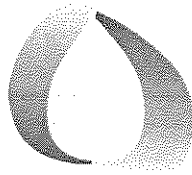


NOTICE OF MEETING

OF THE
**PUBLIC, LEGISLATIVE AFFAIRS,
AND WATER RESOURCES
COMMITTEE**

OF THE
BOARD OF DIRECTORS
OF THE



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

IS SCHEDULED FOR
WEDNESDAY, MARCH 11, 2015
9:00 A.M.

AT THE ADMINISTRATION HEADQUARTERS
6075 Kimball Avenue, Building A
Chino, CA 91708

**PUBLIC, LEGISLATIVE AFFAIRS, AND WATER RESOURCES
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, MARCH 11, 2015
9:00 A.M.**

CALL TO ORDER

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 are available on the table in the Board Room. Comments will be limited to five 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. ACTION ITEMS

A. MINUTES

The Committee will be asked to approve the Public, Legislative Affairs, and Water Resources Committee meeting minutes of January 14, 2015.

B. PROCUREMENT ORDINANCE REVISIONS

It is recommended that the Committee/Board hold a Public Hearing to receive comments and, upon conclusion of the Public Hearing, adopt Ordinance No. 101; establishing and setting forth the policies governing Agency authority and dollar limits for procurements and procurement-related activities.

C. WASTEWATER, WATER, AND RECYCLED WATER RATE AND FEE STUDY

It is recommended that the Committee/Board:

1. Amend the professional services contract (Contract No. 4600001658) with Carollo Engineers for the Wastewater, Water, and Recycled Water Rate and Fee Study, for a not-to-exceed amount of \$334,963; and
2. Authorize the General Manager to execute the contract.

D. CONTRACT AWARD FOR INTEGRATED RESOURCES PLAN WEAP MODEL RESILIENCY TESTING

It is recommended that the Committee/Board:

1. Award a professional services contract to RAND for Integrated Resources Plan WEAP Model Resilience Testing to augment the Integrated Resources Plan (Project No. WR14019), for a not-to-exceed amount of \$75,000 to increase the total project budget from \$539,179 to \$614,179; and

1. Authorize the General Manager to execute the contract.

2. INFORMATION ITEMS

A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

B. LEGISLATIVE REPORTS (WRITTEN)

1. The Dolphin Group
2. Innovative Federal Strategies
3. Agricultural Resources

C. CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)

D. PLANNING AND ENVIRONMENTAL COMPLIANCE UPDATE (ORAL)

3. GENERAL MANAGER'S COMMENTS

4. COMMITTEE MEMBER COMMENTS

5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

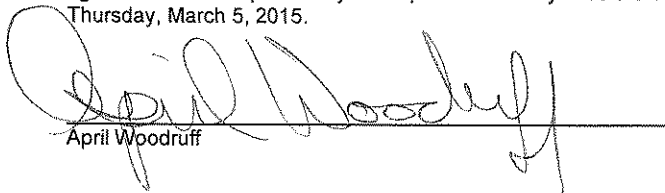
6. ADJOURN

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: BJ

DECLARATION OF POSTING

I, April Woodruff, Board Secretary 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. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino on Thursday, March 5, 2015.



April Woodruff

**ACTION
ITEM
1A**



MINUTES

**PUBLIC, LEGISLATIVE AFFAIRS, AND WATER RESOURCES
COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA**

**WEDNESDAY, FEBRUARY 11, 2015
9:00 A.M.**

COMMITTEE MEMBERS PRESENT

Steven J. Elie, Chair
Michael Camacho
Jasmin E. Hall

STAFF PRESENT

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Kathy Besser, Manager of External Affairs
Andy Campbell, Deputy Manager of Planning
Jason Gu, Budget Officer
Nel Groenveld, Manager of Laboratories
Sylvie Lee, Manager of Planning and Environmental Compliance
Jesse Pompa, Senior Associate Engineer
Craig Proctor, Pretreatment and Source Control Supervisor
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

None

The meeting was called to order at 9:08 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Public, Legislative Affairs, and Water Resources Committee meeting minutes of December 10, 2014.
- ◆ Recommended that the Board:
 1. Approve the Agency-wide memberships and affiliation for FY 2015/16, in the amount of \$178,718 as detailed in the Agency-wide membership listing; and
 2. Adopt Resolution No. 2015-2-2, authorizing Agency organizational memberships and affiliations:

as a Consent Calendar Item on the February 18, 2015 Board meeting agenda.
- ◆ Recommended that the Board adopt Resolution No. 2015-2-1, to authorize the

Agency:

- a. To enter into a financial assistance agreement with the U.S. Department of Interior – Bureau of Reclamation (USBR) for a grant application submitted on January 23, 2015;
- b. To execute a grant agreement, amendments and grant related documents thereto with the USBR; and
- c. To negotiate a Grant Administration Agreement with the Chino Basin Watermaster (CBWM) that will allow the Agency to administer the grant.

as a Consent Calendar Item on the February 18, 2015 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented or received and filed by the Committee:

- ◆ Public Outreach and Communication Report
- ◆ Legislative Reports
- ◆ California Strategies, LLC Activity Report
- ◆ MW Water Supply Allocation Plan Update
- ◆ Laboratory Update

GENERAL MANAGER'S COMMENTS

General Manager P. Joseph Grindstaff stated that Executive Management has been meeting with all of the member agencies regarding the upcoming rate adoptions.

COMMITTEE MEMBER COMMENTS

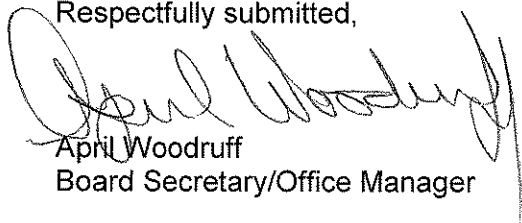
None.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

None.

With no further business, the meeting adjourned at 9:57 a.m.

Respectfully submitted,



April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: MARCH 11, 2015

**ACTION
ITEM
1B**





Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT


Date: March 18, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/11/15)
Engineering, Operations, and Biosolids Management Committee (03/11/15)
Finance, Legal, and Administration Committee (03/11/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by:  Christina Valencia
Chief Financial Officer/Assistant General Manager

Warren T. Green 
Manager of Contracts and Facilities Services

Subject: Procurement Ordinance Revisions

RECOMMENDATION

It is recommended that the Board of Directors hold a public hearing to receive comments and, upon conclusion of the public hearing, adopt Ordinance No. 101; establishing and setting forth the policies governing Agency authority and dollar limits for procurement and procurement-related activities.

BACKGROUND

The Agency's current Procurement Ordinance No. 95, was adopted by the Board of Directors on August 21, 2013. That Ordinance has served the Agency well through its established procurement thresholds, expenditure (approval) limits, delegated authority, solicitation requirements and protocols.

The proposed Procurement Ordinance provides for a number of key changes that will improve the Agency's ability to conduct routine business, while ensuring adequate fiscal controls and transparency of expenditures. Most of these changes were prompted by discussions between key stakeholders; i.e., Maintenance, Operations, Engineering, Construction Management, and Executive Management, as well as the Internal Auditor. Additionally, with the merging of the Contracts and Procurement Department with Risk, Facilities Services and Records Management,

the new department name was changed to Contracts and Facilities Services. The proposed changes include:

- **Definitions:** Adds definitions for; “Negotiated Procurements,” “Pre-Qualification,” and, “Surplus Personal Property.” Broadens definition for “Emergency Procurement.”
- **Single/Sole Source Threshold:** Change the threshold for single/sole source purchases from \$50,000 to \$100,000.
- **Informal Solicitations:** Adds clarification for how on-sites services shall be solicited to address requirements related to prevailing wage, contractor registration with the Department of Industrial Relations (DIR), certified payroll, insurance and bonding.
- **Pre-qualification Process:** Adds in the process for projects under and over the two million dollar thresholds.
- **Rejection of Offers:** Increases the threshold from \$250,000 to \$500,000 for the General Manager to reject offers and move forward to rebid a project.

The proposed Procurement Ordinance will provide for reduced cycle time, thereby streamlining the procurement and contracting processes. These changes continue to support a central procurement and contracting initiative, which focuses on best value procurements, leveraging technology, improving efficiency and customer service; while continuing to provide defensible procurement tools to protect and preserve the public trust.

These changes in the ordinance are consistent with the Agency’s Business Goals under *Fiscal Responsibility and Business Practices*, as they support the Agency and internal customers in the completion of their tasks and projects through sound fiscal spending and efficient processes.

PRIOR BOARD ACTION

On August 21, 2013, The Board of Directors adopted Procurement Ordinance No. 95.

IMPACT ON BUDGET

None.

Attachment:
Ordinance No. 101

ORDINANCE NO. 101

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (AGENCY), ESTABLISHING AND SETTING FORTH THE POLICIES GOVERNING AGENCY AUTHORITY AND DOLLAR LIMITS FOR BEST VALUE PROCUREMENTS AND PROCUREMENT-RELATED ACTIVITIES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (AGENCY) AS FOLLOWS:

-
- SECTION 1 - PROCUREMENT DEFINITION AND INSTRUMENTS
 - SECTION 2 - EXPENDITURE APPROVALS & REQUIREMENTS
 - SECTION 3 - SOLICITATIONS AND TERM LIMITS
 - SECTION 4 - TRADES AND EXCHANGES
 - SECTION 5 - REAL PROPERTY ACQUISITION
 - SECTION 6 - DISPOSAL OF SURPLUS
 - SECTION 7 - POLICIES AND PROCEDURES
 - SECTION 8 - PROHIBITION OF UNAUTHORIZED PROCUREMENT AND REQUIREMENTS FOR PROCUREMENT FUNDING
 - SECTION 9 - DEPARTMENT COOPERATION
 - SECTION 10 - EXCEPTION TO THIS ORDINANCE
 - SECTION 11 - VOIDABLE
 - SECTION 12 - SEVERABILITY
 - SECTION 13 - REPEAL
 - SECTION 14 - EFFECTIVE DATE AND EXECUTION
-

SECTION 1: PROCUREMENT DEFINITIONS AND INSTRUMENTS

1. Definitions: The following definitions shall apply to this Ordinance:
 - A. "Appropriated Funding" shall mean that funding which has been authorized by the Board as part of the fiscal year budget, or as a respective augmentation thereto.
 - B. "Authority to Approve" shall mean authority to designate appropriated funding for a specific procurement.
 - C. "Authority to commit" shall mean authority to effect and bind a procurement commitment, including contractual document execution, for a specific designated procurement.
 - D. "Best Value Procurements" for procurements other than public works, shall mean an award based on the best overall value to the Agency including, but not limited to: acquisition cost; lifetime cost of ownership;

ability, capability, and skills (e.g., experience, value-added services, etc.) of supplier/contractor; ability of supplier/contractor to meet the project schedule; character, integrity, reputation and judgment of supplier/contractor (e.g., from reference checks, site visits, and background checks); quality of previous work with Agency or other public entities; warranty or other documented considerations of value (e.g., discounted spare parts) offered to the Agency.

- E. "Budgeted Procurements" shall mean capital projects and operations and maintenance items that have been specifically included as part of the fiscal year budget, or as a respective augmentation thereof, and authorized by the Board.
- F. "Change Order" and "Amendment" shall mean any respective modification to an existing procurement or respective contractual document.
- G. "Competition" shall mean any award whereby a solicitation has been directed to multiple sources and where at least one response is received.
- H. "Contracts and Facilities Services" (CFS) shall refer to the department charged with the responsibility and authority to manage all aspects of the solicitation, negotiation, award, acquisition, contract administration, and surplus/disposal processes for goods, services, property and minor construction (excludes major public works and emergency procurements awarded through and administered by the Engineering and Construction Management Department).
- I. "Contractual Document" shall mean the document which binds Agency commitment of a procurement; such as a contract, agreement, lease, purchase order, change order, or amendment thereto.
- J. "Cooperative Procurement" shall mean a procurement (i.e., combining of requirements) conducted on behalf of two or more public procurement units in order to obtain the benefit of volume purchasing, economies of scale, and/or reduction in administrative expenses.
- K. "Delegate Authority" shall mean authority to assign authority, at specified limits, to respective subordinate staff.
- L. "Electronic Procurement" or "e-Procurement" shall mean electronic implementation of the procurement cycle.
- M. "Electronic Sourcing" or "e-Sourcing" shall mean an internet-based acquisition process that allows for electronically posting the requirement and electronic or hardcopy receipt of quotes, proposals, or bids in order to make a best-value acquisition.

- N. "Emergency Procurement" shall mean any procurement required for the prevention against imminent danger, or to mitigate the loss or impairment of: life, health, or safety of the public, Agency employees, suppliers, contractors; public or private property; compliance with critical permit and regulatory requirements; or any other condition which cannot reasonably be foreseen and would have a significant effect on the public's health/safety or that could have a significant adverse financial impact on the Agency.
- O. "Formal Solicitation" shall mean the issuance of a written request for sealed bids, proposals, or quotations.
- P. "Informal Solicitation" shall mean the verbal or written request for a verbal or written bid, proposal, or quotation.
- Q. "In the absence of ..." shall mean a reasonable amount of time away from the office, exceeding 24 hours.
- R. "Master Contracts" shall mean competitively-let contracts issued to one or more qualified suppliers/contractors where work shall be performed by task orders. Task orders under the master contract have a Board approved expenditure limit, unless specifically approved otherwise by the Board of Directors.
- S. "Negotiated Procurement" shall mean a documented procurement whereby competitive practices may not be practical; due to a unique circumstance such as special pricing, limited time offer, complex contractual terms (e.g., power purchase agreements, energy, specialized technology) and discussions and bargaining are used to finalize the procurement.
- T. "Non-Fiscal" shall mean having no direct impact on appropriated budgets, or otherwise requiring financial commitment of the Agency.
- U. "Piggyback Procurement" shall mean utilizing another public agency's contract or agreement to obtain more advantageous prices and terms than can be otherwise obtained on the open market.
- V. "Pre-Qualification" shall mean the process (Request for Qualification – RFQ) conducted by the Engineering and Construction Management (E&CM) Department to identify Prime Contractors that are capable and responsible to bid on public works projects.

- W. "Procurement" shall mean the purchase or otherwise compensatory securing of materials, supplies, services, leases, and equipment, real property, or public works services.
- X. "Procurement Aggregate" shall mean the total of the initial procurement and all respective change orders or amendments thereto.
- Y. "Professional Services" shall mean any specially-trained and experienced individual, firm or corporation, providing services and advice in financial, economic, accounting, engineering, information services, technical, architectural, or other administrative/professional matters.
- Z. "Public Works" shall mean the erection, construction, alteration, repair, maintenance or improvement of any public structure, building, road, or other improvement as specified in the California Public Contract Code; specifically, Article 40, Sections 20640-20644, and Article 72, Sections 21050-21051.
- AA. "Reverse Auction" shall mean a competitive electronic solicitation process for equipment, materials, supplies, and services in which bidders compete against each other in real time in an open and interactive web environment.
- AB. "Single Source" shall mean a procurement action where there is a compelling reason for selection of a preferred brand: such as standardization; time/schedule constraints; technical expertise; follow-on work to an existing contract to be procured; etc.
- AC. "Sole Source" shall mean a procurement action where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment manufacturer, and copyrights.
- AD. "Surplus Personal Property" shall mean items having no further use to the Agency; scrap, broken, obsolete, abandoned, or unusable materials or equipment.
- AE. "Trades and Exchanges" shall mean authorized surplus items used for the acquisition of materials, supplies, services, leases, and/or equipment.
- AF. "Unauthorized Procurements" shall mean work initiated by staff without the prior approval of the Board of Directors (Board), General Manager ("GM"), Chief Financial Officer (CFO), or the Manager of CFS, based upon authorization thresholds identified herein; followed by an approved purchase requisition and procurement instrument. Should it be necessary to interpret what is or is not an unauthorized procurement, General

Counsel shall provide the interpretation on behalf of the Board of Directors.

AG. "Where possible and practical" shall mean CFS's discretion to make a documented decision in the best interest of the Agency.

2. Procurement Instruments: All procurement actions, shall be effected by and at the discretion of the Board, the GM, the CFO, the Manager of CFS, or as authorized by one of the aforementioned, as authorized designees, using one of the following respective instruments:
 - A. Petty Cash – for limited amount cash advance or reimbursement; or,
 - B. Agency Check – A draft drawn on an Agency bank account for the procurement of goods and services; or,
 - C. Blanket Purchase Agreement (BPA) – Simplified acquisition method to fill anticipated repetitive needs for supplies or services; or
 - D. Contractual Document – (See Section 1.1 above); or,
 - E. Credit/Procurement Card – for procurements under \$5,000 in accordance with the individual Credit/Procurement Card restrictions and as set forth in administrative policy (see Section 3.7 for exceptions).

SECTION 2: EXPENDITURE APPROVALS AND REQUIREMENTS

1. All purchases, agreements, services, leases, and/or contracts including construction contracts, for materials, supplies, equipment, and other personal property shall be made in accordance with this Ordinance.
2. Splitting or separating of material, supply, service, lease, and equipment orders or projects for the expressed purpose of evading the requirements of this Ordinance is strictly prohibited. Splitting is defined as a series or more than one purchase request transaction for the same project requested separately in order to evade either the solicitation requirements or the higher approval thresholds. Discrete subsequent amendments or change orders that are for separate subprojects or disciplines (e.g., structural or electrical design of a larger project) under the same contract do not apply to this provision. Subsequent follow-on requests, at the discretion of the Manager of CFS, may require inclusion in the GM Report to the Board. Construction contracts may have subsequent change orders in accordance with the requirements of the Public Contract Code. Task Orders under the Master Contract Program do not fall under the provision of this requirement.
3. Procurement authorization parameters and limits are as follows:

A. Approval and execution of original procurements as indicated in the following table and as delegated below.

Approver	Emergency	Competitively-Let	Single or Sole Source	Public Works Change Order & Amendments	Non Public Works Change Order & Amendments
Board		>\$100K	>\$100K	>\$100K	>\$40K
GM	Unlimited	≤\$100K	≤\$100K	≤\$100K	≤\$40K
CFO	As delegated	≤\$100K	≤\$100K	≤\$100K	≤\$40K
Mgr. of CFS	As delegated	≤\$100K	≤\$100K	≤\$100K	≤\$40K

1. Board approval is required for competitively-let procurements greater than \$100,000, unless the procurement is a competitively-let "budgeted procurement" under \$250,000, specifically identified as a detailed line item in the fiscal year adopted budget.
2. Board approval is required for single or sole source procurements greater than \$100,000.
3. The GM is authorized to approve and execute competitively-let procurements less than or equal to \$100,000, and single or sole source procurements less than or equal to \$100,000, respectively.
4. The GM is authorized to delegate authority to approve and execute procurements less than or equal to the limits established for the GM.
5. In the absence of the GM, the CFO is authorized to approve and execute procurements less than or equal to \$100,000, and single or sole source procurements less than or equal to \$100,000, respectively.
6. The CFO is authorized to delegate that authority to approve and execute procurements, less than or equal to that limit which has been established for the CFO.
7. In the absence of the GM, the CFO, the Manager of CFS is authorized to approve and execute procurements less than or equal to \$100,000, and single or sole source procurements less than or equal to \$100,000, respectively.

B. Change order and amendment authorization parameters and limits are as follows:

1. Board approval is required for any single change order or amendment greater than \$40,000. However, for public works project change orders, Board approval and execution is required for requests exceeding \$100,000.
 2. The GM is authorized to approve and execute respective change orders and amendments less than or equal to \$40,000, or less than or equal to \$100,000, for public works projects. The GM may delegate this authority up to the limits established for the GM.
- C. The Manager of CFS is authorized to execute all approved and budgeted procurements made by Purchase Orders and Change Orders; as well as Contracts and Contract Amendments up to the Manager's internal approval limit or as otherwise delegated.
- D. The Manager of CFS is authorized to establish and approve all BPAs, in the best interest of the Agency.
- E. The Manager of CFS is authorized to request an interpretation for any procurement from General Counsel pertaining to this Ordinance. General Counsel's opinion shall be conclusive.
- F. The GM is authorized to terminate any procurement or contractual obligation less than or equal to \$500,000, in the best interest of the Agency.

SECTION 3: SOLICITATIONS AND TERM LIMITS

1. Solicitations for best value to the Agency and their parameters and limits (subject to other provisions of this section) are as follows:
 - A. Formal Competitive Solicitations:
 1. Shall be required for Agency procurements estimated to be greater than \$50,000, or for Public Works Projects, as set forth and adjusted by applicable Public Contract Code (PCC) (i.e., PCC 20642 – Bidding Requirements). The use of e-sourcing, the online solicitation system, is acceptable for issuance of formal solicitations; as well as the receipt of proposals or bids (unless specifically stated otherwise within the solicitation documents). Public works construction may be advertised in the Green Sheet, on the Agency's website or through the online solicitation system.
 2. Shall, at a minimum, be advertised in one general circulation newspaper within the Agency's geographic boundaries and/or

advertised on either the Agency's website and/or a regional purchasing website as determined by the Manager of CFS.

3. Shall, whenever possible and practical, provide a minimum of 14 calendar days for response.
4. Shall require the receipt of a minimum of one competitive response; or, have been directed to a minimum of five qualified potential respondents, when available.
5. Public Work bids shall be publicly unsealed, and respective dollar amount(s) announced. This may be electronically facilitated at the discretion of the Manager of CFS.
6. Proposals and quotations may be publicly unsealed, and respective dollar amount(s) announced.
7. For procurements funded by a Federal grant, no award shall be permitted to any vendor for any contract or sub-contract at any tier level for a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension.
8. Award details shall be made available following approval of the award; either on the Agency's website, the e-sourcing website, or delivered upon specific request.
9. The formal competitive solicitation process may be waived at the discretion of the GM or his/her designated representative, when there is a compelling reason (e.g., public safety, prevent loss of life, imminent danger, or other valid reason). The GM shall document the reason and inform the Board at the next regularly-scheduled meeting.

B. Informal Competitive Solicitations:

1. For procurements estimated to be greater than \$10,000 and less than or equal to \$50,000, solicitations shall be posted on the electronic solicitation system or sent and documented via email to a pre-qualified list (e.g., Master or Pre-qualified Contractors) with a minimum of two competitive written or electronic responses received by CFS, where possible and practical.
2. For procurements estimated to be greater than \$5,000 and less than or equal to \$10,000, shall be either posted on the electronic

solicitation system or sent and documented via email or fax transmission to a minimum of two prospective suppliers.

3. For procurements less than \$5,000, one written quote is sufficient. The quote may be within an electronic sourcing and procurement process, which identifies pricing and electronically submits purchase orders, after approval, to the suppliers.
4. For procurement of on-site services, solicitations shall be conducted through CFS to address relevant terms and conditions related to prevailing wage, risk mitigation, insurance and bonding requirements, unless designated an emergency.

C. Requests for Information:

In order to facilitate the budgetary and planning processes, Agency staff other than CFS, may request informal pricing and related information for the express purpose of obtaining estimates for services, materials, equipment and supplies, identify availability of materials and supplies and identify lead-times, as provided for by policy. The requestor shall declare that the request is for "budgetary and informational purposes only" and is not to be construed as an offer or commitment to procure any product or service. Requests for Information shall not be used in lieu of the informal and formal solicitation processes provided for herein. Exceptions shall be at the sole discretion of the Manager of CFS, CFO, or GM.

D. Reverse Auctions:

1. Reverse auctions may be utilized for the acquisition of equipment, materials, supplies, and services when it is advantageous to do so (i.e., by materially-reducing the cost of goods, while increasing the efficiency of the acquisition function through effective use of technology).
2. Reverse auctions may be hosted by a third party vendor under contract with the Agency.
3. Bidders shall be required to register and pre-qualify, prior to the reverse auction date and time, and agree to any terms and conditions specified.
4. Reserve auctions shall not be used for Public Works projects.
5. At the discretion of the Manager of CFS, reverse auctions may be conducted in lieu of the formal or informal competitive solicitation processes.

E. Pre-qualification Process:

1. A pre-qualification process to identify qualified construction contractors may be used for public works projects.
2. The pre-qualification process will include a Request-for-Qualification to establish a list of contractors that may be used for projects valued less than \$2,000,000.
3. The list of contractors will be valid for a period of up to five years.
4. For public works projects estimated to be valued at or greater than \$2,000,000, a Request-for-Qualification process will be announced for each individual project, prior to the release of the solicitation.
5. The award of a public works contract using the pre-qualification process shall be made to the lowest-priced, pre-qualified bidder.

2. Multi-year procurement terms and extension limits are as follows:

- A. The term for initial procurements may not exceed five years.
- B. The aggregate term of all extensions for initial procurements may not exceed two years, as determined by the GM.
- C. Exceptions to the term limits, as determined by the GM, shall be compelling, in the best interest of the Agency, and documented accordingly.

3. Negotiated procurement parameters and term limits (subject to other provisions of this Ordinance) are as follows:

- A. Negotiated procurements shall be authorized in writing by the respective Department Manager, and approved by the Manager of CFS for documented circumstances where there exists a single or sole-source supplier, or unusual time or other constraint (e.g., power and energy, emergency communications, insurance carrier, specialized materials, services or equipment, information technology equipment, limited-time discount opportunities, other unique opportunities, etc.).
- B. Negotiated procurements shall not require any formal or informal solicitation. However, for single or sole source negotiated procurements exceeding \$50,000, Board approval is required.

- C. The aggregate term, including all extensions thereof, of any negotiated procurement may not exceed seven years.
 - D. Exceptions to the term limits shall be compelling, in the best interest of the Agency, and documented accordingly in the GM Report to the Board.
4. Cooperative and "piggyback" procurement parameters and limits (subject to other provisions of this Ordinance) are as follows:
- A. Single-occurrence cooperative and "piggyback" procurements shall not require formal solicitations. However, procurements exceeding \$100,000 that result from single or sole source cooperative or "piggyback" contracts require Board approval. Procurements exceeding \$100,000 that result from competitively-let cooperative and "piggyback" contracts also require Board approval.
 - B. The aggregate term, including all extensions, of any cooperative or piggyback procurement, may not exceed seven years.
 - C. Exceptions to the term limits, as determined by the Manager of CFS, shall be compelling, in the best interest of the Agency, and documented accordingly.
5. Government procurement parameters and limits (subject to other provisions of this section) are as follows:
- A. Materials, supplies, services, leases, and equipment, may be procured from other government agencies, when doing so would be in the best interest of the Agency, as determined by the GM.
 - B. When government agency procurement is greater than \$50,000, formal and competitive bids, proposals, or quotations, may be solicited from open market sources, as determined by the GM.
 - C. Professional services may be procured from other government agencies, when doing so would be in the best interest of the Agency, as determined by the GM.
6. Petty Cash procurement parameters and limits are as follows:
- A. A fund of sufficient amount shall be established by Resolution of the Board, to support petty cash disbursements for authorized advances and reimbursements.
7. Procurement Card requirements and limits are as follows:

- A. Procurement Cards may be used for single transactions to acquire materials, supplies, and equipment (e.g., online purchases, with businesses that will not accept purchase orders, etc.) less than or equal to \$5,000, unless otherwise authorized by the Manager of CFS, CFO, or GM.
 - B. Procurement Cards shall **not** be used for engaging services unless expressly authorized by the Manager of CFS, CFO, or GM.
8. Board approval is required for rejection of offers, where the lowest bid, proposal, or quotation, is greater than \$500,000.
- A. The GM is authorized to reject offers, where the lowest bid, proposal, or quotation, is less than or equal to \$500,000.
 - B. The GM is authorized to delegate authority to reject any and all bids, proposals, and quotations, less than or equal to the limit established for the GM.
9. Emergency procurements of materials, supplies, services, rentals, leases, equipment, and public works services may be effected, notwithstanding respective provisions of this Ordinance.
- A. The GM is authorized to approve and execute emergency procurements, for any amount.
 - B. The GM is authorized to delegate authority to approve and execute emergency procurements up to any amount.
 - C. The GM or designee shall report emergency procurements, including details of the circumstances, respective dollar amounts expended, and cause of the emergency at the next regularly scheduled Board meeting.

SECTION 4: TRADES AND EXCHANGES

- 1. Acquisition of materials, supplies, services, leases, and equipment, may be made by trade or exchange.
- 2. Only authorized surplus items may be used for trade and exchange acquisitions.
- 3. Acquisition items must be of same or similar-type to respective surplus items.
- 4. Board approval is required for trade and exchange acquisitions with a current market value greater than \$100,000.

5. The GM is authorized to approve trade and exchange acquisitions with a current market value less than or equal to \$100,000.
6. The GM is authorized to delegate authority to approve trade and exchange acquisitions less than or equal to the limit established for the GM.

SECTION 5: REAL PROPERTY

1. Board approval and authority to execute contractual documents is required for the sale, procurement, trade, exchange, surplus or otherwise acquisition, of any and all real property with a value greater than \$100,000. The Board may delegate this authority when it is in the best interest of the Agency.
2. The GM is authorized to execute contractual documents, including sale, purchase agreements and escrow instruments, for the authorized sale, procurement, trade, exchange, or otherwise acquisition, of real property with a value less than or equal to \$100,000.
3. The GM is authorized to delegate authority to execute contractual documents, including purchase agreements and escrow instruments, for authorized sale, procurement, trade, exchange, or otherwise acquisition, of real property less than or equal to the limit established for the GM.

SECTION 6: DISPOSAL OF SURPLUS PROPERTY/EQUIPMENT

1. Board approval is required for the disposal of single-item surplus personal property or equipment with a current market value greater than \$100,000.
2. Board approval is required for the disposal of any multiple-items (lot) of surplus personal property or equipment with a current market value greater than \$200,000.
3. Professional or contract services may be used for the disposal of surplus items, and a formal solicitation shall not be required for said services. Fees for said services shall be paid from respective surplus disposal proceeds.
4. Any surplus item(s) may be:
 - A. Sold for cash.
 - B. Used for trade or exchange.
 - C. Sold for a nominal sum to a non-profit charitable organization, school, or other government agency.

5. Board approval is required to declare any and all real property as surplus and/or to sell any and all surplus real property, as provided for under California law (i.e., Government Code Section 54221 et. Seq.).
6. Board approval is required to authorize the GM to negotiate any and all sale prices and terms for the sale of surplus real property.
7. All net proceeds received from surplus activities shall be deposited in the appropriate Agency Fund Reserves.

SECTION 7: POLICIES AND PROCEDURES

The GM is authorized to establish, develop, and/or revise any and all Agency policies and procedures necessary to implement and administer the provisions of this Ordinance.

SECTION 8: PROHIBITION OF UNAUTHORIZED PROCUREMENT COMMITMENTS AND REQUIREMENTS FOR PROCUREMENT FUNDING

1. No work or services, except in emergency situations, shall be authorized or accepted, until an appropriate and approved procurement instrument has been fully secured or executed, as required pursuant to this Ordinance. If work or services are procured in violation of this provision, and the value of the procurement is \$10,000 or less, then the employee securing the unauthorized procurement shall obtain the written approval of the Manager of CFS to secure the purchase requisition documents necessary to generate the appropriate purchase order or contract for payment. Unauthorized procurements with a value in excess of \$10,000 shall require approval from the Board. Public works field change orders do not fall under the provision of this section. A violation of this provision shall be cause for disciplinary action against the violator. The Manager of CFS shall retain the discretion to refer any violation of this provision to the Department of Internal Audit for investigation.
2. No procurement instrument, except in emergency situations, shall be used, which commits Agency funds or other financial obligations thereof, unless and until such unencumbered funding has been identified, authorized, and appropriated for said procurement.

SECTION 9: DEPARTMENT COOPERATION

All Agency employees shall comply with the provisions of this Ordinance to ensure the responsible and prudent expenditure of public funds, and to maintain the preservation of the public trust.

SECTION 10: EXCEPTION TO THIS ORDINANCE

The Board may authorize the GM to effect procurements or other respective activities free of this Ordinance, when the Board has determined that such would be in the best interest of the Agency, and when such is not in conflict with applicable State or Federal law(s).

SECTION 11: VOIDABLE

The Board may void any and all transactions not consistent with the provisions of this Ordinance.

SECTION 12: SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this ordinance shall, for any reason, be declared unconstitutional or otherwise invalid, such adjudication shall in no manner affect any other section, subsection, sentence, clause, or phrase of this ordinance, or portions thereof. The Board hereby declares that they would have approved this Ordinance, and each section, subsection, sentence, clause, and phrase hereof, irrespective of any portion thereof which may be declared invalid or unconstitutional.

SECTION 13: REPEAL

Ordinance No. 95 is hereby repealed in its entirety. All portions of other respective Ordinances, Resolutions, and/or motions related thereto and in conflict with the provisions of this Ordinance, are hereby rescinded and made of no further effect.

SECTION 14: EFFECTIVE DATE AND EXECUTION

This Ordinance shall take effect immediately upon adoption by the Board, and execution of said Ordinance by the President and Secretary/Treasurer thereof.

ADOPTED this 18th day of March, 2015

Terry Catlin
President of Inland Empire Utilities
Agency*, and of the Board of Directors
thereof

ATTEST:

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

APPROVED AS TO FORM:

General Counsel
for the Inland Empire Utilities Agency*

**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 revised Ordinance being No. 101, was adopted at
a regular meeting on March 18, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

** A Municipal Water District*



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

PROCUREMENT ORDINANCE UPDATE

CONTRACTS & FACILITIES SERVICES

March 2015

PROCUREMENT ORDINANCE

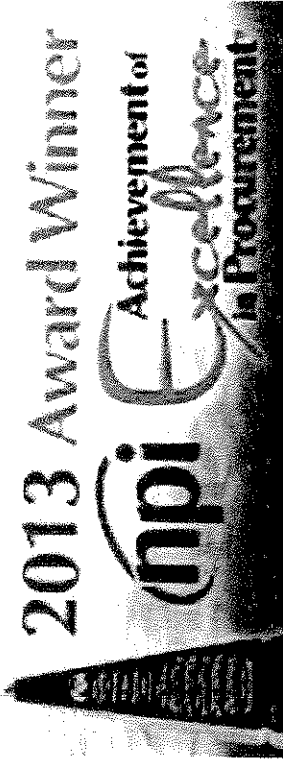
An Ordinance of the Board of Directors to establish and set forth the policies governing Agency authority and dollar limits for best value procurements and procurement-related activities.

ORDINANCE CHANGES OVER LAST SEVERAL YEARS

- Ordinance No. 95 - August 21, 2013
- Ordinance No. 91 - September 19, 2012
- Ordinance No. 88 - July 20, 2011
- Ordinance No. 85 – June 17, 2009

WHY UPDATE?

- Organizational Change – Contracts & Procurement (CAP) merged with Risk, Records Management and Facilities Services creating a new department name:
 - Contracts and Facilities Services (CFS)
- Customer Requested Changes For Consideration
- Clarifications & Process Efficiencies
- CFS will remain focused on Excellence in Contracts and Procurement as well as new responsibilities.



CUSTOMER REQUESTED CHANGES – SINGLE/SOLE SOURCE

- Raise the threshold for Single/Sole Sourced awards from \$50,000 to \$100,000.
- Previous related threshold changes;
 - Ordinance No. 72 (1/3/01) raised the threshold from \$25,000 to \$50,000.
- Over the last 2 years, 17 (60%) of the 28 Single/Sole Source PRs with a value over \$50,000, were \leq \$100,000.

CUSTOMER REQUESTED CHANGES – REJECTION OF BIDS

- Increase the General Manager’s authority to reject all bids up to \$500,000; current level is \$250,000.
- Previous related threshold changes;

Ordinance No.	Date of Change	Threshold Amount
85	6/17/09	From \$100,00 to \$250,000
81	12/7/05	From \$50,000 to \$100,000

OTHER CHANGES

- Added - ***Pre-Qualification*** process to clarify responsibility of Engineering and Construction Management Department.
- Added - informal solicitations of services regardless of value due to risk mitigation, prevailing wage requirements, insurance and bonding requirements.
- Updated - definitions for Negotiated Procurement, Pre-Qualification, and Surplus Personal Property.
- Clarified - Process for solicitations between \$10,001 and \$50,000 and related “threshold table”.

INTERNAL CONTROLS

- Board oversight and transparency.
- Approval currently controlled by 16 workflow approval paths in SAP based on document types; competitive, single source, change order, public works, etc.
- Recommend oversight remain with the Contracts and Facilities Services Department under the direction of the Chief Financial Officer (CFO).

Questions?


These changes in the ordinance are consistent with the Agency's Business Goals under Fiscal Responsibility and Business Practices, as they support the Agency and internal customers in the completion of their tasks and projects through sound fiscal spending and efficient processes.


**ACTION
ITEM
1C**


Date: March 18, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/11/15)
Finance, Legal, and Administration Committee (03/11/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by:  Chris Berch
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee
Manager of Planning and Environmental Compliance  *SLC FOR SL*

Subject: Wastewater, Water, and Recycled Water Rate and Fee Study

RECOMMENDATION

It is recommended that the Board of Directors:

1. Amend the professional services contract (Contract No. 460001658) with Carollo Engineers for the Wastewater, Water, and Recycled Water Rate and Fee Study, for a not-to-exceed amount of \$334,963; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

In May 2014, the Board of Directors awarded a professional services contract to Carollo Engineers, Inc. (Carollo), for a Wastewater Connection Fee Evaluation. In July 2015, the Board of Directors authorized the General Manager to amend the existing contract with Carollo, to include the Water, and Recycled Water Rate and Fee Study. The intent of the evaluation was to develop a regional Equivalent Dwelling Unit (EDU) connection fee nexus study for FY 2015/16 and subsequent years; and to provide a rational basis for distributing the full costs to provide wholesale water and recycled water service to each customer, in proportion to the demands they place on the system.

The wastewater connection fee and the "one-water" connection fee are very close to being completed; few tasks need to be performed, before the fees can be finalized. However, more time is necessary to complete the water and recycled water rates, and for the outreach process with the member agencies and developer community, in order to make sure that all of the

The wastewater connection fee and the “one-water” connection fee are very close to being completed; few tasks need to be performed, before the fees can be finalized. However, more time is necessary to complete the water and recycled water rates, and for the outreach process with the member agencies and developer community, in order to make sure that all of the stakeholders understand, provide input, and reach consensus before the rates are implemented. The additional implementation time will require additional work and a subsequent budget amendment in order to finalize the project.

Carollo’s proposed connection fee evaluation is consistent with the Agency’s *Fiscal Responsibility Business Goal, Funding and Appropriation Objective*. The model will assist staff in developing long term connection fees and a financial rate structure to appropriately fund the operation and maintenance expenses, as well as the capital improvement costs.

PRIOR BOARD ACTION

On July 16, 2014, the IEUA Board of Directors amended the contract with Carollo for a not-to-exceed amount of \$244,963.

On May 21, 2014, the IEUA Board of Directors awarded Carollo Engineers, Inc, a contract in the amount of \$80,000 for the Wastewater Connection Fee Evaluation.

IMPACT ON BUDGET

If approved, the budget for Professional Fees and Service Account will increase \$90,000. Budget will be transferred from the GM Contingency account to increase the budget in the Regional Capital Fund, Water Resources Fund, and the Recycled Water Fund in the amount of \$30,000 each.

Attachment: Proposal from Carollo Engineers, Inc.
Amendment 2



February 13, 2015

Sylvie Lee, P.E.
Manager of Planning & Environmental Compliance
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: Proposal for Scope Amendment
Wastewater, Water, and Recycled Water Rate & Fee Study

Dear Ms. Lee:

Per your request, this letter transmits a draft proposal for an amendment to the Wastewater, Water, and Recycled Water Rate and Fee study that we discussed with you following the January 29, 2015, Technical Committee Meeting. The Exhibits indicated below are appended.

1. Exhibit A - Scope of Services.
2. Exhibit B - Estimated Budget.
3. Exhibit C - Fee Schedule.

We look forward to the opportunity to answer any questions or comments you may have or to revise this document to more exactly satisfy the Inland Empire Utilities Agency's needs.

Sincerely,

CAROLLO ENGINEERS, INC.

Robert S. Grantham
Vice President

Toby Weissert, P.E., PMP
Project Manager

Enclosures: Exhibits A through C

cc: Stefanie Szoludko (Carollo - OCO)

**Exhibit A
Scope of Services**

**WASTEWATER, WATER, AND RECYCLED WATER RATE AND FEE STUDY
SCOPE AMENDMENT
INLAND EMPIRE UTILITIES AGENCY**

1.0 BACKGROUND

Carollo is under contract to assist the Inland Empire Utilities Agency (IEUA) with the development and implementation of their wastewater connection fee and water and recycled water rates and connection fees. At the January 29th Technical Committee meeting, IEUA decided to slow implementation of the wastewater, water, and recycled water rate and connection fee process. The initial schedule called for the connection fees and rates to be developed and be ready for approval by the IEUA Board in February. Due to the nature of the outreach process with the member agencies and developer community, and the timing in relation to formulation of the IEUA budgetary inputs into the process, in order to make sure that all of the stakeholders understand, provide input, and reach consensus before the rates are implemented, it is necessary to allow extra time for the rate development and outreach process. The slower implementation time will require additional work and a subsequent budget amendment in order to finalize the project. At this time, it is anticipated that an additional four months will be required to implement the rates and connection fees. This document describes the scope items that are anticipated to be necessary to finish the project as of February 1, 2015.

2.0 SCOPE OF WORK

The scope of work outlines the tasks that are necessary to complete the Water and Recycled Water Rate and Fee Study.

Task 1. Meet with Member Agencies and Water Purveyors

A big part of facilitating the rate update process is making sure that the process is transparent so that the stakeholders understand the basis for the rates and because of the transparency of the process, trust it. In order to facilitate the consensus building process, we will meet with each of the member agencies and water purveyors to help them understand the process and to answer their questions about the process and the results of the work to date. A sources and uses of funds diagram will be developed to help facilitate the discussions with member agencies. The intent is to group the agencies and water purveyors so approximately 6 meetings will be held.

Task 2. Update the Wastewater Connection Fees

The wastewater connection fees are very close to being completed. However, there are a few tasks that need to have further work performed before the connection fees can be finalized. In this task working with IEUA staff refers to meeting with staff to get input on the bulleted items below and then updating the rate model based on the information.

- Work with IEUA staff to incorporate the amount of debt principal that was paid for by property tax and therefore should be subtracted from the connection fee calculation.

**Exhibit A
Scope of Services**

**WASTEWATER, WATER, AND RECYCLED WATER RATE AND FEE STUDY
SCOPE AMENDMENT
INLAND EMPIRE UTILITIES AGENCY**

- Work with IEUA staff to revise the connection fee model based on updated information about the amount of the construction in progress that should be allocated to future users.
- Work with IEUA staff to revise the connection fee model based on the amount of construction in progress from non wastewater capital accounts that should be allocated to future users.
- Work with IEUA staff to revise the connection fee model based on an additional line item review of the allocations of the existing fixed assets to existing and future customers and to unit process allocations.
- Work with IEUA staff to revise the connection fee model based on an additional line item review of the existing TYCIP allocations to existing and future customers and to unit process allocations.

Task 3. Update the One Water Connection Fees

The water connection fees are very close to being completed. However, there are a few tasks that need to be performed before the fees can be finalized. In this task working with IEUA staff refers to meeting with staff to get input on the bulleted items below and then updating the rate model based on the information.

- Work with IEUA staff to revise the model based on updated information about the amount of the construction in progress that should be allocated to future users.
- Work with IEUA staff to revise the model based on the amount of construction in progress from non water and recycled water capital accounts that should be allocated to future users.
- Work with IEUA staff to analyze and revise the meter equivalent units (MEU) calculation to reflect updated member agency considerations. For example, Chino Hills now has a 1" minimum meter size for single-family-residences, but also older smaller meters. Should all of these meter sizes be assumed to equate to one MEU.
- Work with IEUA staff to revise the model based on an additional line item review of the existing fixed assets allocations to existing and future customers.
- Work with IEUA staff to revise the model based on an additional line item review of the existing TYCIP allocations to existing and future customers.

Task 4. Update the Water and Recycled Water Rates

Additional work is necessary to complete the water and recycled water rates as follows. In this task working with IEUA staff refers to meeting with staff to get input on the bulleted items below and then updating the rate model based on the information.

**Exhibit A
Scope of Services**

**WASTEWATER, WATER, AND RECYCLED WATER RATE AND FEE STUDY
SCOPE AMENDMENT
INLAND EMPIRE UTILITIES AGENCY**

- Utilize the information on MEUs from the One Water Connection Fees task above to update the rates for water and recycled water.
- Utilize the information from the One Water Connection Fees task above for the existing fixed asset and TYCIP reviews to update the rate model for the water and recycled water rates.

Task 5. Prepare Water and Recycled Water Rate Alternatives

One thing that became clear from the recent rate workshops is that the member agencies want to see more bottom-line information on the impacts of the different water and recycled water rate alternatives. In this task, we will work with IEUA staff to develop example rate outcomes for the following rate components.

- Recovery of the Readiness-to-Serve Charge via a 10-year rolling average and on an account basis
- Recovery of the administration, conservation, and drought resiliency charges by MEU or on a volume basis
- Recovery of the recycled water charges based on a volume and a seasonal basis.

Task 6. Wastewater Rate Survey

The original scope of work included a survey of surrounding and similar agencies for wastewater connection fees and water and recycled water and connection fees. This task will add a survey of wastewater rates and will delineate variances between agencies such as property tax contributions and treatment levels.

Task 7. Workshops

Two additional workshops are anticipated in order to complete the rate process. One workshop was the Board Policy Committee that was held on February 4th. An additional workshop will be held after meeting with each member agency and completing the rate update tasks listed above. The intent of the final workshop will be to formalize member agency consensus on the rates and connection fees. The effort includes working with staff to prepare slides for the workshop, presenting the workshop materials, and completing a question/answer document based on questions raised in the workshop.

We also anticipate attending the Regional Policy and Regional Technical committee meetings, and the subsequent board meeting where the rates are considered for approval. For these meetings we will meet with staff to prepare a presentation, give the presentations at these meetings, and complete a question/answer document based on questions raised in the meetings.

**Exhibit A
Scope of Services**

**WASTEWATER, WATER, AND RECYCLED WATER RATE AND FEE STUDY
SCOPE AMENDMENT
INLAND EMPIRE UTILITIES AGENCY**

Task 8. Meetings

Weekly conference calls will be held with IEUA staff to facilitate the rate development process. 10 conference calls are anticipated.

Task 9. Finalize Project Technical Memorandums

Three separate draft technical memorandums (TM) have been prepared to present the rates as follows:

- Wastewater Connection Fees
- One Water Connection Fees
- Water and Recycled Water Rates

Prior to the final workshop, these TMs will be updated for distribution to the workshop participants. Based on the outcome of the final workshop, a final version of the TMs will be created.

Task 10. Additional Project Management

The Consultant shall provide management functions needed to track and control project activities and to monitor project progress. The Consultant shall prepare and submit to the agency monthly progress reports along with the project billing. The project management is anticipated to be for four additional months.

3.0 PROJECT SCHEDULE

It is anticipated that the project work tasks listed above will be completed in February and March of 2015, with the committee and Board meetings being held in March, April, and May.

4.0 PROJECT BUDGET

The proposed project budget, along with a breakdown of fees per task, is attached as Exhibit B. Charges would accrue and be billed based on the rates shown in the attached Fee Schedule, Exhibit C.

**Exhibit B
Estimated Work Effort**

**Rate & Fee Study - Amendment No. 2
Regional Wastewater System
Inland Empire Utilities Agency**

<u>Task No.</u>	<u>Description</u>	<u>Estimated Effort, Hours</u>										<u>Fee by Task</u>
		<u>Project Lead</u>	<u>Project Manager</u>	<u>Lead Engineers</u>	<u>Staff Engineers</u>	<u>Staff Aides</u>	<u>Techs. & Engg. Aides</u>	<u>Support Staff</u>	<u>Total</u>			
Amendment No. 2												
Meet with Member Agencies and Water Purveyors												
1	Purveyors	24	0	0	0	0	0	0	0	0	24	\$ 6,641
2	Update Wastewater Connection Fees	3	6	0	20	0	0	0	0	0	29	5,804
3	Update One Water Connection Fees	1	2	0	5	0	0	0	0	0	8	1,659
4	Update Water & Recycled Water Rates	2	4	0	10	0	0	0	0	0	16	3,317
5	Prepare Water & Recycled Water Alternatives	3	10	0	24	0	0	0	0	0	37	7,574
6	Wastewater Rate Survey	1	4	0	10	0	0	0	0	0	15	3,041
7	Workshops	40	40	0	40	0	0	0	0	0	120	30,921
8	Weekly Conference Calls	3	20	0	20	0	0	0	0	0	43	9,678
9	Draft & Final TMs	2	10	0	82	0	0	0	0	0	94	16,908
10	Project Management	0	16	0	0	0	0	0	0	0	16	4,427
TOTALS		79	112	0	211	0	0	0	0	0	402	\$ 89,969

Exhibit C
Fee Schedule as of January 1, 2014

Rate & Fee Study - Amendment No. 2
Regional Wastewater System
Inland Empire Utilities Agency

<u>Category</u>	<u>Hourly Rate</u>
Engineers/Scientists	
Assistant Professional	\$154.00
Professional	\$188.00
Project Professional	\$223.00
Lead Project Professional	\$244.00
Senior Professional	\$265.00
Technicians	
Technicians	\$115.00
Senior Technicians	\$162.00
Support Staff	
Document Processing / Clerical	\$102.00
Project Equipment and Communication Expenses	
(PECE) Charge Per Direct Labor Hour	\$ 11.70
<hr/>	
Other Direct Expenses	
Travel and Subsistence	at cost
Mileage Charge Per Mile	\$ 0.56
Subconsultant	Cost + 10%
Other Direct Costs	Cost + 10%
Expert Witness	Rate x 2.0

This fee schedule is revised in January and July of every year.
Invoice for each month will be prepared based on the fee schedule in effect during the month.



AMENDMENT NUMBER: 4600001658-002

FOR

CONNECTION FEE STUDY

THIS AMENDMENT NUMBER TWO to Contract 4600001658 is made and entered into this _____ day of _____, 2015, 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 Carollo Engineers, Inc. of Costa Mesa, California (hereinafter referred to as "Consultant"), for consulting services to complete a connection fee study, and shall revise the Contract as follows:

REVISE SECTION 4., SCOPE OF WORK AND SERVICES, TO ADD THE FOLLOWING ITEM:

Additional Scope of Work and Services shall be in accordance with Consultant's proposal, dated February 13, 2015, **Attachment A**, which is attached hereto and made a part hereof.

REVISE SECTION 5., TERM, TO READ: The term of this Contract shall extend from the Notice to Proceed, and terminate upon completion of all Project services, or December 30, 2015, whichever occurs first, unless agreed to by both parties, reduced to writing, and amended to this Contract.

REVISE SECTION 6. COMPENSATION, SECOND PARAGRAPH TO ADD:

In compensation for the work represented by this Contract, Agency shall pay Consultant a NOT-TO-EXCEED maximum total of **\$328,893.00** for all services provided. This amendment represents a net increase of **\$89,969.00** to the Contract as per the estimated work effort represented in **Attachment A**.

ALL OTHER PROVISIONS OF THIS CONTRACT REMAIN UNCHANGED.

WITNESSETH, that the parties hereto have mutually covenanted and agreed as per the above amendment items, and in doing so have caused this document to become incorporated into the Contract Documents.

INLAND EMPIRE UTILITIES AGENCY:

CAROLLO ENGINEERS, INC.:

P. Joseph Grindstaff (Date)
General Manager

Robert S. Grantham (Date)
Vice President

Graham Juby (Date)
Vice President


**ACTION
ITEM
1D**




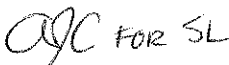
Date: March 18, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/11/15)
Finance, Legal, and Administration Committee (03/11/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by:  Chris Berch
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee
Manager of Planning and Environmental Compliance  FOR SL

Subject: Contract Award for Integrated Resources Plan WEAP Model Resiliency Testing

RECOMMENDATION

It is recommended that the Board of Directors:

1. Award a professional services contract to RAND for Integrated Resources Plan WEAP Model Resilience Testing to augment the Integrated Resources Plan (Project No. WR14019), for a not-to-exceed amount of \$75,000 to increase the total project budget from \$539,179 to \$614,179; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

In 2013, during the FY 2013/14 Ten-Year Capital Improvement Plan process and discussions with Member Agencies, the Inland Empire Utilities Agency (IEUA/Agency) identified a need to develop an overarching Integrated Resources Plan (IRP). The IRP was intended to develop an overall strategy for meeting projected demands within the IEUA service area in a cost-effective manner.

The purpose of the IRP process was to integrate previously existing and new planning efforts into a focused, holistic implementation strategy to achieve improved near and long-term water resources management for IEUA and its member agencies. After initial scenarios were developed in 2014, the Agency identified a need for additional analysis: 1) to re-evaluate demand forecasts to reflect current development trends and obtain consensus from IEUA Member Agencies; 2) to conduct modeling of the Chino Basin in conjunction with the Chino

resources management for IEUA and its member agencies. After initial scenarios were developed in 2014, the Agency identified a need for additional analysis: 1) to re-evaluate demand forecasts to reflect current development trends and obtain consensus from IEUA Member Agencies; 2) to conduct modeling of the Chino Basin in conjunction with the Chino Basin WaterMaster; and 3) to stress test the Water Evaluation And Planning (WEAP) model's proposed project portfolios to determine the resiliency of the IRP under a variety of future climate conditions and other uncertainties.

Re-evaluation of the demand forecast is being conducted as part of the Water Use Efficiency Business Plan Update by A&N Technical Services, Inc. Chino Basin groundwater modeling will be done by Chino Basin WaterMaster consultant Wildermuth Environmental to determine impacts of proposed IRP portfolios and future climate conditions on the Chino Basin. This modeling will fall under a separate contract, and is expected to be within \$50,000.

Prior to finalizing the IRP, IEUA is interested in doing a resiliency test of the project portfolios in WEAP to test the plan under alternative estimates of future climate conditions, demand projections, and other uncertainties. This will enable the Agency to understand what investments might be necessary under different plausible futures.

From 2005-2007, IEUA worked with the RAND Corporation to use robust decision making tools and modeling to evaluate regional water resources resiliency in the face of climate change. This culminated in a climate vulnerability and response option analysis of IEUA's 2005 Urban Water Management Plan. Building off this prior collaboration, RAND will conduct additional analysis on the IRP to ensure that the plan recognizes uncertain future risks and opportunities, identifies conditions that indicate additional investments are needed, and defines investments that can be deferred and implemented if conditions warrant. Tasks will include:

-
- 1 – WEAP Model Evaluation & Updates
 - 2 – IRP Vulnerability Assessment
 - 3 – Interactive Planning Tool Development
 - 4 – Adaptive Strategy Development

These additional analyses will enable the Agency to make robust decisions for long-term water resource planning under conditions of deep uncertainty. Workshops will be held with member agencies and regional stakeholders throughout the spring to discuss, develop, and evaluate project portfolios. The plan is anticipated to be completed by August 2015.

The implementation of the Integrated Resources Planning is consistent with the Agency's Business Goal of increasing *Water Reliability* by promoting cost-effective, reliable, efficient and sustainable water supplies within the region.

PRIOR BOARD ACTION

On November 12, 2014, the Board approved a contract with A&N Technical Services, Inc. for the development of the revised Water Use Efficiency Business Plan for a not-to-exceed amount of \$75,000. This includes activities for revising the base water demand forecast.

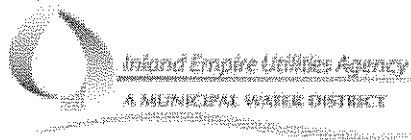
On August 21, 2013, the Board approved a contract with RMC for the Development of an IRP for \$539,179.

IMPACT ON BUDGET

If approved, the service contract of \$75,000 for the WEAP Model Resilience Testing to augment the Integrated Resources Plan Integrated Resources Plan (Project No. WR14019) will increase the project budget, from \$539,179 to \$614,179 in the Water Resources (WW) Fund. The \$75,000 is offset by a \$45,000 budget transfer from the WW Fund Professional Fees and Service (10700-124100-110000-521080) Account and \$30,000 transfer from the General Manager's contingency fund to WR14019.

Attachment:

Draft Contract with RAND for Integrated Resources Plan WEAP Modeling



**CONTRACT NUMBER 4600001836
FOR
CONSULTING SERVICES FOR THE AGENCY'S
2015 ADAPTIVE INTEGRATED RESOURCES PLAN**

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of February, 2015, by and between the Inland Empire Utilities Agency*, a public agency, 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 the RAND Corporation, (hereinafter referred to as "Consultant"), for consulting services in support of the Agency's 2015 Adaptive Integrated Resources Plan.

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: Elizabeth Hurst
Inland Empire Utilities Agency
Address: 6075 Kimball Avenue, Building A
Chino, California 91708
Telephone: (909) 993-1634
Facsimile: (909) 993-1983
E-mail: ehurst@ieua.org

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

Consultant Contact: David Groves
RAND Corporation
Address: 1776 Main Street
Santa Monica, California 90407
Telephone: (310) 393-0411, Extension 7279
Email: dgroves@rand.org

3. **ORDER OF PRECEDENCE**: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

1. Amendments to Contract Number 4600001836
2. Contract Number 46000001836 General Terms and Conditions.

3 Consultant's Proposal dated February 16, 2015

4. **SCOPE OF SERVICES:** Consultant services, responsibilities and deliverables shall include and be in accordance with Consultant's Proposal dated February 16, 2015, which is attached hereto and made a part hereof.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate upon completion of all Project services, or December 31, 2015, whichever occurs first, unless agreed to by both parties, reduced to writing, and amended to this Contract.
6. **COMPENSATION:** Agency shall pay Consultant's properly executed invoice approved by the Project Manager within thirty calendar days following receipt of the invoice. Payment will be withheld for any service which does not meet or exceed reasonably anticipated and mutually agreed to Agency requirements or for services that have proven unacceptable until such services are revised, the invoice resubmitted, and accepted by the Agency's Project Manager.

All invoices shall include the Contract number 4600001836 for payment. An original copy of the invoice shall be emailed to the Agency's Accounts Payable with an electronic copy to the Project Manager.

Consultant's invoicing shall be submitted electronically with all required back-up to apgroup@ieua.org.

In compensation for the services represented by this Contract, the Agency shall pay Consultant a not-to-exceed maximum total of **\$74,853.00**, based upon milestones completed and delivered, in accordance with Consultant's Cost Proposal attached.

7. **CONTROL OF WORK:** Consultant shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, through no fault of the Agency, the Consultant 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 Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule. If acceleration of the Work is requested by Agency despite their fault in the delay the not-to-exceed amount shall be equitably adjusted to account for any such additional costs reasonably incurred by Consultant.
8. **FITNESS FOR DUTY:**
 - A. **Fitness:** Consultant and its Subconsultant 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: Consultant shall advise all Consultant and subconsultant personnel and associated third parties of the requirements of the Contract (Fitness for Duty Requirements) before they enter on the jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its subconsultants. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.
9. **INSURANCE**: During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.
- A. Minimum Scope of Insurance:
- 1) **General Liability**: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CG 00 01 10 01, covering Commercial General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
 - 2) **Automobile Liability**: \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto".
 - 3) **Workers' Compensation and Employers Liability**: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$500,000 per accident.
 - 4) **Professional Liability insurance** in the amount of \$1,000,000 per occurrence.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or

self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, 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. The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsements CG 2010 1185 as respects: liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85, then it is also necessary to issue a Form CG 2037 10 01 in addition to the 10 93 or 03 97.
- b. The Consultant's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2) Workers' Compensation and Employers Liability Coverage: The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from services performed by the Consultant for the Agency.

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:VII, and who are admitted insurers in the State of California.

Unless other levels of acceptability are approved by the Human Services Administrator, Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII.

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 subconsultants prior to commencing activities or allowing any subconsultant to commence activities 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 activity 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:

Angela Witte
Inland Empire Utilities Agency
6075 Kimball Avenue, Building A
Chino, California 91708

10. LEGAL RELATIONS AND RESPONSIBILITIES

A. Professional Responsibility: The Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of services.

B. Status of Consultant: The Consultant is retained as an independent Consultant 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 Consultant 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 Consultant 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 Consultant 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 Project Manager.
- E. Indemnification: To the fullest extent permitted by law, and not precluded by the express terms of this Agreement, Consultant shall indemnify and hold harmless and defend the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:
1. 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 Consultant, or any directors, officers, employees, or authorized volunteers of Agency or Consultant, and damages to or destruction of property of any person, including but not limited to, Agency and/or Consultant or their directors, officers, employees, or authorized volunteers, only to the extent the losses and liabilities are caused as a result of negligent errors, omissions, or willful misconduct of Consultant in the performance of the Agreement;
 2. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of 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 Consultant;
 3. 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 Consultant to faithfully perform the work and all of the Consultant'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.
- F. Liens: Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant 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. Consultant shall fully discharge each such lien at the time performance of the obligation

secured matures and becomes due.

- G. 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.
- H. Equal Opportunity: During the performance of this Contract, the Consultant 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.
- I. Non-Conforming Work and Warranty: Consultant represents and warrants that the Work and documentation shall be adequate to serve the purposes described in the Contract. For a period of one year after acceptance of the completed Work, Consultant shall, at no additional cost to the Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcomings is brought to the attention of Consultant by Agency, or any other person or entity, upon written notice. Consultant shall within three calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors with thirty (30) calendar days after Consultant's receipt of notice of the error. Upon request of Agency, Consultant 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 calendar days after Consultant'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 the Contract. Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for the Consultant's position. Any dispute that cannot be resolved between the

Project Manager and Consultant shall be resolved in accordance with the provisions of this Contract.

J. Disputes:

- 1) All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant shall pursue service activities 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 service activities shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant 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 Consultant 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 Consultant'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 Consultant 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 Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Consultant are

acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant 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 Consultant in mediation or arbitration commenced by a consultant 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 Consultant.

11. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains copyright ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data ("Deliverables") prepared by the Consultant and/or the Consultant's subconsultant(s) pertaining to this Contract. Consultant shall have the right to use the Deliverables without cost for Consultant's research and informational purposes. Said materials and documents shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. Consultant shall not use Deliverables for profit making enterprises.

12. **TITLE AND RISK OF LOSS:**

A. Documentation: Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant 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, field or research equipment, and laboratory

models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

- C. Disposition: Consultant shall dispose of items to which Agency has title as directed in writing by the Project Manager and/or Agency.

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 Consultant in the performance of the Work, shall be governed by the following provisions:

- 1) Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.
- 2) If Proprietary Rights conceived, developed, or reduced to practice by Consultant 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, Consultant 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, Consultant shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency to 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. All such licenses shall be in writing and shall be irrevocable and royalty-free.

- B. No Additional Compensation: Nothing set forth in this Contract shall require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.

14. **INFRINGEMENT**: Consultant represents and warrants that the Work and

Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person

Consultant 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.

Consultant 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.

15. **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 Facilities Services
Inland Empire Utilities Agency
6075 Kimball Avenue, Building A
Chino, California 91708

Consultant: Samantha Springs, J.D.
Contracts and Grant Services
RAND Corporation
1776 Main Street
Santa Monica, California 90407

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.

16. **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 Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant 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.

17. **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 Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant 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 Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant 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.

18. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Consultant'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 Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency
19. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Consultant 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 Consultant.
20. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California and the jurisdiction of the Superior Court located in the County of San Bernardino,
21. **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 Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant-invoiced services up to the date of such termination.
22. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, acts of God, etcetera.

- 23. **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 a 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 with the Contract Amendment.
- 24. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Consultant.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

RAND CORPORATION:

P. Joseph Grindstaff
General Manager

Date

President/CEO

Date

INFORMATION

ITEM


2A

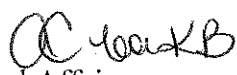


Date: March 18, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/11/15)

From:  P. Joseph Grindstaff
General Manager

Submitted by: Kathy Besser 
Manager of External Affairs

Subject: Public Outreach and Communication

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

March 2015

- March 10, "Water is Life" Poster Contest Judging, IEUA HQB Event Room, 12:00 p.m.-3:00 p.m.
- March 16, IEUA Hosted Special Districts Dinner, Panda Inn (3223 E. Centrelake Dr., Ontario, CA 91761), 6:00 p.m.-9:00 p.m.
- March 16-22, Fix a Leak Week
- March 19, IEUA Water Association Leadership Breakfast (Speaker: Randall Lewis), IEUA HQB Event Room, 7:30 a.m.-9:00 a.m.

April 2015

- April 2, Turner Basin Recharge Facilities Expansion Project Dedication, 916 Archibald Avenue, Ontario, 10:00 a.m. (*Waiting on confirmation from Flood Control, Ontario and CBWCD*)
- April 15, Earth Day Event for students, Chino Creek Wetlands and Educational Park, 9:00 a.m.-2:00 p.m.
- April 16, Earth Day Event for community, Chino Creek Wetlands and Educational Park, 4:00 p.m.-7:00 p.m.

May 2015

- May, Water Awareness Month
- May 3-9, International Compost Awareness Week

- May 15-17, MWD Solar Cup Competition, Lake Skinner

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff is working with Civic Publications to develop a spring 2015 water-saving campaign. This campaign will include display ads, an email blast and print media as well.
- Staff will be running an ad in the daily Bulletin for “Fix a Leak Week”.

Media and Outreach

- IEUA staff has signed a 6-month agreement with Champion Newspapers for print ads, including special sections. IEUA will be conducting drought outreach, including water saving tips, averaging once-a-month in special sections. Staff will be running an ad in the Spring Home and Garden section on March 21, 2015.
- Staff is running drought ads in La Opinion and Fontana Herald News’ leaderboards.
- Staff is researching theater ad pricing for a possible spring drought campaign.

Education and Outreach Updates

- Water Discovery Program: 665 Girl Scout troop members, elementary and high school students have taken part in the park field trip from September 24, 2014, through February 26, 2015.
- IEUA staff is planning the annual Earth Day Event. A total of 12 schools will be participating in the student day on April 15, 2015. Staff is expecting approximately 2,000 students, parents and teachers to attend. At least one school from each city within IEUA’s service area will be participating. Staff is reaching out to the community, scout troops and after school programs to attend the community day on April 16, 2015.
- Staff will be promoting “Fix a Leak Week” (March 16-22) by running an ad in the Daily Bulletin and passing out Leak Detection Kits at the Special District’s Dinner on March 16, 2015.
- Staff is working on the IEUA history book for this year’s 65th Anniversary. Staff is working with the Water Education Foundation to research and create this book.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2014/15 Administrative Service Fund, Public Information Services budget.

INFORMATION

ITEM

2B

February 27, 2015

To: Inland Empire Utilities Agency

From: Michael Boccadoro
President

RE: February Legislative Report



THE
DOLPHIN
GROUP

Strategic Public Affairs

Overview:

The Legislature spent most of February in informational hearings and drafting bills to introduce before the February 27 bill introduction deadline. The Assembly Water, Parks and Wildlife Committee and the Senate Budget and Fiscal Review Committee convened hearings to discuss implementation of Proposition 1 and state and local funding relationships and the Governor's budget, respectively. John Laird, Natural Resources Secretary; Mark Cowin, Director, Department of Water Resources; Chuck Bonham, Director, Department of Fish and Wildlife; Felicia Marcus, Chair, State Water Resources Control Board all testified at both hearings and were joined by others to discuss a broad range of issues, but spent a significant amount of time discussing Proposition 1 implementation.

The State Water Resources Control Board (SWRCB) released draft general waste discharge requirements for composting operations as well as a draft environmental impact report (EIR). The intent is to protect groundwater from composting activities, including the regulation of pollutants such as nutrients and salts. The draft has received significant criticism from a broad range of stakeholders.

The California Energy Commission (CEC) has started the process on the 2015 Integrated Energy Policy Report (IEPR). The report is the state's main energy-policy document and makes recommendations based on the CEC's assessments and forecasts. The Scoping Order for the document noted that there will be significant discussion about the water energy nexus in the next IEPR and is looking forward to stakeholder input on the subject.

The non-partisan Legislative Analyst's Office (LAO) released a report to the California Legislature, providing an overview of the Delta, including the significant problems facing the Delta ecosystem and the state water supply. It also provided a description of efforts currently underway to address the Delta's problems, including the Delta Plan, BDCP, flood control efforts and the State Water Resources Control Board's water quality goals.

The Public Policy Institute of California (PPIC) released a survey that found that a majority of Californians (59 percent) say the supply of water is a big problem in their region, down from the record-high 68 percent who held this view in October of 2014.

Senate Democrats introduced a package of bills that would implement the goals the Governor outlined in his inaugural address, including cutting greenhouse gases to 80 percent below 1990

levels by 2050; reduce petroleum use by 50 percent by 2030; enact a 50 percent clean energy standard by 2030 and increase building efficiency by 50 percent by 2030. The bills will be hotly debated in the legislature in the coming months.

Inland Empire Utilities Agency Status Report – February 2015

New Draft Waste Discharge Controls for Compost Facilities Released by SWRCB

The State Water Resources Control Board (SWRCB) released draft general waste discharge requirements for composting operations as well as a draft environmental impact report (EIR). The intent is to protect groundwater from composting activities, including the regulation of pollutants such as nutrients and salts.

The rules include construction standards for “pads” under the facilities, ponds used for discharge collection, wastewater handling systems, drainage and other operations, as well as facility monitoring requirements.

Dozens of industry, government and environmental organizations testified at a recent public hearing criticizing the plan. Critics included representatives from compost facilities who don’t see the need for statewide regulation, and urge the SWRCB to allow regional boards to consider requirements on a facility by facility basis.

Revisions and further public workshops are possible prior to the June 16 SWRCB meeting where the order is scheduled to be adopted.

Water Energy Nexus To Be Focus in CEC Integrated Energy Policy Report

The California Energy Commission (CEC) has started the process on the 2015 Integrated Energy Policy Report (IEPR). The report is the state’s main energy-policy document and makes recommendations based on the CEC’s assessments and forecasts. The 2015 report is expected to cover five general topics:

- Energy efficiency: including efforts to boost building efficiency.
- Renewables: including issues and potential solutions to reaching a 50 percent renewable energy standard.
- Electricity: including demand forecasts, transmission planning and electric reliability in Southern California in the wake of the closure of the San Onofre Nuclear Generating Station. This will also include impacts of continued drought conditions and changing water policies on electricity supply and demand.
- Natural gas.
- Transportation.
- Climate change.

Most parties commenting on the IEPR Scoping Order stressed the need for the IEPR to focus on post 2020 goals. Several groups have asked that the water energy nexus have its own stand alone chapter. Other groups have suggested adding large hydro and/or allowing California Solar

Initiative energy generation to count towards the renewable portfolio standard. Finally, Pacific Gas & Electric advised the CEC to look closely at all the impacts of post 2020 goals and how future goals might lead to excess generation.

The CEC expects to hold IEPR workshops through July, and publish the draft report in October with the final 2015 IEPR to be adopted in February 2016.

Legislative Analyst's Office Releases Report on Delta Progress

The non-partisan Legislative Analyst's Office (LAO) released a report to the California Legislature, providing an overview of the Delta, including the significant problems facing the Delta ecosystem and the state water supply. It also provided a description of efforts currently underway to address the Delta's problems, including the Delta Plan, BDCP, flood control efforts and the State Water Resources Control Board's water quality goals.

The report culminated with the description of a number of issues in the Delta that deserve legislative consideration to move forward, as described below:

- **Managing and Prioritizing Demands for Delta Water.** The Delta is affected by statewide water use and policies that determine how water is managed in the state. The Legislature established the goal of reducing reliance on the Delta as a source of water but that goal is open to multiple interpretations, each with different effects on the state's economy and the environment. Also, water diverted prior to reaching the Delta and water necessary to address groundwater overdraft can have significant effects on Delta water management.
- **Funding Sources for Some Key Delta Activities Uncertain.** The BDCP is expected to cost \$25 billion dollars over 50 years. However, some sources of funding—such as state bond funds for ecosystem restoration activities—may not materialize. If bond funds are not available in the near future and additional funding sources are not identified, some ecosystem restoration might not be funded, including some habitat restoration that needs to occur in order to determine how much water can be exported by the BDCP tunnels. In addition, the costs to implement the Delta Plan are unknown but potentially significant (CALFED identified about \$8 billion in similar Delta projects in the Delta Plan).
- **Current Delta Governance Limits Effectiveness.** Specific provisions of the state's policy for the Delta (the Delta Reform Act of 2009) might restrict the state's ability to enforce the Delta Plan. In addition, several reviews of Delta governance have found that decision-making continues to be fragmented, leading to a lack of integration among the various planning regulatory activities in the Delta. This is likely to result in conflicting plans and regulatory actions, slowing progress on the state's objectives.
- **Slow Implementation of Some Key Activities.** The Delta Plan includes performance measures to track the outcomes related to the state's efforts in the Delta, but that tracking has not yet begun. In addition, there has been slow progress in meeting a statutory requirement to develop a strategy for prioritizing state spending on levee improvements.

- **Challenges to Restoring the Delta Ecosystem.** The numerous factors that harm the Delta—and the complex interaction among them—make it difficult to identify the most cost-effective ways to restore the ecosystem. As a result, improving ecosystem conditions will likely require addressing most factors, to some degree. In addition, many of the planned ecosystem restoration projects have faced challenges, which have delayed their completion. By addressing some of these issues, the Legislature can improve the likelihood that its goals and objectives for the Delta will be realized.

The report concludes that although many activities to resolve the problems in the Delta are able to proceed without further legislative direction, the Legislature may want to provide additional statutory guidance in order to address the issues raised in this report. By doing so, the Legislature can improve the likelihood that its goals and objectives will be realized by offering additional guidance and specificity on many aspects of Delta policy.

PPIC Releases Polling Information on California Water

The Public Policy Institute of California (PPIC) released a survey on statewide issues which included a section on California water policy. The survey found that a majority of Californians (59 percent) say the supply of water is a big problem in their region, down from the record-high 68 percent who held this view in October of 2014.

Most residents (59 percent) continue to say the state and local governments are not doing enough to respond to the current drought. Likely voters (70 percent) are more likely than the overall population to say that the supply of water in their part of California is a big problem. Similar proportions of inland (60 percent) and coastal (58 percent) residents hold this view. Residents in the Central Valley (68 percent) and Orange/San Diego counties (64 percent) were most likely to say the water supply is a big problem in their part of the state.

Overall, water continues to rank in the top three issues that likely voters are concerned about in California.

“Which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2015?”

Top six issues mentioned	All adults	Region					Likely voters
		Central Valley	San Francisco Bay Area	Los Angeles	Orange/San Diego	Inland Empire	
Jobs, economy	19%	14%	18%	20%	27%	17%	21%
Education, schools, teachers	15	14	18	15	18	11	18
Immigration, illegal immigration	11	10	8	15	6	16	10
Water, drought	9	21	6	4	7	9	12
State budget, deficit, taxes	6	4	5	5	11	4	9
Infrastructure	5	3	8	5	4	5	4

Climate Change Package of Bills Introduced

The package of bills to implement the Governor’s renewable energy and clean fuels goals have been introduced by Democratic lawmakers. The main bill of the package, SB 350 by Senator Mark Leno (D-San Francisco) sets to codify an executive order to cut greenhouse gases to 80

percent below 1990 levels by 2050; reduce petroleum use by 50 percent by 2030; enact a 50 percent clean energy standard by 2030 and increase building efficiency by 50 percent by 2030. Additionally, SB 350 would set interim targets for GHG reduction that includes 40 percent reduction by 2024 and 45 percent reduction by 2027.

The bill gives broad power to the California Air Resources Board (CARB) to adopt and implement motor vehicle emissions standards, performance standards and fuel specifications to achieve 50 percent reductions in motor vehicle petroleum use by 2030. CARB has already stated that they would prefer to set the interim targets themselves, not have the Legislature mandate specific numbers.

Other bills in the package include SB 189 by Senator Ben Hueso (D-Chula Vista), would create the Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee to advise state agencies on the most effective ways to spend GHG-related funds and implement policies to maximize job creation and economic benefits.

SB 185, the Public Divestiture of Thermal Coal Companies Act, by President pro Tem Kevin de Leon (D- Los Angeles) would require the boards of the Public Employees' Retirement System and the State Teachers' Retirement System to divest the public employee retirement funds of any investments in a thermal coal company.

Not surprisingly, there is already significant pushback from some business and consumer protection groups who worry about the cost to implement these goals.

There will be significant debate, discussion and revision of these bills in the coming months.

Legislative Hearings

Both the Senate and the Assembly convened hearings recently to discuss water issues in California. The Assembly Water, Parks and Wildlife Committee called together John Laird, Natural Resources Secretary; Mark Cowin, Director, Department of Water Resources; Chuck Bonham, Director, Department of Fish and Wildlife; Felicia Marcus, Chair, State Water Resources Control Board; Joe Byrne, Chair, California Water Commission; John Donnelly, Executive Director, Wildlife Conservation Board and other stakeholders, to discuss implementation of Proposition 1.

Each department head gave a good description of their plans to issue the bond funds that are proposed to be appropriated by the 2015-2016 budget and all highlighted that the funds will be spent on projects to build an integrated, resilient, state water system. Committee members were eager to see the funds get out the door in expedited fashion, and panelists cautioned members that they would push funds out in existing programs, where appropriate, but that new programs would take time to set up to insure quality projects get funded and proper accountability measures are in place.

The Senate Budget and Fiscal Review Committee held an overview hearing to discuss the relationship between state and local funding related to water issues. Felicia Marcus, John Laird, Chuck Bonham and Mark Cowin returned to the Capitol and were joined by the Department of

Finance and several other stakeholders to discuss a diverse set of topics including, water system investment needs, Proposition 1 and 1E funding, drought response and future drought planning and disadvantaged communities.

The committee members expressed concerns related to oversight and accountability of Proposition 1 funds, water storage projects and public benefits for water system improvements and also discussed the current proposal within the Governor’s 2015-2016 budget related to expediting funds from Proposition 1E flood protection bond of 2006.

The Senate Governance and Finance and Senate Natural Resources and Water Committees held a joint hearing on stormwater in late February. The goal of the hearing was for the Legislature to hear some successes of stormwater capture and reuse and also some of the impediments to getting stormwater capture projects off the ground. Chris Berch did a fantastic job of discussing IEUA’s stormwater management plan and the committee members were impressed with the hard work and coalition building it took to get a successful plan working in the region.

Legislative Update

February 27 is the last day for members to introduce bills for this first year of the two-year session. Bill introductions have picked up in volume in recent days, but a full list of all the bills introduced will likely not be available until the middle of the first week of March, as it takes time for the high volume of bills to make it online for public view.

Bills must be in print for 30 days before they can be acted on, so policy committee meetings aren’t expected to start with any significant number of bills on their agendas until the beginning of April. In the mean time, budget sub-committees have started to meet to discuss the Governor’s proposed budget. They will continue these discussions throughout the spring, but they will pick up significantly after the Governor releases his May Revise.

Bills IEUA is tracking to date. As of this report there is still one day left to introduce bills. Many of the bills that have been introduced are in “spot bill” format, meaning that the language in the bill is only placeholder language. Because a thorough review of all the introduced bills has yet to be done, this list gives a general snapshot of the 105 bills the Dolphin Group has highlighted as of potential interest to IEUA. Over the next month, we will work to get more detailed information on the bills and have a list that might reflect IEUA’s priority legislation.

<i>Bay Delta</i>		
Measure	Author	Topic
AB 501	Levine D	Resources: Delta research.
<i>CEQA</i>		
Measure	Author	Topic
AB 291	Medina D	California Environmental Quality Act: local agencies: notice of determination: water.
AB 323	Olsen R	California Environmental Quality Act: exemption: roadway

		improvement.
<u>AB 1068</u>	<u>Allen, Travis R</u>	California Environmental Quality Act: priority projects.
<u>SB 122</u>	<u>Jackson D</u>	California Environmental Quality Act: record of proceedings.
<u>SB 154</u>	<u>Huff R</u>	California Environmental Quality Act.
<u>SB 166</u>	<u>Gaines R</u>	California Environmental Quality Act.
<i>Energy</i>		
Measure	Author	Topic
<u>AB 21</u>	<u>Perea D</u>	California Global Warming Solutions Act of 2006: emissions limit: scoping plan.
<u>AB 23</u>	<u>Patterson R</u>	California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.
<u>AB 33</u>	<u>Quirk D</u>	California Global Warming Solutions Act of 2006: scoping plan.
<u>AB 140</u>	<u>Allen, Travis R</u>	Distributed generation.
<u>AB 156</u>	<u>Perea D</u>	California Global Warming Solutions Act of 2006: investment plan.
<u>AB 197</u>	<u>Garcia, Eduardo D</u>	Public utilities: renewable resources.
<u>AB 199</u>	<u>Eggman D</u>	Alternative energy: recycled feedstock.
<u>AB 577</u>	<u>Bonilla D</u>	Public utilities: biogas.
<u>AB 645</u>	<u>Williams D</u>	Electricity: California Renewables Portfolio Standard.
<u>AB 674</u>	<u>Mullin D</u>	Electricity: distributed generation.
<u>AB 1022</u>	<u>Obermolte R</u>	Net energy metering.
<u>AB 1030</u>	<u>Ridley-Thomas D</u>	California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund.
<u>SB 1</u>	<u>Gaines R</u>	California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.
<u>SB 5</u>	<u>Vidak R</u>	California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.
<u>SB 32</u>	<u>Pavley D</u>	California Global Warming Solutions Act of 2006: emissions limit.
<u>SB 167</u>	<u>Gaines R</u>	California Global Warming Solutions Act of 2006.
<u>SB 180</u>	<u>Jackson D</u>	Electricity: emissions of greenhouse gases.
<u>SB 189</u>	<u>Hueso D</u>	Clean Energy and Low-Carbon Economic and Jobs Growth Blue Ribbon Committee.
<u>SB 207</u>	<u>Wieckowski D</u>	California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: investment plan.
<u>SB 246</u>	<u>Wieckowski D</u>	Climate Action Team.

<u>SB 350</u>	<u>De León D</u>	Clean Energy and Pollution Reduction Act of 2015.
<u>SB 400</u>	<u>Lara D</u>	California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund.
<u>SB 427</u>	<u>Fuller R</u>	Renewable energy resources.
<u>SB 471</u>	<u>Pavley D</u>	Water, energy, and reduction of greenhouse gas emissions: planning.
<u>SB 551</u>	<u>Wolk D</u>	State water policy: water and energy efficiency.
<i>Other</i>		
Measure	Author	Topic
<u>AB 1045</u>	<u>Irwin D</u>	Composting facilities: streamline permitting and regulation.
<i>Public Agency</i>		
Measure	Author	Topic
<u>AB 85</u>	<u>Wilk R</u>	Open meetings.
<u>AB 168</u>	<u>Maienschein R</u>	Local government finance.
<u>AB 204</u>	<u>O'Donnell D</u>	Redevelopment: County of Los Angeles.
<u>AB 641</u>	<u>Dahle R</u>	Environmental quality: environmental impact reports.
<u>AB 656</u>	<u>Garcia, Cristina D</u>	Joint powers agreements: mutual water companies.
<u>AB 712</u>	<u>Mullin D</u>	Redevelopment: successor agencies: Recognized Obligation Payment Schedule.
<u>AB 806</u>	<u>Dodd D</u>	Redevelopment: successor agencies to redevelopment agencies.
<u>SB 258</u>	<u>Bates R</u>	Local government.
<u>SB 272</u>	<u>Hertzberg D</u>	The California Public Records Act: local agencies: inventory.
<u>SB 393</u>	<u>Nguyen R</u>	Local agencies.
<u>SB 442</u>	<u>Hall D</u>	Municipal water districts: revenue bonds.
<i>Water</i>		
Measure	Author	Topic
<u>AB 1</u>	<u>Brown D</u>	Drought: local governments: fines.
<u>AB 78</u>	<u>Mathis R</u>	Groundwater basins.
<u>AB 88</u>	<u>Gomez D</u>	Sales and use taxes: exemption: energy or water efficient home appliances.
<u>AB 149</u>	<u>Chávez R</u>	Urban water management plans.
<u>AB 152</u>	<u>Bigelow R</u>	Water rights: appropriation.
<u>AB 153</u>	<u>Bigelow R</u>	Integrated regional water management planning.
<u>AB 228</u>	<u>Waldron R</u>	State Water Resources Development System: reporting requirement.
<u>AB 307</u>	<u>Mathis R</u>	Graywater: groundwater recharge.

AB 308	Mathis R	Graywater: agricultural use.
AB 349	Gonzalez D	Common interest developments: property use and maintenance.
AB 401	Dodd D	Low-Income Water Rate Assistance Program.
AB 434	Garcia, Eduardo D	Drinking water: point-of-entry and point-of-use treatment.
AB 452	Bigelow R	Water Rights Fund: Groundwater Regulation Subaccount.
AB 453	Bigelow R	Groundwater management.
AB 454	Bigelow R	Sustainable groundwater management.
AB 455	Bigelow R	Groundwater sustainability plans: environmental impact reports.
AB 478	Harper R	Desalination.
AB 585	Melendez R	Outdoor Water Efficiency Act of 2015: income tax credits: outdoor water efficiency.
AB 603	Salas D	Income taxes: turf removal tax credit.
AB 606	Levine D	Water conservation.
AB 615	Rendon D	The Center for Community Water Projects.
AB 617	Perea D	Department of Water Resources: supervision of dams and reservoirs.
AB 647	Eggman D	Beneficial use: diversion of water underground.
AB 697	Chu D	Water-conserving plumbing fixtures.
AB 723	Rendon D	Plumbing fixtures: WaterSense standards.
AB 725	Wagner R	Water quality: Porter-Cologne Water Quality Control Act.
AB 824	Gatto D	Recycled water: recycling criteria.
AB 935	Salas D	Integrated Regional Water Management Plans: conveyance projects.
AB 936	Salas D	Groundwater monitoring.
AB 937	Salas D	Groundwater recharge.
AB 938	Salas D	Groundwater: basin reprioritization: establishment of groundwater sustainability agency.
AB 939	Salas D	Groundwater sustainability agency: financial authority.
AB 977	Mayes R	State Water Pollution Control Revolving Fund.
SB 7	Wolk D	Housing: water meters: multiunit structures.
SB 13	Pavley D	Groundwater.
SB 20	Pavley D	Wells: reports: public availability.
SB 113	Galgiani D	Disaster Preparedness and Flood Prevention Bond Act of 2006.
SB 173	Nielsen R	Groundwater: de minimis extractors.
SB 208	Lara D	Integrated regional water management plans: grants: advanced payment.
SB 226	Pavley D	Sustainable Groundwater Management Act: groundwater rights.

SB 228	Cannella R	Groundwater storage: beneficial use.
SB 355	Lara D	San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.
SB 471	Pavley D	Water, energy, and reduction of greenhouse gas emissions: planning.
SB 485	Hernandez D	County of Los Angeles: sanitation districts.
SB 487	Nielsen R	Sustainable Groundwater Management Act: California Environmental Quality Act: exemptions.
SB 551	Wolk D	State water policy: water and energy efficiency.
SB 553	Wolk D	Water conservation.
SB 554	Wolk D	California Water Commission: disqualifying financial interest: removal from office.
SB 555	Wolk D	Department of Water Resources: urban retail water suppliers: water loss audits.
SB 568	Fuller R	Groundwater management.
<i>Water Bond</i>		
Measure	Author	Topic
AB 311	Gallagher R	Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014.
AB 954	Mathis R	Water Quality, Supply, and Infrastructure Improvement Act of 2014.
AB 957	Mathis R	Water Quality, Supply, and Infrastructure Improvement Act of 2014.
SB 127	Vidak R	Environmental quality: Water Quality, Supply, and Infrastructure Improvement Act of 2014.
<i>Water Quality</i>		
Measure	Author	Topic
AB 45	Mullin D	Household hazardous waste.
AB 639	Dahle R	Water quality: organization and membership of regional boards.
AB 888	Bloom D	Waste management: plastic microbeads.
SB 143	Stone R	Diamond Valley Reservoir: recreational use.
SB 385	Hueso D	Primary drinking water standards: variances: hexavalent chromium.
SB 454	Allen D	Water quality: minor violations.
SB 552	Wolk D	Public water systems: disadvantaged communities: drinking water standards.

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff and Kathy Besser, IEUA

From: Letitia White

Date: February 27, 2015

Re: February Monthly Legislative Update

After only two months in, the 114th Congress has already started to set the pace for what could be two years of difficult relations between the Congress and the White House. The President issued a rare veto to the Keystone XL Pipeline earlier this week after it passed the House and Senate on a bipartisan vote. Meanwhile, the Department of Homeland Security Appropriations bill stalled in the Senate multiple times after clearing the House in January. Republicans repeatedly tried to bring up the House-passed bill, but were sidelined when Democrats voted against procedural motions to move to consideration of the bill until Republicans offered to strip controversial immigration provision from the bill.

Homeland Security Funding Fight Continues

The Consolidated and Furthering Continuing Appropriations Act, 2015 appropriations package passed during December funded all agencies except the Department of Homeland Security through the end of the fiscal year (September 30, 2015). The Department of Homeland Security's continuing resolution is set to expire later tonight (February 27th), but House leaders are already preparing another short-term stopgap measure in the event that an agreement can't be reached in time. Sources close to House Speaker John Boehner continue to insist that there will be no government shutdown, and the House has started the process of passing a temporary funding measure through March 19, 2015 in order to keep pressure on lawmakers to come to an agreement soon.

Local governments could suffer if the Department of Homeland Security continues to be funded under a continuing resolution—or worst if there is a lapse in funding. While a majority of the Department's operations are deemed essential, grant programs that provide funding to local communities are not. Additionally, when the Department of Homeland Security is funded through a continuing resolution, new grant applications for 2015 wouldn't be allowed because they are considered new starts, which aren't authorized. If and when Congress finally enacts a Homeland Security budget, FEMA will surely try to truncate the application process to speed up the awarding of funds, but Congress is already two months behind the pace of last year. Last year's delay caused much of the money not to go out until June—meaning this delay could push funding back until August. If the CR is simply extended without any adjustments, the lag will get worse. FEMA appears to believe that March 15 is a make-or-break date for getting a DHS appropriations bill enacted—if grants are to go out fully this fiscal year. “A lack of a full-year

Innovative Federal Strategies LLC

appropriation after March 15, 2015 will complicate FEMA's ability to disburse funds over the remainder of the fiscal year, including to critical needs, such as Emergency Management Performance Grants," a spokesperson said. "Without the matching federal grants, our state, local, and tribal partners may face difficult choices about how they will make ends meet or curtail their activities."

Transportation Committee Plans to Stick with Transportation Caps

Representative Mario Diaz-Balart (R-FL), the new Chairman of the House Transportation Appropriations subcommittee announced this week that his subcommittee would put forth a spending bill that abides by the caps put in place in the Budget Control Act (sequestration levels). This means that the committee will appropriate based on the roughly \$72.1 billion for the Department of Transportation, which is the same level enacted in FY15. In his budget proposal for FY16, the President recommended spending \$94.5 billion on transportation—with much of the new spending financed through a one-time tax on companies holding profits overseas.

This plan could face resistance from both Democrats and Republicans, as the last effort to pass a bill in the House as the sequestration level was pulled from the floor after moderate Republicans joined Democrats in opposition to cuts that they deemed too severe for transportation projects. Additionally, we expect to hear a lot more about transportation funding in the coming months as bi-partisan talks take place over tax reform. Central to that conversation will be the roll that the gas tax plays in funding our nation's infrastructure. According to a Congressional Budget Office report, devoting all of the gas tax to highways would still leave a \$5 billion shortfall in FY16.

We've seen an increasing trend where House Appropriations Chairmen have indicated they plan to use the sequestration numbers when considering appropriations bills, with the House Defense Appropriations Chairman indicating he would do the same. Senators have been more vocal about looking for ways to "undo" the budget caps and provide more funds to federal agencies through tax reform. Negotiations to find levels of funding could play out over the next month and a half as the House and Senate attempt to pass budget resolutions, which serve as a guide for the rest of the appropriations process.

Outlook for March

With an on-time delivery of the President's budget, we will continue to see the Appropriations process move forward. We expect both the House and Senate to begin work on their Budget resolutions, which will help give appropriators the numbers they need for individual spending bills. This process could also provide an opportunity for Republicans to use reconciliation to pass appropriations bills when they can't get support from Senate Democrats. This process could setup more showdowns this summer with the White House if the President vetoes the measures. We also expect to see the House continue to work on an overhaul of the nation's tax code. We will continue to keep an eye out for provisions that could impact local organizations and their economies.

Agricultural Resources

635 Maryland Avenue, N.E.
Washington, D.C. 20002-5811
(202) 546-5115
agresources@erols.com

February 27, 2015

Legislative Report

TO: Joe Grindstaff
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, February 2015

Snapshot: At the top of the month, internal organizing inside the Congress was the top priority. Leadership, (House and Senate and Democratic and Republican) were still making Committee assignments. Committees were organizing and in many cases restructuring (modifying subcommittee jurisdictions). The President's Birthday holiday imposed a lengthy break mid-month. A major conflict ensued over funding the Department of Homeland Security (DHS) and at month's end, a possible departmental shutdown looms. Back in California, not much rain and less snow pack. The drought persisted.

114th Congress Convenes

■ ***Administration Submits Proposed Budget to Congress. New Congress Sworn In, Begins Process of Organizing Begun.*** In any typical year, shortly after the President delivers the State of the Union address, the Administration submits a proposed budget for the entire US government to Congress for the fiscal year beginning October 1, 2015 through September 30, 2016. This includes funding for every department and each agency (at Interior, for instance, this would include funding for Bureau of Indian Affairs, Fish and Wildlife Service, Bureau of Land Management, Bureau of Reclamation and others. House and Senate Appropriators divide the budget and assign it to 12 different subcommittees. Each prepares stand-alone funding bill which must be enacted prior to the beginning of a fiscal year (in recent years, Congress has been unable to meet these deadlines). When that deadline is not met, Congress often enacts CRs (or Continuing

Resolutions). Specifically, as for drought, 2015 will all but certainly be a very dry year.

- ***Shutdown – Department of Homeland Security – Immigration Gridlock.*** Funding for the Department (DHS) is set to expire on February 27 (it was already pushed back from October 1 to December and then to February 27. The House and Senate are divided (House added language blocking Obama’s immigration initiatives and the Senate passed a clean bill). House Rs then split internally and more than 50 House Rs voted against a three-week extension. A shut down was averted on the 27th with enactment of a last-minute one-week extension. This has the House and Senate tied up in knots.

International Issues Continue to Dominate and Influence the Congressional Agenda

- ***Immigration, Oil Prices, Syria, the Mideast, International Cyber Crime – All Continue to be Major Issues.*** As reported last month, a suite of international issues continues to dominate and influence events around the globe – and each becomes important in Congress. The financial crisis in Greece and the EU is another.
- ***Situation in Russia – Very Desabilizing.*** The very recent assassination of Putin’s leading opponent shocked Russians and the world. This single act has the potential to have significant consequences in the near and long-term.
- ***Oil Price in Free Fall – Significant Foreign Policy and International Implications – Consumer Boon in US.*** Last month, oil prices continue to drop – from a six-month high of \$107/barrel to \$40-50/barrel (current range). Prices have inched up slightly, but world supply is still considered to be in significant over-supply (depressing prices).

2016 – Presidential Politics.

- ***2016 President Election – Very Underway.*** Last month, I reported that “*the November 2012 election followed by the start of the new Congress marked the “public” beginning of the 2016 presidential election cycle.*” Daily polls, straw votes, who’s up and who’s down pronouncements, floor statements (in US Senate), Sunday news shows, pundits and blog are already saturated with 2016 coverage. Together, this both competes for time and attention today and distracts from contemporary legislative and policy deliberations.

BuRec Budget and Title XVI

- Overall, for the entirety of the BuRec program (for the fiscal year beginning October 1, 2015 and extending through September 30, 2016), the funding request to Congress is \$1.1 Billion.
- BuRec, in its submission to Congress, only requested \$20 million for the Title XVI program – not for California per se, but for the entire 17 Western States (serious drought is impacting more than half the Western States).
- In the middle of a sustained drought, BuRec’s request was 5% less than last year.

- All together, the BuRec request of \$20 million for Title XVI represents approximately 1.8% of their budget request in excess of \$1 Billion.
- In the middle of a four-year drought, BuRec fails to request adequate funding to help ALL water users with the one statutorily authorized program in place to stretch existing water supplies.
- DC reps, other water users, Members, committee staff – have all taken notice. It’s a topic of conversation often accompanied by statements about the declining relevance of BuRec.

Drought and Drought Legislation/Drought Politics/Congress

- ***Drought.*** From DWR, State of California, consider the following:

- * In the past 114 years, 2014 was the fourth driest.
 - * 2014 was the warmest year in the past 120 years in California and the Colorado River Basin.
 - * *“The last three years set a record for the driest three consecutive years in terms of statewide precipitation,”*
 - * California’s “water budget” is now being effectively determined by only a small number of storms.
 - * Five measuring stations in the San Joaquin Valley – reported less than one-half (½) normal average precipitation.
-
- * Describing the snow pack, DWR invoked the following four words, *“dismal, poor, abysmal, and miserable.”*
 - * 11 Reservoirs, only one with over 50% of average (Shasta).
 - * And finally, DWR identified the major “looming” issue: carryover for 2016 – how much?

- ***Drought Legislation.*** Reportedly, drought bill talks have resumed, but publicly, little is being revealed. The House Resources Committee has suggested that there might be a two-bill tract – one with California and limited non-California provisions. A second, broader and more western – long-term bill (later this year). But, we’re now 30 days from the end of the wet water season. One new development: Trinity and Humboldt Counties have asked to be included in any talks as have other Northern California interests. So far, those requests have not been granted.

- ***Drought Politics – House Water and Power Subcommittee Jurisdiction Expanded –***

Implications for Bureau of Reclamation (and US Geological Survey). Last month, I reported that the Subcommittee's jurisdiction was amended – expanded. So far, notwithstanding the seriousness of the drought, neither Chairman Bishop nor Subcommittee Chairman Fleming have said anything about it, scheduled hearings, or given any indication as to how this matter will be addressed. In a recent interview about Committee priorities on E&E TV, Chairman Bishop limited his comments to oil and gas/energy issues.

- **Drought Conditions – California.** All 58 California Counties are today experiencing drought. Precipitation from several strong storms in December came and went. In January. It was bone dry. Early February saw a few storms and the dry cycle immediately returned. According to the NOAA/USDA's Drought Monitor, 100% of California is in drought. The Monitor's weekly report for February 24 indicated that almost 90% of the entire state was in D2, D3 and/or D4 status (severe, extreme or exceptional).
- **Drought Conditions – Rest of the West.** The report from last two months – is all but identical this month. Drought conditions are persisting in the Pacific Northwest (OR, WA and ID). Almost all of OR is continues to be various conditions of drought. Half of Washington is in drought (less severe status). Almost all of Idaho is in drought. California's neighbor, 100% of Nevada is in drought (very similar to CA's severe/exceptional profile). Along the Southern Tier, Arizona, New Mexico, Utah, most of Colorado and almost all of Texas and Oklahoma are in various levels of drought.

Quick Takes. Rep. Lois Capps Assigned to House Natural Resources. Long-time House Member, Lois Capps (D-CA), who represents Santa Barbara, was assigned to the House Natural Resources Committee. **ACWA Washington DC Conference.** Director Hall and Kathy Besser attended the annual ACWA gathering here in DC. In addition to her scheduled AWCA meetings, special meetings were put together with our delegation. **Secretary Jewell to California, Meets with Governor, Announces Availability of Drought Funding from December's Annual Funding Bill.** In mid-February, Secretary Jewell went to California, met with Governor Brown and other senior States officials and announced the availability of \$50 million for drought assistance appropriated the previous December. **Senator Murkowski Names Leaders, Water and Power Subcommittee.** Senator Lisa Murkowski (R-AK), Chair, Committee on Energy and Natural Resources named Senator Mike Lee (R-UT) as Chair, Subcommittee on Water and Power. D's named Senator Mazie Hirono (D-HI) as the ranking member on the subcommittee. **New Deputy BuRec Commissioner Announced.** BuRec Commissioner, Estevan Lopez, announced that "Dionne E. Thompson has been appointed Deputy Commissioner for External and Intergovernmental Affairs. Thompson will oversee congressional, legislative and public affairs activities and represent Reclamation's relationships with federal, state and local governments." **New USGS Report – Central Valley Leads Nation in Falling Groundwater.** A new USGS Report concluded (as reported in the media), "groundwater levels appear to be sinking faster in the Central Valley than anywhere else in the United States, the U.S. Geological Survey says in a new report. The paper does not pinpoint causes, but a USGS expert on

Thursday blamed, in part, increased agricultural pumping to make up for drought, now entering its fourth year.” **Secretary Jewell – In Congressional Testimony – Declares Lake Mead “Bleak.”** According to the LV Review Journal, reporting on congressional testimony, Lower Colorado river water users face “significant possibilities” of water shortages if drought on the Colorado River persists into the next two years, according to an ominous forecast delivered Wednesday by a top government official. Michael Connor, deputy secretary of the Interior Department, said there is a 20 percent chance of shortages in Nevada and Arizona in 2016 if levels of Lake Mead and Lake Powell continue to drop, “and it goes up to almost 50 percent after that.” Connor briefed members of the House Interior subcommittee who met to review the department’s budget request for the coming year. Connor, the department’s No. 2 leader and its ranking expert on water, appeared alongside Interior Secretary Sally Jewell.” **BuRec Publicly Announced Public Comment Period for Drought Response Program Evaluation Criteria.** Based on “existing drought authorities, BuRec invited comments on their program to provide funding for (a) drought emergency planning; (b) implementation of projects to build long-term resiliency to drought; and (c) implementation of emergency response actions. Comments are due in mid-March.

#

INFORMATION

ITEM

2C



CALIFORNIA STRATEGIES, LLC

Date: February 27, 2015
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: February Activity Report

Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with IEUA Executive Management Team to review priority issues and to discuss activities for February that they wanted accomplished.
- Followed up with elected leadership in the City of Fontana regarding issue that the IEUA Executive staff wanted completed in February
- Participated in discussions with staffs of San Bernardino and IEUA to discuss coordination of County and District legislative and public policy issue agendas that Executive Staff wanted.
- Monitored LAFCO staff on the status and key issues related to the MSR process currently underway for water conservation districts countywide. LAFCO to tour conservation districts first week of March. LAFCO hearing to be scheduled for April.
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Provided an update on the recent filing of a Sphere of Influence amendment filing by the CVWRD.
- Continue to monitor statewide water issues including the BDCP, water bond, and drought relief act activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.