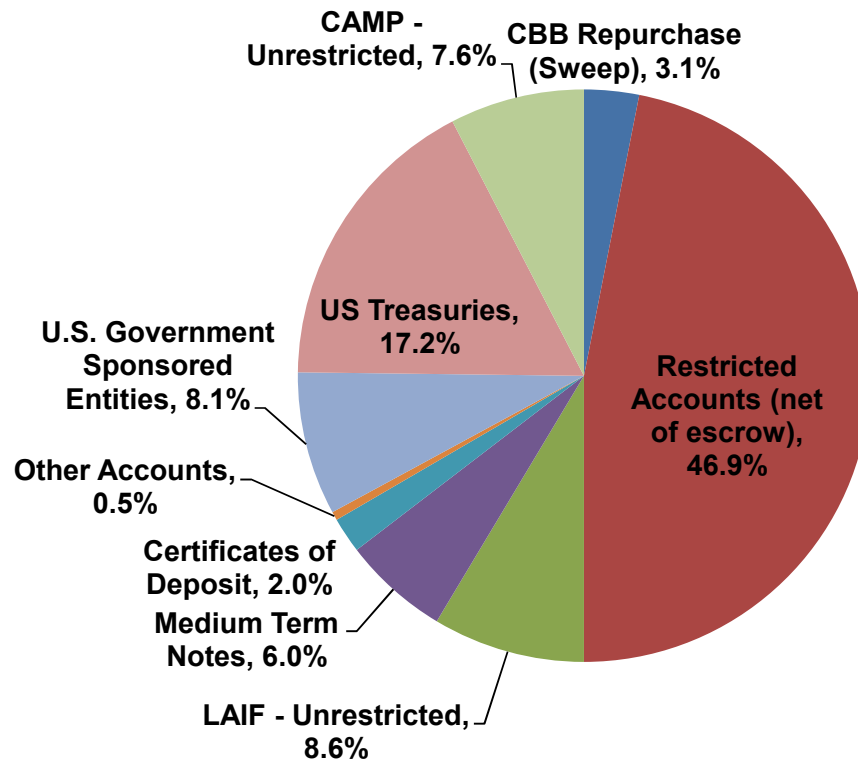
**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
February 29, 2020

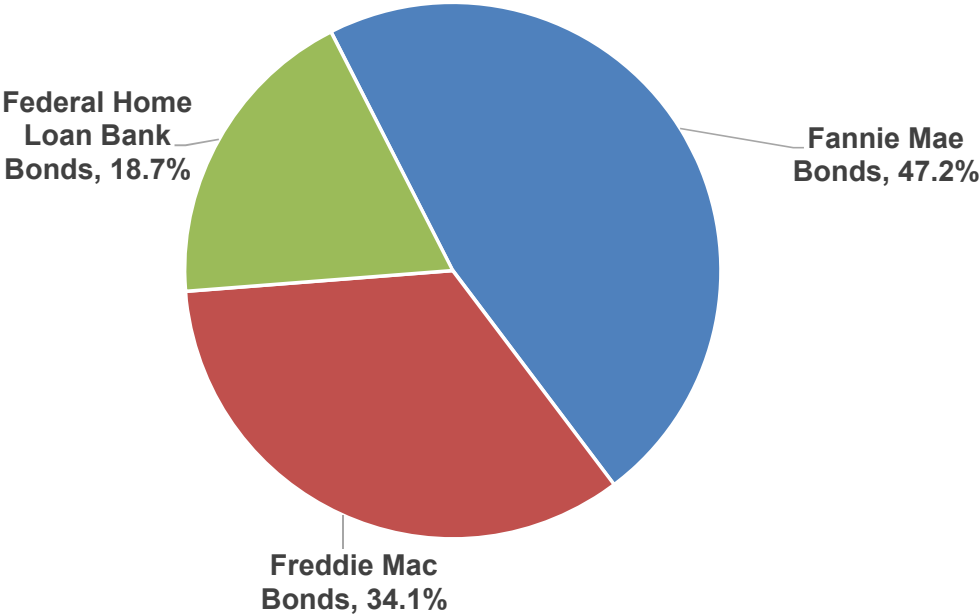
<u>Directed Investment Category</u>	<u>Amount Invested</u>	<u>Yield</u>
CBB Repurchase (Sweep)	\$8,714,697	0.900%
LAIF - Unrestricted	\$23,898,082	1.912%
CAMP - Unrestricted	\$21,001,157	1.750%
Brokered Certificates of Deposit	\$5,514,928	2.759%
Medium Term Notes	\$16,769,649	2.836%
US Treasury Notes	\$48,087,223	2.432%
U.S. Government Sponsored Entities	\$22,603,750	2.466%
<b><i>Total Investment Portfolio</i></b>	<b><i>\$146,589,486</i></b>	
<b><i>Investment Portfolio Rate of Return</i></b>		<b><i>2.222%</i></b>
<u>Restricted/Transitory/Other Accounts</u>	<u>Amount Invested</u>	<u>Yield</u>
CCRA Deposits Held by Member Agencies	\$83,851,765	N/A
CalPERS OPEB (CERBT) Account	17,790,212	N/A
CAMP Restricted Water Connection Reserve	20,091,190	1.750%
LAIF Restricted Insurance Reserve	6,525,056	1.912%
US Bank - 2008B Debt Service Accounts	2,630,725	1.030%
US Bank - 2017A Debt Service Accounts	562	0.120%
US Bank - Pre-Investment Money Market Account	1,142,351	1.100%
Citizens Business Bank - Demand Account	230,530	N/A
Citizens Business Bank - Workers' Compensation Account	35,610	N/A
Other Accounts*	2,250	N/A
Escrow Account	165,404	N/A
<b><i>Total Restricted/Transitory/Other Accounts</i></b>	<b><i>\$132,465,656</i></b>	
<b><i>Average Yield of Other Accounts</i></b>		<b><i>1.698%</i></b>
<b>Total Agency Directed Deposits</b>	<b><u>\$279,055,142</u></b>	

\*Petty Cash

**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
Month Ended February 29, 2020  
Agency Investment Portfolio (Net of Escrow Accounts)  
**\$278,889,738**

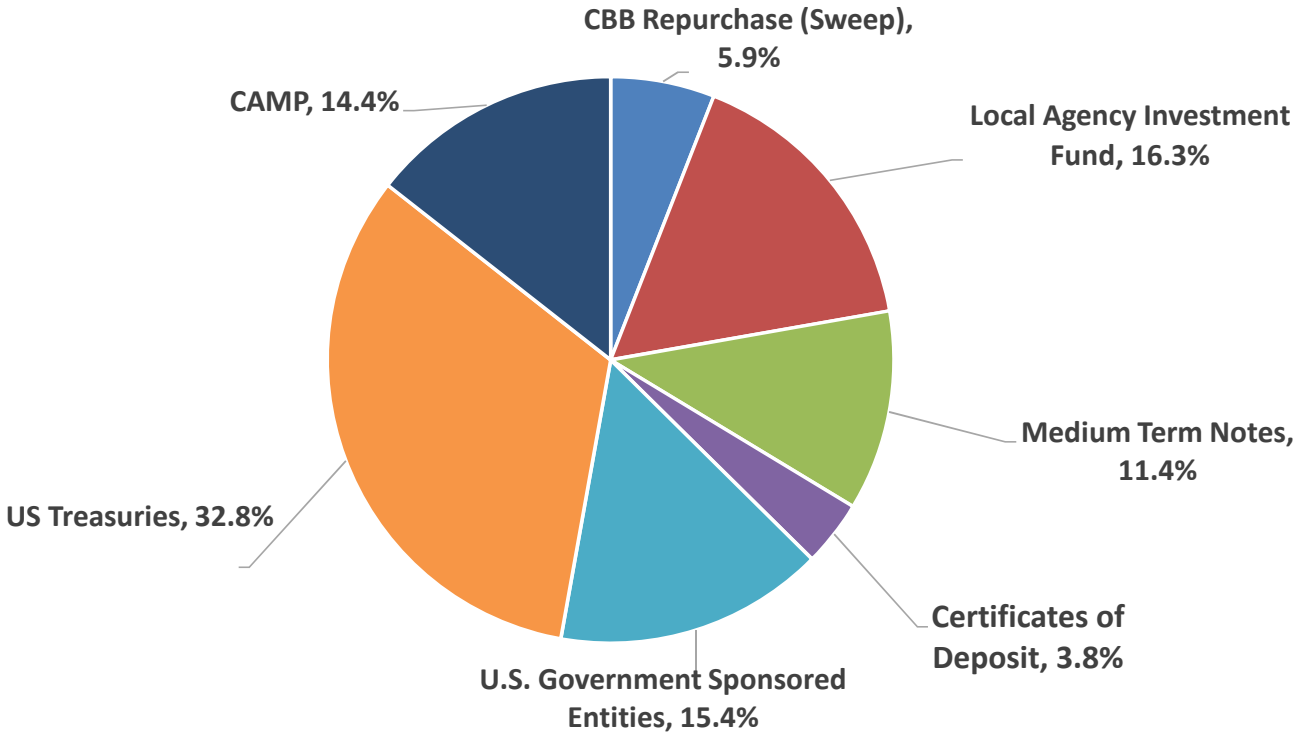


***Inland Empire Utilities Agency***  
**Treasurer's Report of Financial Affairs**  
Month Ended February 29, 2020  
U.S. Government Sponsored Entities Portfolio  
**\$22,603,750**

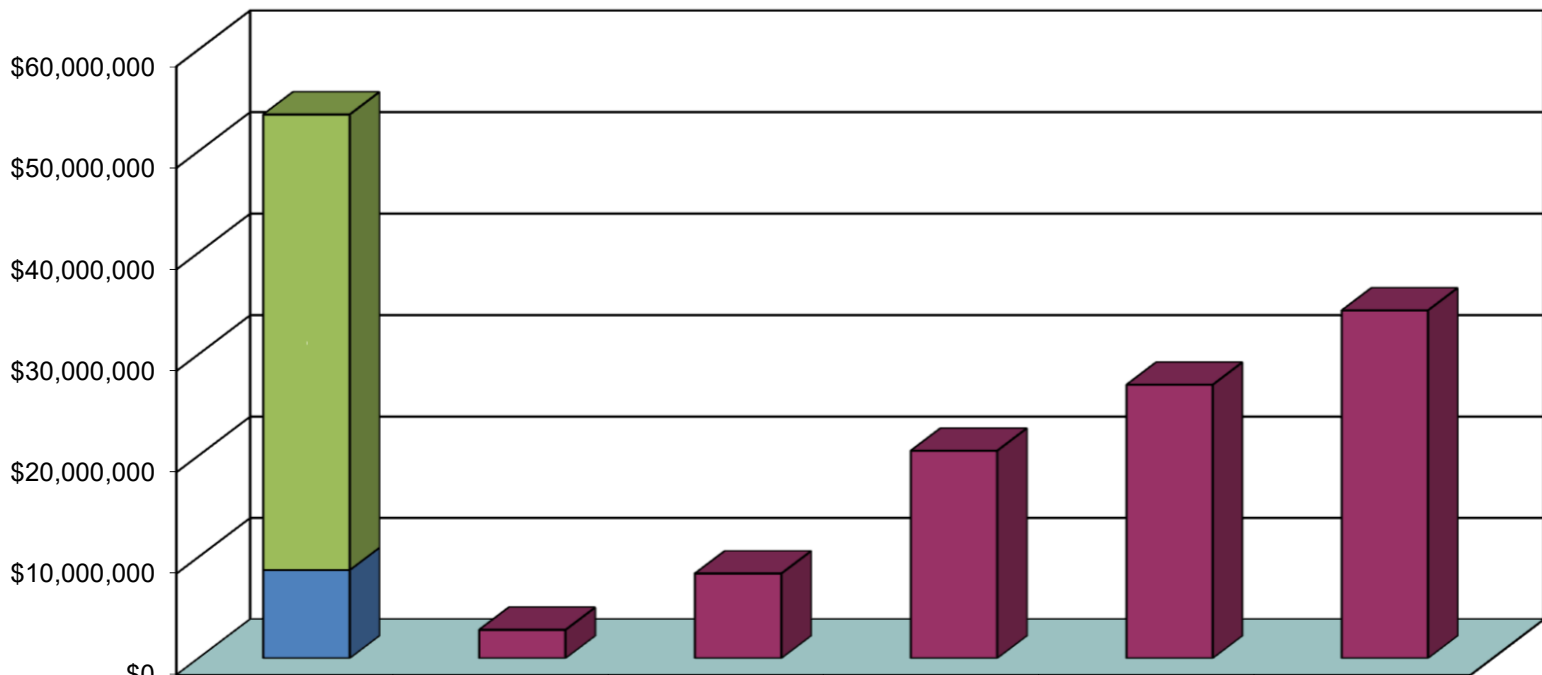




**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
Month Ended February 29, 2020  
Unrestricted Agency Investment Portfolio  
\$146,589,486

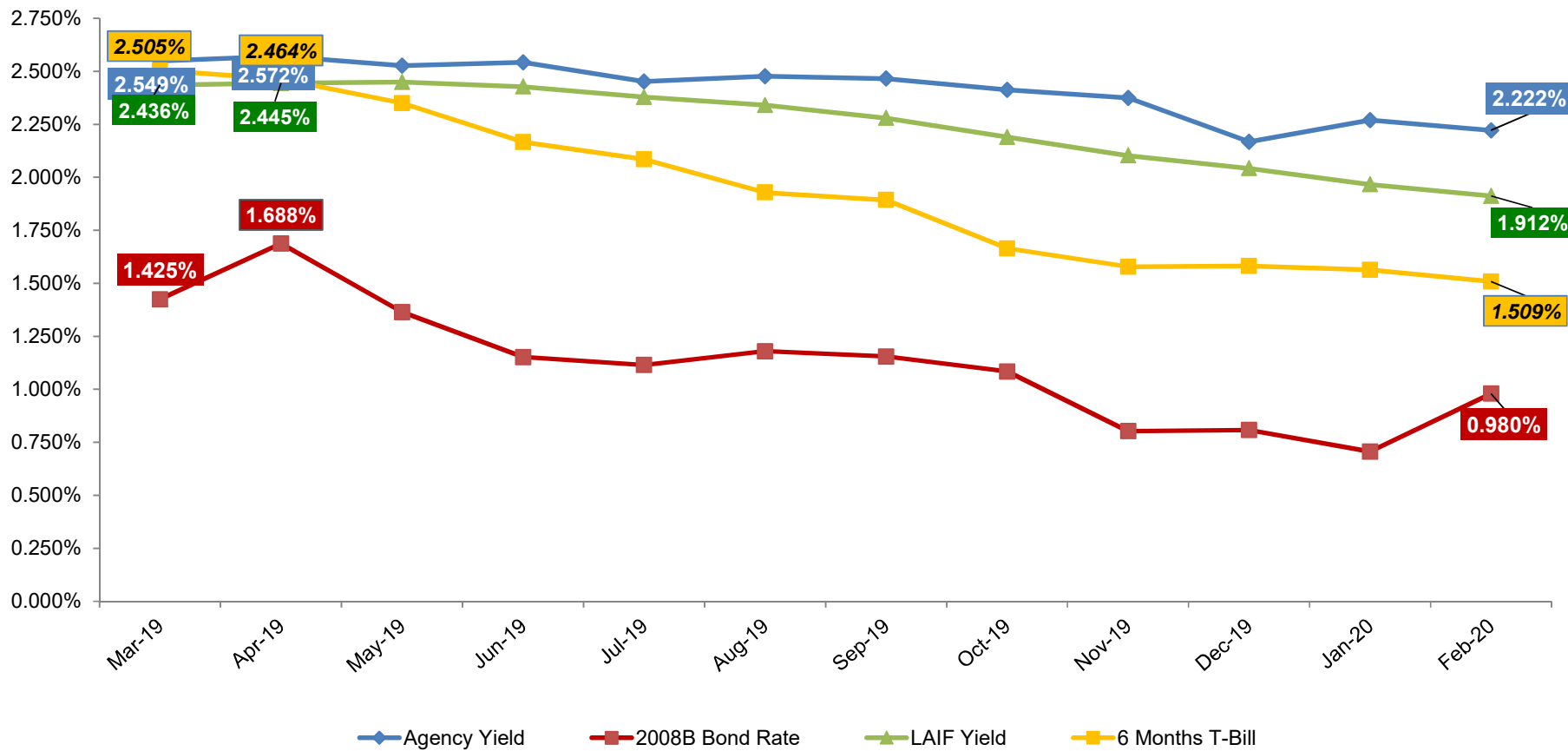


**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
 Month Ended February 29, 2020  
*Agency Investment Portfolio Maturity Distribution (Unrestricted)*  
**\$146,589,486**



	0-30 Days	31-180 Days	181-365 Days	366-730 Days	2 to 3 Years	Over 3 Yrs
■ LAIF+CAMP	\$44,899,239					
■ CBB Repurchase (Sweep)	\$8,714,697					
■ GSE+CD+MTN+MUNI		\$2,809,928	8,367,423	20,484,993	26,993,131	34,320,075
□ Percent	36.68%	1.92%	5.71%	13.97%	18.41%	23.31%

**Inland Empire Utilities Agency  
Treasurer's Report of Financial Affairs  
Month Ended February 29, 2020  
Agency Investment Portfolio Yield Comparison**



**INFORMATION  
ITEM**

**3J**



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**Date:** April 15, 2020

**To:** The Honorable Board of Directors

**From:** Shivaji Deshmukh, General Manager *SD*

**Committee:**

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

**Subject:** Public Outreach and Communication

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**Executive Summary:**

- April 22, Earth Day – Celebrating 50 Years
- April 22, Administrative Professional’s Day
- April 23, World Laboratory Day
- April 25, National Prescription Drug Take-Back Day

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**Staff's Recommendation:**

This is an informational item for the Board of Directors to receive and file.

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

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

**Prior Board Action:**

N/A

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**Environmental Determination:**

Not Applicable

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**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.

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**Attachments:**

Attachment 1 - Background

## Background

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Subject: Public Outreach and Communication

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### April

- April 15, Earth Day – Student Day, 9:00 a.m. – 2:00 p.m., Chino Creek Wetlands and Educational Park **CANCELLED**
- April 16, Earth Day – Community Day, 4:00 p.m. – 7:00 p.m., Chino Creek Wetlands and Educational Park **CANCELLED**
- April 22, Earth Day – Celebrating 50 Years
- April 22, Administrative Professional’s Day
- April 23, World Laboratory Day
- April 25, National Prescription Drug Take Back Day

### May

- Water Awareness Month
- May 6, IEUA Blood Drive, 8:00 a.m. – 1:00 p.m., HQB Event Room
- May 15-17, MWD Solar Cup Competition, Lake Skinner: 37701 Warren Road, Winchester, 92596 **CANCELLED**
- May 25, Memorial Day Observed

### Media and Outreach

- The Agency’s Annual Report will be added to the Agency’s website and distributed once Agency operations return to normal.
- The Agency’s website features a new button at the top of the page directing the public to updates regarding COVID-19.
- The Agency began releasing COVID-19 announcements, updates and reminders on social media posts and stories.
- Staff is in the process of completing a timeline handout for the Agency’s 70<sup>th</sup> Anniversary.
- On March 11, 2020, a new social media campaign, “Water Word Wednesday,” was launched on all social platforms. The posts will be used to educate the public on water terms every week.
- March: 21 posts were published to the IEUA Facebook page, 21 posts were published to IEUA’s Instagram and 21 tweets were sent on the @IEUAwater Twitter handle.
  - The top three Facebook posts, based on reach and engagement, in the month of March were:
    - 3/22: Don’t Flush Wipes Video
    - 3/22: World Water Day
    - 3/7 Daylight Savings Spring Forward
  - The top three tweets, based on reach and engagement, in the month of March were:
    - 3/5 CJUHSD Job Fair

- 3/17 Fix a Leak Week Video Meme
- 3/22 No Wipes Down Pipes Video
- The top three Instagram posts, based on reach and engagement, in the month of March were:
  - 3/17 Fix a Leak Week Video Meme
  - 3/22 No Wipes Down Pipes Video
  - 3/12 Grant Professionals Day GIF
- A *Kick the Habit* ad ran in the *Champion's Chino Connection Magazine* section on March 14.
- A *Kick the Habit* ad will run in the April issue of *Inland Empire Magazine*.
- The *Kick the Habit* digital banner ad continues to run in the *Fontana Herald News*.

For the month of March, there were 5,981 searches for a park in IEUA's service area on Yelp, where Chino Creek Wetlands and Educational Park was viewed 568 times on a mobile device.

#### Education and Outreach Updates

- The Water Discovery Program has reached 1,669 students and 33 schools for this current school year. As of March 12<sup>th</sup>, the Water Discovery field trip program has been put on hold.
- IEUA has been working on developing partnerships with local water providers to continue obtaining busing grants/sponsorships for schools outside of IEUA's service area for the Water Discovery Program. San Bernardino Valley Municipal Water District and Western Municipal Water District has partnered with IEUA to sponsor schools within their areas to participate in the Water Discovery Program.
- The participating Garden in Every School® sites have been placed on hold until fall.
- The Water is Life poster contest for 2020 has been put on hold until further notice.

#### Agency-Wide Membership Updates

Sarah Recinto and Richard Lao listened in on the SCAP Air Quality Committee Meeting on Tuesday, March 24.

All association meetings and conferences have been cancelled or postponed to a later date as a result of COVID-19 social distancing requirements.



INFORMATION  
ITEM

**3K**



**March 26, 2020**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
Beth Olhasso  
Maddie Munson

**RE:** March Report

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Overview:

Recent storms have helped the snowpack recover a little bit, but the “Miracle March” water managers were hoping for never materialized. Currently, the statewide snowpack has improved to 51 percent of normal, up from 47 percent last month. The Sierras continue to receive sporadic storms with enough snow to maintain current levels, but not make a significant dent in making up for the abnormally dry February the state experienced.

The CA Independent System Operator (CAISO), National Renewable Energy Laboratory and General Electric recently released a study on Avangrid Renewables’ 132 MW capacity Tule Wind Farm in eastern San Diego County. The report claims that the results affirm that wind could be a key player in integrating the high amounts of renewable energy needed to meet the state’s ambitious carbon reduction targets.

As required by SB 350 (2015, de Leon), the CPUC’s Energy Division issued a Transportation Electrification framework establishing a new process for IOUs to develop 10-year electrification plans. Since 2016, the CPUC has authorized more than one billion in ratepayer funds for EV infrastructure. In the last two years, the IOUs have filed applications with the CPUC for nearly one billion more for similar infrastructure programs. The framework calls for the IOUs to file their plans in 2021 with approval by 2023.

In an unprecedented action, the state legislature recessed until at least April 13, and there is still significant uncertainty if they will be able to come back at that time. It is currently unknown how this will affect the overall legislative session, but as the COVID-19 crisis worsens, conventional wisdom around the Capitol is predicting that some form of an abbreviated session would have to be instituted to pass a budget and a handful of public health and recovery-related bills.

# Inland Empire Utilities Agency Status Report – March 2020

## *Water Supply Conditions*

Recent storms have helped the snowpack recover a little bit, but the “Miracle March” water managers were hoping for never materialized. Currently, the statewide snowpack has improved to 51 percent of normal, up from 47 percent last month. The Sierras continue to receive sporadic storms with enough snow to maintain current levels, but not make a significant dent in making up for the abnormally dry February the state experienced.

Drought conditions have also worsened with the lack of precipitation. At the start of the year, 97 percent of the state was free from any drought conditions. Today, close to 70 percent of the state is experiencing abnormally dry conditions, with over 40 percent of those in moderate drought conditions, and for the first time, severe drought reported in the far northern portion of the state.

Good news is that most of California’s reservoirs remain in fairly good shape resulting from a wet 2019. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at 80 percent of average and 72 percent capacity for this time of the year. Oroville is at 86 percent of average and 64 percent capacity.



NORTH	
Data as of March 25, 2020	
Number of Stations Reporting	30
Average snow water equivalent (Inches)	15.5
Percent of April 1 Average (%)	53
Percent of normal for this date (%)	53

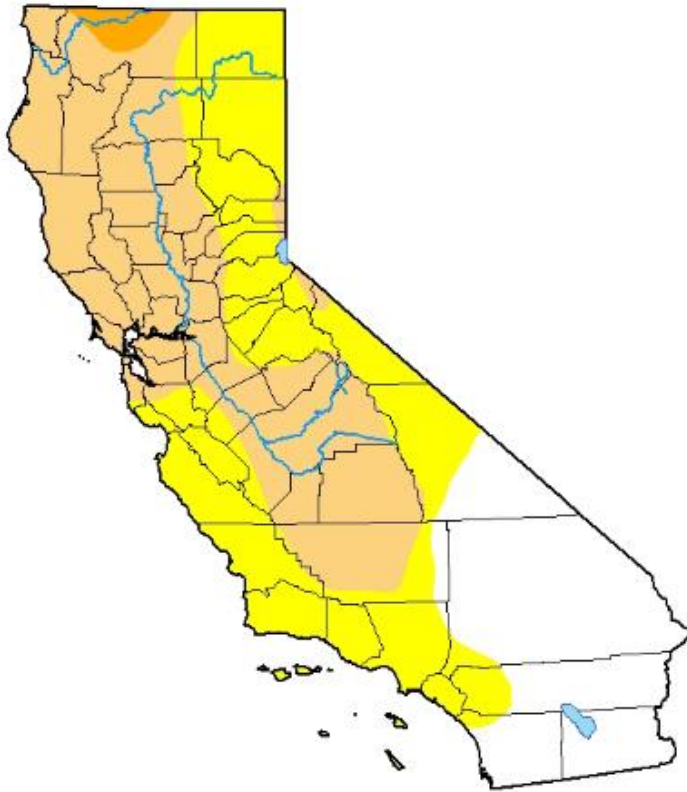
CENTRAL	
Data as of March 25, 2020	
Number of Stations Reporting	41
Average snow water equivalent (Inches)	16.4
Percent of April 1 Average (%)	55
Percent of normal for this date (%)	55

SOUTH	
Data as of March 25, 2020	
Number of Stations Reporting	28
Average snow water equivalent (Inches)	10.7
Percent of April 1 Average (%)	42
Percent of normal for this date (%)	42

STATE	
Data as of March 25, 2020	
Number of Stations Reporting	99
Average snow water equivalent (Inches)	14.5
Percent of April 1 Average (%)	51
Percent of normal for this date (%)	51

# U.S. Drought Monitor California

**March 24, 2020**  
(Released Thursday, Mar. 26, 2020)  
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	24.86	75.14	40.42	1.30	0.00	0.00
<b>Last Week</b> 03-17-2020	24.64	75.36	47.59	1.26	0.00	0.00
<b>3 Months Ago</b> 12-24-2019	96.43	3.57	0.00	0.00	0.00	0.00
<b>Start of Calendar Year</b> 12-31-2019	96.43	3.57	0.00	0.00	0.00	0.00
<b>Start of Water Year</b> 10-01-2019	95.29	4.71	2.06	0.00	0.00	0.00
<b>One Year Ago</b> 03-25-2019	93.42	6.58	0.00	0.00	0.00	0.00

Intensity:

- None
- 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. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Brad Rippey  
U. S. Department of Agriculture



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

## ***CAISO reports that wind power can bolster renewable integration- meeting same needs as natural gas***

The CA Independent System Operator (CAISO), National Renewable Energy Laboratory and General Electric recently released a study on Avangrid Renewables’ 132 MW capacity Tule Wind Farm in eastern San Diego County. The report suggests that the results affirm that wind could be a key player in integrating the high amounts of renewable energy needed to meet the state’s ambitious carbon reduction targets.

Specifically, the study showed that a commercial wind plant with a “smart inverter-based controller” can provide “regulation up and down, voltage regulation control, active power control and frequency response—all important services to maintain grid services.” These services are currently only being provided by conventional sources, such as natural gas plants, according to CAISO.

One of the goals of the study was to investigate if wind plants can help balance energy demand and help meet the state’s energy policies regardless of where the wind plant is located, either within the CAISO footprint or out of state. This study and its conclusions will be used to help further the CAISO’s desire for a Western power grid, featuring regional resources. They claim that one of the benefits of regionalization would be that California could import cheaper wind power from nearby states to help integrate other renewables and to provide much-needed electricity during peak evening demand times that cannot be served by solar.

### ***Transportation Electrification Framework Released***

As required by SB 350 (2015, de Leon), the CPUC's Energy Division issued a Transportation Electrification framework establishing a new process for IOUs to develop 10-year electrification plans. Since 2016, the CPUC has authorized more than one billion in ratepayer funds for EV infrastructure. In the last two years, the IOUs have filed applications with the CPUC for nearly one billion more for similar infrastructure programs. The framework calls for the IOUs to file their plans in 2021 with approval by 2023. Commercial and industrial ratepayers are starting to question these investments are their impact on electricity rates.

On a separate path at the California Air Resources Board (CARB), there is still discussion about how fast to accelerate medium and heavy-duty truck replacement. Environmental groups are pushing for an accelerated timeframe, where some regulators and the regulated community are focusing more on what types of trucks can be sold in the state in the future, rather than require fleet replacement.

### ***Legislative Update***

In an unprecedented action, the state legislature recessed until at least April 13, and there is still significant uncertainty if they will be able to come back at that time. It is currently unknown how this will affect the overall legislative session, but as the COVID-19 crisis worsens, conventional wisdom around the Capitol is predicting that some form of an abbreviated session would have to be instituted to pass a budget and a handful of recovery-related bills.

There were over 2,500 new bills introduced this session and all have passed the 30-day in print rule and are slowly making amendments, even in the absence of committee hearings. WCA is working with the IEUA Board and staff to implement IEUA's goals and objectives as we navigate this unique session.

On the budget front, the state budget is constitutionally mandated to be passed by June 15. Both the Legislative Analyst's Office and the Department of Finance have opined that it will be a very different budget process. They have proposed adopting a "workload budget," basically keeping things in place from the 2019-2020 budget with only major changes considered for COVID response and recovery funding.

The WCA team is still operating as if all legislation and budget actions will be moving forward, until official word alters that course. We will be sure to keep you updated as the situation in the Capitol unfolds.

### ***Climate Resilience Bond Update***

WCA recently obtained a copy of amendments for of Assemblymember Eduardo Garcia's, chair of the Water, Parks and Wildlife Committee, AB 3256-the Assembly \$6.9 billion version of the climate resilience bond.

The highlights of the Assembly bond include:

- \$1.6 billion- Wildfire Prevention and Climate Risk Reduction
- \$1.1 billion- Protecting Coastal Lands, Bays and Oceans from Sea Level Rise and other Climate Risks
- \$1.3 billion- Protecting CA's Water Supply During Drought, Enhancing State Flood Protection and Ensuring Safe Drinking Water
  - \$395 million for SGMA
  - \$360 million for safe drinking water

- \$400 million for protection of rivers, lakes and streams
  - \$150 million for flood management
  - \$50 million for Central Valley Flood Protection Board
- \$1.3 billion- Protecting Fish, Wildlife, Natural Areas, Working Lands and Agriculture from Climate Risks
- \$1.6 billion- Strengthening CA's Regional Climate Resilience
  - For the reduction in the risk of climate impacts to communities, including, but not limited to, wildfire, sea level rise and extreme heat. Goal is to encourage development and implementation of multi-benefit, cross-sector projects that respond to the region's greatest climate vulnerabilities.

WCA and IEUA staff are still going through all the newly introduced bills and will soon make recommendations for positions to the Board of Directors.

**IEUA BILL POSITIONS—March 26, 2020**

Bill Number	Author/Sponsor	Title and/or Summary	Summary	IEUA Position
AB 1672	Bloom  CASA	Product labeling: flushable products	Current law regulates the labeling requirements on various consumer products. This bill would express the intent of the Legislature to enact legislation to prohibit the sale or advertisement of any nonwoven disposable product labeled as “flushable” or “sewer and septic safe” if that product fails to meet specified performance standards.	SUPPORT  Senate Rules Committee
AB 2093	Gloria	Public records: writing transmitted by electronic mail: retention	Would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.	OPPOSE  Assembly Appropriations Committee
ACA 1	Aguiar-Curry	Local government financing: affordable housing and public infrastructure: voter approval	The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters.	SUPPORT  Assembly Floor- first vote failed, can be acted upon Jan 2020
SB 414	Caballero    Eastern MWD/ CMUA	Small System Water Authority Act of 2019	Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the	SUPPORT    2- year bill  Assembly

			period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.	Approps
SB 667	Hueso	Greenhouse Gasses: Recycling Infrastructure and Facilities	Would require the Department of Resources Recycling and Recovery to develop, on or before January 1, 2021, and would authorize the department to amend, a 5-year needs assessment to support innovation and technological and infrastructure development, in order to meet specified organic waste reduction and recycling targets, as provided. The bill would require, on or before June 1, 2021, the department, in coordination with the Treasurer and the California Pollution Control Financing Authority, to develop financial incentive mechanisms, including, among other mechanisms, loans and incentive payments, to fund and accelerate public and private capital towards organic waste diversion and recycling infrastructure.	SUPPORT IF AMENDED  2-year bill  Assembly Appropriations
SB 996	Portantino  MWD/CMUA	SWRCB: Constituents of Emerging Concern	Would require the State Water Resources Control Board to establish by an unspecified date and then maintain an ongoing, dedicated program called the Constituents of Emerging Concern Program to support and conduct research to develop information and, if necessary, provide recommendations to the state board on constituents of emerging concern in drinking water that may pose risks to public health. The bill would require the state board to establish the Stakeholder Advisory Group and the Science Advisory Panel, both as prescribed, to assist in the gathering and development of information for the program, among other functions. The bill would require the program to provide opportunities for public participation, including conducting stakeholder meetings and workshops to solicit relevant information and feedback for development and implementation of the program.	SUPPORT          Sen. Env Quality Committee



SB 1052	Hertzberg  CASA/CA Coastkeeper	Water Quality: Municipal Wastewater Agencies	Would establish municipal wastewater agencies and would authorize a municipal wastewater agency, among other things, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges consistent with the municipal wastewater agency's existing authority in order to fund projects undertaken pursuant to the bill. The bill would require the exercise of any new authority granted under the bill to comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.	SUPPORT  Sen. Env. Quality Committee
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**INFORMATION  
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# INNOVATIVE FEDERAL STRATEGIES, LLC

Comprehensive Government Relations

## MEMORANDUM

**To:** IEUA Community & Legislative Affairs Committee

**From:** Letitia White, Jean Denton, Drew Tatum, Shavenor Winters

**Date:** March 30, 2020

**Re:** March Monthly Legislative Update

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### *Congress and the Administration Address Coronavirus Pandemic*

On March 13, 2020 President Donald Trump declared a national emergency over the growing threat of a nationwide coronavirus outbreak. During the month of March, the White House worked with Congress on three separate coronavirus packages that were signed into law before the end of the month.

The first legislative package, the Coronavirus Preparedness and Response Supplemental Appropriations Act was enacted on March 6, 2020. That legislation provided supplemental appropriations for fiscal year 2020 to the Department of Health and Human Services (\$6.5 billion), State Department (\$1.25 billion) and Small Business Administration (\$7 billion). The legislation was designed to meet the immediate needs of those agencies while Congress worked on two longer-term pieces of legislation.

The second legislative page, the Families First Coronavirus Response Act, was enacted on March 18, 2020. That legislation created an emergency paid leave program to respond to the outbreak for employers with 500 or fewer employees by requiring them to provide 12 weeks of partially paid family leave under the Family Medical Leave Act and created a paid sick leave program for full and part time workers for 2 business weeks. A summary of the leave provisions is included to the right. Additionally, the legislation provided \$1 billion for nutrition programs and gave USDA food programs flexibility to ensure meals could continue to be

	Family Leave	Sick Leave
Covered employer	Private sector employers with fewer than 500 workers and government entities	Private sector employers with fewer than 500 workers and government entities
Qualifying circumstances	Caregiving for child younger than 18 whose day care or school closed	Quarantine, medical diagnosis, caregiving for another quarantined individual or for child whose day care or school closed
Length of leave	As many as 12 weeks	Two weeks for full-time workers and similar equivalent for part-time workers
Benefit amount	Unpaid for first 10 days, then at least two-thirds of a worker's normal pay rate, capped at \$200 per day or \$10,000 total.	Normal wage or minimum wage, whichever is greater, capped at \$511 for a worker's quarantine or diagnosis. Caregiving benefit would be two-thirds of normal or minimum wage, capped at \$2,000.
Employer tax credit	Covers wages of as much as \$200 per day or \$10,000 total	Covers daily wages of as much as \$511 for affected employee, or as much as \$200 for employee caring for someone else
Self-employed tax credit	The lesser of \$200 per day or 67% of average daily self-employment income	The lesser of \$511 per day or average daily self-employment income for affected individual, or the lesser of \$200 or 67% of average daily self-employment income if caring for someone else

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provided as schools across the country began to shut down. Finally, the legislation created a joint federal-state unemployment insurance program to provide support for as long as 26 weeks to workers who have been involuntarily laid off due to the coronavirus.

The final legislative package, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted on Friday, March 27, 2020. The legislation provided additional supplemental appropriations funding across all most federal agencies with a majority (around 80%) going to state and local governments to help them as they respond to coronavirus and to make up for lost wages associated with the economic downturn brought on by a number of businesses closing in response to shelter in place orders or requirements that “non-essential” businesses close.

The final CARES Act included about \$2 trillion worth of proposals, including \$350 billion for small businesses, a \$500 billion chunk of the bill that can be used for loans to larger corporations including airlines or state and local governments, extensive corporate tax breaks and tax deferrals, and direct payments of \$1,200 for middle-class and low-income Americans. The measure would provide \$32 billion to the Treasury Department for financial assistance to the aviation workforce and would establish and provide \$80 million for a Pandemic Response Accountability Committee that would oversee loans and other funds provided to nonfederal entities under the bill and other coronavirus response laws.

The committee would be established within the Council of Inspectors General on Integrity and Efficiency. It would include inspectors general of relevant departments and an executive director selected with congressional input. The committee would detect and prevent fraud, waste, abuse, and mismanagement, and identify major risks. Its tasks would include conducting audits, and reviewing grant and contract reporting and program administration. It could issue subpoenas to compel testimony. When passing the stimulus package in 2009, Congress also set up an oversight panel to oversee the large influx of federal spending.

Relief funds included in the measure provide \$150 billion to states and local governments for necessary expenditures incurred in responding to the coronavirus outbreak -- including building field hospitals and buying ventilators -- as well as to offset the cost of other essential government services not budgeted for in the wake of the economic downturn.

The funds apply to expenditures incurred between March 1, 2020 and December 31, 2020. The U.S. Treasury must allocate funds to states (within 30 days) based on a state’s population (provided by the Census Bureau), although every state will be guaranteed at least \$1.25 billion. The bill reserves 45 percent of the state’s total allotment for localities of 500,000 or more. These localities may apply directly to the Treasury for their relative share by population of this amount. Localities with populations of less than 500,000 can work with their states to access funding.

While the first two legislative packages were negotiated primarily in the House, the chamber left to take a regularly scheduled recess during the week of March 16. After two lawmakers confirmed they had been diagnosed with COVID-19, the House opted not to return until an agreement had been reached on the third legislative package. That left the Senate to be the chamber negotiating a legislative package with the White House.

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Now that work has been completed on the third legislative package, both the House and Senate are expected to be in recess through at least April 20, 2020 and hold pro forma sessions with no legislative activity in the interim.

Federal Agencies have also made adjustments in response to the pandemic. The National Park Service (NPS) will no longer collect entrance fees at its parks that remain open during the coronavirus outbreak.

“I’ve directed the National Park Service to waive entrance fees at parks that remain open. This small step makes it a little easier for the American public to enjoy the outdoors in our incredible National Parks,” Secretary David Bernhardt of the Interior Department, which oversees NPS, said in a statement. “Our vast public lands that are overseen by the department offer special outdoor experiences to recreate, embrace nature and implement some social distancing,” he added.

That could mean significant savings for some nature lovers, as fees can run as high as \$35 per vehicle at some national parks. The fees are suspended until further notice.

However, many of the park service’s properties are already closed due to the virus. Some parks have closed completely, while others have shut down visitor’s centers or other spots where people might gather in close proximity.

Similarly, the Environmental Protection Agency (EPA), the Consumer Brands Association (CBA) and others are also changing policies. The consumer packaged goods industry announced new steps for expediting reviews of products related to the coronavirus pandemic.

The move aims to ensure accurate information for the public about which products can help combat the spread of the coronavirus.

The EPA's review process will now take as little as two weeks, instead of the typical 90 days.

The White House, Pentagon, and Capitol have all suspended tours and the Capitol Complex has closed to all visitors except official business visitors who must now be escorted to meetings. However, most Congressional staff are now teleworking or working in shifts to meet minimal legislative needs inside the Capitol.

### ***Senate Attempts to Advance Energy Package***

The Senate began debate on the first large energy package to be brought to the floor in several years on Monday, March 2 in a procedural vote of 84 to 3. The legislation includes provisions from dozens of bills approved by the Senate Energy and Natural Resources Committee. It was negotiated by Senators Lisa Murkowski (R-AK) and Joe Manchin (D-WV), the panel’s chairman and ranking member.

The legislation would “promote a range of emerging technologies that will help keep energy affordable even as it becomes cleaner and cleaner,” Murkowski said in a news release

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announcing the measure. “Our bill also addresses national needs by taking overdue steps to enhance our cybersecurity, grid security, and mineral security.”

Among the provisions included in the legislation:

The measure would authorize \$313.6 million for vehicle technology programs at the Energy Department in fiscal 2021, increasing to \$366.8 million for fiscal 2025. The measure would authorize several vehicle research and development programs, covering ways to reduce or eliminate vehicle petroleum use and emissions, advanced vehicle manufacturing and ways to increase battery and fuel cell production while decreasing cost, reducing waste and emissions, and recycling batteries, integration of multiple advanced technologies on class 8 truck and trailer platforms.

The measure contains several provisions focused on promoting energy efficiency in buildings, industrial processes, and appliances. It would stipulate that the efficiency-related program authorizations would be effective in a fiscal year only as provided in advance by appropriations laws. The measure would authorize \$100 million for each of fiscal 2021 through 2025 for an Energy Department competitive grant program supporting schools making energy improvements, including energy efficiency, renewable energy, and zero-emissions vehicles. The department would have to prioritize grants to applicants with a funding need that serve a high percentage of students eligible for subsidized lunch or that are located in rural areas. Grant recipients would have to use competitive bidding to select contractors for projects and pay local prevailing wages.

An additional \$10 million per year for fiscal 2021 through 2025 would be authorized for a pilot grant program to support energy efficiency upgrades at nonprofit hospitals, schools, churches, and other nonresidential buildings.

The legislation also would make water and wastewater treatment operations eligible for an existing research and development grant program for energy-intensive industries.

The measure would also authorize \$5 million in each of fiscal 2021 and 2022 for rebates to encourage replacement of inefficient transformers at industrial and utility facilities, commercial buildings, and multifamily buildings.

The Energy Department would establish a Federal Smart Building Program to implement secure technologies that create automated monitoring of building operations, communicate with utilities and other third parties, and protect occupant health and safety. The program would include at least one building from each of the Energy, Interior, and Veterans Affairs departments as well as the Army, Navy, Air Force, and General Services Administration. The Energy Department would set targets for the number of smart buildings to be commissioned and evaluated by each of the agencies on three- and six-year timeframes.

The measure would authorize \$350 million annually from fiscal 2021 through 2025 for the Energy Department’s Weatherization Assistance Program, which received \$305 million in fiscal 2020.

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The measure would establish a new weatherization grant program to support retrofitting low-income housing. A portion of the total annual program funding, as much as \$25 million per fiscal year, would be allocated to the grants based on actual appropriations. Each “financial assistance award” would be capped at \$2 million.

The measure would authorize \$270 million per year for fiscal 2021 through 2025 for an Energy Department program to promote solar energy research, demonstration, and commercialization. It would also authorize \$120 million annually for that period for a similar wind energy program, to improve generation design and efficiency, support integration with the electric grid, and limit any adverse effects of solar and wind energy technologies.

The measure would authorize the following amounts annually from fiscal 2021 through 2025 for energy storage-related programs: \$100 million to promote large-scale commercial deployment of energy storage technologies that meet cost and performance thresholds; \$100 million for energy storage system demonstration projects to improve infrastructure security and emergency response, optimize transmission and distribution, and increase reliability with a focus on rural areas; \$50 million for a long-duration demonstration initiative that includes energy storage projects; and \$20 million for technical and planning assistance related to procuring energy storage systems by electric cooperatives, state and municipal agencies and utilities, investor-owned utilities, and nonprofit groups partnering with cooperatives and public entities.

The Federal Energy Regulatory Commission (FERC) would have to develop regulations to allow electric storage resources capable of pulling electricity from the grid and later re-releasing it to receive rate-regulated cost recovery for their electrical transmissions and to receive compensation for other services.

The measure would authorize \$50 million per year for fiscal 2021 through 2025 for competitive grants and technical assistance to rural electric cooperatives, state and municipally owned electric utilities, and investor-owned utilities selling less than 4 million megawatt-hours to deploy advanced cybersecurity technologies and increase their participation in cyber threat information sharing programs. Priority would be given to entities with limited cybersecurity resources, that own assets critical to bulk power system reliability, or that own defense critical electric infrastructure.

The measure would authorize \$90 million for each of fiscal 2021 through 2025 to provide federal financial assistance for states to develop energy infrastructure cybersecurity plans for dealing with supply disruptions. Plans would address all energy sources and providers, assess risks across sectors, and use a risk-mitigation approach to improve reliability and resilience.

The measure would authorize \$200 million per year for fiscal 2021 through 2029 for several Energy Department programs to modernize the electrical grid.

The measure would authorize \$15 million for a smart energy and water efficiency pilot program. It would provide grants to utilities, municipalities, water districts, tribes, and other entities to demonstrate technology-based solutions to improve the net energy balance of water and wastewater systems.

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While the Senate had hoped to pass the legislation as early as Tuesday, March 10, two cloture votes to bring debate on the legislation to an end failed on Monday, March 9. While negotiators still hope legislation can be brought to the floor later this year, no timeline for reconsideration has been announced.

### ***Senate Seeks Massive Permanent Boost in Conservation Funding***

Conservation funding would get a dramatic boost under a coming bill from a bipartisan group of senators following a major policy reversal from President Trump.

The legislation would permanently direct \$900 million in oil and gas revenue to fully fund the popular Land and Water Conservation Fund (LWCF), ensuring resources for a program Trump previously proposed gutting.

“There are very few things that we as legislators do that we can rightly say are permanent. This is one of those things where we're doing something for the people of America and for generations yet unborn that's going to make a real difference,” said Senator Angus King (I-ME).

LWCF funds a variety of conservation efforts, such as securing land for parks. The legislation would be paired with a revived bill offering up \$6.5 billion to address a more than \$12 billion maintenance backlog at national parks.

After years of similar efforts, an election-year reversal from Trump is giving lawmakers new momentum.

Despite suggesting cutting LWCF funds by as much as 97 percent year after year, including in his most recent budget proposal, Trump called for a bill to fully fund the program.

With each lawmaker stressing the bipartisan backing behind the two pieces of legislation — 68 senators have signed on to the previous versions of one or both bills — Sen. Joe Manchin (D-WV) defended Garner's long-held interest.

“When we drafted the bill, Cory was the first one to take the lead,” Manchin said. “We're in a situation where we're in a crossroads right now. In our lifetime this has never happened. So we got to take advantage of this.”

Since it was created in 1964, the LWCF has supported more than 42,000 projects, bolstering parks and expanding acres of conservation areas.

While the program was made permanent last year, its funding was not. And though lawmakers have repeatedly rejected Trump's suggestion to massively defund the program, they have not succeeded in fully funding it, instead securing about \$450 million last year.

Lawmakers seemed confident this year would be different given both presidential and bipartisan support.



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“We have more than enough votes to move beyond anybody who raises an objection,” Gardner said.

Lawmakers said they were able to convince Trump to reverse his opinion after a meeting where they showed pictures of various landscapes from their states that had benefited from LWCF money. Senate Majority Leader Mitch McConnell has agreed to fast-track the legislation.

The legislation was originally slated to be brought to the floor during the week of March 23, but consideration of coronavirus response legislation has postponed consideration until a later, yet-to-be-announced date. While there is hope the legislation can move expeditiously across the Senate floor, there are a number of Senators who will likely offer amendments.

### ***Bureau of Land Management Restructure Leaves Bureau Short Staffed***

The Bureau of Land Management (BLM) has lost more than half of its Washington-based employees who were slated to move out West as the agency pushes ahead with a controversial plan to relocate staff.

New internal numbers from the Interior Department show 69 employees have left the agency rather than accept the new assignment. Another 18 left after the plans were announced but before they could be reassigned.

Those 87 employees outnumber the 80 who have agreed to the move.

The figures are at odds with the ones referenced in December by Acting BLM Director William Perry Pendley, who said in an email that roughly two-thirds of staffers had agreed to move.

“This is a huge brain drain,” said Steve Ellis, who retired from BLM's top career-level post in 2018. “There is a lot of really solid expertise walking out the door.”

The BLM move would uproot nearly all of the agency's dwindling Washington staff out West, leaving just 61 of 10,000 employees in the nation's capital.

Under the relocation plan, roughly 25 employees would work at BLM's new headquarters in Grand Junction, Colorado while another 150 or so would be placed in the agency's existing offices out West.

The new internal figures show the agency is experiencing an exodus similar to the ones at two U.S. Department of Agriculture agencies. One of the two agencies, the Economic Research Service, lost nearly 80 percent of its staff last year and had to cancel several projects as a result.

BLM first announced its Western relocation plans in July 2019, sparking objections from Democratic lawmakers and condemnation from agency retirees who argued that career staffers would flee the agency and leave BLM with a dearth of experience on top of its numerous vacancies.

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In a meeting with Senate appropriators, Interior Secretary David Bernhardt had told lawmakers he was confident the agency would find quality candidates to replace the departing staffers, including those needed to fill top positions at the new headquarters.

“The caliber of people and number of people applying for these positions is through the roof and phenomenal,” he said.

But Ellis said the relocation “removes BLM from the sphere of direct influence in the nation's capital and critically weakens the agency's ability for career leadership and their staff to collaborate across disciplines and work closely with other key agencies.”

“The administration is solving a problem that isn't there while creating new ones. It will weaken the agency by marginalizing leadership in a relatively small western community,” he added.

BLM is hoping to complete the move by the summer.

A scathing report from the Government Accountability Office (GAO) paints a picture of an agency that did little to determine how the move would improve the agency, excluded employees from having a say in the process and failed to do a proper analysis on a number of factors.

The report makes clear that a 17-page July letter to Congress was the agency's “implementation plan” for the move, something GAO said “does not include key milestones or metrics against which to assess progress,” nor any deliverables.

The move is one potential topic for a subpoena from the House Natural Resources Committee, which gave its chair subpoena power last month.

“The Trump administration is destroying the Bureau of Land Management by mistreating its staff and politicizing its mission and then lying to Congress and the public about the damage it's causing,” Committee Chairman Raul Grijalva said in a statement.

### ***States Sue Over Trump's Border Wall Money from the Military***

More than a dozen U.S. states sued President Donald Trump's administration to block \$3.8 billion in 2020 military funding from being diverted to the construction of a U.S. border wall with Mexico.

The lawsuit was filed in federal court in Oakland, California, just days after the American Civil Liberties Union and a national environmental group filed a similar lawsuit over Trump's end run around Congress.

“Congress has repeatedly and explicitly rejected taxpayer funding for a wasteful Trump wall along the border,” California Attorney General Xavier Becerra said in a statement. “We're going to court -- once again -- to remind Donald Trump that even the president is not above the law.”

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The federal court in San Francisco last year repeatedly found that Trump's initial transfer of over \$6 billion in military funds for the wall was unlawful. The president notched a win in July, however, when the Supreme Court said he could use some military funds while lawsuits were pending.

Trump has shown a "flagrant disregard of fundamental separation of powers principles ingrained in the United States Constitution," the states say in the complaint. The latest diversion of military money will strip the National Guard of much-needed funding, they say.

Trump and Republican allies have argued that a border wall with Mexico is urgently needed to stem the flow of tens of thousands of undocumented immigrants entering the country illegally from Central and South America. The administration has argued the immigrants are a drain on taxpayer resources and a threat to public safety.

### ***Government to Withhold Funds from Sanctuary Cities After Court Ruling***

President Trump said his administration will begin withholding funding from self-described sanctuary cities after a federal court ruled earlier this month that it could do so.

The 2nd Circuit Court of Appeals in Manhattan ruled on February 26 that the Department of Justice (DOJ) could withhold funding from cities and states that refuse to cooperate with the Trump administration's crackdown on undocumented immigrants.

The three-judge panel found Congress had delegated authority to the attorney general to set conditions on the federal grant program it had created, called the Edward Byrne Memorial Justice Assistance Grant Program.

The decision came after multiple courts had ruled against the Trump administration on the issue, saying it lacked the authority to impose immigration-related conditions on certain funding.

A group of seven states and New York City sued the DOJ in 2017 after then-Attorney General Jeff Sessions announced that the agency would start withholding funding from local governments that refused to share information about undocumented immigrants or provide jail access to federal authorities investigating inmates' immigration status.

Officials that backed the lawsuit pledged to challenge the appeals court ruling.

Sanctuary cities typically limit their cooperation with the federal government to enforce federal immigration laws, offering a safe haven for undocumented immigrants. Trump regularly blasts sanctuary cities during his campaign rallies, citing them to accuse Democrats of supporting lax immigration laws.

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### ***White House Denies Comment Period Extension for Permitting Rewrite***

The White House Council on Economic Quality (CEQ) said Wednesday, March 4 that it would not extend the comment period or arrange further public meetings for its pending rewrite of the National Environmental Policy Act.

The decision, which Chairman Mary Neumayr announced in a letter to lawmakers, is a clear sign that CEQ is staying on pace with its rule proposal, which aims to speed up environmental permitting for major projects. The agency has said it has engaged in extensive public outreach on the proposal and has taken in more than 80,000 comments.

But CEQ's refusal to prolong the comment period cuts sharply against the wishes of environmentalists and Congressional Democrats, who have argued that the agency hasn't given them nearly enough of an opportunity to comment. The letter comes in response from a request made in January letter from Representative Peter DeFazio (D-OR), chairman of the House Transportation and Infrastructure Committee; Representative Raul Grijalva (D-AZ), chair of the House Natural Resources Committee; and Senator Tom Carper (D-DE), ranking member on the Senate Environment and Public Works Committee.

CEQ has been criticized for holding only two public meetings on the proposed rule, in Denver and Washington, D.C. The comment period ended March 10.

### ***EPA Sued Over Reapproval of Key Roundup Chemical***

Multiple groups on Friday, March 20 sued the Environmental Protection Agency (EPA) over its decision to re-approve a chemical used in Bayer's Roundup weed killer.

The agency re-approved the chemical, known as glyphosate, in January, claiming that it doesn't pose a danger to humans. Thousands of lawsuits, however, have attributed cancer to Roundup.

One lawsuit against the EPA was filed Friday on behalf of the Center for Food Safety (CFS), Beyond Pesticides, the Rural Coalition, Organización en California de Lideres Campesinas, and the Farmworker Association of Florida.

"EPA's half-completed, biased, and unlawful approval sacrifices the health of farmworkers and endangered species at the altar of Monsanto profits," said CFS legal director George Kimbrell in a statement. "The reckoning for Roundup is coming."

Another suit was filed by the Natural Resources Defense Council (NRDC) and Pesticide Action Network North America.

The NRDC, in a statement on its lawsuit, called the glyphosate approval "unsafe, unhealthy, and unlawful."

"EPA ignored warnings from scientists, environmentalists, and medical experts who cautioned about the serious health and environmental harms of continued use of glyphosate," it said.

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In the statement, the organization's senior director of wildlife, Sylvia Fallon, said that the chemical also eradicates habitat for pollinators.

An EPA official declined to comment, saying the agency does not comment on pending litigation.

In re-approving the chemical earlier this year, the agency said “there was insufficient evidence to conclude that glyphosate plays a role in any human diseases.”

It did find that glyphosate presented “low or limited potential risks” in birds and mammals.

Glyphosate is the most commonly used herbicide among farmers and is the key ingredient in Bayer-Monsanto’s Roundup weed killer. The company faces several lawsuits regarding the substance.

The company has claimed, however, that its products can be used safely and that that glyphosate is not carcinogenic.

The EPA faced another stirrup this as the Environmental group Earthjustice sued the Environmental Protection Agency (EPA) following an investigation that found the agency was fast-tracking approval for various chemicals

The investigation, done alongside the Environmental Defense Fund (EDF) “found that EPA is approving hundreds of new chemicals each year without giving the public access to important information or opportunities to provide input.”

The lawsuit based on the report hinges on the Toxic Substances Control Act, or TSCA, which require the EPA to announce new applications for chemicals ranging from pesticides to new forms of non-stick chemicals.

However the groups found that in one out of every six applications, the EPA did not publish the notice until after the chemical was already approved, preventing the public from weighing in with concerns.

“Unleashing chemicals into the market without proper vetting is like opening Pandora’s box,” the groups said in a release.

“EPA must stop hiding key information about the chemicals it is reviewing and put public health above the desires of the chemical industry.”

The suit, filed on behalf of groups including the Sierra Club and the Natural Resource Defense Council, follows threats of litigation last year.

EPA met with the groups and made some changes to its policy, but Earthjustice argues those moves are still insufficient.

## *Innovative Federal Strategies LLC*

Environmental groups argue the agency is allowing chemical companies to conceal too much of their own research as confidential business information, keeping it from being released to the public with the rest of the application.

The suit pushes for EPA to do more auditing of company applications to ensure the information meets standards to be kept confidential.

An EPA spokesman said the agency had hoped working with the environmental groups would have led to a different outcome.

### ***Outlook for the Month of April***

The House and Senate are in recess through at least April 20 after passing three major bipartisan pieces of legislation to deal with the response to the coronavirus. Even as the House and Senate are in recess, Committees are expected to continue work behind the scenes drafting legislation for the fiscal year 2021 appropriations cycle. While many staff are working from home, there have, to date, been no announced changes to the House and Senate Appropriations Committee deadlines or process.

Deadlines for Member submissions to the House Appropriations Committee have all now passed, and Senators must submit their remaining requests before Friday, April 3, 2020.

While Committees will not formally meet during the recesses of the House and Senate, some have indicated they will move to paper hearings to allow administration officials to submit additional testimony related to the President's Budget request and to allow Members to submit questions for the record.

Bill Number	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
S.1932	Sen. Cory Gardner (R-CO) / Sen. Dianne Feinstein	Drought Resiliency and Water Supply Infrastructure Act	<p>This legislation would authorize and/or reauthorize surface and groundwater storage and supporting projects, water recycling and reuse projects, and desalination projects. It would also establish an infrastructure finance and innovation pilot program at the Bureau of Reclamation. The legislation would also establish a process to deauthorize Bureau of Reclamation projects that have failed to receive a minimum federal investment or initiate construction.</p> <p>The bill would increase support for water infrastructure projects that are likely to provide a more-reliable water supply and increase the water management flexibility and water reliability.</p>	<p>The legislation was introduced on June 20, 2019. The Water and Power Subcommittee of the Energy and Natural Resources Committee held hearings on 7/18/2019.</p> <p>A markup has not been scheduled due to disagreements between the Ranking Member and Sponsors of the legislation.</p> <p>Senator Dianne Feinstein is expected to release an updated version of the bill in the coming weeks that will make changes to how some projects would be authorized.</p>

S.3422	Sen. Cory Gardner (R-CO)	Great American Outdoors Act	<p>The legislation would create a National Parks and Public Lands Legacy Restoration Fund with income from 50% of the energy development revenues from oil, gas, coal, or alternative renewable energy from Federal land from fiscal years 2021 to 2025 for deferred maintenance projects in the National Park System, National Wildlife Refuge System, on BLM Public Lands, BIA Schools, or the National Forest.</p> <p>The legislation would also establish permanent funding for the Land and Water Conservation Fund that would not require further appropriations from Congress.</p>	<p>The legislation was introduced on 3/9/2020 in the Senate. The legislation has 58 cosponsors, including Senate Majority Leader Mitch McConnell (R-KY) who has indicated he plans to fast track the legislation in the Senate. While there were initially plans to consider the legislation in March, the Senate's schedule was changed to consider the third coronavirus response bill. The legislation is expected to be brought to the floor this spring or summer.</p>
Draft Legislation	Rep. Jared Huffman (D-CA)	FUTURE Drought Act	<p>Representative Huffman's draft legislation includes three titles on: Infrastructure Development, Improved Technology and Data, and Ecosystem Protection and Restoration. The draft legislation would create a water storage program, includes authorization of funding for desalination projects, created an water infrastructure fund, and extends and expands the WaterSMART program.</p>	<p>The legislation is expected to be introduced in the coming weeks. A section by section summary of the legislation can be found here: <a href="https://huffman.house.gov/imo/media/doc/FUTURE%20Drought%20Resiliency%20Act%20Discussion%20Draft%20SxS_Updated.pdf">https://huffman.house.gov/imo/media/doc/FUTURE%20Drought%20Resiliency%20Act%20Discussion%20Draft%20SxS_Updated.pdf</a></p> <p>Huffman's office is still accepting comments on the legislation via his website: <a href="https://huffman.house.gov/future-drought-act/comments">https://huffman.house.gov/future-drought-act/comments</a></p>
S. 2356	Sen. Mike Braun (R-IN)	Define WOTUS Act of 2019	<p>The measure would create a new WOTUS definition the void the previous Obama era definition that is currently tied up in litigation.</p>	<p>The legislation was introduced on July 31 and referred to the Committee on Environment and Public Works.</p>



S. 1097	Sen. John Barrasso (R-WY)	Water Quality Certification Improvement Act of 2019	The measure would amend the Federal Water Pollution Control Act to make changes with respect to water quality certification.	The measure was introduced in the Senate on April 19 and was referred to Committee on Environment and Public Works.  On November 19 the committee held a hearing to discuss impacts of the act if implemented.
H.R. 1764	Rep. John Garamendi (D-CA)	The bill to amend the Federal Water Pollution Act	The legislation would amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.	Introduced on March 15, 2019 and then referred to the Subcommittee on Water Resources and Environment.  This legislation has bipartisan cosponsorship and hearings were held on the measure in November 2019.

<p>H.R.1497</p>	<p>Rep. Peter DeFazio (D-OR)</p>	<p>Water Quality Protection and Job Creation Act of 2019</p>	<p>Requires a report to Congress on the current and future workforce needs for publicly owned treatment works and information on steps taken to meet those needs.</p> <p>Reauthorizes sections of the Federal Water Pollution Control Act that provide grants to States and interstate agencies, including:  State Management Assistance: Section 106(a);  Watershed Pilot Projects: Section 122(c);  Alternative Water Source Projects Pilot Program: Section 220(d);  Sewer Overflow and Stormwater Reuse Municipal Grants: Section 221(f)1); and  State Water Pollution Control Revolving Funds.</p> <p>Changes the length of permits for NPDES permits to not exceeding 10 years in certain circumstances.</p>	<p>Introduced on March 6, 2019 and referred to the Subcommittee on Water Resources and Environment of the House Transportation Committee.</p> <p>The Committee marked up the legislation and reported it with an amendment in the nature of a substitute--expanding the scope of the legislation.</p>
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<p>H.R. 1508 / S. 146</p>	<p>Rep. Blumenauer (D-OR) / Sen. John Hoeven (R-ND)</p>	<p>Move America Act of 2019</p>	<p>The measure would amend the Internal Revenue Code of 1986 to provide for Move America bonds and Move America credits which would be applicable to projects relating to flood diversions, inland waterways, sewage facilities.</p>	<p>The House bill was introduced on March 5 and then referred to the House Committee on Ways and Means.</p> <p>Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.</p> <p>The Senate bill was introduced in the Senate on January 16th and referred to the Senate Committee on Finance.</p>
<p>H.R.1162</p>	<p>Rep. Grace Napolitano (D-CA)</p>	<p>Water Recycling Investment and Improvement Act</p>	<p>This legislation would create a competitive grant program for the funding of water recycling and reuse projects by raising the authorization cap for the Title XVI program from \$50 million to \$500 million. The legislation would also raise the authorization cap from \$20 million to \$30 million for the Reclamation Wastewater and Groundwater Study and Facilities Act.</p>	<p>Introduced in the House on February 13, 2019.</p> <p>The House Natural Resources Subcommittee on Water, Oceans, and Wildlife held a hearing on the legislation on June 13, 2019.</p>
<p>S. 361/H.R. 807</p>	<p>Sen. Cory Gardner (R-CO) / Rep. Ken Buck (R-CO)</p>	<p>Water and Agriculture Tax Reform Act of 2019</p>	<p>The measure would work to amend the Internal Revenue Code of 1986 to facilitate water leasing and water transfers to promote conservation and efficiency.</p>	<p>Introduced and referred to the Committee on Finance (Senate) and Ways and Means Committee (House). Neither chamber has recently engaged on the measures.</p>

H.R.579	Rep. Scott Tipton (R-CO)	Water Rights Protection Act of 2019	This bill would prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretaries of the Interior and Agriculture, and for other purposes.	<p>Introduced in the House on January 15th. Referred to the Conservation and Forestry Subcommittee of the Agriculture Committee on 2/7 and to the Water, Oceans, and Wildlife Subcommittee of the House Natural Resources Committee on 2/4.</p> <p>A similar amendment was submitted to the House Rules Committee for consideration in the Interior-Environment Appropriations bill, but was not made in order by the Committee for floor consideration.</p>
H.R.34	Rep. Eddie Bernice Johnson (D-TX)	Energy and Water Research Integration Act of 2019	The legislation would ensure consideration of water intensity in the Department of Energy's energy research, development, and demonstration programs to help guarantee efficient, reliable, and sustainable delivery of energy and clean water resources.	The bill was introduced in the House on January 3rd. It was marked up and ordered to be reported by the House Science and Technology Committee on May 1, 2019 and was passed by the House on July 23, 2019 by voice vote. On July 24, the bill was referred to the Senate Committee on Energy and Natural Resources.
H.R. 2313	Rep. Jared Huffman (D-CA)	Water Conservation Rebate Tax Parity Act	The measure would amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures and storm water management measures.	<p>The bill was introduced in the House on April 12, 2019 and then referred to the Committee on Ways and Means.</p> <p>Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.</p>

H.R.1747	Rep. Rob Whitman (R-VA)	National Fish Habitat Conservation Through Partnerships Act	The measure aims to achieve measurable habitat conservation results through strategic actions of Fish Habitat Partnerships that lead to better fish habitat conditions and increased fishing opportunities, establish a consensus set of national conservation strategies as a framework to guide future actions and investment by Fish Habitat Partnerships, broaden the community of support for fish habitat conservation, fill gaps in the National Fish Habitat Assessment and the associated database of the National Fish Habitat Assessment, and communicate to the public and conservation partners.	A hearing has been held in the House Natural Resources Committee on the legislation and the legislation was ordered to be reported out of committee on September 25, 2019.
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S.1419	Sen. James Lankford (R-OK)	Early Participation in Regulations Act	The legislation would direct agencies to issue advanced notices for rules costing more than \$100 million annually. The bill would require agencies must outline the problem the rule intends to solve and listen to the public's input on the subject.	<p>On May 13, the bill was introduced into the Senate. It was then referred to the Committee on Homeland Security and Governmental Affairs. Hearings on the bill were held in both the Committee on Homeland Security and the Committee on Small Business. On July 19 the Committee on Homeland Security and Governmental Affairs ordered the measure to be reported favorably with an amendment in the nature of a substitute.</p> <p>On September 10, the bill was placed on the Senate Legislative Calendar under General Orders. However the bill has yet to be considered on the Senate floor.</p> <p>The legislation has bipartisan cosponsor ship.</p>
S. 1097	Sen. John Barrasso (R-WY)	Water Quality Certification Improvement Act of 2019	The measure would amend the Federal Water Pollution Control Act to make changes with respect to water quality certification.	<p>The measure was introduced in the Senate on April 19 and was referred to Committee on Environment and Public Works.</p> <p>On November 19 the committee held a hearing to discuss impacts of the act if implemented.</p>
H.R. 1695	Rep. Betty McCollum (D-MN)	Community Services Block Grant Reauthorization Act of 2019	The legislation would amend the Community Services Block Grant Act to reauthorize and modernize the Act.	<p>The measure was introduced in the House on March 12, 2019 to the House Committee on Education and Labor.</p> <p>The legislation has bipartisan cosponsor ship.</p>

H.R. 1744	Rep. Mark Takano (D-CA)	S.T.O.R.A.G.E. Act (Storage Technology for Operational Readiness And Generating Energy Act) Energy Storage Systems by Electric Utilities	The bill would provide for the consideration of energy storage systems by electric utilities as part of a supply side resource process, and for other purposes.	The bill was introduced on March 13, 2020 and the referred to the Committee on Energy and Commerce, and in addition to the Subcommittee on Energy of the Committee on Science, Space, and Technology.
H.R.579	Rep. Scott Tipton (R-CO)	Water Rights Protection Act of 2019	This bill would prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretaries of the Interior and Agriculture, and for other purposes.	Introduced in the House on January 15th. Referred to the Conservation and Forestry Subcommittee of the Agriculture Committee on 2/7 and to the Water, Oceans, and Wildlife Subcommittee of the House Natural Resources Committee on 2/4.
H. R. 855	Rep. Scott Peters (D-CA)	STRONG (Strengthening the Resiliency of our Nation on the Ground Act) Act	The bill would work to minimize the economic and social costs resulting from losses of life, property, well-being, business activity, and economic growth associated with extreme weather events by ensuring that the United States is more resilient to the impacts of extreme weather events in the short- and long-term, and for other purpose	Introduced in the House and referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management of the House Transportation Committee on February 7th.
H.R. 420	Rep. Earl Blumenauer (D-OR)	Regulate Marijuana Like Alcohol Act	The bill would decriminalize marijuana and sets up legal framework to regulate marijuana.	Introduced in the House on January 9th and referred to the Committees on Energy and Commerce, Ways and Means, Natural Resources, and Agriculture.

<p>S.420 /H.R. 1120</p>	<p>Sen. Ron Wyden (D-OR) / Rep. Earl Blumenauer (D-OR)</p>	<p>Marijuana Revenue and Regulation Act</p>	<p>A bill to amend the Internal Revenue Code of 1986 to provide for the taxation and regulation of marijuana products, and for other purposes.</p>	<p>The bill was introduced in the Senate on February 7th and was referred to the Finance Committee.</p> <p>Introduced in the House on February 8th and was referred to the Committees on Judiciary, Agriculture, and Natural Resources.</p>
<p>H.R. 3794</p>	<p>Rep. Paul A. Gosar (R-AZ)</p>	<p>Public Land Renewable Energy Development Act of 2019</p>	<p>The bill would work to promote the development of renewable energy on public lands</p>	<p>The measure was introduced in the House on July 17, 2019 and was then referred to both the Committee on Natural Resources and the Committee on Agriculture. A hearing on the bill was held on July 25 by the Subcommittee on Energy and Mineral Resources. On August 9th, the bill was referred to the Subcommittee on Conservation and Energy of the House Agriculture Committee.</p> <p>The measure was later referred to the Subcommittee on Energy and Mineral Resources where a hearing was held on the legislation. On November 20th, a Mark-up session was held and the bill was ordered to be Reported by Voice Vote.</p> <p>The legislation has bipartisan cosponsorship.</p>



S. 1344	Sen. Cory Booker (D-NJ) and Tim Scott (R-SC)	Reinstate Opportunity Zone Data Mandates	<p>The bill would require the Secretary of the Treasury to collect data and issue a report on the opportunity zone tax incentives enacted by the 2017 tax reform legislation.</p> <p>The reporting requirements were part of the original legislation as introduced, but they were not incorporated in H.R.1 (the tax package) when it was advanced in the House and Senate.</p>	<p>The legislation was introduced in the Senate on May 7, 2019 and referred to the Finance Committee.</p> <p>The legislation has bipartisan cosponsorship.</p>
H.R.535	Rep. Debbie Dingell (D-MI)	PFAS Action Act of 2019	<p>The legislation combines 12 different bills that had previously been introduced into one legislative package that would change the way the federal government regulates “forever chemicals” known as PFAS.</p> <p>The consolidated version of H.R. 535 would place these chemicals on the Superfund hazards substances list from the Environmental Protection Agency, force the agency to set nationwide drinking water standards for PFAS, and block companies from producing new chemicals in this class.</p>	<p>The legislation was reported out of the House Energy and Commerce Committee on November 20, 2019 by a vote of 31 to 19, largely along party lines. The bill passed the House on January 10, 2020 by a vote of 247 - 159. The bill was received in the Senate on January 13, 2020 and referred to the Committee on Environment and Public Works. The legislation is not expected to be considered in the Senate in its current form.</p>
H.R.4236	Rep. Quigley, Mike (D-IL)	Reducing Waste in National Parks Act	<p>The legislation would encourage recycling and reduction of disposable plastic bottles in units of the National Park System,</p>	<p>The bill was introduced on September 6 and was referred to the House Subcommittee on National Parks, Forests, and Public Lands.</p>

<p>S.3263 / H.R.5845</p>	<p>Sen. Tom Udall (D-N.M.) and Rep. Alan Lowenthal (D-CA)</p>	<p>Break Free from Plastic Pollution Act of 2020</p>	<p>This legislation would require plastic producers to take responsibility for collecting and recycling materials, require nationwide container deposits, ban certain pollutant products, impose a fee on the distribution of non-reusable carryout bags, create a new minimum recycled content requirement, protect state and local governments by allowing them to enact more stringent standards, requirements, and additional product bans, and give environmental agencies the valuable time needed to investigate the cumulative impacts of new plastic-producing facilities on the air, water, and climate.</p>	<p>The bills were introduced in the House on 2/12/2020 and in the Senate on 2/11/2020. In the House, the legislation has been referred to the following committees: Energy and Commerce, Ways and Means, Transportation and Infrastructure, and Foreign Affairs.</p> <p>In the Senate, the legislation has been referred to the Finance Committee.</p>
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Enacted Legislation (removed from report after 2 months)

<p>H.R.748</p>	<p>Sen. Mitch McConnell (R-KY)</p>	<p>CARES Act (third legislative package related to the Coronavirus response).</p>	<p>The more than \$2 trillion legislative package:</p> <p>Made significant (temporary) changes to unemployment insurance by providing additional federal funding, increasing the weekly benefit, and expanding coverage for additional weeks. It also provides loans (with forgiveness) to many small businesses who take them out to meet payroll needs.</p> <p>Provides a tax rebate to many Americans through a direct check to cover unexpected expenses due to the pandemic. It also provides \$500 billion for businesses, governments, etc. through loans, provides the delay of payroll taxes, and other provisions designed to keep businesses afloat.</p> <p>Provides \$339 billion in supplemental appropriations with more than 80% going to state and local governments and communities.</p>	<p>Passed in the Senate on March 25, 2020 by a vote of 96-0 as a substitute amendment to legislation that had already passed the House.</p> <p>Passed the House on Friday, March 27, 2020 by voice vote.</p> <p>Enacted (signed by President Trump) on Friday, March 27, 2020.</p>
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<p>H.R.6201</p>	<p>Rep. Nita Lowey (D-NY)</p>	<p>Familied First Coronavirus Response Act (second legislative package related to the Coronavirus response).</p>	<p>Creates an emergency paid leave program to respond to the coronavirus outbreak. Private sector employers with fewer than 500 workers, government entities would have to provide as many as 12 weeks of partially paid family leave under the FMLA to care for a child whose school or day care has closed. The first 10 days would be unpaid unless an employee used other banked/available leave. Employers also would have to provide full- and part-time workers with two weeks paid sick time, including for a quarantine order or to care for another affected individual. New requirements were added to restrict leave for employees who could not work or telework due to sickness from the coronavirus. (continued)</p>	<p>(continued) Provides \$1 billion for nutrition programs and allows USDA food programs latitude to ensure meals are provided. SNAP could provide extra benefits in areas where school closures impact the National Schools Lunch Program. SNAP Work Requirements are waived. Meals under the National School Lunch Program can be taken “to-go” rather than served.</p> <p>Joint federal-state unemployment insurance program generally provides income support for as long as 26 weeks to workers who have been involuntarily laid off.</p> <p>Passed the House on March 14, 2020.</p> <p>Passed the Senate on March 18, 2020.</p> <p>Enacted (signed by President Trump) on March 18, 2020.</p>
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H.R.6074	Rep. Nita Lowey (D-NY)	Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (first legislative package related to the Coronavirus response).	<p>Provided \$6.5 billion for the Department of Health and Human Services. Provided \$1.25 billion for the State Department and USAID for global health programs, humanitarian and health assistance, diplomatic operations, evacuation and emergency preparedness costs.</p> <p>Enabled the Small Business Administration to provide approximately \$7 billion in disaster loans by expanding the disaster definition.</p>	<p>Passed the House on March 4, 2020.</p> <p>Passed the Senate on March 5, 2020.</p> <p>Enacted (signed by President Trump) on March 6, 2020.</p>
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**INFORMATION  
ITEM**

**3M**



CALIFORNIA STRATEGIES, LLC

Date: March 25, 2020  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: California Strategies, LLC March 2020 Activity Report

1. This month Jim Brulte and John Withers participated in the monthly senior staff meeting which was attended by senior Executive Management Team members on March 2.:

2. Regional Contract

The second GM meeting was held March 3<sup>rd</sup>. Ongoing issues include the SAR recycled water issues and rates. Additional issues include IEUA/Member agency dynamics and alternative proposals from Member agencies.

3. Chino Basin Program

- Met with local agency GMs and IEUA Board Ad Hoc Committee week of March 3<sup>rd</sup>.
- Discussion of project alternative options, CEQA alternatives, Salinity projections, and the current regional masterplan

4. Rate Study (Carollo)

- Rate terms have been bifurcated between five-year rates (MEU, EDU) and two-year rates.
- Ongoing discussion on recycled rates (fixed vs. volumetric). Concern about rate increases  
Fixed component is a challenge, currently subsidized by property taxes

5. Discussed regional personnel changes and potential impacts at IEUA

6. Member Questions and Answers

- Provided member agency elected officials background information/profiles
- Answered questions from IEUA Board members and the GM since the last meeting, including the hiring of new City Manager Mark Denny (formerly City Manager in Dana Point).

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**4A**





# S A W P A

**SANTA ANA WATERSHED PROJECT AUTHORITY**

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

**PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 12, 2020, AND EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020, ANY COMMISSION MEMBER MAY CALL INTO THE COMMISSION MEETING WITHOUT OTHERWISE COMPLYING WITH THE BROWN ACT'S TELECONFERENCING REQUIREMENTS.**

## **VIRTUAL ACCESSIBILITY FOR THE GENERAL PUBLIC:**

**Due to the spread of COVID-19, and until further notice, the Santa Ana Watershed Project Authority will be holding all upcoming Board and Committee meetings by teleconferencing and virtually through Zoom.**

**This meeting will be accessible as follows:**

<b>Meeting Access Via Computer (Zoom)*:</b>	<b>Meeting Access Via Telephone*:</b>
<ul style="list-style-type: none"> <li>• <a href="https://sawpa.zoom.us/j/780814078">https://sawpa.zoom.us/j/780814078</a></li> </ul>	<ul style="list-style-type: none"> <li>• 1 (669) 900-6833</li> </ul>
<ul style="list-style-type: none"> <li>• Meeting ID: 780 814 078</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting ID: 780 814 078</li> </ul>
<p><b>*Participation in the meeting via the Zoom app (a free download) is strongly encouraged; there is no way to protect your privacy if you elect to call in by phone to the meeting.</b></p>	

**All votes taken during this meeting will be conducted by oral roll call.**

## **REGULAR COMMISSION MEETING TUESDAY, APRIL 7, 2020 – 9:30 A.M.**

### **AGENDA**

- CALL TO ORDER/PLEDGE OF ALLEGIANCE (David J. Slawson, Chair)**
- ROLL CALL**
- 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).

- ITEMS TO BE ADDED OR DELETED**

Pursuant to Government Code §54954.2(b), items may be added on which there is a need to take immediate action and the need for action came to the attention of the Santa Ana Watershed Project Authority subsequent to the posting of the agenda.

**5. 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 17, 2020**

**Recommendation:** Approve as posted.

**B. TREASURER'S REPORT – FEBRUARY 2020**

**Recommendation:** Approve as posted.

**6. NEW BUSINESS**

**A. COVID-19 EMERGENCY DECLARATION | STATUS UPDATE**

**Presenter:** Rich Haller

**Recommendation:** Receive and file.

**B. COVID-19 EMERGENCY DECLARATION | REQUEST FOR PUBLIC ASSISTANCE (CM#2020.23)**

**Presenter:** Carlos Quintero

**Recommendation:** Direct the General Manager to submit a Request for Public Assistance as a result of Disaster Declaration EM-3428 and provide all the required supporting and close-out documentation as required by the California Office of Emergency Services (CalOES) to accept Disaster Recovery funds under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended.

**C. REGULATORY SUPPORT | BASIN MONITORING PROGRAM TASK FORCE | MIDDLE SANTA ANA RIVER PATHOGEN TMDL TASK FORCE | EMERGING CONSTITUENTS PROGRAM TASK FORCE (CM#2020.22)**

**Presenter:** Mark Norton

**Recommendation:** Authorize the General Manager to execute the following:

1. Agreement for Services by and between Kahn Soares & Conway and SAWPA; and,
2. Task Order KSC374-01 with Kahn Soares & Conway in the amount not to exceed \$93,293.60 for the remainder of FY19-20 and for FY 20-21, to provide strategic and regulatory support for the Basin Monitoring Program Task Force; and,
3. Task Order KSC384-01 with Kahn Soares & Conway in the amount not to exceed \$108,156.50 for the remainder of FY 19-20 and for FY 20-21, to provide strategic and regulatory support for the Middle Santa Ana River Pathogen TMDL Task Force; and,
4. Task Order KSC392-01 with Kahn Soares & Conway in the amount not to exceed \$46,410.00 for the remainder of FY19-20 and for FY20-21 to provide strategic and regulatory support for the Emerging Constituents Program Task Force.

**7. INFORMATIONAL REPORTS**

**Recommendation:** Receive for information.

**A. CHAIR'S COMMENTS/REPORT**

**B. COMMISSIONERS' COMMENTS**

**C. COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS**

**8. CLOSED SESSION**

There were no Closed Session items anticipated at the time of the posting of this agenda.

**9. ADJOURNMENT**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4230 or email [kberry@sawpa.org](mailto:kberry@sawpa.org). 48-hour notification 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](http://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 April 1, 2020, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://www.sawpa.org) and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

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 Kelly Berry, CMC

**2020 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.)

<b>January</b>	<b>February</b>
1/7/20 <del>Commission Workshop</del> [cancelled]	2/4/20 Commission Workshop
1/21/20 Regular Commission Meeting	2/18/20 Regular Commission Meeting
<b>March</b>	<b>April</b>
3/3/20 Commission Workshop	4/7/20 Commission Workshop
3/17/20 Regular Commission Meeting	4/21/20 Regular Commission Meeting
<b>May</b>	<b>June</b>
5/5/20 Commission Workshop	6/2/20 Commission Workshop
5/19/20 Regular Commission Meeting	6/16/20 Regular Commission Meeting
<b>July</b>	<b>August</b>
7/7/20 Commission Workshop	8/4/20 Commission Workshop
7/21/20 Regular Commission Meeting	8/18/20 Regular Commission Meeting
7/28 – 7/31/20 ACWA Spring Conference, Monterey	
<b>September</b>	<b>October</b>
9/1/20 Commission Workshop	10/6/20 Commission Workshop
9/15/20 Regular Commission Meeting	10/20/20 Regular Commission Meeting
<b>November</b>	<b>December</b>
11/3/20 Commission Workshop	12/1/20 Commission Workshop
11/17/20 Regular Commission Meeting	12/1 – 12/4/20 ACWA Fall Conference, Indian Wells
	12/15/20 Regular Commission Meeting

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**4B**



**Regular Board Meeting**

**April 14, 2020**

**12:00 p.m.**

Tuesday, April 14, 2020	
Meeting Schedule	
10:30 AM	L&C
12:00 PM	Board Mtg

Live streaming is available for all board and committee meetings on our [mwdh2o.com](http://mwdh2o.com) website  
([Click to Access Board Meetings Page](#))

**Public Comment Via Teleconference Only:**

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

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**1. Call to Order**

**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 Government Code Section 54954.3(a))**

**5. OTHER MATTERS**

- A. Approval of the Minutes of the Regular Meeting for March 10, 2020 and the Special Board Meeting for March 24, 2020  
(Copies have been submitted to each Director)  
Any additions, corrections, or omissions
- B. Report on Directors' events attended at Metropolitan expense for month of March 2020
- C. Approve committee assignments
- D. Chairwoman's Monthly Activity Report

**6. DEPARTMENT HEADS' REPORTS**

- A. General Manager's summary of activities for the month of March 2020
- B. General Counsel's summary of activities for the month of March 2020
- C. General Auditor's summary of activities for the month of March 2020
- D. Ethics Officer's summary of activities for the month of March 2020

**7. CONSENT CALENDAR ITEMS — ACTION**

- 7-1** Award a \$1,206,535 contract to Wigen Water Technologies for procurement of water treatment equipment for the domestic water systems at the Colorado River Aqueduct pumping plants; the proposed action is in furtherance of a project that was previously determined to be categorically exempt. (E&O)
  
- 7-2** Adopt resolution for Rancho Corrido Annexation to San Diego County Water Authority and Metropolitan; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)

**END OF CONSENT CALENDAR**

## 8. OTHER BOARD ITEMS — ACTION

- 8-1** Approve the proposed biennial budget for fiscal years 2020/21 and 2021/22, which includes the Capital Investment Plan and revenue requirements for fiscal years 2020/21 and 2021/22, and ten-year forecast; adopt resolutions fixing and adopting the water rates and charges for calendar years 2021 and 2022; and adopt the resolution finding that for fiscal years 2020/21 and 2021/22, the ad valorem property tax rate limitation of Metropolitan Water District Act Section 124.5 is not applicable because it is essential to Metropolitan's fiscal integrity to collect ad valorem property taxes in excess of the limitation; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)
- 8-2** Appropriate \$500 million for projects identified in the Capital Investment Plan for Fiscal Years 2020/21 and 2021/22 and authorize the General Manager to initiate or proceed with work on all capital projects identified in the CIP for FYs 2020/21 and 2021/22 and Minor Capital Projects to be identified during the biennial period, subject to any limits on the General Manager's authority and CEQA requirements; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (E&O)
- 8-3** Authorize initiation of litigation to challenge the Final Environmental Impact Report, the new California Endangered Species Act incidental take permit for long-term operations of the State Water Project, and potential other claims against the State; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C) **[Posting Separately]**  
**[Conference with legal counsel--initiation of litigation (two or more cases) to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(4)].**

- 8-4** Report on existing litigation Food and Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California, et al., Los Angeles Superior Court Case No. BC720692; Court of Appeal for the Second District Case No. B297553; and authorize increase of maximum amount payable under contract with Hanson Bridgett LLP for legal services by \$100,000 to an amount not to exceed \$200,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C) **[Posting Separately]**  
**[Conference with legal counsel-existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

## **9. BOARD INFORMATION ITEMS**

- 9-1** Update on Coronavirus (COVID-19) Response
- 9-2** State and Federal Legislation Update
- 9-3** Update on Conservation Program
- 9-4** Update on Water Surplus and Drought Management Plan. **[Posting Separately]**

## **10. FOLLOW-UP ITEMS**

## **11. FUTURE AGENDA ITEMS**

## **12. ADJOURNMENT**



**NOTE:** 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**

**4D**

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – March 26, 2020

*Mr. Jeff Pierson – Chair*

*Mr. Jim Curatalo – Vice-Chair*

**Meeting Available by Remote Access Only**

Click on this [link](#) to access by PC/Smart Device

OR

Conference Call: (872) 240-3212

Code: 227-781-445

**AGENDA**

**CALL TO ORDER**

**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**

Approve as presented:

1. Minutes of the Watermaster Board Meeting held February 27, 2020

**B. FINANCIAL REPORTS**

Receive and file as presented:

1. Cash Disbursements for the month of January 2020
2. Watermaster VISA Check Detail for the month of January 2020
3. Combining Schedule for the Period July 1, 2019 through January 31, 2020
4. Treasurer's Report of Financial Affairs for the Period January 1, 2020 through January 31, 2020
5. Budget vs. Actual Report for the Period July 1, 2019 through January 31, 2020
6. Cash Disbursements for February 2020 (Information Only)

**C. OBMP SEMI-ANNUAL STATUS REPORT 2019-2**

Adopt the Semi-Annual OBMP Status Report 2019-2, along with filing a copy with the Court, subject to any necessary non-substantive changes.

**D. SGMA REPORTING FOR WATER YEAR 2019**

Approve and direct staff to file the information/reports with the DWR.

**E. APPLICATION: WATER TRANSACTION**

Approve the proposed transaction:

The permanent transfer of 24.0 acre-feet of water from Southern Service Company dba Blue Seal Linen to ANG II (Multi) LLC. This is a permanent transfer based on transfer of land ownership by Grant Deed dated March 25, 2010. This transfer is contingent on ANG II (Multi) LLC's successful intervention into the Overlying (Non-Agricultural) Pool. Date of Application: January 2, 2020.

**F. APPLICATION: WATER TRANSACTION**

Approve the proposed transaction:

The transfer of 24.0 acre-feet of Operating Safe Yield from ANG II (Multi) LLC to 9W Halo Western Opco, L.P. This transfer is contingent on ANG II (Multi) LLC's successful intervention into the Overlying (Non-Agricultural) Pool. Date of application: January 2, 2020.

**G. FISCAL YEAR 2019/20 EXHIBIT "G" PHYSICAL SOLUTION TRANSFERS**

1) Find that California Speedway Corporation is in compliance with the Restated Judgment, Exhibit "G" ¶9(g), authorizing 2019-2020 Exhibit "G" Physical Solution Transfers, 2) Approve levy of assessments and subsequent payments for same.

**II. BUSINESS ITEMS****A. WATERMASTER WORK CONTINUITY DURING NATIONWIDE RESPONSE TO COVID-19 PANDEMIC**

Discuss and, if necessary, provide direction to staff.

**B. DRAFT NOTICE OF POTENTIAL STORAGE LIMITATION**

Authorize staff to issue the Notice.

**C. FIRST AMENDMENT TO TASK ORDER NO. 1 UNDER MASTER AGREEMENT REGARDING THE MANAGEMENT OF COLLABORATIVE PROJECTS (SALINITY MANAGEMENT)**

Approve the amendment to the Task Order as presented and authorize the General Manager to execute the agreement on behalf of Watermaster subject to any necessary non-substantive changes.

**III. REPORTS/UPDATES****A. LEGAL COUNSEL REPORT**

1. March 20, 2020 Hearing
2. Maintenance of Active Parties – Interventions

**B. ENGINEER REPORT**

1. 2020 Safe Yield Recalculation
2. Maximum Benefit Annual Report
3. PBHSC Activities – Scope and Budget for 2020/21
4. GLMC Activities – Scope and Budget for 2020/21

**C. CFO REPORT**

1. Fiscal Year 2020/21 Budget Schedule

**D. GM REPORT**

1. OBMP Implementation Plan Update
2. OAP Contest
3. Other

**IV. BOARD MEMBER COMMENTS****V. OTHER BUSINESS**

**VI. 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.

**VII. FUTURE MEETINGS AT WATERMASTER**

3/26/20	Thu	11:00 a.m.	Watermaster Board
3/30/20	Mon	10:00 a.m.	OBMP IPU & PAA Drafting Session #2
4/02/20	Thu	9:00 a.m.	Ground-Level Monitoring Committee (If Needed)
4/09/20	Thu	9:00 a.m.	Appropriative Pool
4/09/20	Thu	11:00 a.m.	Non-Agricultural Pool
4/09/20	Thu	1:30 p.m.	Agricultural Pool
4/16/20	Thu	9:00 a.m.	Advisory Committee
4/23/20	Thu	11:00 a.m.	Watermaster Board

NOTE: All Watermaster meetings will be held remotely until further notice and access will be provided in advance of each meeting.

**ADJOURNMENT**

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**4E**

# REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS CHINO BASIN DESALTER AUTHORITY

April 2, 2020  
2:00 p.m.

## NOTICE AND AGENDA

According to the directives from the California Department of Public Health and Executive Orders N-33-20 and N-29-20 issued by Governor Gavin Newsom, members of the public are invited to participate via videoconference or teleconference:

To join teleconference: Dial-in #: (669) 900 6833 Meeting ID #: 715 437 564

To join video conference: Access using following link: [Join Zoom Meeting](#)

Or copy and paste the following into a browser window: <https://zoom.us/j/715437564>

### **CALL TO ORDER**

### **FLAG SALUTE**

### **PUBLIC COMMENT**

*Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Chino Basin Desalter Authority; 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 of Directors on any matter, whether or not it appears on the agenda, are requested to **submit their request to comment to the Board Secretary no less than one hour prior to the start of the meeting at (909) 218-3230 or ccosta@chinodesalter.org***

*Under the provisions of the Brown Act, the CDA Board is prohibited from taking action on non-agendized matters. 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.*

## **CONSENT CALENDAR ITEMS**

*Consent Calendar items are expected to be routine and non-controversial to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it will be moved to the first item on the Action Items.*

- 1. MINUTES OF MARCH 5, 2020 SPECIAL BOARD MEETING**
- 2. TREASURER'S FINANCIAL AFFAIRS REPORT FOR QUARTER ENDED DECEMBER 2019**  
Report by: Jose Garcia, CDA Principal Accountant
- 3. TREASURER'S REPORT ON GENERAL DISBURSEMENTS FOR THE QUARTER ENDED DECEMBER 2019**  
Report by: Jose Garcia, CDA Principal Accountant
- 4. BUDGET VARIANCE REPORT FOR THE QUARTER ENDED DECEMBER 2019**  
Report by: Jose Garcia, CDA Principal Accountant
- 5. INVESTMENT REPORT**  
Report by: Jose Garcia, CDA Principal Accountant

## **ACTION ITEMS**

*Prior to action of the CDA Board, any member of the public will have the opportunity to address the CDA Board on any item listed on the agenda by submitting written comments **at least one hour prior to the start of the meeting at (909) 218-3230 or ccosta@chinodesalter.org.** **Please note the agenda item number in your email.** Comments will be read aloud during the meeting by the Board Secretary.*

- 6. CONSIDERATION OF APPROVAL OF AMENDED AND RESTATED EMPLOYMENT AGREEMENT WITH THOMAS O'NEILL**  
Report By: Allison Burns, CDA Deputy General Counsel  
**Staff Recommendation:**
  1. Approve the First Amended and Restated Employment Agreement with Thomas O'Neill effective April 15, 2020; and
  2. Authorize the Board Chairman to execute the First Amended and Restated Employment Agreement with Thomas O'Neill with an effective date of April 15, 2020.
- 7. GRANT ADMINISTRATION AGREEMENT BETWEEN CHINO BASIN DESALTER AUTHORITY (CDA) AND INLAND EMPIRE UTILITIES AGENCY (IEUA) REGARDING GRANT FUNDING FOR FUTURE PROJECTS**  
Report By: Thomas O'Neill, CDA General Manager/CEO  
**Staff Recommendation:**
  1. Approve the Grant Administration Agreement between CDA and IEUA Regarding Grant Funding for Future Projects; and
  2. Authorize the General Manager/CEO to execute the agreement.



**8. RECONCILIATION OF THE ALLOCATION OF COSTS FOR FISCAL YEAR 2018/19 AND RELATED RESERVE BALANCE ANALYSIS**

Report By: Jose Garcia, CDA Principal Accountant

**Staff Recommendation:**

1. Approve the reconciliation of the allocation of costs for Fiscal Year 2018/19 per the attached Exhibit A; and
2. Approve the analysis of reserve balance at June 30, 2019 per the attached Exhibit B.

**9. SOUTH ARCHIBALD PLUME PROJECT: GOLDEN STATE AGREEMENT FOR LABOR COMPLIANCE SERVICES FOR SAP CONSTRUCTION PROJECTS**

Report By: Cindy Miller, South Archibald Plume Program Manager

**Staff Recommendation:**

Approve a professional services agreement with Golden State for labor compliance services in the not-to-exceed amount of \$91,303; and

1. Authorize the General Manager/CEO to finalize and execute the amendment, with subsequent authorizations up to a not-to-exceed total of \$100,500.

**10. SOUTH ARCHIBALD PLUME PROJECT: AMENDMENT NO. 3 TO GEOSCIENCE'S AGREEMENT FOR DESIGN OF TWO MONITORING WELLS**

Report By: Cindy Miller, South Archibald Plume Program Manager

**Staff Recommendation:**

1. Approve an amendment to the professional services agreement with Geoscience for geohydrologic design and inspection services in the not-to-exceed amount of \$58,109; and
2. Authorize the General Manager/CEO to finalize and execute the amendment, with subsequent authorizations up to a not-to-exceed total of \$202,000.

**11. MICHAEL BAKER INTL AGREEMENT FOR ON-CALL CONSTRUCTION SURVEY AND STAKING SERVICES FOR SAP CONSTRUCTION PROJECTS**

Report By: Cindy Miller, South Archibald Plume Program Manager

**Staff Recommendation:**

1. Approve an on-call professional services agreement with Michael Baker International for construction survey and staking services; and
2. Authorize the General Manager/CEO to finalize and execute the agreement, with authorizations up to a not-to-exceed total of \$100,000.

**INFORMATION ITEMS**

**12. EMERGENCY REPAIRS TO 30-INCH FIBERGLASS REINFORCED RO INFLUENT PIPELINE AT CHINO I DESALTER**

Report By: Thomas O'Neill, CDA General Manager/CEO

## **STAFF COMMENTS**

- i. Deputy CDA General Counsel, Allison Burns
- ii. CDA CFO/Treasurer, Michael Chung
- iii. CDA General Manager/CEO, Thomas O'Neill

## **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).*

13. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT  
CODE SECTION 54956.9(D)(4)  
(TWO POTENTIAL CASES)**
14. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE  
SECTION 54956.9(D)(2)  
(ONE POTENTIAL CASES)**

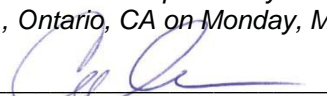
## **DIRECTOR COMMENTS**

## **ADJOURN**

Any person with a disability who requires accommodations in order to participate in this meeting or for package materials in an alternative format should telephone Executive Assistant Casey Costa at (909) 218-3730, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation. All accommodation requests will be handled swiftly and resolving all doubts in favor of access. Copies of records provided to Board Members which relate to any agenda item to be discussed in open session may be obtained from Chino Basin Desalter Authority at 2151 S. Haven Avenue, Suite 202, Ontario, CA 91761.

## ***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, March 30, 2020.*

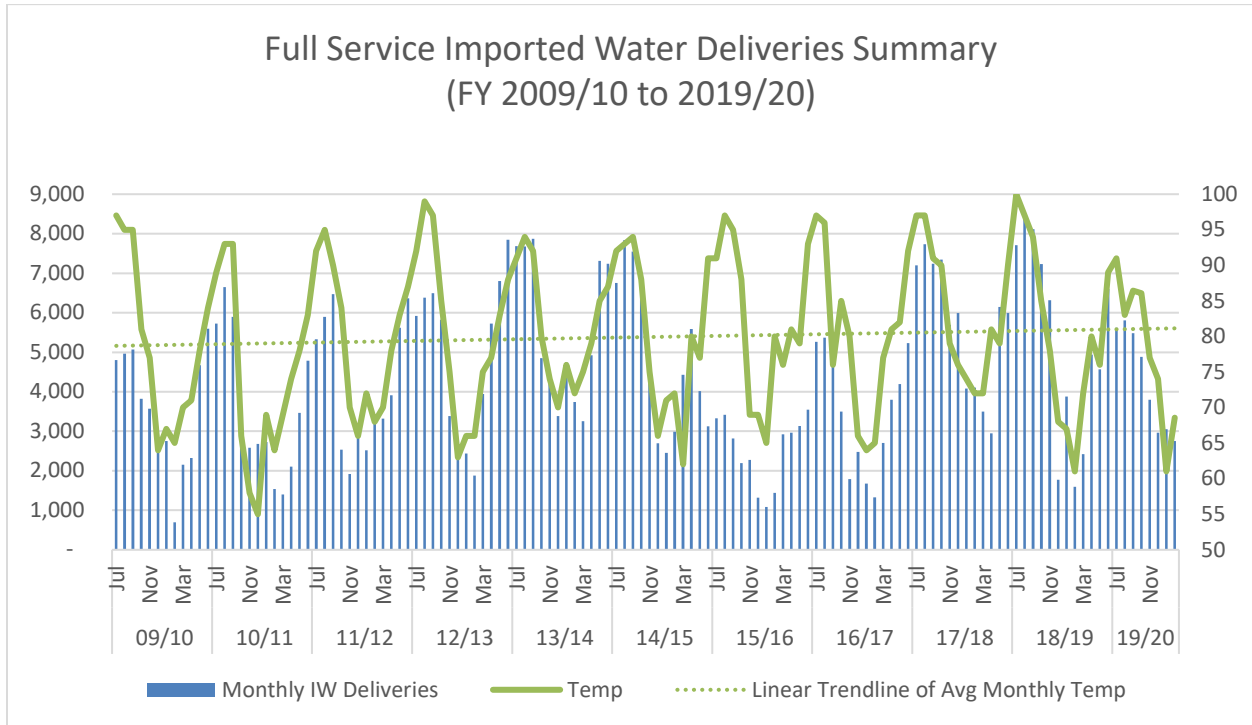
  
\_\_\_\_\_  
Casey Costa, Executive Assistant

**GENERAL  
MANAGER'S  
REPORT**



## Planning & Environmental Resources

### A. Imported Water



### B. Reclamation System

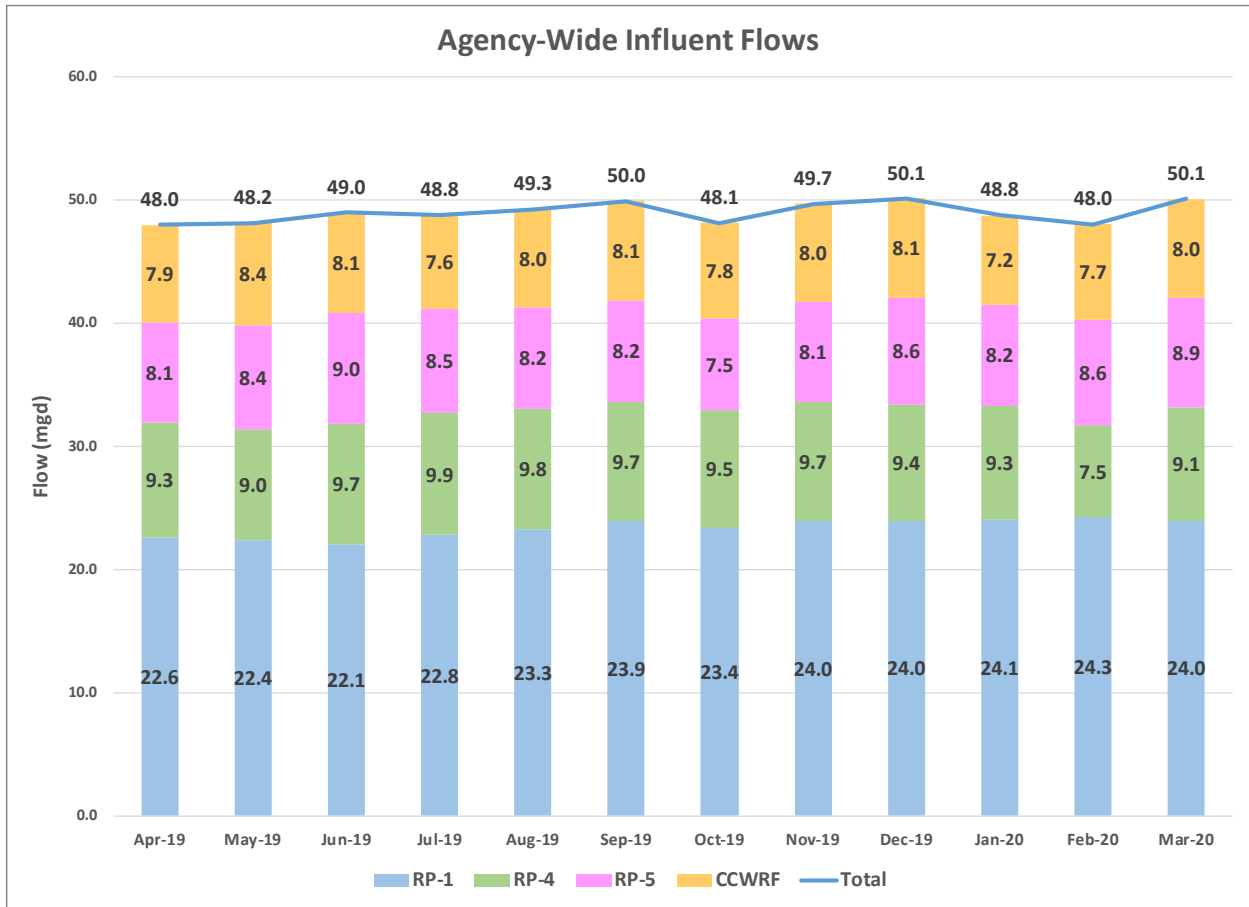
Regional Plants 1, 4, 5 and Carbon Canyon Water Recycling Facility met all the NPDES requirements and effluent/recycled water limitations.

1. The Agency-wide average sewer influent flow for the month of March 2020 was 50.1 million gallons per day (mgd) (preliminary value), which is a 2.1 mgd increase from the February 2020 total influent flow.



Planning & Environmental Resources (cont.)

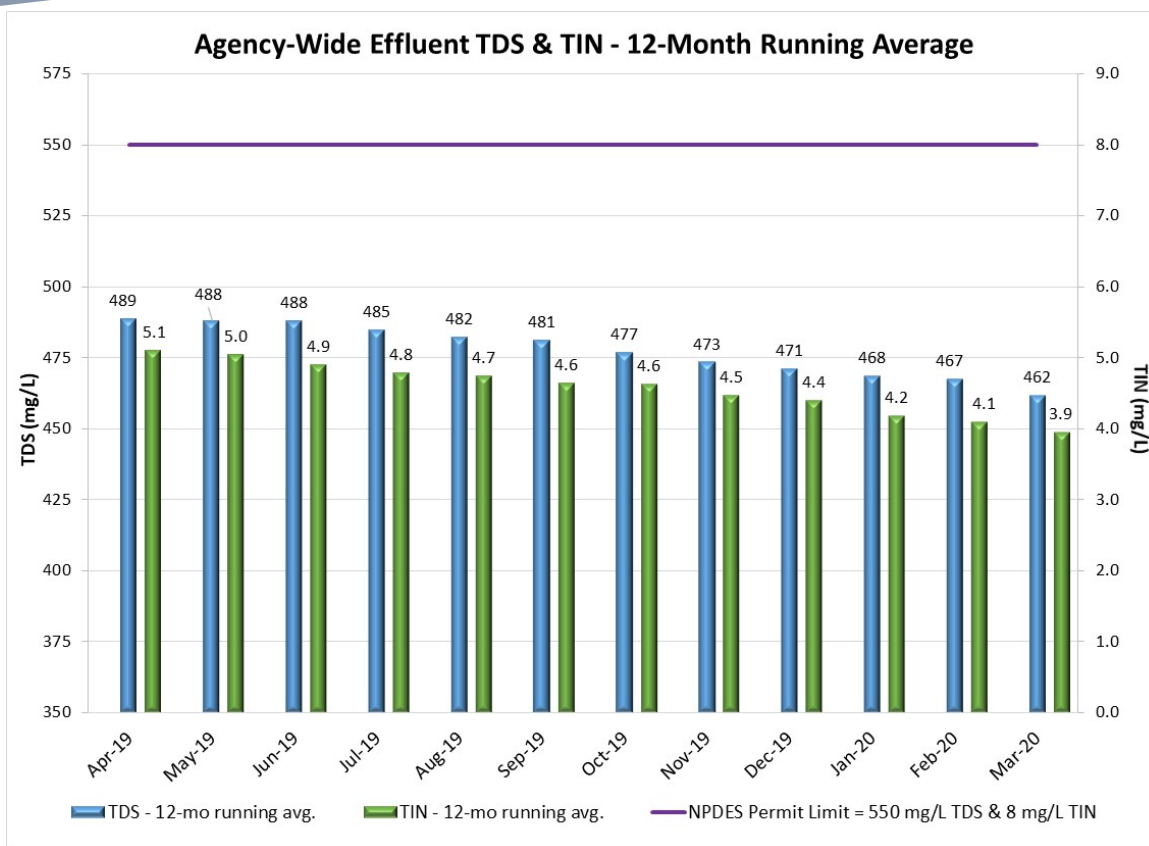
IEUA Regional Influent Flows



2. The discharge permit effluent limit for total dissolved solids (TDS) is 550 mg/L. The 12-month running average TDS value for March 2020 was 462 mg/L (preliminary value).
3. The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for March 2020 was 3.9 mg/L (preliminary value).



Planning & Environmental Resources (cont.)



**C. Air Quality**

1. There were no reportable incidents relating to air quality compliance during the month of March 2020. IEUA accepted SCAQMD's settlement agreement for the RP-1 violations received on December 2017.



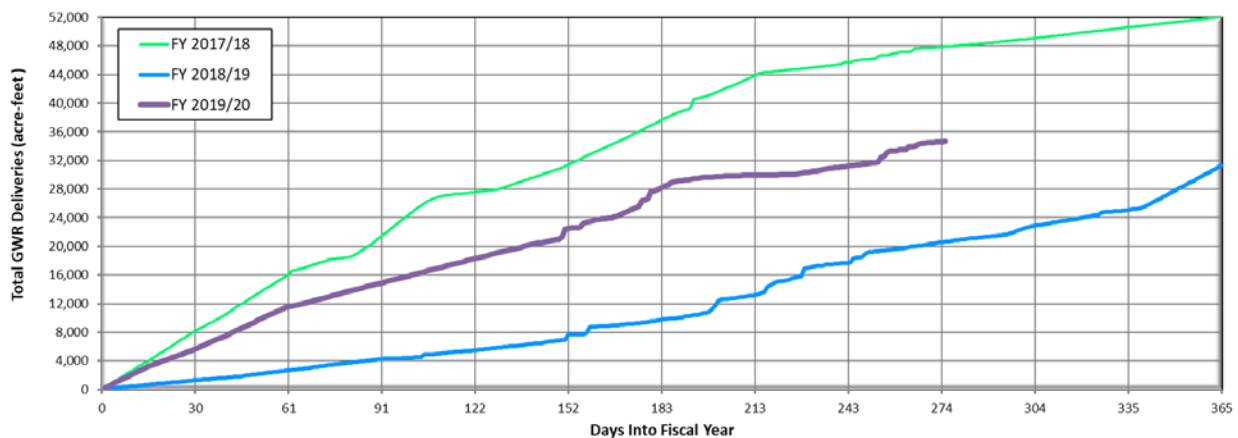
## Operations & Regional Composting Facility

### D. Recycled Water

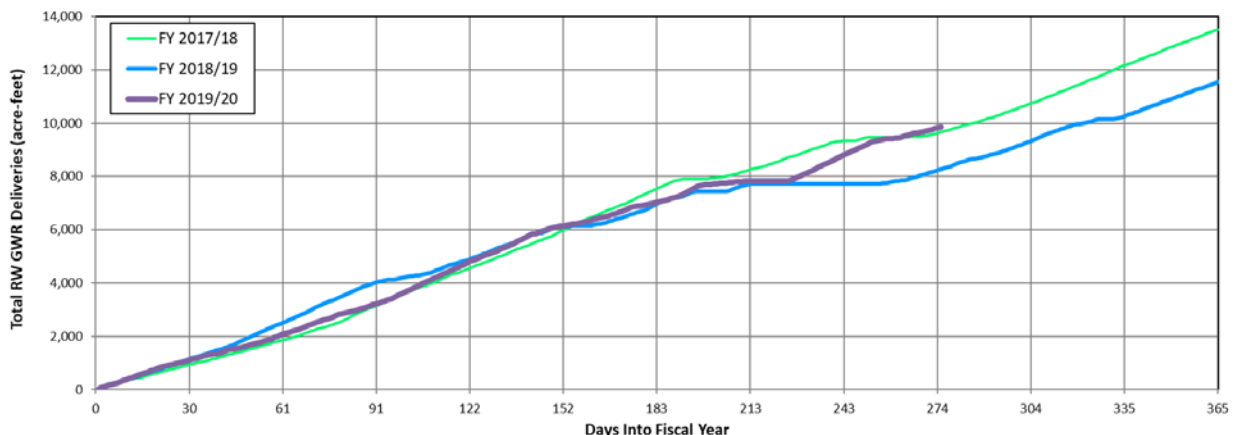
#### 1. Groundwater Recharge

During March 2020, recycled water delivery for recharge totaled 1,034 acre-feet. There were seven days of light to moderate rain in the month. Stormwater and dry weather flow capture is preliminarily estimated at 2,300 acre-feet. There was no recharge of imported water from MWD in March. For supplemental water deliveries (imported and recycled), Chino Basin Watermaster will remove 1.5% for evaporation losses during the month of March. Considering evaporation losses, total recharge for the month is preliminarily estimated at 3,300 acre-feet.

**Total Groundwater Recharge – through March 2020**



**Recycled Water Delivered to Groundwater Recharge – through March 2020**

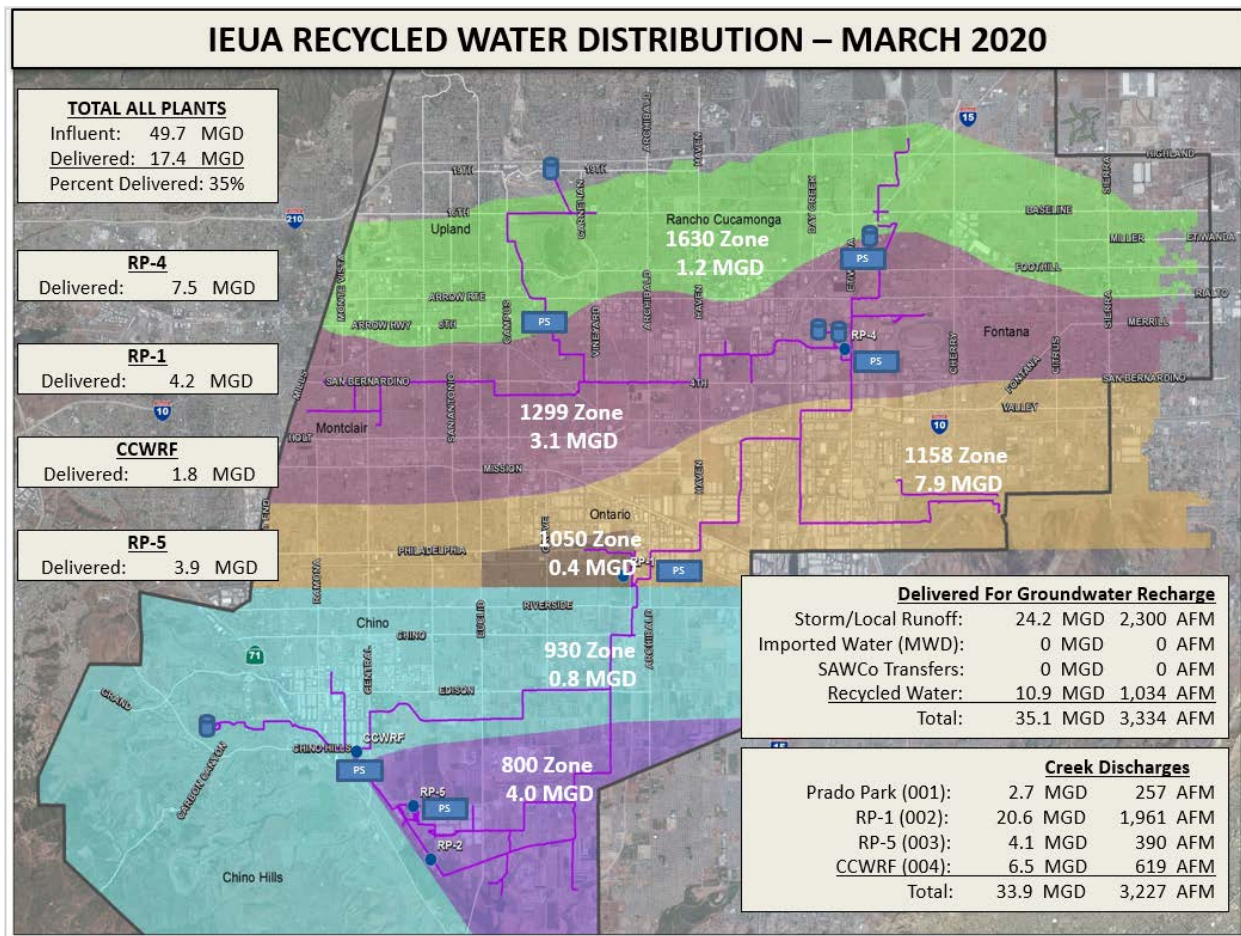




Operations & Regional Composting Facility (cont.)

E. Recycled Water Distribution

During March 2020, 35% (17.4 MGD) of IEUA recycled water supply (49.7 MGD) was delivered into the distribution system for direct use customers (6.5 MGD) and groundwater recharge (10.9 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 33.9 MGD.







## Operations & Regional Composting Facility (cont.)

### F. Operational Comments

Facility throughput for March averaged approximately 92% of permitted capacity at an average of 393 tons per day of biosolids and 133 tons per day of amendments (based on the 31-day month-to-date). Biosolids volumes are on target for the fiscal year. The facility is operating well with no violations, environmental compliance issues, or lost-time incidents.

### G. Biosolids Summary

SOURCE	WET TONS MONTH	WET TONS FISCAL YEAR-TO-DATE	REVENUE MONTH	REVENUE FISCAL YEAR-TO-DATE
Los Angeles County Sanitation District	5,802.64	18,434.64	\$324,947.84	\$1,032,339.84
Inland Empire Utilities Agency	5,947.33	17,276.51	\$333,050.48	\$967,484.56
Orange County Sanitation District	421.81	1,601.43	\$24,464.98	\$92,882.94
<b>TOTAL</b>	<b>12,171.78</b>	<b>37,312.58</b>	<b>\$682,463.30</b>	<b>\$2,092,707.34</b>

### H. Compost Summary

March sales volumes increased over the same period last year due to lower rain levels and an early spring start. Inventory has remained zeroed and is projected to remain at zero. Sales are projected to match production through the spring to meet demands.

#### Compost Monthly Sales

CUBIC YARD	\$/CUBIC YARD	TOTAL REVENUE
15,851.95	\$1.62	\$25,664.06



**Operations & Regional Composting Facility (cont.)**

**I. Operational Comments**

**Fiscal Year-To-Date Sales Summary**

<b>MONTH</b>	<b>TOTAL YARDS 2019/2020</b>	<b>TOTAL YARDS 2018/2019</b>	<b>TOTAL REVENUE 2019/2020</b>	<b>TOTAL REVENUE 2018/2019</b>
<b>July</b>	15,197.96	14,910.11	\$26,993.99	\$24,972.01
<b>August</b>	18,235.92	15,194.50	\$47,097.00	\$28,866.84
<b>September</b>	11,554.41	17,728.97	\$18,735.36	\$24,979.50
<b>October</b>	24,986.59	19,523.68	\$37,115.24	\$28,489.44
<b>November</b>	25,873.18	22,037.03	\$26,834.01	\$28,310.45
<b>December</b>	25,748.13	17,885.11	\$17,219.37	\$21,300.70
<b>January</b>	19,719.66	18,469.01	\$27,315.97	\$16,332.32
<b>February</b>	16,005.15	14,605.08	\$28,364.01	\$16,386.55
<b>March</b>	15,851.95	15,100.65	\$25,664.06	\$28,272.72
<b>TOTAL</b>	<b>173,172.95</b>	<b>155,454.14</b>	<b>\$255,339.01</b>	<b>\$217,910.53</b>
<b>AVERAGE</b>	<b>19,241.44</b>	<b>17,272.68</b>	<b>\$28,371.00</b>	<b>\$24,212.28</b>



### Grants Department

#### J. Grant/Loan Applications Submitted

None.

#### K. Grant/Loan Applications in Process

1. The Grants Department is working with the Inland Empire Regional Composting Facility (IERCF) on an application for the California Department of Food and Agriculture's (CDFA) Healthy Soils Program for Demonstration Projects. The maximum grant award for the program is \$250,000 and would focus on a partnership with a farming operation to assess the environmental benefits of compost application.

**Application due: April 23, 2020**

**Award Announcement: Summer 2020**

2. The Grants Department will collaborate with the Planning and Environmental Resources Department to prepare an application for the US Bureau of Reclamation's (USBR) WaterSMART: Water and Energy Efficiency Grants Program. This application will request approximately \$500,000 in funding for water conservation measures including irrigation controller retrofits, leak detection programs, and turf removal.

**Application due: October 9, 2020**

**Award Announcement: Summer/Fall 2020**

#### L. Grant/Loan Agreement Negotiation

1. On March 12, the USBR awarded IEUA, in partnership with the Chino Basin Desalter Authority (CDA), a \$750,000 award to fund the Local Water Supply Restoration Granular Activated Carbon (GAC) Treatment Facility Project. The award represented the full amount requested in the application and will supplement the construction costs to install GAC treatment at the Chino I Desalter and ensure high quality drinking water.
2. On March 17, IEUA received a Sales Tax Exclusion (STE) award from the California State Treasurer's Office through the California Alternative Energy and Advanced Transportation Financing Authority. This STE award is expected to result in savings of approximately \$6.3 million for the RP-5 Expansion Project.



### Grants Department (cont.)

#### M. Grant Reimbursements Processed and Reporting Activities

Grant reimbursements were processed for:

- SWRCB - SRF Loan San Sevaine Basin Improvements Final Invoice #4 for **\$917,771.00**
- SAWPA/DWR - Interregional Landscape Water Demand Reduction Program Invoice #3 for **\$117,865.18**
- USBR - Update of Chino Basin Drought Contingency Plan Invoice #4 for **\$35,275.00**

#### N. Other Department Activities

1. International Grant Professionals Day - Grants staff participated in the annual celebration to recognize, show appreciation for, and highlight important issues faced by grant professionals. Grant professionals are responsible for securing millions of dollars each year to support Agency programs and services in our region.

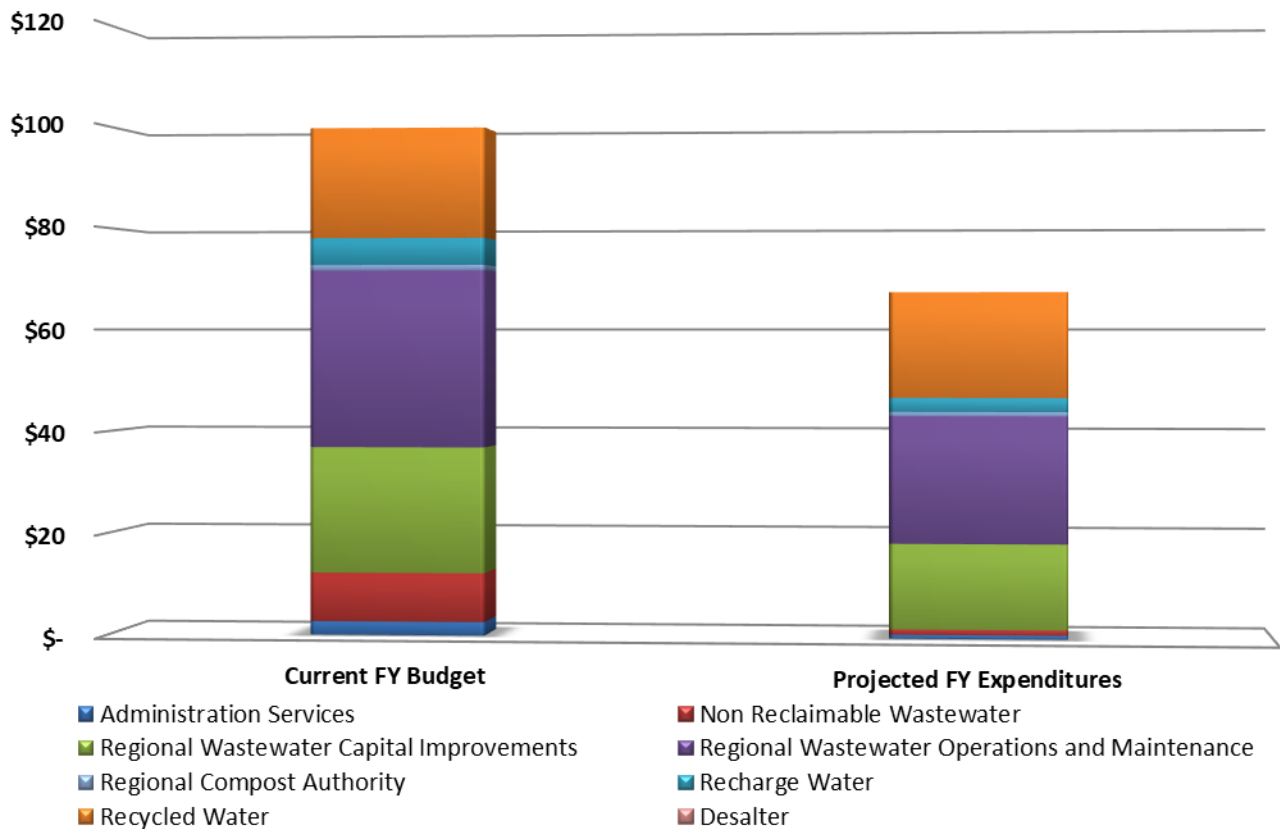


**Engineering & Construction Management Department**

**O. Engineering & Construction Management  
Department Update**

Engineering and Construction Management's current FY 2019/20 budget is \$99,597,066. As of March 31<sup>st</sup>, staff has projected to spend \$67,229,551 (~67%).

**Engineering and Construction Management FY 19/20 Budget Status Update**



The accompanying attachments have detailed information for IEUA's capital improvement program.

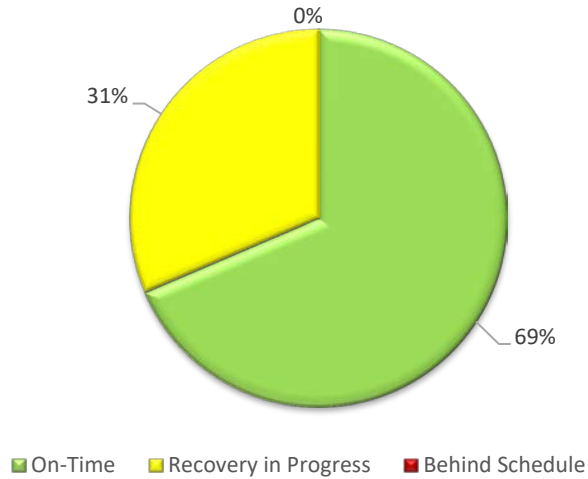
- Attachment A: Bid and Award Look Ahead Schedule
- Attachment B: Active Capital Improvement Project Status
- Attachment C: Emergency Projects

Attachment A  
Bid and Award Look Ahead Schedule

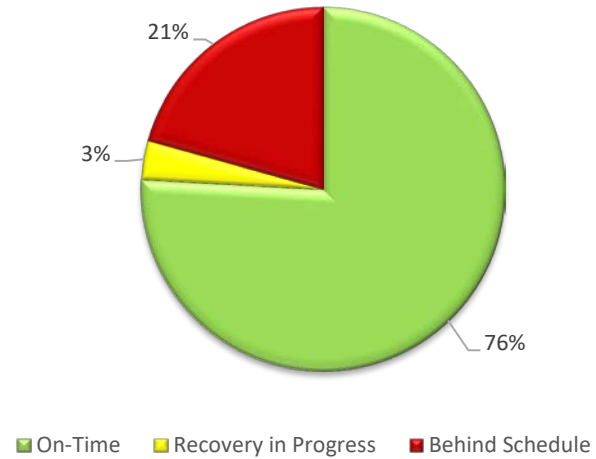
Bid and Award Look Ahead Schedule			
	Project Name	Projected Bid Opening Date	Projected Bid Award Date
	May-20		
1	EN19025.00 Regional Force Main Improvements	16-Apr-20	20-May-20
2	EN18006.00 RP-1 Flare Improvements	16-Apr-20	20-May-20
3	EN20037.00 Agency Wide Chemical Containment Coating Rehabilitation	8-Apr-20	20-May-20
	Jul-20		
4	EN19001.00 RP-5 Expansion to 30 mgd\ EN19006.00 RP-5 Biosolids Facility	15-Apr-20	15-Jul-20
5	EN19027.00 NRW Pipeline Relining Along Cucamonga Creek	1-May-20	15-Jul-20
6	EN17041.00 Orchard Recycled Water Turnout Improvements	15-May-20	15-Jul-20
7	RW15003.06 Wineville/Jurupa/Force Main Improvements	3-Jun-20	15-Jul-20
8	EN20058.00 RP-1 TP-1 Waste Wash Water Basin Pumps Replacement	3-Jun-20	15-Jul-20
9	RW15003.03 Montclair Basin Improvements	3-Jun-20	15-Jul-20
10	EN17110.03 RP-4 Aeration Basin Wall Repair	3-Jun-20	15-Jul-20
11	EN20041.00 RP-1 TP-1 Bleach Mixing Repairs	3-Jun-20	15-Jul-20
	Sep-20		
12	EN20008.00 HQ Parking Lot FY19/20	26-Jun-20	16-Sep-20
13	EN20040.00 HQ Driveway Improvements	26-Jun-20	16-Sep-20
	Dec-20		
14	EN20056.00 RSS Haven Avenue Repairs	23-Oct-20	16-Dec-20
	Jan-21		
15	EN20064.00 NSNT Odor Complaints Mitigation	9-Dec-20	20-Jan-21
	Mar-21		
16	EN20051.00 RP-1 MCB and Old Lab Building Rehab	1-Feb-21	17-Mar-21

**Attachment B**  
**Active Capital Improvement Project Status**

**Design Schedule Performance**



**Construction Schedule Performance**



Agency-Wide							
No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
1	PA20003	Agency Wide Paving	9,511	640,000	On-Time	Project Evaluation	
2	EN20034.03	Solids Handling Facility Evaluation (Budget in EN20034)	14,137	-	On-Time	Project Evaluation	
3	EN20036.01	Carpenter Avenue 30-inch RW Line Restoration (Budget is in EN20036)	41,937	-	On-Time	Project Evaluation	
4	EN19024	Collection System Asset Management (Assessment Only)	197,897	1,250,000	On-Time	Consultant Contract	
5	EN19030	WC Asset Management (Assessment Only)	59,473	250,000	On-Time	Pre-Design	
6	EN19023	Asset Management Planning Document	247,155	750,000	On-Time	Pre-Design	
7	EN20038	Agency Wide Pavement Management Study	81,055	300,000	On-Time	Design	
8	EN11039	RP-1 Disinfection Pump Improvements	1,043,696	8,490,000	On-Time	Design	
9	EN20037	Agency Wide Chemical Containment Coating Rehabilitation	12,979	350,000	On-Time	Bid and Award	
10	FM20002	Agency Wide Roofing	126,378	1,481,064	On-Time	Bid and Award	
11	EN20036.02	RP-5 RW Piping Leak Repairs	6,167	-	On-Time	Construction	
12	EN17080	System Cathodic Protection Improvements	1,061,810	3,540,851	On-Time	Project Acceptance	
13	EN13016	SCADA Enterprise System	-	22,045,000	On-Time	Closed	
14	EN17020	WC On-Call Operations and Maintenance Support	-	230,500	N/A	N/A	
15	EN20034	RO On-Call/Small Projects FY 19/20	-	500,000	N/A	N/A	

### Agency-Wide(Cont.)

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
16	EN20035	RO Safety Operations and Maintenance Projects FY1920	-	400,000	N/A	N/A	
17	EN20036	WC On-Call/Small Projects FY 19/20	-	200,000	N/A	N/A	
Totals			2,902,195	40,427,415			

### Carbon Canyon

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
18	EN20039	CCWRF Headworks Electrical Replacement	125,237	300,000	On-Time	Project Acceptance	
Totals			125,237	300,000			

### Chino Desalter Authority (CDA)

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
19	EN16021	TCE Plume Cleanup	21,146,063	21,290,000	On-Time	Construction	
Totals			21,146,063	21,290,000			

### Collections

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
20	EN19028	NRW Manhole and Pipeline Condition Assessment	63,839	915,000	Recovery in Progress	Project Evaluation	The project was delayed because staff needed additional time and effort to complete the project scope of work. The project will be re-baselined to align with the Request for Proposal (RFP).
21	EN20064	NSNT Odor Complaints Mitigation	546	500,000	On-Time	Project Evaluation	
22	EN20056	RSS Haven Avenue Repair & Replacement	36,935	6,000,000	Recovery in Progress	Pre-Design	Additional time is needed to validate the flow data for the sewer line and have the consultant conduct a business case evaluation of alternatives. The project schedule will be re-baselined once the most viable design alternative is identified.
24	EN23002	Philadelphia Lift Station Force Main Improvements	490,170	18,348,000	On-Time	Design	
25	EN19027	NRW Pipeline Relining Along Cucamonga Creek	113,788	2,395,000	Recovery in Progress	Design	Staff is coordinating the permit with San Bernardino County Flood Control District (SBCFCD) which has taken more time than anticipated. The project will be re-baselined after the construction contract award.
26	EN22002	NRW East End Flowmeter Replacement	386,751	1,986,985	On-Time	Bid and Award	
27	EN19025	Regional Force Main Improvements	254,079	4,173,000	On-Time	Bid and Award	
28	EN20014	NRWS Manhole Upgrades - 19/20	51,882	200,000	On-Time	Construction	
29	EN20015	Collection System Upgrades 19/20	96,624	500,000	On-Time	Construction	
30	EN19041	San Bernardino Lift Station Facility Improvements	175,685	500,000	On-Time	Project Acceptance	
Totals			1,670,298	35,517,985			



## Groundwater Recharge

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
31	RW15003.03	Montclair Basin Improvements (Budget is in RW15003)	246,552	-	Recovery in Progress	Design	The process of obtaining all regulatory permits is taking more time than originally anticipated. The project schedule will be re-baselined after a contract is awarded.
32	RW15003.06	Wineville/Jurupa/Force Main Improvements (Budget is in RW15003)	1,257,330	-	On-Time	Design	
33	RW15004	Lower Day Basin Improvements	586,342	4,008,000	On-Time	Construction	
34	RW15003.05	RP-3 Basin Improvements (Budget is in RW15003)	1,017,070	-	Behind Schedule	Construction	Project is delayed because regulatory agencies who have requested additional information before issuing permit. The project schedule has some added contingency in the construction schedule and the project may still be completed on time.
35	RW15003	Recharge Master Plan Update	-	16,417,000	N/A	N/A	
Totals			3,107,294	20,425,000			

## Headquarters

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
36	EN20040	HQ Driveway Improvements	36,130	400,000	On-Time	Design	
37	EN20008	HQ Parking Lot FY19/20	29,909	440,000	On-Time	Design	
Totals			66,039	840,000			

## IERCF

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
38	RA17007.01	IERCF Design Build Wash Pad Cover (Budget is in RA17007)	147,945	-	Behind Schedule	Construction	Processing plans through the City has taken longer than anticipated and now the City Permit office is closed. Until plans are checked/approved, work cannot be started. No recovery possible.
39	RA19002	IERCF Trommel Screen Improvements	1,445,015	1,600,000	On-Time	Project Acceptance	
40	RA17007	IERCF Building Improvements	-	550,000	N/A	N/A	
Totals			1,592,960	2,150,000			

## Regional Water Recycling Plant No. 1 (RP-1)

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
41	EN20051	RP-1 MCB and Old Lab Building Rehab	12,745	1,600,000	On-Time	Project Evaluation	
42	EN20045	RP-1 TP-1 Level Sensor Replacement	2,508	200,000	On-Time	Project Evaluation	
43	EN13016.05	SCADA Enterprise System - (Regional Water Recycling Plant No. 1) (Budget is in EN13016)	970,581	-	On-Time	Pre-design	
44	EN19043	RP-1 Centrifuge Foul Air Line	26,659	45,000	Recovery in Progress	Design	Currently discussing how to move forward to the next phase. Since we are keeping the same project number, the current project schedule will be re-baselined once the next phase has been determined.
45	EN20041	RP-1 TP-1 Bleach Mixing Repairs	36,749	680,000	Recovery in Progress	Design	The consultant will be submitting the final design in two weeks for staff review. An intermediate design phase will not be required thus the project will make up time and get back on schedule. The project will be re-baselined after the construction contract is awarded.
46	EN20058	RP-1 TP-1 Waste Wash Water Basin Pumps Replacement	14,588	650,000	Recovery in Progress	Design	There were delays in awarding the design contract due to proposals coming in much higher than anticipated. It took some time to negotiate with the best value consultant, which delayed the start of design. The project will be re-baselined once the construction contract is awarded.
47	EN18006	RP-1 Flare Improvements	940,503	5,682,000	Recovery in Progress	Bid and Award	Project was delayed due to changing AQMD regulations and limited availability of flare manufacturers. Project is currently out to bid. And will be re-baselined after construction contract award.
48	EN20042	RP-1 Headworks Sump Pump Redundancy	16,814	150,000	On-Time	Construction	

### Regional Water Recycling Plant No. 1 (RP-1)(Cont.)

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
49	EN20060	RP-1 Plant 2 Sludge Piping Repair	44,964	140,000	Behind Schedule	Construction	The project is delayed due to contractor inaction and a cure notice was issued. Once the materials are received onsite, we will attempt to make-up days during construction, otherwise additional days will be added to the construction duration and extend to the construction completion date.
50	EN17044	RP-1 12 kV Switchgear and Generator Control Upgrades	3,174,442	5,870,248	Behind Schedule	Construction	Manufacturer and Southern California Edison delays continue and will push this job out another month. No recovery is possible.
51	EN17082	Mechanical Restoration and Upgrades	1,730,149	10,646,000	On-Time	Construction	
52	EN14042	1158 RWPS Upgrades	5,203,677	7,720,000	On-Time	Construction	
53	EN15012.01	RP-1 Plant No. 2 Effluent Conveyance Improvements (Budget is in EN15012)	713,127	-	Behind Schedule	Construction	The project is delayed due to utility conflicts. The most recent project schedule update is projecting a completion date in December 2020. The contract duration will be extended once there is a firm date on pipe procurement and delivery to the site.
54	EN17042	Digester 6 and 7 Roof Repairs	3,866,599	7,056,000	Recovery in Progress	Construction	The original coating subcontractor quit which delayed the project, recovery is not possible. Project is very close to completion.
55	EN14019	RP-1 Headworks Primary and Secondary Upgrades	9,737,894	10,215,000	On-Time	Project Acceptance	
56	EN15012	RP-1 Primary Effluent Conveyance Improvements	-	8,724,000	On-Time	Completed	
Totals			26,491,999	59,378,248			

### Regional Water Recycling Plant No. 2 (RP-2)

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
Totals			-	-			

### Regional Water Recycling Plant No. 4 (RP-4)

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
57	EN19010	RP-4 Influent Screen Replacement	198,548	3,040,000	Recovery in Progress	Design	Project is three days behind schedule due to coordination required to implement variable frequency drives for the screens and washer compactor into the design. Time will be made up during construction.
58	EN17043	RP4 Primary Clarifier Rehab	562,004	7,681,542	On-Time	Construction	
59	EN17110	RP-4 Process Improvements	6,374,379	20,962,396	On-Time	Construction	
60	EN13016.03	SCADA Enterprise System - (Regional Water Recycling Plant No. 4 ) (Budget is in EN13016)	4,763,769	-	On-Time	Project Acceptance	
61	EN19029	RP-4 Outfall Pipeline	960,354	980,000	On-Time	Project Acceptance	
Totals			12,859,053	32,663,938			

### Regional Water Recycling Plant No. 5 (RP-5)

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
62	EN19001	RP-5 Expansion to 30 mgd	14,010,403	175,000,000	On-Time	Bid and Award	
63	EN19006	RP-5 Biosolids Facility	12,953,521	165,400,000	On-Time	Bid and Award	
64	EN20034.02	RP-5 IPS Guide Rail	48,883	-	On-Time	Project Acceptance	
65	EN14043	RP-5 RW Pipeline Bottleneck	2,929,157	3,137,169	On-Time	Project Acceptance	
66	EN13016.04	SCADA Enterprise System - (Regional Water Recycling Plant No. 5) (Budget is in EN13016)	4,767,208	-	On-Time	Project Acceptance	
Totals			34,709,173	343,537,169			

## Recycled Water

No.	Project ID	Project Title	Total Expenditures thru 3/31 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
67	EN15002	1158 Reservoir Site Cleanup	66,219	1,215,000	Recovery in Progress	Project Evaluation	The project scope is still not defined by the Department of Toxic Substances Control (DTSC) based on Southern California Edison's facility investigation report. The project will be re-baselined once the scope has been defined.
68	EN17041	Orchard Recycled Water Turnout Improvements	143,005	477,000	Recovery in Progress	Design	A permit from Army Corps of Engineers (USACE) is taking longer to obtain than originally planned. The project schedule will be re-baselined once the project is awarded and the contractor's schedule is received.
69	EN20063	930 Zone Valve Replacement	-	100,000	On-Time	Bid and Award	
70	EN22004	1158 East Reservoir Re-coating/painting and Upgrades	211,906	1,750,000	On-Time	Construction	
71	EN21004	1158 West Reservoir Re-coating/painting and Upgrades	758,375	1,811,000	On-Time	Construction	
72	EN17049	Baseline RWPL Extension	5,976,666	6,921,000	On-Time	Construction	
73	WR15021	Napa Lateral	6,358,724	6,632,717	Behind Schedule	Construction	The delay is a result of inclement weather. A non-compensable time extension change order has been executed.
Totals			13,514,896	18,906,717			
Overall Totals			118,185,206	575,436,472			

## Attachment C Emergency Projects

FY19/20 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 3/31/2020	Date of Award	Status	
Agencywide									
1	EN20019.02	W.A. Rasic Construction	Cleanout on El Prado Road	Agencywide	TO-022	62,750	14,247	3/8/2020	Active
IERCF									
2	RA20005.00	Mike Bubalo Construction	IERCF Column Repair	IERCF	TO-0002	49,000	18,780	3/24/2020	Active
RP-1									
3	EN20019.01	Ferreira Construction	Hot Water Leak at RP-1	RP-1	TO-007	100,000	13,673	12/29/2019	Active
RP-4									
4	EN20017.03	W.A. Rasic Contracting	RP-4 RW Leak	RP-4	TO-021	10,750	10,932	1/20/2019	Completed
RP-5									
5	EN19001.01	Mike Bubalo Construction	RP-5 Expansion to 30 mgd	RP-5	TO-0001	56,000	0	1/30/2020	Active
CCWRF									
6	EN20017.01	W.A. Rasic Construction	CCWRF 3" RW Line Break	CCWRF	TO-0019	22,500	15,537	10/1/2019	Completed
7	EN20017.04	W.A. Rasic Construction	CCWRF RW Leak	CCWRF	TO-023	18,975	0	3/27/2020	Active
HQ									
8	EN20062.00	W.A. Rasic Construction	Chino Creek Wetlands Park Potable Water Line Leak Repair	HQ	TO-0018	10,000	5,213	9/30/2019	Completed
Totals						329,975	78,382		

March Emergency						
Contractor	Task Order Description	Details of the Circumstances/Cause of Emergency	Scope of Repair	Location	Date of Call Out	Not-to-Exceed /Estimate
W.A. Rasic Construction	TO-022	The City of Chino reported water coming out of the ground on El Prado Road. It was determined that a mechanical coupling had failed on the 10" recycled water line cleanout.	The 10" RW line and two 6" sludge lines were flushed with recycled water and de-energized. Contractor excavated around the three cleanouts. All three cleanouts were then cut down and new megalug mechanical adapters were installed to cap all three lines. The lines were then buried, and the pavement was restored	Agencywide	3/8/2020	62,750
Mike Bubalo Construction	TO-0002	A loader backed into a steel roof support column, damaging a concrete collar at its bottom.	Inspect column to roof connection for visible damage and column deflection and then repair the concrete collar located on the lower 15' of the column.	IERCF	3/24/2020	49,000
W.A. Rasic Construction	TO-023	Underground water leak.	Expose pipe, repair, backfill and repair asphalt.	CCWRF	3/27/2020	18,975
Totals						130,725