



REVISED

AGENDA

**MEETING OF THE
BOARD OF DIRECTORS**

**WEDNESDAY, JANUARY 20, 2016
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708**

CALL TO ORDER
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which 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. CONSENT CALENDAR

NOTICE: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

The Board will be asked to approve the minutes from the October 7, November 18, and December 16, 2015, Board meetings.

B. GENERAL DISBURSEMENTS REPORT

It is recommended that the Board approve the total disbursements for the month of November 2015, in the amount of \$11,062,357.92.

C. CONTRACT AWARD FOR AS-NEEDED SUPPLY OF PIPE AND HARDWARE ITEMS

It is recommended that the Board:

1. Approve Contract No. 4600002023 to ASAP Industrial Supply of Fontana, California, establishing a three-year contract for the purchase of pipe and steel products (one-year firm-fixed price with two, one-year options); and
2. Authorize the General Manager or his designee to execute the contract with two, one-year potential contract extensions.

D. RP-4 POWER CENTER ROOF ACCESS CONSTRUCTION CONTRACT AWARD

It is recommended that the Board:

1. Approve the construction contract award for the RP-4 Power Roof Access, Project No. EN13056.01 to SCW Contracting Corporation in the amount of \$188,000; and
2. Authorize the General Manager to execute the contract.

E. RP-1 IMPROVEMENTS PROJECT CONSULTANT CONTRACT AWARD

It is recommended that the Board:

1. Approve the consultant contract award for the design efforts for the Regional Water Reclamation Plant No. 1 (RP-1) Improvements, Project No. EN14019 to RMC Water and Environment for the not-to-exceed amount of \$723,151; and
2. Authorize the General Manager to execute the contract.

2. ACTION ITEMS

A. PROPOSED 2016 FEDERAL AND STATE LEGISLATIVE PRIORITIES

It is recommended that the Board adopt the 2016 Federal and State Legislative Priorities.

B. RP-1/RP-5 EXPANSION PDR CONSULTANT CONTRACT AWARD

It is recommended that the Board:

1. Approve the consulting engineering contract award for the RP-1/RP-5 Expansion Preliminary Design Report (Project No. EN16025, and Project No. EN16028/EN16036) to Parsons Water & Infrastructure Inc., for the not-to-exceed amount of \$2,431,598; and
2. Authorize the General Manager to execute the contract.

C. ADOPTION OF CEQA FOR THE SAN SEVAINE BASIN RMPU IMPROVEMENTS

It is recommended that the Board:

1. Adopt the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring, and Reporting Program for the San Sevaive Basin Recharge Master Plan Update (RMPU) Improvements, Project No. EN13001; and
2. Authorize the General Manager to file the Notice of Determination (NOD) with San Bernardino County Clerk of the Board.

3. INFORMATION ITEMS

A. ENGINEERING AND CONSTRUCTION MANAGEMENT FY 2014/15 MONTHLY UPDATE (POWERPOINT)

B. MWD UPDATE AND DROUGHT UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

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

D. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

E. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)

F. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)

G. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)

H. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)

I. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)

J. 2nd QUARTER PLANNING & ENVIRONMENTAL COMPLIANCE UPDATE (POWERPOINT)

Materials related to an item on this agenda submitted to the Agency, after distribution of the agenda packet, are available for public inspection at the Agency's office located at 6075 Kimball Avenue, Chino, California during normal business hours.

4. AGENCY REPRESENTATIVES' REPORTS

A. SAWPA REPORT (WRITTEN)

B. MWD REPORT (WRITTEN)

**C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT
(January meeting cancelled. Next meeting scheduled for February 4, 2016.)**

**D. CHINO BASIN WATERMASTER REPORT (WRITTEN)
(December meeting cancelled. Next meeting scheduled for January 28, 2016.)**

5. GENERAL MANAGER'S REPORT (WRITTEN)

6. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

7. DIRECTORS' COMMENTS

A. CONFERENCE REPORTS

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

8. CLOSED SESSION

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

1. Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010
2. Martin vs. IEUA, Case No. CIVRS 1000767
3. Mwembu vs. IEUA, Case No. CIVDS 1415762

B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR

1. Supplemental Water Transfer/Purchase
Negotiating Party: General Manager P. Joseph Grindstaff
Under Negotiation: Price and Terms of Purchase

- C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
 - 1. One (1) Case

- D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL
MATTERS
 - 1. Various Positions – Compensation Study
 - 2. Various Positions.

- E. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL
MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION
 - 1. Manager of Internal Audit
 - 2. Board Secretary/Office Manager

9. ADJOURN

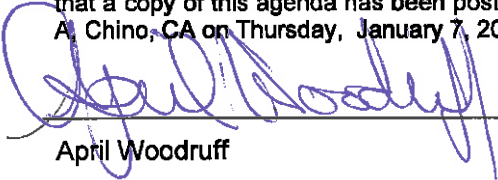
*A Municipal Water District

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

Proofed by: _____

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. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, January 7, 2016.



April Woodruff


**CONSENT
CALENDAR
ITEM**


1E


Date: January 20, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (01/13/16)
Finance, Legal, and Administration Committee (01/13/16)

From: P. Joseph Grindstaff 
General Manager

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

Shaun J. Stone 
Manager of Engineering

Subject: RP-1 Improvements Project Consultant Contract Award

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the consultant contract award for the design efforts for the Regional Water Reclamation Plant No. 1 (RP-1) Improvements, Project No. EN14019 to RMC Water and Environment for the not-to-exceed amount of \$723,151; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

The RP-1 Improvements project includes the scope of work for the following RP-1 facilities:

RP-1 Headworks Rehabilitation: In 2009 and 2015, the Agency retained consultants to assess the condition of the RP-1 Headworks facility. Based on these assessments numerous deficiencies were identified. These deficiencies include inoperable/leaking gates, unreliable Aerated Grit Chamber (AGC) Air System, concrete degradation in headworks structures, grit classifier corrosion, vortex grit chamber inaccessibility, and limited automation integration of all equipment in the headworks. These deficiencies have resulted in limited headworks performance and additional maintenance from the IEUA staff. In approximately 12 years, the Agency will construct a new headworks facility at RP-1; however, in order to maintain the operation of the existing RP-1 headworks, these rehabilitation measures are necessary until the new headworks is constructed.

RP-1 Improvements Project Consultant Contract Award

January 20, 2016

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RP-1 Plant 3 Scum Well Upgrade: The deficiencies include limited scum pump capacity and lack of redundancy, and a need to relocate electrical equipment to above grade. These deficiencies have resulted in excessive and costly maintenance by the IEUA staff.

RP-1 Aeration Basin System C Flow Meter Bypass: The existing 36-inch Intermediate Pump Station (IPS) System C Flow Meter lacks a bypass. The lack of bypass functionality has resulted in limited maintenance on this flow meter. As such, the data from the existing flow meter is unreliable and any work on this flow meter requires a complete IPS shutdown.

Staff advertised for consulting engineering services for the project on October 27, 2015, and received three (3) proposals on December 9, 2015. A Technical Review Committee reviewed and evaluated each of the proposals through the consultants' understanding of the scope of work, project team qualifications and experience, and their ability to meet the project schedule. The staff requests approval to award the consulting contract to RMC Water and Environment for a not-to-exceed amount of \$723,151.

The following is the projected project cost:

Description	Estimated Cost
Design (IEUA and Labor Augmentation)	\$500,000
Consultant Design Services	\$723,151
Construction	\$3,000,000
Construction Management (IEUA and Labor Augmentation)	\$600,000
Contingency (~10%)	\$485,000
Total Project Cost	\$5,308,151
Total Project Budget	\$10,500,000

The following is the project schedule:

Project Milestone	Date
Consulting Contract Award	January 2016
Design Completion	October 2016
Construction Contract Award	January 2017
Project Completion	November 2017

The Project is part of the Agency's Wastewater Management Capacity Business Goal to maintain capacity within facilities to meet essential service demands and to protect public health and environment.

PRIOR BOARD ACTION

None.

RP-1 Improvements Project Consultant Contract Award

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IMPACT ON BUDGET

The award for the consultant contract for the RP-1 Improvements, Project No. EN14019, for the not-to-exceed amount of \$723,151, is included in the Regional Wastewater Capital (RC) Fund current total project budget of \$10,500,000.

PJG:CB:SS:nm

RP-1 Improvements Consultant Contract Award

Project No. EN14019

January 2016



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Shaun J. Stone, P.E.
Manager of Engineering

Nasrin Maleki, P.E.
Project Manager

Project Background

- **RP-1 Headworks Rehab:**
 - Condition assessments in 2009 & 2015
 - Numerous deficiencies were found:
 - Leaking gates
 - Structural concrete degradation
- **RP-1 Plant 3 Scum Well Upgrades**
 - Single scum pump is under sized
 - MCC/PLC in the Primary Gallery are obsolete
- **RP-1 Aeration Basin System C Flow Meter Bypass**
 - Existing 36-inch Pump Station Flow Meter lacks bypass

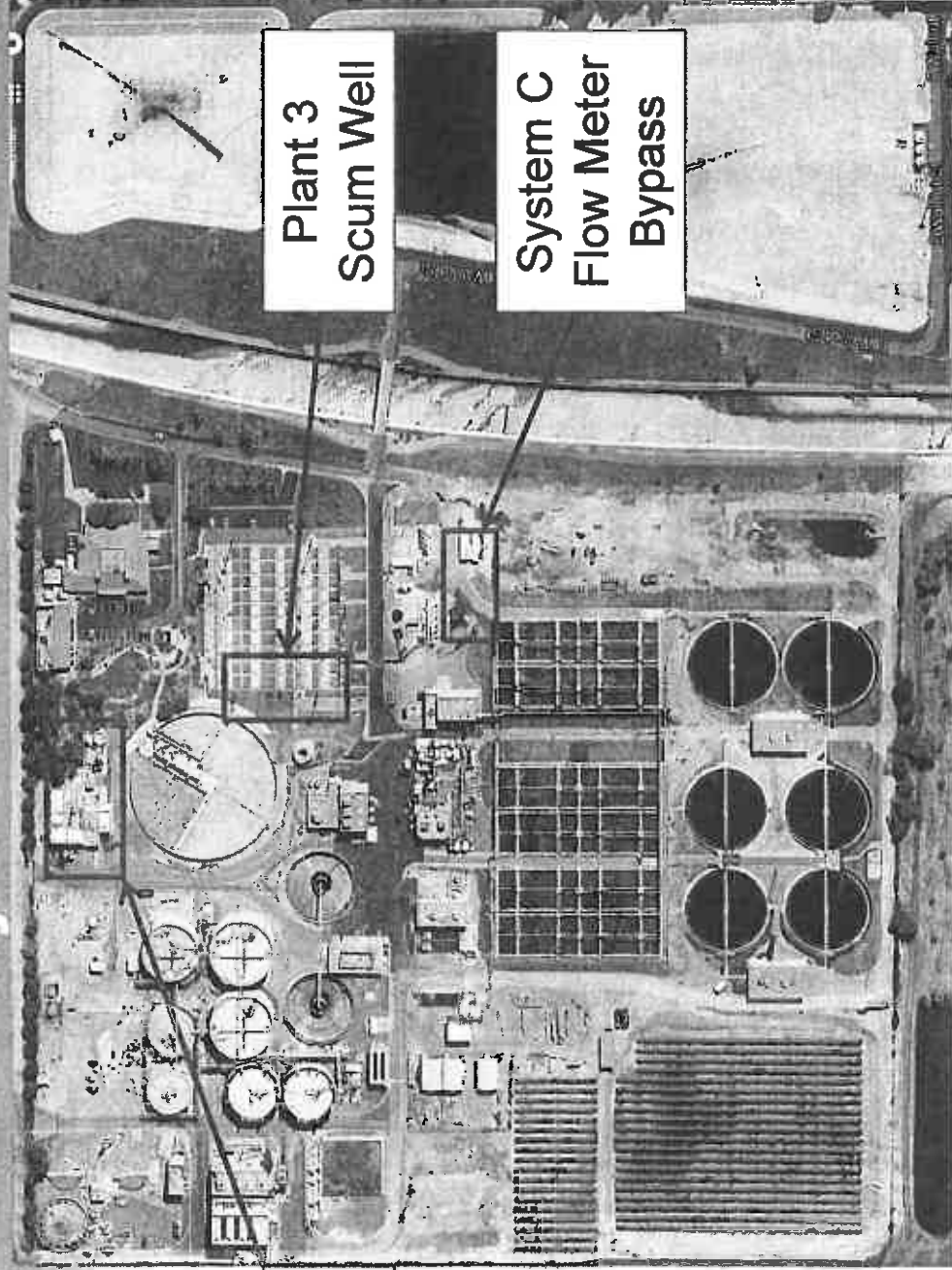


Headworks Concrete
Degradation



Scum Pump in
Primary Gallery

Project Location



Headworks
Rehabilitation

Plant 3
Scum Well

System C
Flow Meter
Bypass

IEUA RP-1 Facility

Project Scope

- **RP-1 Headworks Rehab**
 - Structural repairs of Headworks concrete
 - Replace Grit Removal system
 - Replace non-operational gates
- **RP-1 Plant 3 Scum Well Upgrades**
 - Install two new scum pumps
 - Replace existing obsolete electrical components
- **RP-1 Aeration Basin System C Flow Meter Bypass**
 - Provide bypass to System C Flow Meter



Obsolete Electrical Components
in Primary Gallery



System C Flow
Meter

Project Cost and Schedule

Description	Estimated Cost
Design (IEUA and Labor Augmentation)	\$500,000
Consultant Design Services	\$723,151
Construction	\$3,000,000
Construction Management (IEUA and Labor Augmentation)	\$600,000
Contingency (~10%)	\$485,000
Total Project Cost	\$5,308,151
Total Project Budget	\$10,500,000

Project Milestone	Date
Consultant Contract Award	January 2016
Design Completion	October 2016
Construction Contract Award	January 2017
Project Completion	November 2017

Agency Goal/Recommendation

Staff recommends that the Board of Directors approve the consultant contract award for the design efforts for the Regional Water Reclamation Plant No. 1 (RP-1) Improvements, Project No. EN14019, to RMC Water and Environment for the not-to-exceed amount of \$723,151 and authorize the General Manager to execute the contract.

The project is part of the Agency's Wastewater Management Capacity Business Goal to maintain capacity within facilities to meet essential service demands and to protect public health and environment.



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

CONTRACT NUMBER: 4600002028
FOR
RP-1 HEADWORKS, PRIMARY, AND SECONDARY UPGRADES,
PROJECT NO. EN14019

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 2016, 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 RMC Water and Environment, Inc. with offices located in Irvine, California (hereinafter referred to as "Consultant"), to provide professional engineering services in support of Project EN14019.

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: Ms. Nasrin Maleki, P.E., Sr. Engineer
Address: 6075 Kimball Avenue, Building B
Chino, California 91708
Telephone: (909) 993-1696
Email: nmaleki@ieua.org
Facsimile: (909) 993-1982

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

Consultant: Mr. Jon Ganz, P.E., BCEE, Project Manager
Address: 15510-C Rockfield Blvd., Suite 200
Irvine, CA 92618
Telephone: (949) 420-5300
Email: jganz@rmcwater.com
Facsimile: (949) 420-5301

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

- A. Amendments to Contract 4600002028.
- B. Contract Number 4600002028, General Terms and Conditions.
- C. Consultant's negotiated Scope of Work (Exhibit A).
- D. Consultant's Proposal dated December 9, 2015.
- E. Agency's Request for Proposals ("RFP") RFP-RW-15-089 and all germane addenda.

- 4. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include, and be in accordance with tasks identified in Consultant's negotiated Scope of Work, which is attached hereto, incorporated herein and made a part hereof by this reference as Exhibit A. All referenced services and responsibilities shall be in accordance with the schedule of the RFP.
- 5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed and terminate upon one year of completed construction, unless agreed to by both parties, reduced to writing, and amended to this Contract.
- 6. **COMPENSATION:** Consultant's invoice must be submitted according to milestones achieved by Consultant and accepted by the Agency's Project Manager, and shall include a breakdown by items completed, referencing State Prevailing Wages, all associated labor categories provided, labor hours supplied and associated hourly rates, dates worked, the current monthly amount due, and the cumulative amount invoiced to-date against this Contract. Invoicing shall be submitted electronically to apgroup@ieua.org, using the Agency's standard Excel-based invoicing template (Exhibit C). Invoicing shall not be submitted in advance of, or shall not be dated earlier than, the actual date of submittal.

Agency may at any time make changes to the Work including additions, reductions, and changes to any or all of the Work, as directed in writing by the Agency. Such changes shall be made by an Amendment to the Contract. The NOT-TO-EXCEED Amount and Work Schedule of the RFP shall be equitably adjusted, if required, to account for such changes and shall be set forth in the Amendment.

In compensation for the work represented by this Contract, Agency shall pay Consultant a NOT-TO-EXCEED maximum total of \$723,151.00 for all services provided in accordance with Consultant's Fee Proposal, attached hereto, made a part hereof, and referenced herein as Exhibit B. Payment shall be made according to milestones achieved by Consultant and accepted by the Agency's Project Manager.

- 7. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Work Schedule of the RFP and as proposed by Consultant, attached hereto, referenced herein as Exhibit D, and made a part hereof. If performance of the Work falls behind schedule, 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.
- 8. **FITNESS FOR DUTY:**

- A. **Fitness:** Consultant and its Subcontractor personnel on the Jobsite:
1. Shall report for work in a manner fit to do their job;
 2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
 3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.
- A. **Compliance:** Consultant shall advise all Consultant and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.
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 GL 0001-87 covering Comprehensive 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 single 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 87, 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 \$1,000,000 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, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), 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.
- 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 work 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:** 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.
- E. **Verification of Coverage:** Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. **Submittal of Certificates:** Consultant shall submit all required certificates and endorsements to the following:

Attn. Ms. Angela Witte, Risk Specialist
c/o Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709-0902

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 work.
- 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.
- A. **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.
- B. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

- C. Hours of Labor: The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution of the Contract by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) calendar week in violation of the provisions of the Labor Code.
- D. Travel and Subsistence Pay: The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- E. 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.
- F. 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.
- G. Equal Opportunity and Unlawful Discrimination: 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 shall be thoroughly investigated by the Agency.
- H. 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 not less than one (1) year after acceptance of the completed Work, Consultant

shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within 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 (7) 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 to 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.

I. 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 the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the 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 shall 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 contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Consultant.
11. **INDEMNIFICATION:** Consultant shall indemnify the Agency, its directors, employees and assigns, and shall hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract. Notwithstanding the foregoing, to the extent that this Contract includes design professional services under Civil Code Section 2782.8, as my be amended from time to time, such duties of Consultant to defend and to indemnify Agency shall only be to the full extent permitted by Civil Code Section 2782.8.

Consultant shall have no duty to defend Agency, but Consultant shall pay as damages to Agency all reasonable attorney's fees and costs incurred by Agency to the extent incurred by Agency arising out of Consultant's actual or alleged negligent acts, errors, or omissions. Further,

Consultant shall assume sole responsibility for the investigation, analysis, and defense of any and all issues alleged against Agency or Consultant to the extent alleged, based on, or arising out of Consultant's scope of work, or Consultant's actual or alleged negligent acts, errors, or omissions.

12. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Consultant and/or the Consultant's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

13. **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 Agreement Administrator and/or Agency.

14. **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:

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.

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.

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 the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Agency to 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.

15. 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.

16. 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
P.O. Box 9020
Chino Hills, California 91709

Consultant: Scott Goldman, P.E., BCEE
Principal, Senior Environmental Engineer
RMC Water and Environment, Inc.
15510-C Rockfield Blvd., Suite 200

Irvine, CA 92618

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.

17. **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.
18. **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.
19. **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.
20. **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.
21. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
22. **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.

- 23. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
- 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:

RMC WATER AND ENVIRONMENT, INC.:

P. Joseph Grindstaff
General Manager

(Date)



Scott Goldman
Principal-In-Charge

12-23-15
(Date)

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Exhibit A

SCOPE OF WORK

Project Description

This project will upgrade various facilities within the RP-1 Headworks, Primary and Secondary process areas as follows:

Headworks

- Repair concrete and apply corrosion protection coating to walls and ceiling of Aerated Grit Chamber, Effluent Channel and Splitter Box.
- Replace Aerated Grit Chamber aeration system, including rotary lobe air compressors and air piping, and provide three (3) fast opening automatic valves for air lift pumps.
- Evaluate and/or replace components of the existing grit removal system (i.e., grit washing/conveying system).
- Replace six (6) isolation gates.
- Rehabilitate the Vortex Grit Chamber.
- Provide two (2) radar level sensors at the Bar Screen Influent and Effluent Channels.
- Replace corroded channel aeration system.
- Provide access hatch west of Influent Channel flow meter station to accommodate Vector truck access to remove accumulated debris.
- Provide the necessary DCS and SCADA integration of new equipment.

Primary: Plant 3 Scum Well

- Provide two (2) new submersible chopper pumps with level controls at the Plant 3 Scum Well.
- Design mixing system to break up and pump scum accumulation.
- Evaluate and recommend control strategy to coordinate Plant 3, RAS 1 and RAS 2 scum pumping systems.
- Apply corrosion protection coating to Scum Well walls.
- Replace existing Scum Well access cover with lightweight cover.
- Replace the existing MCC/PLC cabinets in the Plant 3 basement with new cabinets above ground.
- Evaluate lighting powered by MCC and upgrade fixtures to energy efficient fixtures.
- Provide the necessary DCS and SCADA integration of new equipment.
- Miscellaneous demolition of any abandoned scum suction piping.

Secondary: Aeration System C Meter Structure

- Provide bypass piping with accessible actuator(s) for the Aeration System C flow meter located at Meter Structure No. 2.

Task 1 – Preliminary Design

1.1 Review Existing Information

RMC will prepare a data request list for IEUA that will include, but not be limited to, existing facility information (record drawings, utility mapping, etc.), previous engineering reports and operational

procedures manuals for facilities related to the project, and available geotechnical reports within the vicinity of the project. RMC will maintain and update the data request list as additional needs are identified and data are received. Data received will be reviewed and assumptions developed for key data gaps. This task also includes one site visit.

1.2 Preliminary Design

RMC will prepare the following two Technical Memorandum (TM) as part of preliminary design:

- **TM No. 1 – RP-1 Plant 3 Scum Well Upgrades**
- **TM No. 2 – RP-1 Headworks Rehabilitation**

For all alternative design options, such as installation of Eutek Headcell Stacked Tray Grit Separation equipment in place of existing Aerated Grit Chamber and/or Vortex Grit Chamber, RMC will incorporate into the appropriate TM a full Business Case Evaluation that addresses the alternative's capital costs, operating costs and hydraulic impacts.

RMC will streamline the preliminary design process by building upon a previous TM, Preliminary Options for Solving Ragging Issues developed for IEUA's Montclair Lift Station project, in developing TM No. 1.

The PDR will incorporate TM Nos. 1 and 2 and will also include:

- Description and scope of the recommended project
- Design criteria
- Preliminary selection of major equipment, pipe sizes and materials, and corrosion protection
- Plan view and sections showing conceptual layout and approach for System C Flow Meter Bypass
- Catalogue cuts for major equipment
- Supporting calculations
- Preliminary estimate of probable construction cost
- Preliminary construction schedule

This task includes incorporation of one round of IEUA review comments for each TM and the PDR.

1.3 Geotechnical Evaluation

Based on the limited scope of underground work required for this project, a formal geotechnical investigation is not considered necessary and is therefore not included in this scope of work. If the scope of work changes or if during potholing of utilities soil conditions necessitate further geotechnical investigation, then RMC will immediately notify IEUA and provide a recommendation for the level of geotechnical investigation required.

1.4 Utility Research

RMC will use utility locating equipment and techniques, including electronic locating and ground penetrating radar (GPR), to field confirm existing substructures shown on record drawings and identify other potential substructures in the project area. Based on the information provided by IEUA in Task 1.1

and the field utility locating, RMC will map existing substructures. Utility potholing, as detailed in Task 1.6, will be used to further confirm the locations of existing and potential substructures.

Task 1.5 Survey (Design Survey)

Design survey shall include location of surface topography and features, a benchmark circuit that will establish a benchmark or temporary benchmark for the project, location of facilities and key elements within each facility, location of electrical and controls tie-in points, and survey of utility pothole locations. If surveying can be performed in conjunction with the RP-1 Mixed Liquor Return Pumps project, then mobilization costs included in the original fee estimate for the RP-1 Headworks, Primary and Secondary Upgrades project can be avoided.

Task 1.6 Utility Potholing

RMC's utility locating subconsultant will use exploratory excavation to accurately locate existing substructures. Field utility locating will be performed to allow a more focused approach to potholing. RMC will pothole identified utilities crossing proposed conduits and parallel utilities that could be within the proposed trench excavation. This scope of work and fee assumes potholing at up to 35 locations. If fewer than 35 potholes are required, our fee structure allows a reduction for this item. If field utility locating and potholing can be performed in conjunction with the RP-1 Mixed Liquor Return Pumps project, then mobilization costs included in the original fee estimate for the RP-1 Headworks, Primary and Secondary Upgrades project can be avoided.

We anticipate that potholing will be most useful after approval of the PDR and prior to 50% design completion, when and the location of proposed substructure facilities is solidified. During preliminary design, the exact location of proposed substructures will not be known; therefore, potholing that early in the project may not provide the best data to reduce change order risk.

Task 1.7 Coordination with SCADA Enterprise Consultant

RMC understands that IEUA has retained a separate consultant to manage the design and implementation of a new SCADA Enterprise System. As indicated in the RFP, there are Control Panels and Remote Input/Output (I/O) Panels that provide monitoring and control of the treatment process. Each panel is unique and may have Foxboro IA DCS components, Rockwell Automation controllers, and other miscellaneous related equipment. For panels associated with the proposed upgrades, RMC will identify the components within each panel and coordinate with IEUA and its SCADA Enterprise Project consultant to ensure that the proposed design includes the necessary specifications to integrate with the future SCADA Enterprise System. It is assumed that the SCADA Enterprise Project consultant will identify the specific PLC platform (new or existing) to be used for control of the proposed upgrades. Details of programming methods and any developed SCADA standards to be followed shall be provided to RMC at the 50% Design Workshop. The SCADA Enterprise Project consultant shall specify the I/O cabinet location(s) for termination of proposed I/O for monitoring and control of equipment provided as part of the proposed upgrades.

Task 1 Assumptions:

- *IEUA will timely provide requested data or make requested data available*
- *IEUA will provide information in electronic format when available*
- *RMC will not be responsible for upgrading any components, controllers or miscellaneous equipment outside of the scope of the selected project*

Task 1 Deliverables

- *Draft and Final TMs (Electronic PDF files delivered via email or FTP; up to 15 hard copies)*
- *Draft and Final PDR (Electronic PDF files delivered via email or FTP; up to 15 hard copies)*

Task 2 – Design Plans and Specifications

At all stages of the design (50%, 85% and 100%), RMC will use AutoCAD 3D to prepare 3D CAD models for the proposed project. The 3D CAD model will reflect only the portions of the RP-1 facility necessary to communicate the proposed scope of work to IEUA staff and contractors. Due to the low level of complexity, the 3D CAD model will depict an appropriate level of detail to communicate the design to IEUA staff without the need for developing renderings.

2.1 50% Design

The 50% Design milestone will include a 50% Design Workshop where the 3D model will be presented to IEUA staff. Prior to the 50% Design Workshop, RMC will submit a 50% Design review package that includes the following:

- **Design Plans**
 - Detailed Equipment Schedules
 - Plan and Profiles
 - Structural Plans and Elevations
 - Yard Piping
- **Design Survey**
- **Catalogue Sheets for Major Equipment**
- **Draft Specifications**
 - Table of Contents
 - Major Equipment
- **Supporting Calculations**
- **Draft Process Control Narrative – The Process Control Narrative will be limited to those controls installed or modified as part of the proposed design and will be consistent with the template provided in Attachment K of the RFP.**
- **Draft Operations Procedure Manual – Per Task 3.3.**

2.2 85% Design

RMC will submit a review package upon 85% completion of design that reflects or responds to 50% design review comments received from IEUA and will include the following:

-
- Design Plans
 - Specifications
 - Proposed edits to IEUA's Standard Specifications
 - Updated estimate of probable construction cost
 - Updated supporting calculations
 - Updated Process Control Narrative
 - Control System Subcontractor Pre-Qualification Package

2.3 100% Design

RMC will submit a review package upon 100% completion of design that reflects or responds to 85% design review comments received from IEUA and will include the following:

- Design Plans
- Specifications
- Standard Specifications incorporating edits accepted by IEUA
- Final Engineer's Estimate
- Final supporting calculations
- Final Process Control Narrative
- Asset List
- Shop Drawing Submittal List
- Arc-Flash Locations List

2.4 Final Plans and Specifications

RMC will update the 100% Design package to reflect final comments received from IEUA. Upon IEUA's acceptance of the Plans and Specifications, RMC will submit the following:

- Final Plans – Mylar sheets and electronic PDF format
- Final Specifications – Hard copy (unbound) and electronic PDF format
- Final supporting calculations
- Final Engineer's Estimate

Task 2 Assumptions:

- *IEUA will provide complete review of each design deliverable and provide consolidated comments within 14 calendar days of receiving each design deliverable*
 - *IEUA will provide review comments in electronic format*
 - *IEUA or its SCADA Enterprise Project consultant will identify the specific PLC platform (new or existing) to be used for control of the proposed upgrades, provide details of programming methods and SCADA standards by the 50% Design Workshop, and specify I/O termination locations for proposed scope of work*
-

Task 2 Deliverables

- **50% Design (Electronic PDF files delivered via email or FTP; up to 15 hard copies each of Plans and Specifications and 3 copies of all other documents)**
- **85% Design (Electronic PDF files delivered via email or FTP; up to 15 hard copies each of Plans and Specifications and 3 copies of all other documents)**
- **100% Design (Electronic PDF files delivered via email or FTP; up to 15 hard copies each of Plans and Specifications and 3 copies of all other documents)**
- **Final Plans and Specifications (Electronic PDF files delivered on two CDs; one copy each of wet-signed full-size Plans, Specifications, and Calculations and one copy each of half-size Plans and all other documents)**
- **Final Plans, AutoCAD files (Electronic files delivered on CD)**

Task 3 – Construction Administration Assistance

Task 3.1 Pre-Bid Support

During the advertising period, RMC will respond to questions from Bidders, will attend a pre-bid meeting and will assist in preparation of up to two addenda. This task assumes all questions can be answered with written responses and no revisions will be required to the drawings.

Task 3.2 Bid Evaluation

RMC will review bids received and provide a written recommendation to IEUA as required.

Task 3.3 Operation Procedures Manual

RMC will prepare an Operation Procedures Manual consistent with the template referenced in the RFP. The manual will be limited to the operational modifications made to the existing processes and is not intended to serve as a manual for the entire Headworks, Primary or Secondary systems.

Task 3 Assumptions:

- **None**

Task 3 Deliverables

- **Addenda (as required)**
 - **Operation Procedures Manual (Electronic PDF files delivered via CD and two hard copies)**
-

Task 4 – Project Management

4.1 *Project Meetings/Workshops*

RMC will prepare for and attend up to seven project meetings/workshops with IEUA at key points throughout design of the project. The meetings are anticipated to include the following:

- Kickoff Meeting
- PDR Review Meeting
- 50% Design Workshop
- 85% Design Review Meeting
- 100% Design Review Meeting
- Process Controls Narrative Meeting
- One additional meeting (TBD)

RMC will prepare an agenda and meeting notes for each meeting/workshop identified above and distribute to the IEUA Project Manager. At a minimum, RMC's Project Manager will attend each meeting. It is assumed that other project coordination and meetings can occur through conference calls, which may also include web-based presentations.

4.2 *Project Tracking and Communication*

RMC will prepare and submit progress reports and an updated project schedule with the monthly project invoice. RMC will provide regular project coordination, communication and updates to IEUA and track the project scope, budget and schedule. Since the same Project Manager for the RP-1 Mixed Liquor Return Pumps project will be managing the RP-1 Headworks, Primary and Secondary Upgrades project, project management duties can be streamlined and a cost savings realized.

4.3 *Quality Assurance and Quality Control*

RMC will implement its Quality Assurance and Quality Control Program requirements for the project, which will include senior level technical review of major project deliverables.

Task 4 Assumptions

- *Project duration is approximately 12 months (design and bid support)*

Task 4 Deliverables

- *Meeting Agendas (PDF or Microsoft Word files by email)*
 - *Meeting Minutes (PDF or Microsoft Word files by email)*
 - *Monthly Project Schedule (hard copy with invoice)*
 - *Monthly Progress Report (hard copy with invoice)*
-

Exhibit B

Exhibit C



**INLAND EMPIRE UTILITIES AGENCY
CONSULTING SERVICES INVOICE**

Company: ABC Company	Pay Est. No.:	Contract Date:	Invoice Date: #####
Address:	Contract No.: 45-xxxx	IEUA Project Manager: Jamal Zughbi	This Period: From: 9/1/2015 To: 9/30/2015
Phone No.:	Proj. Name & No.: RP-1 Improvements Project, EN15xxx		Invoice No./Consult Ref: XXXXXX

ORIGINAL CONTRACT:

PO No.	SAP Line Item No.	WBS Element No.	Item Description	Original Contr. Value	Total This Period From: 9/1/2015 To: 9/30/2015	Total to Date From: 9/9/2015 To: 9/30/2015	Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
45-xxxx	1	EN15xxx.00.F.DN50	50% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	2	EN15xxx.00.F.DN85	85% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	3	EN15xxx.00.F.DFLP	Final Design	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	4	EN15xxx.00.G.CNSW.00	Constr Support Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
Subtotal Original Contract				\$0.00	\$0.00	\$0.00		\$0.00

CONTRACT AMENDMENTS:

PO No.	SAP Line Item No.	WBS Element No.	Amendment Description	Amended Contract Value	Total This Period From: To:	Total to Date From: To:	Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
					\$0.00	\$0.00	0%	0%
					\$0.00	\$0.00	0%	0%
					\$0.00	\$0.00	0%	0%
Subtotal Contr. Amendm				\$0.00	\$0.00	\$0.00		\$0.00
Total Cont. with Amendr				\$0.00	\$0.00	\$0.00		\$0.00

PAYMENT SUMMARY FOR THIS PERIOD:

PRIOR PAYMENT SUMMARY:

	From: 9/1/2015	From:	
	To: 9/30/2015	To:	
Amount Earned Original Contract	\$0.00	Amount Earned Orig Contract	\$0.00
Amount Earned Amendments	\$0.00	Amount Earned Amendments	\$0.00
Back Charges	\$0.00	Back Charges	\$0.00
Amount Due This Period	\$0.00	Prior Payments	\$0.00

TOTAL PAYMENT SUMMARY:

CONTRACT SCHEDULE SUMMARY:

	Total Contract	Contract Start Date:	10/9/2014
Total Original Contract	\$0.00	Contract Duration:	365
Total Contract Amendments	\$0.00	Contract Completion Date:	10/9/2015
Total Payments to Date	\$0.00	Authorized Time Extension:	0
Back Charges	\$0.00	Revised Completion Date:	10/9/2015
Payment this period	\$0.00	PROJECT COMPLETION SUMMARY:	
Balance of Contract	\$0.00	Contract Time Expired:	102%
		Contract Work Complete:	#DIV/0!

Consultant Approval:

Title: _____ Signature: _____ Date: _____

Inland Empire Utilities Agency Approvals:

Proj. Engineer: _____ Date: _____ Exec Mgr. / Assistant GM: _____ Date: _____
 Deputy Manager: _____ Date: _____ General Manager: _____ Date: _____
 Dept. Manager: _____ Date: _____

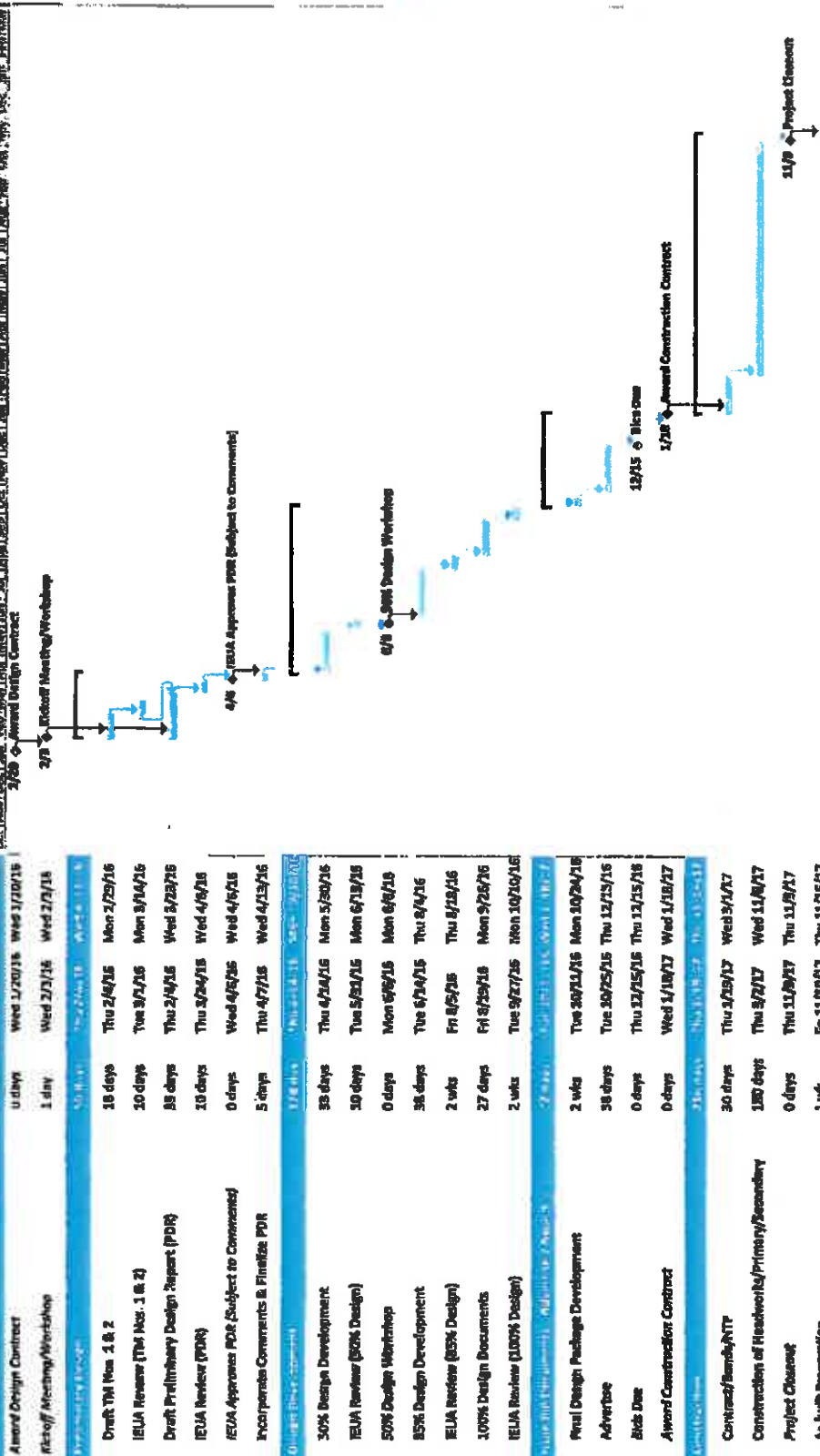
Exhibit D

IEUA RP-1 Headworks, Primary and Secondary Upgrades

3/9/4/2018 - 1/09/2/2018 - 1/09/2/2018 - 1/09/2/2018 - 1/09/2/2018 - 1/09/2/2018 - 1/09/2/2018 - 1/09/2/2018 - 1/09/2/2018 - 1/09/2/2018
 Project Name: IEUA RP-1 Headworks, Primary and Secondary Upgrades
 Project No. EN14019
 3/05 - General Design Contract
 3/06 - Overall Design Contract

RP-1 Headworks, Primary, and Secondary Upgrades

Project No. EN14019



Work Schedule

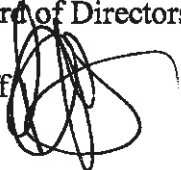



**ACTION
ITEM**

2A

Date: January 20, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
General Manager 

Submitted by: Kathy Besser 
Manager of External Affairs

Subject: Proposed 2016 Federal and State Legislative Priorities

RECOMMENDATION

It is recommended that the Board of Directors adopt the 2016 Federal and State Legislative Priorities.

BACKGROUND

Federal Legislative Priorities

FY 2015/16 Appropriations Priorities include:

- **Title XVI/WaterSMART Funding:** In 114th Congress, IEUA will be asking for an additional \$12.4 million for the Chino Desalter Phase 3 Expansion Project. Congressman Aguilar has again offered to take the lead in gathering delegation signatures on a letter of support. The \$1.15 trillion Omnibus Appropriations bill passed in December included \$23.3 million for Title XVI and \$20 million for WaterSMART grants. It is important to note that funding for “western drought relief” was \$100 million, double the amount enacted in 2014.
- IEUA has submitted a separate Title XVI grant application for the “Joint IEUA-CVWD Recycled Water Supply Optimization Project.” The application requests \$2.75 million for the Baseline Street Recycled Water Pipeline Project and Heritage of Village Recycled Water Project.

Federal Action Priorities

- **Title XVI Funding – Cucamonga Valley Water District:** IEUA officials met with Department of the Interior staff, and are working with local Bureau of Reclamation staff, to determine how CVWD’s \$10 million authorization can be used prior to it expiring in 2019, either through an administrative fix, or alternately, attempting a legislative fix.

- **Drought-Related Legislation:** Support federal funding for drought relief in California and reasonable reform of the Endangered Species Act (ESA); oppose any amendment to ESA that would shift responsibilities from federal contractors to state contractors or efforts that take control of water rights out of state jurisdiction and into federal jurisdiction.
- **U.S. Tax Code:** Continue to oppose removal of tax exempt status for municipal debt. Support congressional efforts to authorize and direct the U.S. Treasury's Internal Revenue Service to exempt water conservation-related rebates from being considered taxable under U.S. tax laws.
- **Water Quality:** Support administrative (EPA, Bureau of Reclamation) and legislative action to identify and promote the use of salt-less water softening technology. Oppose any efforts to endorse salt-based technologies.
- **Regional Water Resources Management:** Support additional federal funding of Title XVI grant program and for the federal EPA/State Revolving Loan program that enables the State Water Resources Control Board to provide low interest loans for recycled water projects (currently used as a matching source of funds for the State's Proposition 1 grant program). Support revised Title XVI authorization for the Inland Empire Regional Recycled Water Program to permit additional projects, including research on recycled water, salinity management, water treatment, renewable energy. Support incentive programs to promote water use efficiency, including EPA's *WaterSense* program.
- **Local Water Supply Management:** Support administrative and legislative initiatives to promote recycled water as a drought-proof water supply and protect use of tertiary-treated recycled water while advancing potable reuse. Support initiatives to promote stormwater capture, expand groundwater management and clean-up of contaminated groundwater.
- **CyberSecurity:** Support national associations and coalition efforts to develop standard guidelines and best management practices to provide a consistent and ongoing course of action to reduce vulnerabilities in process control systems for major water system providers.

State Legislative Priorities

Legislative Initiative:

- Work with a member of the Agency's state delegation to advance legislative or budget plan to support the state's methane gas/greenhouse gas emission reduction targets by accelerating organics diversion from local landfills, consistent with administration's draft 2015 Short Lived Climate Pollutant Reduction Strategy. Proposed initiative would demonstrate an accelerated program through regional cooperation for organics diversion (food waste, fats, oil, grease, and green waste from local landfills to IEUA anaerobic digester and composting facilities).

State Action Priorities:

- **Renewable Energy/Greenhouse Gas (GHG) Emission Reductions:** Continue to support legislation (AB1144 – Rendon) and other programs that would increase the value of the Renewable Energy Credits (RECs) generated and sold by wastewater treatment agencies that utilize their renewable energy on-site in California; oppose administrative or legislative actions that impose financial obstacles to the implementation of low carbon energy initiatives; support the approval and funding of a bioenergy incentive program; monitor legislation and administrative initiatives that will modify targets/funding/requirements for the Cap and Trade program and the Governor’s greenhouse gas reduction goals.
- **Water/Energy Nexus:** Continue to support legislation (SB 471 – Pavley) which would authorize a grant and loan program for water projects that result in a net reduction of water-related GHGs; support legislation and budget proposals authorizing grant funding for energy efficiency, greenhouse gas reductions, development of renewable resources and energy storage projects.
- **Water Projects:** Monitor administrative/legislative actions to ensure ability of water agencies to conduct intrastate and interstate water transfers; monitor definition of eligible projects as those designed to reduce the amount of water imported or to be supplied by the publicly owned utility, including, “without limitation” storm water capture and treatment, water recycling, development of local groundwater resources, groundwater recharging, and water reclamation covers all of the regional needs in the future.

Monitor initiative submitted by Board of Equalization Vice-Chair George Runner and State Senator Bob Huff that redirects unspent High Speed Rail Proposition 1A (2008) and Proposition 1 (2014) water bond money to build new surface water and groundwater storage projects without adding more debt or levying new taxes. The initiative also establishes priorities for the state’s use of water as a constitutional amendment.

- **Financial Initiatives:** Monitor initiative submitted by a coalition led by the California League of Cities (and includes the California State Association of Counties and the Association of California Water Agencies) that would amend Prop 218 and treat stormwater and flood control infrastructure the same as water and sewer, and expressly authorize conservation-based tiered water rates and lifeline rates; monitor SB 20 – Pavley, which would impose a public goods charge to fund water infrastructure projects in low-income communities, support the introduction of lifeline rates, among other items; support measures to reduce the cost of financing water infrastructure planning and construction; continue to protect property tax receipts for local agencies.
- **Local Water Supply Management:** Support administrative and legislative initiatives to promote recycled water as a drought-proof water supply and protect use of tertiary recycled water while advancing potable reuse; support administrative and legislative initiatives to promote stormwater capture, expand groundwater management and clean-up of contaminated groundwater; monitor SB 163 – Herzberg, which would require half of

treated wastewater to be used for beneficial purposes, including landscape watering, by 2026 and 100% usage by 2036.

- **Drought:** Support State funding for drought relief initiatives; monitor SWRCB administrative actions for new requirements and restrictions in response to the drought; promote the use of existing state standards for water efficiency as a performance measure for the emergency and permanent conservation regulations.
- **California Water Action Plan:** Support implementation of the Governor's comprehensive water strategy, consistent with IEUA's goals and objectives.
- **Bay Delta Conservation Plan/California WaterFix:** Support administrative/legislative action and funding to keep the BDCP on schedule; continue support for implementation of 2009 Delta/water management legislative package; continue to support administrative and legislative action and funding for advance emergency response and near-term Delta improvements; monitor Cortopassi Initiative (#15-0003), slated for the November 8, 2016 ballot, which would force public infrastructure bonds amounting to more than \$2 billion and requiring new or increased taxes or fees onto the ballot for voter approval.
- **Water Quality:** Support initiatives and state funding to protect/improve water quality from various constituents including salinity, perchlorates, nitrate and volatile organic compounds.
- **Drinking Water Program:** Support adoption of recycled water requirements.
- **Salinity Management:** Monitor water softener discussions and oppose legislation that would constrain the ability of local government to appropriately regulate the use of salt-discharging water softeners.
- **Water Bond:** Monitor implementation of bond funding, including the split of monies between recycled water and desalination; monitor Jerry Meral's eight proposed water bond initiatives.
- **Groundwater Legislation:** Monitor implementation of the 2014 Sustainable Groundwater Management Act, including subsequent legislation to address expedited adjudications and designation of groundwater as a beneficial use.

Proposed 2016 Strategy

The following are proposed actions intended to promote and monitor the Agency's administrative and legislative priorities in 2016.

- **Congressional and State Briefings:**
 - Continue regular meetings with members and their staff to provide an update on the Title XVI funding request, proposed drought legislation and other local

- priorities for the Agency. Also use these interactions to showcase IEUA programs and achievements.
- Continue participation in the annual Federal Legislative Luncheon with Eastern MWD, Western MWD, and Metropolitan Water District of Orange County, including compilation of Legislative Briefing Book.
 - Meet with state legislative staff in their state and local offices to discuss local issues, Agency projects/programs and the priorities of the region.
- Facility Tours:
 - Continue to invite congressional and state officials and their staff to tour IEUA's facilities. Showcase Agency's groundwater basins, inflatable dams (stormwater capture), renewable energy projects and one of the regional wastewater treatment plants and/or desalter.
 - Conferences:
 - Monitor upcoming events/conferences. The following is a list of possible events/conferences:
 - Association of California Water Agencies (Sacramento and D.C.)
 - California Association of Sanitation Agencies (Palm Springs and D.C.)
 - Southern California Water Committee
 - WateReuse Association, California Section
 - American Water Works Association
 - Legislative calls:
 - Continue to participate in legislative coordination calls with the following:
 - Santa Ana Watershed Project Authority
 - Metropolitan Water District
 - WateReuse
 - California Association of Water Agencies
 - Southern California Water Committee
 - Association of California Water Agencies

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

Proposed 2016 Federal & State Legislative Priorities



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Proposed Federal Legislative Initiatives

Title XVI Funding – IEUA & CWWD

- * In 114th Congress, IEUA is asking for an additional **\$12.5 million** for the **Chino Desalter Phase 3 Expansion Project**. Congressman Aguilar has offered to again take the lead in gathering delegation signatures on a letter of support to the Bureau of Reclamation.
- * IEUA has sent in a separate Title XVI grant application requesting **\$4 million** for the CWWD project that received authorization in 2007 – the **Baseline Street Recycled Water Pipeline Project** and **Heritage of Village Recycled Water Project**.

Proposed Federal Legislative Priorities

- * **Drought-related Legislation** - Support federal funding for drought relief in California and reasonable reform of the Endangered Species Act.
- * **Appropriations Priorities** — Increased funding for Title XVI.
- * **US Tax Code** — Exempt water conservation rebates.
- * **Water Quality** — Promote use of salt-less water softening technology.
- * **Regional Water Resource Management** — Support incentive programs to promote water use efficiency.
- * **Local Water Supply Management** — Support recycled water and stormwater capture initiatives.
- * **Cyber Security** - Support efforts to develop standard guidance and best management practices to reduce vulnerabilities in process control systems for major water system providers.

Proposed State Legislative Initiative

Organics Diversion Initiative

- * Work with member of delegation to advance legislative or budget plan to support expanding food waste operations to include region-wide participation in food waste diversion from landfills to IEUA facilities.
- * Diverting all food waste from landfills is included in the Administration's (ARB) draft Short-Lived Climate Pollutants paper.

Proposed State Legislative Priorities

- * **Water-Energy Nexus** – Increasing value of **Renewable Energy** Credits; creation of RECs and GHG reduction credits by water agencies.
- * **Renewable Energy** – Support grant and loan programs for water projects; grant funding for energy efficiency and GHG reductions.
- * **Water Projects** – Ensure agencies can conduct intrastate and interstate water transfers; monitor bond initiatives.
- * **Financial Incentives** – Monitor amendments to Prop. 218 and legislation that would impose a public goods charge; support measures that reduce the cost of financing water projects.
- * **Local Water Supply Management** - Support recycled water and stormwater capture initiatives.
- * **Salinity Management** – Oppose legislation that constrains local government from regulating use of salt-discharging water softeners.

Proposed State Legislative Priorities

- * **Drought** - Support State funding for drought relief initiatives, monitor SWRCB for new requirements.
- * **California Water Action Plan** – Support implementation.
- * **Bay Delta Conservation Plan/California Water Fix** – Support actions and funding that keep the project on schedule; monitor Cortopassi initiative.
- * **Water Quality** – Support initiative and funding to improve/protect water quality.
- * **Drinking Water Program** – Support adoption of recycled water requirements.
- * **Water Bond** – Monitor implementation of bond funding.
- * **Groundwater Legislation** – Monitor implementation of the 2014 Sustainable Groundwater Management Act.

Questions?



6075 Kimball Avenue
Chino, CA 91708
(909) 993-1600
www.ieua.org



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Us!**


**ACTION
ITEM**


2B


(REVISED)

Date: January 20, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff 
General Manager

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

Shaun J. Stone 
Manager of Engineering

Subject: RP-1/RP-5 Expansion PDR Consultant Contract Award

RECOMMENDATIONS

It is recommended that the Board of Directors:

1. Approve the consulting engineering contract award for the RP-1/RP-5 Expansion Preliminary Design Report (Project Nos. EN16025 and EN16028/EN16036) to Parsons Water & Infrastructure Inc., for the not-to-exceed amount of \$2,431,598; and
2. Authorize the General Manager to execute the contract.

BACKGROUND

Beginning in June 2013, Inland Empire Utilities Agency (IEUA) started a planning initiative to update the Agency's Wastewater Facilities Master Plan (WFMP). As part of the WFMP, the Agency planned facilities for growth and optimization of wastewater collection, treatment, and recycled water systems. The WFMP incorporated the wastewater flow projections developed by the Integrated Water Resources Plan (IRP) and operational knowledge of the existing treatment systems to develop a comprehensive facilities and operations plan. According to the WFMP, influent wastewater flows are projected to increase as a result of population growth in the service area. By the year 2060, influent flows at RP-1 are projected to increase as much as 20 percent and more than double at RP-5.

The following Table 1 provides the current facility treatment capacities, forecasted 2035 and 2060 influent flows, and the year the existing facility treatment capacity is anticipated to be exceeded:

Table 1: Current and Forecasted Facility Treatment Capacities

Forecasted Influent Sewer Flows for RP-1 & RP-5				
Facility	Existing Capacity	2035 Flow	2060 Flow	Capacity Exceeded
RP-1	32 MGD*	33.1 MGD	36.3 MGD	2030
RP-5	15.0 MGD	20.2 MGD	27.2 MGD	2025

* Estimated capacity as identified in WFMP

In addition to growth, the United States Army Corps of Engineers (USACE) has begun a project to raise the Prado Dam Spillway. The result of this project will raise the high water level behind the dam causing the RP-2 Solids Treatment Facility to be in danger of flooding. Therefore, RP-2 will need to be decommissioned and a new RP-5 Solids Treatment Facility will be constructed with a capacity to treat existing and projected southern service area flows.

The Agency created a project to develop a consolidated Preliminary Design Report (PDR) for the RP-1 Liquids Treatment Expansion, RP-1 Solids Treatment Expansion, RP-5 Liquids Treatment Expansion, and RP-5 Solids Treatment Facility. The PDR is anticipated to consist of three separate volumes as outlined above. The PDR will determine the necessary size of the required treatment capacity expansions at each of the facilities, provide the schedule for completion of design and construction, and provide the project costs (design, construction, internal labor, and contingency).

Staff issued a Request for Proposal for consultant engineering services to complete the PDR on November 3, 2015, and received three highly qualified proposals on December 10, 2015: a joint venture between CH2M and Carollo, a joint venture between Parsons and Brown & Caldwell, and MWH. A Technical Review Committee consisting of various Agency departments and member Agency representatives was established to review and evaluate each of the written proposals. On December 16, 2015, staff provided an informational item to the Board of Directors updating them on the status of the RFP and receipt of three proposals.

Interviews were conducted with all three prospective engineering consulting teams on January 5, 2016. Based upon the written proposals and interviews, the Technical Review Committee evaluated each engineering consulting team based upon their understanding of the scope of work, project team qualifications and experience, and ability to meet the project schedule. The Technical Review Committee concurred that the Parsons and Brown & Caldwell were the most qualified engineering consulting team and will provide the best value to the Agency. Following the evaluation process and engineering consulting team selection, Agency staff reviewed the fee proposal and entered into negotiations.

On January 13, 2016, staff presented an informational item to the Engineering, Operations, and Biosolids Management Committee and the Finance, Legal, and Administration Committee updating them on the engineering consulting team selection and the ongoing contract negotiations. Contract negotiations have been completed; and therefore, staff requests approval to award the consulting engineering services contract to Parsons Water & Infrastructure Inc. for the not-to-exceed amount of \$2,431,598.

The RP-1 and RP-5 Expansion PDR is scheduled to be complete within one year of the contract award with a completion date of January 20, 2017. The estimated costs for the project are provided in the following Table 2.

Table 2: Project's Estimated Costs

Description	Estimated Cost for RP-1 Exp. EN16025	Estimated Cost for RP-5 Exp. PDR EN16028/EN16036	Project Summary
Parsons Pre-Design Fee	\$441,232	\$1,990,366	\$2,431,598
Project Management (Estimated Internal Labor)	\$130,000	\$520,000	\$650,000
Total Project Cost	\$571,232	\$2,510,366	\$3,081,598
Total Project Budget	\$1,500,000	\$3,500,000	\$5,000,000

This PDR supports the Agency's Wastewater Management Capacity Business Goal objective that IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The award for the engineering consulting services contract for the RP-1/RP-5 Expansion PDR, for the not-to-exceed amount of \$2,431,598, is within the total combined project budgets of \$5,000,000, in the Regional Wastewater Capital (RC) Fund. The total combined projects include the RP-1 Expansion PDR, Project No. EN16025, the RC (Regional Capital) Planning Documents, Project No. EN16036, and the RP-5 Expansion PDR, Project No. EN16028.

PJG:CB:SS:jm

RP-1 & RP-5 Expansion Pre-Design Report Consulting Engineering Services

Contract Award

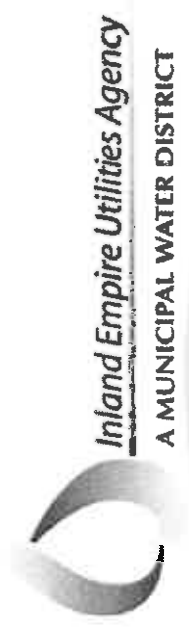
Project Nos. EN16025 & EN16028

January 2016



Shaun J. Stone, P.E.,
Manager of Engineering

Jason Marseilles, P.E.,
Senior Engineer



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

RP-1 & RP-5 Expansion PDR Project Background

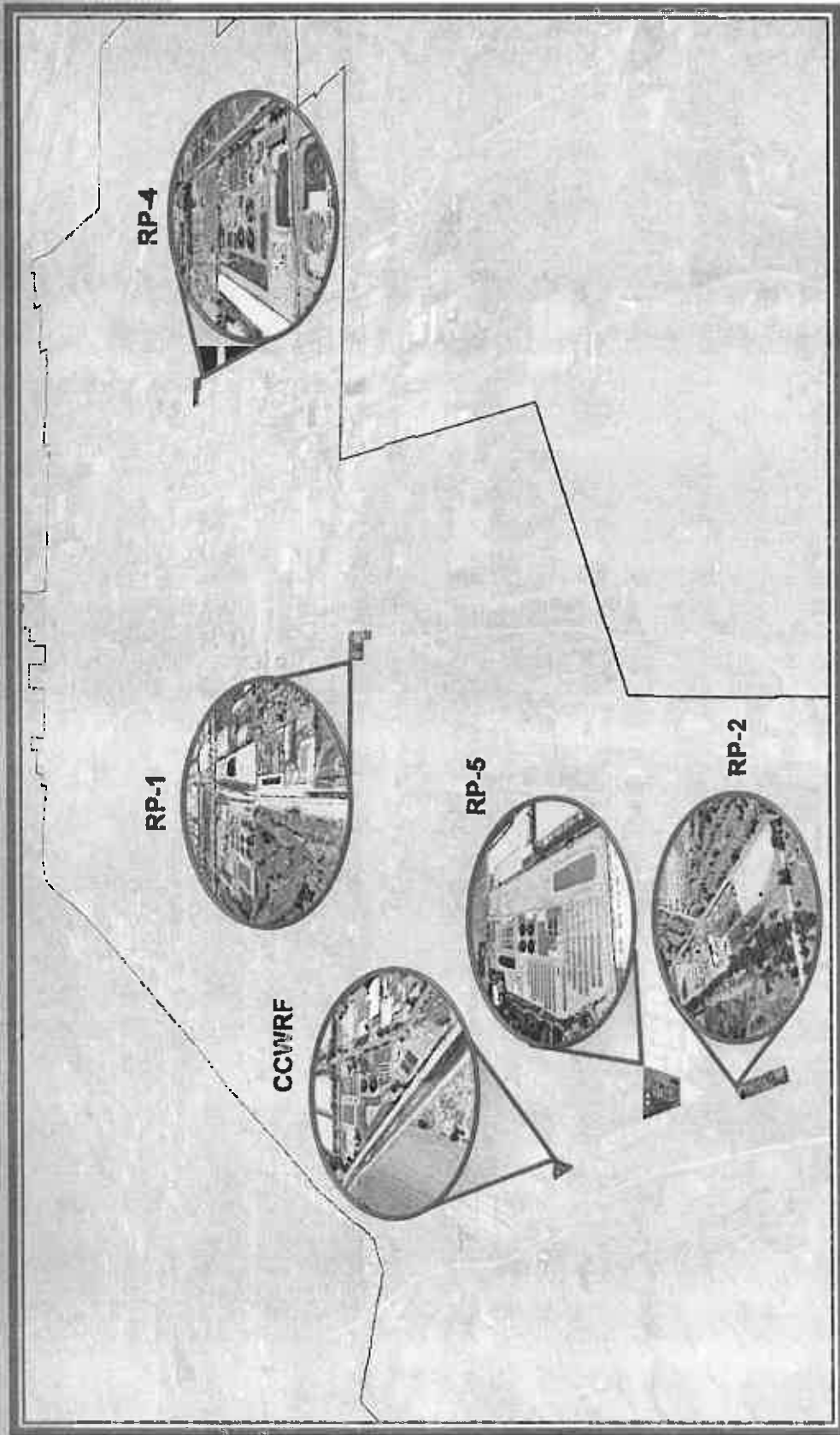
- Wastewater Facilities Master Plan (WFMP) completed April 2015

Forecasted Influent Sewer Flows for RP-1 & RP-5				
Facility	Existing Capacity	2035 Flow	2060 Flow	Capacity Exceeded
RP-1	32 MGD*	33.1 MGD	36.3 MGD	2030
RP-5	15.0 MGD	20.2 MGD	27.2 MGD	2025

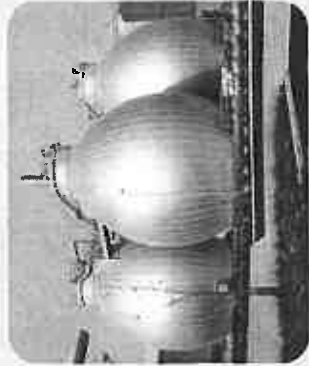
* 2015 Wastewater Facilities Master Plan Modeled Capacity with Installation of MLR Pumps

- Requirement to expand RP-1 by 2030
- Requirement to expand RP-5 by 2025
- Relocate RP-2 to new RP-5 Solids Treatment Facility prior to USACE completing project to raise elevation of Prado Dam Spillway.

Project Locations



Project Scope



**RP-5
Solids Treatment
Facility**



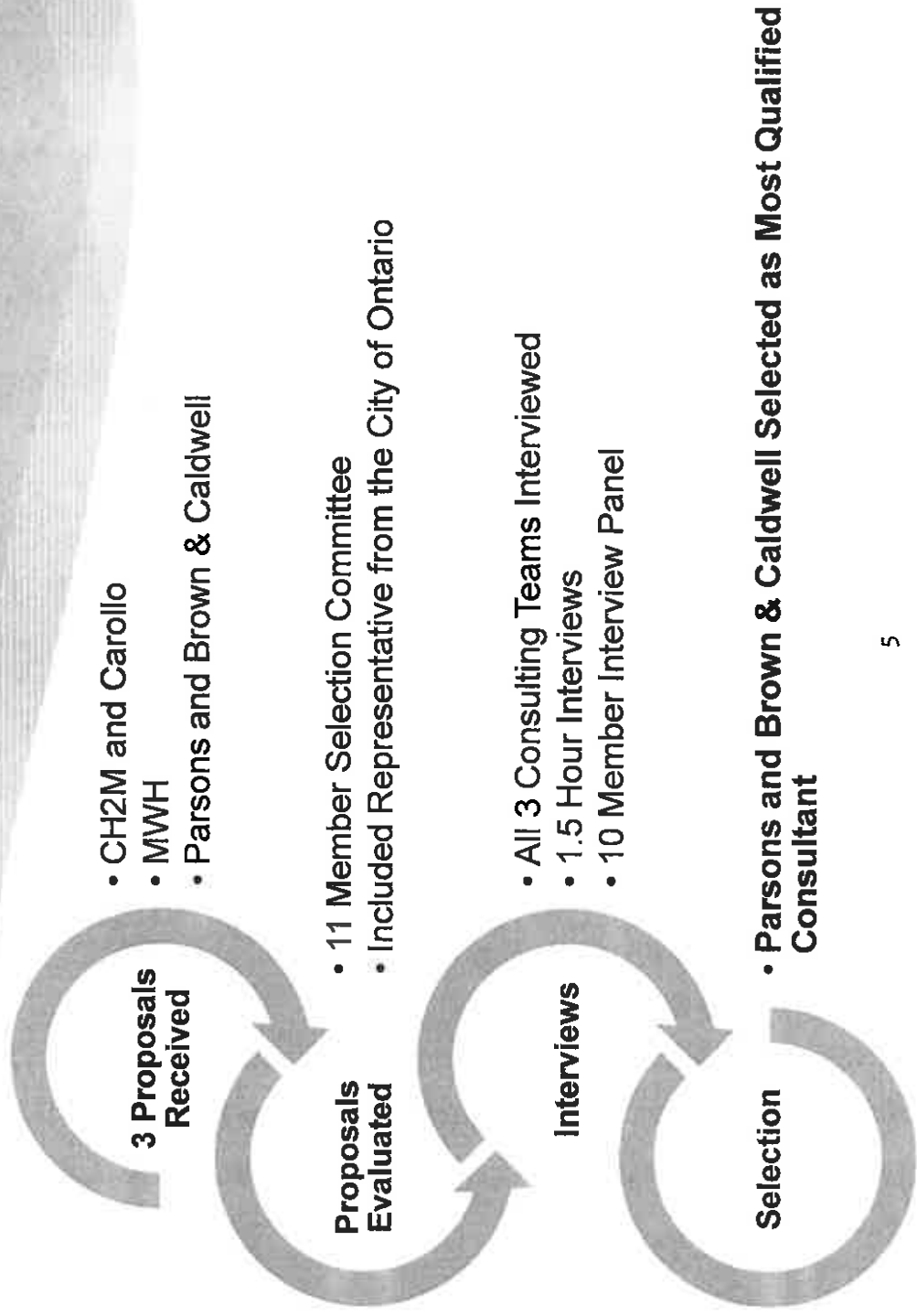
**RP-5 Liquids
Treatment
Expansion**



**RP-1 Liquids &
Solids Treatment
Expansion**

One PDR with three separate volumes

Consultant Selection



Project Cost & Schedule

Description	RP-1 PDR Cost EN16025	RP-5 Liquids PDR Cost EN16028/EN16036	Project Summary
Parsons Pre-Design Fee	\$441,232	\$1,990,366	\$2,431,598

Project Management (Internal Labor)	\$130,000	\$520,000	\$650,000
Total Project Cost	\$571,232	\$2,510,366	\$3,081,598
Total Project Budget	\$1,500,000	\$3,500,000	\$5,000,000

Project Milestone	Date
Receipt of Consulting Engineering Proposals	December 2015
Consultant Interviews	January 2016
Consulting Engineering Services Contract Award	January 2016
Preliminary Design Report Completion	January 2017

Agency Goal/Recommendation

- Staff recommends that the Board of Directors approve the consulting engineering services contract award for the RP-1/RP-5 Expansion PDR (Project No. EN16025 and EN16028/EN16036) to Parsons Water & Infrastructure Inc. for the not-to-exceed amount of \$2,431,598 and authorize the General Manager to execute the contract.

Project is part of the Agency's Wastewater Management Capacity Business Goal to maintain capacity within facilities to meet essential service demands and to protect public health and environment





CONTRACT NUMBER: 4600002042
FOR
CONSULTING ENGINEERING SERVICES FOR
RP-1 LIQUIDS & SOLIDS TREATMENT SYSTEM EXPANSION,
RP-5 LIQUID TREATMENT SYSTEM EXPANSION, AND RP-5 SOLIDS TREATMENT FACILITY
SERVICES FOR PREDESIGN
PROJECTS NO. EN16025 AND EN16028

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of _____, 2016, 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 Parsons Water & Infrastructure Inc. with offices located in Pasadena, California (hereinafter referred to as "Consultant"), to provide professional engineering services in support of Project EN16025 and Project EN16058.

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: Mr. Jason Marseilles, P.E., Sr. Engineer
Address: 6075 Kimball Avenue, Building B
Chino, California 91708
Telephone: (909) 993-1823
Email: jmarseilles@ieua.org

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

Consultant: Mr. Satish Kamath, P.E., BCEE
Vice President, Project Manager
Address: 100 W Walnut Street
Pasadena CA 91124
Telephone: (626) 440-3355
Email: satish.kamath@parsons.com

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
- A. Amendments to Contract 4600002042.
 - B. Contract Number 4600002042, General Terms and Conditions.
 - C. Consultant's Fee Proposal (**Exhibit C**).
 - D. Consultant's Proposal dated December 10, 2015, incorporated herein by this reference.
 - E. Agency's Request for Proposals ("RFP") RFP-RW-15-090 and all germane addenda, incorporated herein by this reference.
4. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include, and be in accordance with tasks identified in Consultant's Scope of Work, which is attached hereto, incorporated herein, and made a part hereof as **Exhibit A**.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed and terminate on March 30, 2017 unless agreed to by both parties, reduced to writing, and amended to this Contract.
6. **COMPENSATION:** Consultant's invoice must be submitted once-monthly and accepted by the Agency's Project Manager, and shall include a breakdown by items completed, referencing State Prevailing Wages, all associated labor categories provided, labor hours supplied and associated hourly rates, dates worked, the current monthly amount due, and the cumulative amount invoiced to-date against this Contract. Invoicing shall be submitted electronically to apgroup@ieua.org, using the Agency's standard Excel-based invoicing template (**Exhibit B**). Invoicing shall not be submitted in advance of, or shall not be dated earlier than, the actual date of submittal.
- Agency may at any time make changes to the Work including additions, reductions, and changes to any or all of the Work, as directed in writing by the Agency. Such changes shall be made by an Amendment to the Contract. The NOT-TO-EXCEED Amount and Work Schedule of the RFP shall be equitably adjusted, if required, to account for such changes and shall be set forth in the Amendment.
- In compensation for the work represented by this Contract, Agency shall pay Consultant a **NOT-TO-EXCEED maximum total of \$2,431,598.00** for all services provided in accordance with Consultant's Fee Proposal, attached hereto, made a part hereof, and referenced herein as **Exhibit C**. Payment shall be made according to milestones achieved by Consultant and accepted by the Agency's Project Manager.
7. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Work Schedule of the RFP and as proposed by Consultant. If performance of the Work falls behind schedule, 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. All referenced services and responsibilities shall be in accordance with the schedule of the RFP.

8. FITNESS FOR DUTY:

A. Fitness: Consultant and its Subconsultant personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. Compliance: Consultant shall advise all Consultant and subconsultant personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its subconsultants. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

C. Key Personnel: Consultant shall furnish the key personnel as depicted in Consultant's Proposal. Any material changes in key personnel shall be reported to the Agency's Project Manager.

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: \$2,000,000 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 GL 0001-87 covering Comprehensive 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 single occurrence limit, i.e. \$4,000,000.

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 87, 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 \$1,000,000 per accident.
 4. **Professional Liability Insurance** in the amount of \$5,000,000 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, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), 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.
 - 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 work 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:** 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.

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 work or allowing any subconsultant to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to inspect 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:

Attn. Ms. Angela Witte, Risk Specialist
c/o Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709-0902

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 work.

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.

- A. **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.
- B. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- C. **Hours of Labor:** The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution of the Contract by the Consultant or by any subconsultant for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) calendar week in violation of the provisions of the Labor Code.
- D. **Travel and Subsistence Pay:** The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- E. **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.
- F. **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.
- G. **Equal Opportunity and Unlawful Discrimination:** 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 shall be thoroughly investigated by the Agency.

- H. 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 not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within 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 (7) 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 to 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.

I. 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 the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the 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 shall 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 contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Consultant.

11. **INDEMNIFICATION:** Consultant shall indemnify the Agency, its directors, employees and assigns, and shall hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract. Notwithstanding the foregoing, to the extent that this Contract includes design professional services under Civil Code Section 2782.8, as my be amended from time to time, such duties of Consultant to defend and to indemnify Agency shall only be to the full extent permitted by Civil Code Section 2782.8.

Consultant shall have no duty to defend Agency, but Consultant shall pay as damages to Agency all reasonable attorney's fees and costs incurred by Agency to the extent incurred by Agency arising out of Consultant's actual or alleged negligent acts, errors, or omissions. Further, Consultant shall assume sole responsibility for the investigation, analysis, and defense of any and all issues alleged against Agency or Consultant to the extent alleged, based on, or arising out of Consultant's scope of work, or Consultant's actual or alleged negligent acts, errors, or omissions.

12. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Consultant and/or the Consultant's subconsultant(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

13. **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 Agreement Administrator and/or Agency.

14. **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:

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.

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.

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 the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

- B. **No Additional Compensation:** Nothing Set forth in this Contract shall be deemed to require payment by Agency to 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.

15. **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.

16. **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: Mr. Warren T. Green
Manager of Contracts and Facilities Services
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

Consultant: Surendra Thakral, P.E., BCEE
Senior Vice President, Principal-in-Charge
Parsons Environment & Infrastructure
100 West Walnut Street
Pasadena, CA 91124

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.

17. **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.
18. **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.

19. **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.

- 20. **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.
- 21. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
- 22. **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.
- 23. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
- 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:

PARSONS WATER &
INFRASTRUCTURE INC.:

P. Joseph Grindstaff
General Manager

(Date)



Surendra Thakral, P.E., BCEE (Date) 1/14/16

Senior Vice President, Principal-in-Charge

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Exhibit A

Task 1 – Review Relevant Documents

The Parsons/Brown and Caldwell team will review and analyze for consistency and recommendations of following documents and any other document provided during the early stage of the PDR development.

- IEUA Business Goals
- Asset Management Plan (AMP)
- Energy Management Plan (EMP)
- Financial Plan
- Integrated Water Resources Plan
- Recycled Water Program Strategy
- SCADA Master Plan
- Strategic Grants Plan
- Ten-Year Capital Improvement Plan
- WFMP
- IEUA Engineering Design Guidelines

Task 2 – Project Management and Meetings

The Parsons/Brown and Caldwell team's project manager/task leaders or assignee will lead the meetings described below. Throughout the predesign phase of the project, Parsons will provide meeting agendas,

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preparing meeting handouts, and taking notes to prepare final meeting minutes. Meeting agenda will be prepared and submitted before the meetings for approval by the IEUA.

2.1 Prepare Project Management Plan – Parsons will prepare a project management plan (PMP) to serve as a roadmap for the project from schematic design through construction and start-up, identifying the sequence of activities, including reviews and progress reporting. The PMP will address the project implementation approach, staffing, organization, project record keeping, document control, quality control (QC) and quality assurance responsibilities, sustainability plan, safety management plan, and milestones including technical committee meetings, project budget, and schedule. A draft PMP will be presented during the kickoff meeting for the IEUA's review and comments.

2.2 Conduct Kickoff Meeting – Parsons will conduct a kickoff meeting with the IEUA's staff to introduce the project team to the IEUA and confirm the scope of services and schedule. The draft PMP will be presented and reviewed in the kickoff meeting. Parsons' principal-in-charge, project manager, task leaders and other core team members will attend. The IEUA's project manager will provide a presentation on the scope and schedule of the project followed by a discussion between the IEUA's core project team and Parsons' core project team. Scheduled duration of the meeting will be approximately three hours.

2.3 Conduct Weekly Meetings – Weekly meetings will be conducted between the IEUA project manager and Parsons' project manager to review the status of action items and deliverables. The meeting will be conducted by telephone conferencing and is anticipated to have a scheduled duration of one hour. Relevant technical staff will also participate as appropriate.

2.4 Conduct Monthly Meetings – Once a month, a weekly meeting will be replaced by a monthly meeting. Parsons' project manager will lead the meeting and provide updates on the progress of the predesign, milestones achieved, any decisions required to maintain the progress of the predesign, and any potential issues that may affect the project schedule, budget, or quality. Members of Parsons' core project team and IEUA's core project team may be in attendance, as needed. The meeting will be conducted onsite at the IEUA's Headquarters Building. Scheduled duration of the meeting will be approximately two hours.

2.5 Conduct Progress Review and Decision Making Workshops – Parsons will provide four workshops throughout the predesign to provide updates on major milestones of the project, allow for discussion between key Parsons and IEUA staff, and approval of Parsons recommendations. Relevant draft BCE memos will be distributed before the workshop for review. The workshops will be conducted onsite at the IEUA's Headquarters Building.

- **Workshop 1** – This workshop will be conducted within the first three months of the predesign and will provide Parsons' Evaluation of Elimination of Primary Effluent Flow Equalization at RP-1, the Evaluation of RP-1 Onsite Centrate Treatment, the Evaluation of the Decommissioning of CCWRF, the Evaluation of Ultimate Expansion of RP-5, and the evaluation (5 alternatives and BCE) of the secondary system expansion at RP-5. Scheduled duration of the workshop will be approximately four hours.
- **Workshop 2** – This workshop will be conducted within seven months of the commencement of the predesign and will provide Parsons analysis of the IEUA TDS Forecast for the AWT Systems, the Evaluation of the RP-1 Liquids Treatment Capacities, a discussion on the 3 alternative technologies for each RP-5 Liquids Treatment System (excluding the secondary system), the Methodology for Selection of MBR Manufacturer (TM and documents), a discussion on the 3 alternatives for the RP-2 Lift Station Relocation, a discussion on the 3 alternatives for IEBL Discharge Station Relocation, a discussion on the RP-5 Solids Treatment Capacities and three alternative technologies for each system, and the Methodology for Selection of Dewatering System Manufacturer (TM and documents). Scheduled duration of the workshop will be approximately eight hours.
- **Workshop 3** – This workshop will be conducted within 10 months of the commencement of the predesign and will provide Parsons Evaluation of the RP-1 Solids Treatment Capacities,

Evaluation of the IBE Lease Agreement & SunPower Solar Pad Easement (RP-5), the RP-5 Liquids Existing Equipment Condition Assessment, the BCE for the RP-5 Liquids Treatment Alternative Technologies (excluding the secondary system), the BCE for the RP-5 Solids Treatment System Alternative Technologies, the BCE for the RP-2 Lift Station Relocation, the BCE for the IEBL Discharge Station Relocation, and the Evaluation of AWT for both RP-1 and RP-5. Scheduled duration of the workshop will be approximately eight hours.

- **Workshop 4** – This workshop will be conducted within 12 months of the commencement of the predesign and will provide the Evaluation of the Decommissioning of RP-2, the approved project for the RP-1 Liquids and Solids Treatment Expansion, the approved project for the RP-5 Liquids Treatment Expansion, and the approved project for the RP-5 Solids Treatment Facility. Comments received from the workshop will be utilized to finalize the PDR. Scheduled duration of the workshop will be approximately four hours.
- **Workshop 5 (Additional)** – This workshop will be conducted within 10 months of the commencement of predesign and will provide evaluation of the RP-5 Food Waste Treatment System and the evaluation of the beneficial use of RP-5 Digester Gas. This day-long workshop will be attended by the Professor Dr. Matthew Higgins, Bucknell University, and Professor Dr. Robert Sharp, Manhattan College, along with SMEs from Parsons and Brown and Caldwell. This workshop will evaluate available and proven food waste process technologies, pros and cons of co-digestion with municipal sludge and digester gas optimization technologies. Comments received from the workshop will be utilized to finalize the PDR.

2.6 Conduct Coordination Meetings – It is anticipated Parsons will schedule meetings on an as needed basis with the IEUA Project Manager for the purpose of data collection, field site visits, and for unforeseen conditions/issues discovered through the predesign.

Deliverables:

- Project Management Plan
- Meeting Agenda
- Meeting Notes/Summary with Action Items
- Draft BCEs
- Workshop Summary

Task 3 – Provide Engineering Support for Environmental Documents

The IEUA will be responsible for the preparation and processing of an environmental review documents; however, Parsons will provide the engineering support needed to incorporate the environmental review into the design. This will include the review of the Program Environmental Impact Report and adopted mitigation measures that have to be included in the project design.

If the project description changes from that stated in Program Environmental Impact Report, the IEUA will be responsible for preparing and processing the required environmental review documents. Parsons will, however, provide the engineering support, needed to incorporate the adopted mitigation measures into the project design.

Deliverables:

- Environmental Documents
- Review Comments and Technical input

Task 4 – Provide Engineering Support for Grants and Loans

The IEUA is in the process of applying for Clean Water State Revolving Fund loans and Proposition I grant opportunities. The IEUA will be responsible for the preparation and processing of any required documentation; however, Parsons will provide the engineering support needed to incorporate requirements of the funding IEUA into the predesign.

Deliverable:

- Technical Support to Grants and Loan Applications

Task 5 – Prepare Predesign Report Volume I - RP-1 Liquid and Solids Treatment Expansion

The PDR will consist of three separate volumes, which include: RP-1 Liquids and Solids Treatment Expansion, RP-5 Liquids Treatment Expansion, and RP-5 Solids Treatment Facility. Parsons will submit the following Volumes and Chapters in accordance with the schedule presented in Attachment B Project Schedule. The evaluations described under the Project Description will be used as the chapters in the PDR. The evaluations will provide all the necessary information required for the IEUA to make the most appropriate decision. Parsons will provide a full BCE of all alternative design options in as part of Parsons' design recommendations.

5.1 Chapter 1 – Executive Summary for the RP-1 Liquids and Solids Treatment System Expansion

The Parsons/Brown and Caldwell team will prepare a concise executive summary for the RP-1 Liquids & Solids Treatment System Expansion project providing the approved project elements to be presented in detail in chapters to follow in Volume I of the PDR. The executive summary will briefly discuss process used to conduct BCEs and clearly define the selected project along with its benefits, schedule, capital and operation costs, loans and grand opportunities

5.2 Chapter 2 – Approved Project Requirements

For the approved RP-1 project, Parsons will provide to the minimum the following items in this chapter:

- A site layout for the approved expansion project. In addition, a site layout for the ultimate build-out of the RP-1 Liquids and Solids Treatment Systems.
- A detailed project cost estimate including design costs, construction costs, and contingency.
- Schedule and operability relationship with IEUA's recycled water optimization plan (not included in the scope of work) and RP-5 Expansion approved plan as discussed in Volumes 2 and 3 of the PDR.
- A detailed project schedule to complete design, construction, and commissioning.

5.3 Chapter 3 – Evaluation of the Elimination of Primary Effluent Flow Equalization

Parsons scope of work includes evaluation of following six (6) alternatives.

- **Alternative 1** – Do nothing forever, i.e., retain primary effluent flow equation (baseline case)
- **Alternative 2** – Cover primary effluent flow equalization tanks and provide odor control
- **Alternative 3** – Do nothing now, i.e., but near future expansion of RP-1 with MBR or equivalent should be designed without primary effluent flow equalization of the entire design flow.
- **Alternative 4** – Operate RP-1 at a constant flow rate now and divert peaks to RP-5 until expansion of RP-1 with MBR system in near future

- **Alternative 5** – Extend liquid treatment now by adding activated sludge system capacity by installing sufficient MBR capacity in the existing surplus primary sedimentation tanks to accommodate peak flows
- **Alternative 6** – Extend liquid treatment now by installing a separate MBR facility to increase capacity to accommodate peak flows

5.4 Chapter 4 – Evaluation of Advanced Water Treatment at RP-1

Parsons will evaluate the following three alternatives for a thorough BCE for AWT at RP-1.

- **Alternative 1** – AWT for IEUA Wide Surface Discharge and Recycled Water TDS of 525 mg/L
- **Alternative 2** – AWT for Subsurface Groundwater Replenishment
- **Alternative 3** – AWT for TDS Reduction and Subsurface Groundwater Replenishment

5.5 Chapter 5 – Evaluation of Onsite Centrate Treatment

Parsons will evaluate the following five (5) alternatives for a thorough BCE for centrate treatment.

- **Alternative 1** – Continue use of the NRW pipeline (baseline alternative)
- **Alternative 2** – Recycling centrate back to RP-1 liquid treatment
- **Alternative 3** – Separate treatment of centrate at RP-1
- **Alternative 4** – Transferring centrate from RP-1 to RP-5 for combined treatment offers significant advantages
- **Alternative 5** – Combinations of the above alternatives

5.6 Chapter 6 – Evaluation of RP-1 Liquids Treatment Capacities

Parsons will evaluate thoroughly capacity of existing preliminary, primary, secondary, and tertiary treatment system capacities for deficiencies in ADF, PWVF, and PDF for 37 mgd capacity and compliance with Title 22 quality water production redundancies. Parsons will also evaluate equipment/system expansion needs including headworks screening, grit removal, preliminary chemical addition, primary clarification, intermediate pumping, activated sludge reactors and ancillary equipment (blowers), secondary clarification, MBR retrofit, new MBR system, tertiary chemical systems, filtration, disinfection, dechlorination, and odor control.

5.7 Chapter 7 – Evaluation of RP-1 Solids Treatment Capacities

Parsons will evaluate all processes corollary to the production and treatment of biosolids at RP-1 and reviewing the potential for improvements or alternative technologies. Digestion process alternatives that will be considered consist of the following:

- Three-phase digestion – either thermophilic or mesophilic as recently evaluated at RP-1
- Two-phase digestion (acid/gas)
- TPAD
- THP (pre- and post-digestion)
- Traditional mesophilic digestion

Parsons scope for various alternative evaluations as discussed above, provide adequate flexibility of replacing one or more alternatives with better and viable alternative(s) if discovered during the early phase of the project.

Task 6 – Prepare Pre-design Report Volume II – RP-5 Liquid Treatment Expansion

6.1 Chapter 1 – Executive Summary for the RP-5 Liquids Treatment System Expansion

Parsons will prepare a concise executive summary for the RP-5 Liquids Treatment Expansion project providing the approved project elements to be presented in detail in chapters to follow in Volume II of the PDR. The executive summary will briefly discuss process used to conduct BCEs and clearly define the selected project along with its benefits, schedule, capital and operation costs, loans and grant opportunities.

6.2 Chapter 2 – Approved Project Requirements

For the approved project, Parsons will provide to the minimum the following items in this chapter:

- A site layout for the approved expansion project. In addition, a site layout for the ultimate build-out of the RP-5 liquids and solids treatment systems. The site layout should include a 10 ft x 50 ft micro turbine pad for relocation of equipment from RP-2 to RP-5.
- A preliminary baseline geotechnical evaluation to determine the suitability of the site to allow for construction of new facilities.
- A discussion on the project SCADA control integration. Create a list of all required process control narratives required for the design of the project. Review the IEUA SCADA master plan and ensure the standards of this project are implemented.
- The necessary survey research and comments to maintain project survey control.
- Preliminary plans for any required right-of-way acquisition including approximate area of each of the required parcels, if needed.
- A summary on permit acquisition including a list of required permits, names of contact persons, telephone numbers, permit fees, probable requirements, expected processing times, schedules for application and receipt and a plan for keeping the permit process on schedule.
- The design criteria for all new equipment/systems and equipment/system expansions.
- The catalog cuts for all new equipment/systems and equipment/system expansions.
- All calculations used in the alternatives analysis for each BCE performed for the project.
- A detailed project cost estimate including design costs, construction costs, and contingency.
- A detailed project schedule to complete design, construction, and commissioning.

6.3 Chapter 3 – Evaluation of the Decommissioning of CCWRF

The following alternatives will be evaluated:

- **Alternative 1** – Continue to operate CCWRF indefinitely
- **Alternative 2** – Continue to operate CCWRF for at least another 15 to 17 years when much of the equipment and structures have reached their useful life and require major costly rehabilitation
- **Alternative 3** – Decommission CCWRF within the next 5 to 7 years or so and construct replacement capacity at RP-5

6.4 Chapter 4 – Evaluation of the Ultimate Expansion of RP-5

The evaluation will consist of the following analyses:

- Economy of scale for a larger expansion, i.e., lower capital cost per mgd of expansion.

- Delay or elimination of expansion of RP-1
- Accommodate potential decommissioning of CCWRF
- Elimination of facilities and costs for ceasing the primary effluent flow equalization at RP-1
- Accommodation for recycled stream (primarily centrate) treatment from RP-1 and new recycled stream from RP-5's new solids facilities
- If upgrade of existing activated sludge system to MBR process comes out a viable option, IEUA might think to upgrade both aeration basins now to keep only one process to operate. This could provide significantly more than 27.5 mgd ultimate capacity needed at RP-5
- Sequence and schedule for expansion to optimize use of effective capacity

6.5 Chapter 5 – Evaluation of Advanced Water Treatment at RP-5

Similar to RP-1 advanced water treatment at RP-1, the following alternatives for RP-5 specific recycled water use optimization and regulatory compliance will be evaluated:

- **Alternative 1** – AWT for IEUA Wide Surface Discharge and Recycled Water TDS of 525 mg/L
- **Alternative 2** – AWT for Subsurface Groundwater Replenishment
- **Alternative 3** – AWT for TDS Reduction and Subsurface Groundwater Replenishment

6.6 Chapter 6 – Evaluation of Offsite Recycle Flow Discharge

Parsons scope of work includes a BCE of following alternatives of the RP-5 off site recycled flow discharge system.

- **Alternative 1** – Recycle centrate to the RP-5 liquids treatment stream.
- **Alternative 2** – Provide separate centrate treatment at RP-5.
- **Alternative 3** – Discharge centrate to the IEBL.
- **Alternative 4** – Some combination of above alternatives

6.7 Chapter 7 – Evaluation of RP-5 Liquids Treatment Alternative Technologies

Parsons' scope of work includes evaluation BCE of following alternatives for each major unit process of the RP-5 liquid treatment system.

1. Influent Pump Station

- **Alternative 1** – Add more pumps of similar capacity,
- **Alternative 2** – Replace existing pumps with larger but similar pumps,
- **Alternative 3** – Change types of pumps for higher efficiency or better reliability, easier maintenance, etc.
- **Alternative 4** – Assess wet well capacity and effective use of VFDs.

2. Screening

- **Alternative 1** – No change in current coarse climber screens
- **Alternative 2** – Replace coarse climber screens with multi-rake screens.
- **Alternative 3** – Add fine screening.
- **Alternative 4** – Add sluicing, washing, and/or compaction of screenings.

3. Grit Removal

- **Alternative 1** – Perform grit characterization.

- **Alternative 2** – Add redundant and larger vortex grit removal system.
- **Alternative 3** – Consider fine grit removal with concentric conical tray system (Headcell™).
- **Alternative 4** – Improvements in grit washing, classification, dewatering, including COANDA™

4. Odor Control

- **Alternative 1** – Biofilter, synthetic vs. organic media.
- **Alternative 2** – Bio Trickling Filter with synthetic media, GAC polishing.
- **Alternative 3** – Chemical scrubbers.

5. Chemical Addition for Enhanced Settling

- Evaluation of alternative chemicals commonly used include the following coagulants and settling aids: ferric chloride, ferric sulfate, polymers for settling aid and other coagulants

6. Primary Clarifiers

- **Alternative 1** – Add similar circular clarifiers.
- **Alternative 2** – Rectangular clarifiers.
- **Alternative 3** – Clear Cove Technologies™.

7. Secondary Treatment (BNR)

- **Alternative 1** – Expand existing activated sludge system.
- **Alternative 2** – Retrofit existing AS system with MBR system.
- **Alternative 3** – A new MBR system for expanded capacity.
- **Alternative 4** – Hybrid of existing activated sludge system with new membrane tankage/membrane modules gradually replacing secondary clarifiers when proven/accepted.
- **Alternative 5** – IFAS System.

8. Filtration for Alternatives with no MBR system

- **Alternative 1** – Expand existing upflow system.
- **Alternative 2** – Change to cloth media filtration.
- **Alternative 3** – Change to gravity deep bed multimedia filtration.

9. Disinfection for All Alternatives

- **Alternative 1** – Continuation of chlorine disinfection using purchased sodium hypochlorite.
- **Alternative 2** – On site generation of sodium hypochlorite.
- **Alternative 3** – UV disinfection - recent developments in UV disinfection application tailored toward size of installation.
- **Alternative 4** – UV for expansion and operating in parallel with the existing chlorination/chlorine contact system.
- **Alternative 5** – Partial chlorine contact followed by UV disinfection, or vice versa.

10. Dechlorination for surface water discharge

11. Off Spec Water Facilities

12. On-site recycled water storage

6.8 Chapter 8 – Methodology for Selection of MBR System Manufacturer

Parsons will recommend the methodology for selection of a MBR manufacturer/system for IEUA approval: system pre-selection with manufacturer price guarantee, performance specification with performance bond, or any additional method recommended by Parsons.

Parsons will prepare a technical memorandum comparing up to five MBR manufacturers based upon effluent water quality, required ancillary equipment, constructability, construction cost, energy usage, membrane lifetime and replacement cost, ease of operation, list of consumable parts/equipment, ability to obtain spare/replacement parts, quality of technical support, existing installations, warranty, and ability to provide a price guarantee. Parsons will provide an overall ranking of MBR manufacturers.

Parsons will prepare the required documentation and specifications to allow for pilot testing of various manufacturers' MBR systems onsite at RP-5. It is preferential to allow multiple simultaneous manufacturer MBR tests, if feasible.

6.9 Chapter 9 – Evaluation of the IBE Lease Agreement & SunPower Solar Pad Easement

In the event an equipment/system expansion requires more space than available, Parsons will review utilizing the RP-5 solar pad area or the RP-5 Solids Handling Facility, review the agreements with SunPower and IBE, provide a discussion on the options/alternatives for use of these properties (i.e., relocating panels, purchasing panels and removing, terminating lease with IBE, etc.), and create a BCE for the alternatives. Based upon the alternatives presented, Parsons will complete a BCE and provide a recommended alternative for the IEUA's approval.

6.10 Chapter 10 – Existing Equipment Condition Assessment

Parsons will conduct visual inspection of existing mechanical systems for condition assessment including the following equipment:

Item	Visual Vibration Check	Alignment and Vibration Check	Visual Pipe, & Equip. Condition For Corrosion and General Integrity	Visual Coating & Liner Condition	Metal, Coating & Liner Measurement
Pumps and Blowers	X	X	X	X	X(1)
Bar Screens			X		
Covers for Process Tanks			X		
Diversion Structure and Other Piping and Valves			X	X	
Storage Bins			X	X	
Primary & Secondary Clarifier Equip.			X		
Odor Control System Including Blowers and Tanks	X	X	X		
Aeration Basin Equip.			X		
Flocculation Mixers	X	X	X		
Tertiary Filters			X		
Sodium Hypochlorite and SBS Stations			X		
Chlorine Contact Tanks			X		

Note 1- Needed only based on the condition of Coating and Liners.

Parsons scope for various alternative evaluations as discussed above, provide adequate flexibility of replacing one or more alternatives with better and viable alternative(s) if discovered during the early phase of the project.

Task 7- Prepare Predesign Report Volume III - RP-5 Solids Treatment Facility

7.1 Chapter 1 – Executive Summary for the RP-5 Solids Treatment Facility

Parsons will prepare an executive summary for the RP-5 Solids Treatment Facility project providing the approved project elements to be presented in detail in chapters to follow in Volume III of the PDR. The executive summary will briefly discuss process used to conduct BCEs and clearly define the selected project along with its benefits, schedule, capital and operation costs, and loan and grant opportunities

7.2 Chapter 2 – Approved Project Requirements

For the approved project, Parsons will provide the following items in this chapter:

- A site layout for the approved project. In addition, provide a site layout for the ultimate build-out of the RP-5 Liquids and solids treatment Systems. The site layout will include a 10-foot x 50-foot micro turbine pad for relocation of equipment from RP-2 to RP-5.
- A preliminary baseline geotechnical evaluation to determine the suitability of the site to allow for construction of new facilities.
- A discussion on the project SCADA control integration. Create a list of all required process control narratives required for the design of the project. Review the IEUA SCADA Master Plan and ensure the standards of this project are implemented.
- Adequate preliminary utility research to assure that any new pipeline alignments or new facilities not located at RP-5 includes the consideration of significant utility conflicts.
- The necessary survey research and comments to maintain project survey control.
- Preliminary plans for any required right-of-way acquisition including approximate area of each of the required parcels.
- A summary on permit acquisition including a list of required permits, names of contact persons, telephone numbers, permit fees, probable requirements, expected processing times, schedules for application and receipt and a plan for keeping the permit process on schedule.
- The design criteria for all new equipment/systems and equipment/system expansions.
- The catalog cuts for all new equipment/systems and equipment/system expansions.
- All calculations used in the alternatives analysis for each BCE performed for the project.
- A detailed project cost estimate including design costs, construction costs, and contingency.
- A detailed project schedule to complete design, construction, and commissioning.

7.3 Chapter 3 – Evaluation of the Decommissioning of RP-2

Parsons will conduct visual inspection of RP-2 facilities, review plant operations, and meet with USACE to evaluate the requirements for decommissioning of the plant. The following elements for the decommissioning of RP-2 will be addressed in the PDR.

- Abandonment of RP-2, Milestones, Extent, and Components
- Regulatory Overview and Permit Requirements
- Plant Decommissioning

- Inventory of infrastructure and chemicals
- Decommission structures, equipment, and site improvements, including above ground and underground infrastructures and components
- Liquids management
- Biosolids management and disposal
- Solid waste management and disposal
- Management of hazardous materials, substances, chemicals, and wastes
- Disposal sites
- Discharge permit termination
- Restoration of Lands
- Communications Plan (with affected agencies, such as USACE, RWQCB, SAWPA, the Cities of Chino and Chino Hill, etc.)
- Required Approvals for Decommissioning
- Preliminary Cost Estimate
- Preliminary Schedule of Decommissioning Activities

7.4 Chapter 4 – Evaluation of the Relocation of the RP-2 Lift Station

Parsons will develop three alternatives to reroute the RP-2 Lift Station flows to the influent of RP-5, applying the following considerations in the evaluation:

- Site and surrounding conditions of the new lift station, such as outside of the 566-foot Prado Dam inundation area
- Sewer system routing and hydraulics
- Proximity to existing gravity line and force main in accord with existing hydraulic grade line requirements
- Site location and parcel size
- Land ownership, acquisition, and easements
- Vehicular access, egress and ingress
- Existing utility availability
- Zoning and permitting requirements
- O&M
- Geotechnical and environmental
- Noise and odor controls
- Site security
- Wet well/dry well sizing
- Pump type
- Lift station piping systems
- Emergency station operation

7.5 Chapter 5 – Evaluation of the Relocation of the IEBL Discharge Station

Parsons will develop three alternatives for relocation of the IEBL discharge station, applying the following considerations in the evaluation:

- Site and surrounding conditions of the new discharge station, such as outside of the 566-foot Prado Dam inundation area
- Proximity to IEBL
- Site location and parcel size
- Land ownership, acquisition, and easements
- Vehicular access, egress and ingress
- Existing utility availability
- Zoning and permitting requirements
- O&M
- Geotechnical and environmental
- Noise and odor controls
- Site security
- Requirements by agencies, such as SAWPA, RWQCB, and the City of Chino

7.6 Chapter 6 – Evaluation of Off-Site Recycle Flow Discharge

Parsons will conduct this evaluation in conjunction with the RP-1 evaluation to fully account for the loads associated with centrate from RP-1 to RP-5 and evaluate the following options.

- Recycle centrate to the RP-5 liquids treatment stream.
- Provide separate centrate treatment at RP-5.
- Discharge centrate to the IEBL.
- Some combination of above alternatives.

7.7 Chapter 7 – Evaluation of RP-5 Solids Treatment Alternative Technologies

Parsons will evaluate various viable technology alternatives for thickening, anaerobic digestion, dewatering, digester gas storage and utilization, interconnection system of CCWRF primary sludge and WAS to the RP-5 Solids Treatment Facility, and odor control to meet the treatment capacity and compliance with all regulations.

Parsons will provide at a minimum three alternative technologies for each new treatment system. Based upon the alternatives presented, Parsons will complete a BCE for each new treatment system and provide a recommended alternative for each of the new treatment systems for IEUA's approval. Any new treatment system shall take into consideration impacts to odors of the facility and meeting IEUA's Business Goal of being a "good neighbor."

Thickening process alternatives that will be considered consist of the following, at a minimum:

- Gravity thickener
- DAFT
- Centrifuge thickening
- Membrane thickening
- GBT

- RDT

Digestion process alternatives that will be considered consist of the following, at a minimum:

- Three-phase digestion – either thermophilic or mesophilic as recently evaluated at RP-1
- Two-phase digestion (acid/gas)
- TPAD
- THP (pre- and post-digestion)
- Traditional mesophilic digestion

Parsons' scope for various alternative evaluations as discussed above, provide adequate flexibility of replacing one or more alternatives with better and viable alternative(s) if discovered during the early phase of the project.

Dewatering process alternatives that will be considered consist of the following, at a minimum:

- Centrifuge dewatering
- BFP dewatering
- Screw Press dewatering

The need for gas storage process alternatives will be evaluated in conjunction with the cogeneration evaluation. If gas storage is determined to be needed, the alternatives that will be considered consist of the following, at a minimum:

- Low-pressure gas storage
 - Flexible membrane storage
 - Digester gas holder cover storage
 - Dry or wet seal gas storage
- High-pressure gas storage

Odor control is a critical component of solids treatment systems, and odor control alternatives will be evaluated to serve the selected solids treatment systems and IEUA's project objectives. Alternatives that will be considered consist of the following, at a minimum:

- Biofilter
- Chemical scrubber
- Biological scrubber
- Activated carbon

7.8 Vol. III Chapter 8 -- Evaluation of RP-5 Food Waste Treatment System

Based upon the IEUA's current food waste feasibility study, anticipated to be completed by March 15, 2016 for accepting food waste at both RP-1 and RP-5 with a recommendation to include food waste treatment at RP-5, Parsons will be provided with the daily volume of food waste to design a food waste treatment system.

The evaluation of food waste treatment will consider operation of current facility using industrial or commercial organic waste, such as high-strength waste syrups and near-future process municipal organics recycling diverted from landfills; however, it may also include FOG. IEUA will be provided with the daily volume of food waste to design a food waste treatment system. FOG could be easily applied to anaerobic digesters without comingling with other food wastes.

Parsons will review the following alternatives:

- Food waste treatment system utilizing co-digestion with the municipal solids
- A standalone food waste treatment system
- Some combination of the above alternatives

Based upon the alternatives presented, Parsons will complete a BCE for each alternative and provide a recommended alternative for IEUA's approval.

7.9 Chapter 9 -- Evaluation of Beneficial Use of RP-5 Digester Gas

Parson will evaluate the following alternatives:

- Utilize unused IC engine capacity at RP-5 REEP
- Install a new cogeneration system at RP-5
- Centralized cogeneration – transfer digester gas to one location for integrated cogeneration
- Convert digester to CNG for vehicular fuel
- Upgrade digester gas to pipeline-quality NG for injection into gas pipeline
- Assess digester gas storage requirements

7.10 Chapter 10 -- Methodology for Selection of Dewatering System Manufacturer

Parsons will evaluate and recommend a method for selection of a dewatering system manufacturer. Once the dewatering technology is selected through the BCE process, Parsons will evaluate the need and benefits of preselecting the dewatering system manufacturer, and will work with you during the workshop process to discuss this approach. Two methods are listed in the RFP for selection of the dewatering system manufacturer:

- Preselection of a manufacturer based on performance
- Develop a performance specification with a performance bond

If preselection is the recommended alternative, a technical memorandum will be developed to evaluate and select a manufacturer (for preselection) or performance requirements (for a performance bond).

7.11 Chapter 11 -- Evaluation of the IBE Lease Agreement & SunPower Solar Pad Easement

Similar to Subtask 6.9, in the event that an equipment/system expansion requires more space than available, Parsons will review utilizing the RP-5 solar pad area or the RP-5 Solids Handling Facility, review the agreements with SunPower and IBE, provide a discussion on the options/alternatives for use of these properties (i.e., relocating panels, purchasing panels and removing, terminating lease with IBE, etc.), and create a BCE for the alternatives. Based upon the alternatives presented, Parsons will complete a BCE and provide a recommended alternative for IEUA's approval.

Parsons' scope for various alternative evaluations will provide adequate flexibility of replacing one or more alternatives with better and more viable alternative(s) if discovered during the early phase of the project.

Task 8 -- Coordinate Necessary Permits

Parsons will be responsible for all permit coordination during the project design. Initial contacts with all permitting agencies will be made during the preliminary design in consultation with IEUA's project manager.

List of permits, contact persons, probable requirements, and schedule for permit applications and receipts will be included in the design time. We understand that IEUA may prefer to apply for permits during the PDR phase, in which case Parsons will provide necessary technical support for permit application and IEUA will pay all permits fees. Permit negotiation will take place during the design phase of the selected project.

Task 9 – Develop Integrated Strategy for Electrical, Instrumentation and Control, and SCADA Systems at RP- 5

We understand that IEUA is migrating all facilities and DCS components to a Rockwell Automation PLC-based PlantPax SCADA Enterprise System under a separate SCADA Enterprise Project (Western Electric/Parsons). To accomplish the migration, Process Control Narratives (PCNs) will be developed for each part of the existing process. The PCNs will be used by the system integrator to program the PLCs to monitor and operate as required.

Parsons will conduct an evaluation of plant-wide electrical, standby power, instrumentation and controls, and SCADA systems at RP-5, consisting of the following:

- Evaluate the RP-5 electrical system, including standby power capacity.
- Evaluate instrumentation and controls requirements for the expansion for RP-5 plants and for integration with the upgraded PlantPax system, in reference to the recommendations of the SCADA Master Plan, including reliability requirements of the IEUA for the PAC panels to implement redundancy of critical components.
- Parsons will investigate each control panel and Remote I/O panel associated with any upgrades and coordinate with the IEUA and their SCADA Enterprise Project consultant to ensure the design provides the necessary specifications to integrate with the future SCADA enterprise system, as well as meet all IEUA SCADA standards (High-Performance HMI, PAC Programming, Alarm Management Standards, VantagePoint Reporting, etc.). In addition, Parsons will provide a list of required PCNs to complete the project. Installation of any new improvements at RP-5 will seamlessly connect to and operate through the upcoming SCADA Enterprise System.

Exhibit B

**INLAND EMPIRE UTILITIES AGENCY
CONSULTING SERVICES INVOICE**

Company: ABC Company	Pay Est. No.:	Contract Date:	Invoice Date: #####
Address:	Contract No.: 46-xxxx	IEUA Project Manager: Jamal Zughbi	This Period: From: 9/1/2015 To: 9/30/2015
Phone No.:	Proj. Name & No: RP-1 Improvements Project, EN15xxx		Invoice No. / Consult Ref: XXXXXX

ORIGINAL CONTRACT:

PO No.	SAP Line Item No.	WBS Element No.	Item Description	Original Contr. Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
45-xxxxx	1	EN15xxx.00.F.DN50	50% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	2	EN15xxx.00.F.DN85	85% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	3	EN15xxx.00.F.DFLP	Final Design	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	4	EN15xxx.00.G.CNSW.00	Constr Support Services		#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
Subtotal Original Contract				\$0.00		\$0.00		\$0.00		\$0.00

CONTRACT AMENDMENTS:

PO No.	SAP Line Item No.	WBS Element No.	Amendment Description	Amended Contract Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
Subtotal Contr. Amendm				\$0.00		\$0.00		\$0.00		\$0.00
Total Cont. with Amendr				\$0.00		\$0.00		\$0.00		\$0.00

PAYMENT SUMMARY FOR THIS PERIOD:

	From: 9/1/2015	
	To: 9/30/2015	
Amount Earned Original Contract	\$0.00	
Amount Earned Amendments	\$0.00	
Back Charges	\$0.00	
Amount Due This Period	\$0.00	

PRIOR PAYMENT SUMMARY:

	From:	
	To:	
Amount Earned Orig Contract	\$0.00	
Amount Earned Amendments	\$0.00	
Back Charges	\$0.00	
Prior Payments	\$0.00	

TOTAL PAYMENT SUMMARY:

Total Contract	
Total Original Contract	\$0.00
Total Contract Amendments	\$0.00
Total Payments to Date	\$0.00
Back Charges	\$0.00
Payment this period	\$0.00
Balance of Contract	\$0.00

CONTRACT SCHEDULE SUMMARY:

Contract Start Date:	10/9/2014
Contract Duration:	365
Contract Completion Date:	10/9/2015
Authorized Time Extension:	0
Revised Completion Date:	10/9/2015

PROJECT COMPLETION SUMMARY:

Contract Time Expired:	102%
Contract Work Complete:	#DIV/0!

Consultant Approval:

Title: _____ Signature: _____ Date: _____

Inland Empire Utilities Agency Approvals:

Proj. Engineer: _____ Date: _____ Exec Mgr. / Assistant GM: _____ Date: _____
 Deputy Manager: _____ Date: _____ General Manager: _____ Date: _____
 Dept. Manager: _____ Date: _____

Exhibit C



100 West Walnut Street • Pasadena, California 91124 • Phone: (626) 440-6263 • Fax: (626) 440-2702 • www.parsons.com

December 10, 2015

Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91708

Confidential

Attn: Mr. Jason Marseilles, PE

RE: Fee Proposal to provide Consulting Engineering Services for the RP-1 Liquids & Solids Treatment System Expansion, RP-5 Liquids Treatment System Expansion, and RP-5 Solids Treatment Facility Preliminary Design Report (RFP-RW-15-090)

Dear Mr. Marseilles:

Parsons Water & Infrastructure Inc. (Parsons) is pleased to submit this fee proposal to provide the Inland Empire Utilities Agency (IEUA) with the professional consulting services necessary to complete the preliminary design report for the RP-1 Liquids & Solids Treatment System Expansion, RP-5 Liquids Treatment System Expansion, and RP-5 Solids Treatment Facility within budget.

Exhibit 10-1 presents the fully itemized fee to perform the enhanced scope of services as proposed in our scope of work under Section 2 of our technical proposal. Exhibit 10-2 provides the basis of provisions in the fee estimate.

The billing hourly rates are inclusive of salaries, employee benefits, overhead costs, profit, general office expenses, administrative services, invoice preparation and processing, routine telecommunications, Internet, personal computers, facsimiles, routine postage, individual shipping charges of less than \$10, and incidental copies. Subconsultants' costs will be billed at cost plus a 5 percent markup, while Parsons will invoice direct services for management, oversight, and administration of subconsultants, including Parsons' review and processing of subconsultant invoices. All other direct costs will be billed at cost.

In this sealed envelope, we also included a copy of Exhibit 9-1. Work effort for RP-1 Liquids Solids Treatment System Expansion, RP-5 Liquids Treatment System Expansion, and RP-5 Solids Treatment Facility Preliminary Design Report of the total man hours and distribution in different categories for your reference.

We believe that consolidation of certain business case evaluation efforts and elimination of duplicated efforts could potentially save more than 1,000 hours of professional labor and associated costs. We will be glad to discuss providing additional cost saving approaches without sacrificing overall project objectives.

We are committed and stand ready to serve IEUA on this important project. We look forward to further discussing the proposal scope of work and fine-tuning our proposed fee with you. In the meantime, if you have any questions please contact Surendra Thakral at 626-440-6263 or Surendra.Thakral@parsons.com.

Sincerely,

Surendra Thakral, PE, BCEE
Senior Vice President, Principal-in-Charge

Satish Kamath, PE, BCEE
Vice President, Project Manager



Exhibit 10-1
Fee Schedule

RP-1 Liquids Solids Treatment System Expansion, RP-3 Liquids Treatment System Expansion, and RP-5 Solids Treatment Facility Preliminary Design Report

TASK	DESCRIPTION	HOURS BY LABOR CLASSIFICATION													TOTAL LABOR HOURS	LABOR FEE	SUBSIDIARY			TOTAL SUB w/ 9% MARKUP	ODCs	TOTAL FEE		
		A	B	C	D	E	F	G	H	I	J	K	L	M			Design	Construction	Cost Surveying					
1	Review Relevant Documents	0	13	12	6	20	28	0	0	0	0	0	0	0	2	01	\$16,430				50	\$462	\$16,892	
2	Project Management and Meetings																							
2.1	Project Management and Project Management Plan	120	105				20	80							80	476	\$76,065	\$33,306			\$26,055	\$2,286	\$103,712	
2.2	Conduct Kickoff Meeting	12	20												100	100	\$24,000	\$9,079			30	\$735	\$25,735	
2.3	Conduct Weekly Meetings	80	90				80	36	24						260	260	\$57,720	\$20,446			80	\$1,720	\$59,440	
2.4	Conduct Monthly Meetings	80	140				140								840	840	\$190,200	\$69,681			240	\$5,808	\$196,009	
2.5	Conduct Review Workshops	40	40				20								120	120	\$28,800	\$10,440			30	\$720	\$29,520	
2.6	Conduct Coordination Meetings	30	20				10								110	110	\$24,180	\$8,706			30	\$720	\$24,900	
3	Provide Engineering Support for Environmental Documents																							
3.1	Provide Engineering Support for the Grants and Loans	8	8				4								8	8	\$13,248	\$4,738			8	\$192	\$13,440	
4	Prepare Engineering Support for the Grants and Loans	8	18				12	30							8	170	\$28,320	\$10,002			8	\$192	\$28,512	
5	Prepare Preliminary Design Report Volume 1 - RP-1 Liquids and Solids Treatment Expansion																							
5.1	Chap 1 Executive Summary for the RP-1 Liquids & Solids Treatment System Expansion	2	18				16								2	22	\$3,630	\$1,279			2	\$48	\$3,778	
5.2	Chap 2 Approval Project Requirements	2	24				20								2	28	\$4,536	\$1,587			2	\$48	\$4,684	
5.3	Chap 3 Evaluation of the Expansion of Primary Effluent Recirculation	2	24				20								2	28	\$4,536	\$1,587			2	\$48	\$4,684	
5.4	Chap 4 Evaluation of Advanced Water Treatment at RP-1	2	18				16								2	22	\$3,630	\$1,279			2	\$48	\$3,778	
5.5	Chap 5 Evaluation of Onsite Composting Treatment	2	18				16								2	22	\$3,630	\$1,279			2	\$48	\$3,778	
5.6	Chap 6 Evaluation of RP-1 Liquids Treatment Capabilities	2	18				16								2	22	\$3,630	\$1,279			2	\$48	\$3,778	
5.7	Chap 7 Evaluation of RP-1 Solids Treatment Capabilities	2	18				16								2	22	\$3,630	\$1,279			2	\$48	\$3,778	
6	Prepare Preliminary Design Report Volume 2 - RP-3 Liquids Treatment Expansion																							
6.1	Chap 1 Executive Summary for the RP-3 Liquids Treatment System Expansion	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
6.2	Chap 2 Approval Project Requirements	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
6.3	Chap 3 Evaluation of the Expansion of Primary Effluent Recirculation	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
6.4	Chap 4 Evaluation of Advanced Water Treatment at RP-3	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
6.5	Chap 5 Evaluation of Onsite Composting Treatment	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
6.6	Chap 6 Evaluation of RP-3 Liquids Treatment Capabilities	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
6.7	Chap 7 Evaluation of RP-3 Solids Treatment Capabilities	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
7	Prepare Preliminary Design Report Volume 3 - RP-5 Solids Treatment Facility																							
7.1	Chap 1 Executive Summary for the RP-5 Solids Treatment Facility	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
7.2	Chap 2 Approval Project Requirements	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
7.3	Chap 3 Evaluation of the Expansion of Primary Effluent Recirculation	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
7.4	Chap 4 Evaluation of Advanced Water Treatment at RP-5	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
7.5	Chap 5 Evaluation of Onsite Composting Treatment	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
7.6	Chap 6 Evaluation of RP-5 Liquids Treatment Capabilities	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
7.7	Chap 7 Evaluation of RP-5 Solids Treatment Capabilities	4	24				16								4	100	\$16,040	\$5,654			4	\$96	\$16,790	
8	Coordinate Necessary Permits																							
8.1	Coordinate Necessary Permits	8	8				8								8	128	\$20,480	\$7,363			8	\$192	\$20,672	
9	Develop Integrated Strategy for the BSC, I&O and QMSA System at RP-5	2	18				16								2	20	\$3,240	\$1,155			2	\$48	\$3,388	
Total Tasks 1 through 9		99	1,056	1,206	1,274	715	325	1,557	893	493	362	324	6,207	81,290,220	9,222,197	\$94,719	\$24,746			\$75,568	\$57,747	\$2,431,910		

Note: Subtask 6.2 includes survey and geotechnical work for Subtask 7.2

RP-1 Liquids & Solids Treatment System Expansion, RP-5 Liquids Treatment System Expansion,
and RP-5 Solids Treatment Facility Preliminary Design Report

For reference we included Exhibit 3-1. Work effort for RP-1 Liquids Solids Treatment System Expansion, RP-5 Liquids Treatment System Expansion, and RP-5 Solids Treatment Facility Preliminary Design Report

TASK	DESCRIPTION	HOURS BY LABOR CLASSIFICATION													SUBTOTAL	LABOR HOURS			TOTAL
		A	B	C	D	E	F	G	H	I	J	K	Stream and Collection	Construction		Cost of Surveying			
1	Review Relevant Documents	0	13	12	8	20	28	0	0	0	0	0	0	81	0	0	0	81	
	Subtotal Task 1	0	13	12	8	20	28	0	0	0	0	0	81	0	0	0	81		
2	Project Management and Meetings	753	100											853	0	0	0	853	
	Subtotal Task 2	753	100										853	0	0	0	853		
3	Provide Engineering Support for Environmental Documents	0	0	4	4	8	18	40	0	0	0	0	80	0	0	0	80		
	Subtotal Task 3	0	0	4	4	8	18	40	0	0	0	0	80	0	0	0	80		
4	Provide Engineering Support for Gravel and Loans	0	18	18	18	30	0	63	0	0	0	0	170	0	0	0	170		
	Subtotal Task 4	0	18	18	18	30	0	63	0	0	0	0	170	0	0	0	170		
5	Prepare Preliminary Report Volume I - RP-4 Liquids and Solids Treatment Expansions	0	18	18	30	0	63	0	0	0	0	0	170	0	0	0	170		
	Subtotal Task 5	0	18	18	30	0	63	0	0	0	0	0	170	0	0	0	170		
6	Prepare Preliminary Report Volume II - RP-5 Liquids Treatment Expansion	4	34	18	38	18	20	0	0	0	0	0	103	0	0	0	103		
	Subtotal Task 6	4	34	18	38	18	20	0	0	0	0	0	103	0	0	0	103		
7	Prepare Preliminary Report Volume III - RP-5 Solids Treatment Facility	16	34	26	20	0	0	0	0	0	0	0	100	0	0	0	100		
	Subtotal Task 7	16	34	26	20	0	0	0	0	0	0	0	100	0	0	0	100		
8	Coordinate Necessary Permits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Subtotal Task 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9	Develop Integrated Strategy for Electrical, I & C and SCADA System at RP-5	2	16	18	18	0	0	0	0	0	0	0	230	0	0	0	230		
	Subtotal Task 9	2	16	18	18	0	0	0	0	0	0	0	230	0	0	0	230		
	Total Tasks 1 through 9	87	1,044	1,204	1,774	792	884	1,887	685	401	582	583	8,877	0	0	0	8,877		

A = PEO/Technical Advisor
B = Project Manager
C = Principal Engineer
D = Project Engineer

E = Supervising Engineer
F = Senior Engineer
G = Process/Design Engineer
H = Senior Designer

I = Designer
J = Cost Estimator
K = Administrative Support Staff/Word Processor

Note: Subtask 6.3 includes survey and geotechnical work for Subtask 7.3

PARSONS

PARSONS

Exhibit 10-2

Basis of Provisional Items in Fee Proposal:

- *Subtask 2.5 Conduct Review Workshop* includes five workshops instead of the four workshops required by the RFP. We have included a dedicated workshop for the evaluation of food waste digestion and digester gas utilization optimization, which will facilitate the evaluation of alternatives to make the best BCE decision on these two important tasks.
- *Subtask 2.5 Conduct Coordination Meetings* includes a provision for 120 hours.
- *Task 4 Provide Engineering Support for Grants and Loan* includes a provision for 170 hours.
- *Task 6.2 Prepare Predesign Report Volume II – RP-5 Liquid Treatment Expansion* includes site surveying and a geotechnical baseline report to be performed for the RP-5 project site only.
- *Task 6.10 Existing Equipment Condition Assessment at RP-5* includes a provision for \$10,000 towards vibration and alignment measurement by a specialty firm.
- *Task 7.4 Evaluation of Relocation of RP 2- Lift Station* includes a provision for \$1,500 for a real estate consultant to provide real estate research.
- *Task 7.5 Evaluation of Relocation of IEHL Discharge Station* includes a provision for \$1,500 for a real estate consultant to provide real estate research.
- *Task 8 Coordinate Necessary Permits* includes a provision of 126 hours.


**ACTION
ITEM**


2C


Date: January 20, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee
(01/13/16)

From: P. Joseph Grindstaff 
General Manager

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

Shaun J. Stone 
Manager of Engineering

Subject: Adoption of CEQA for the San Sevaine Basin RMPU Improvements

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring, and Reporting Program for the San Sevaine Basin Recharge Master Plan Update (RMPU) Improvements, Project No. EN13001; and
2. Authorize the General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

BACKGROUND

In 2013, the amendment to the 2010 RMPU was approved by Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (Watermaster). Under the RMPU, over nine (9) basins are recommended for capital improvement to increase groundwater recharge for stormwater and recycled water by 5,500 and 7,100 acre-feet per year (AFY), respectively. The San Sevaine Basin Improvement Project, which is a part of the RMPU, is expected to yield approximately 600 AFY of stormwater and approximately 4,000 AFY of recycled water by designing and constructing a new pump station and conveyance system to take stormwater from Basin No. 5 and recycled water from an existing turnout to the upper basins. The upper basins historically perform at higher groundwater recharge rates that allow for more capture and help mitigate midge fly concerns within the area. This \$6.45 million capital project is 50-percent cost shared with Watermaster

where IEUA is the lead agency in the design, construction, planning, and preparation of documentation for the CEQA.

The CEQA package includes:

- Initial Study/Mitigated Negative Declaration (IS/MND)
- Mitigation, Monitoring, and Reporting Program (MMRP)
- Notice of Determination (NOD)

The final IS/MND concludes that the San Sevaine Basin RMPU Improvements can be implemented by using the noted mitigation measures within the MMRP during and after construction. The required 30-day public review of the IS/MND was completed on November 16, 2015, where five (5) comment letters were received. The responses to the comments were noted and incorporated into the final IS/MND documentation. These comments ranged from midge fly concerns to tribal coordination.

The approval of the final IS/MND and MMRP package by the Board meets IEUA's water reliability business goals by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of groundwater recharge facilities.

PRIOR BOARD ACTION

On May 20, 2015, the Board of Directors approved the consulting engineering services contract award to Dudek for the not-to-exceed amount of \$358,828.

IMPACT ON BUDGET

None.

PJG:CB:SS:ji

San Sevaine Basin RMPU Improvements CEQA Adoption

Project No. EN13001

May 2015



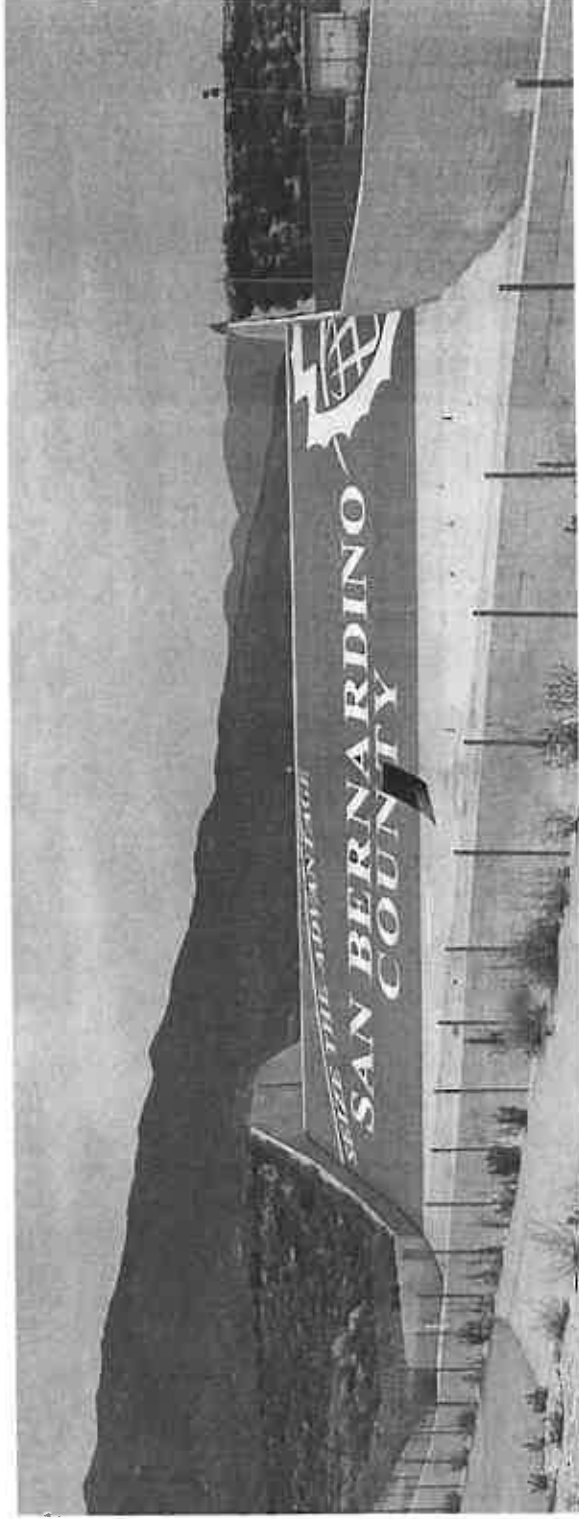
Shaun J. Stone, P.E.
Manager of Engineering

Joel Ignacio, P. E.
Senior Engineer



Project Request

- The adoption of the CEQA Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring & Reporting Program for the proposed San Sevaine Basin under the Recharge Master Plan Update (RMPU)



San Sevaine Basin's Spillway Structure at Basin 5

Project Background

Oct. 2013

**CBWM &
IEUA**

approved the Amendment to 2010 RMPU 11 projects for 2020 completion

Jul. 2014

**CBWM &
IEUA**

executed the Master Agreement Management and cost of joint capital projects

Aug. 2014

**CBWM &
IEUA**

executed Task Order No.8 IEUA as lead agency 50% shared with CBWM

Dec. 2014

Completed San Sevaine Preliminary Design Report

May. 2015

Award Consulting Design Services to Dudek

Oct. 2015

Completed required draft CEQA documents.

Initiated 30-day Public Review Period



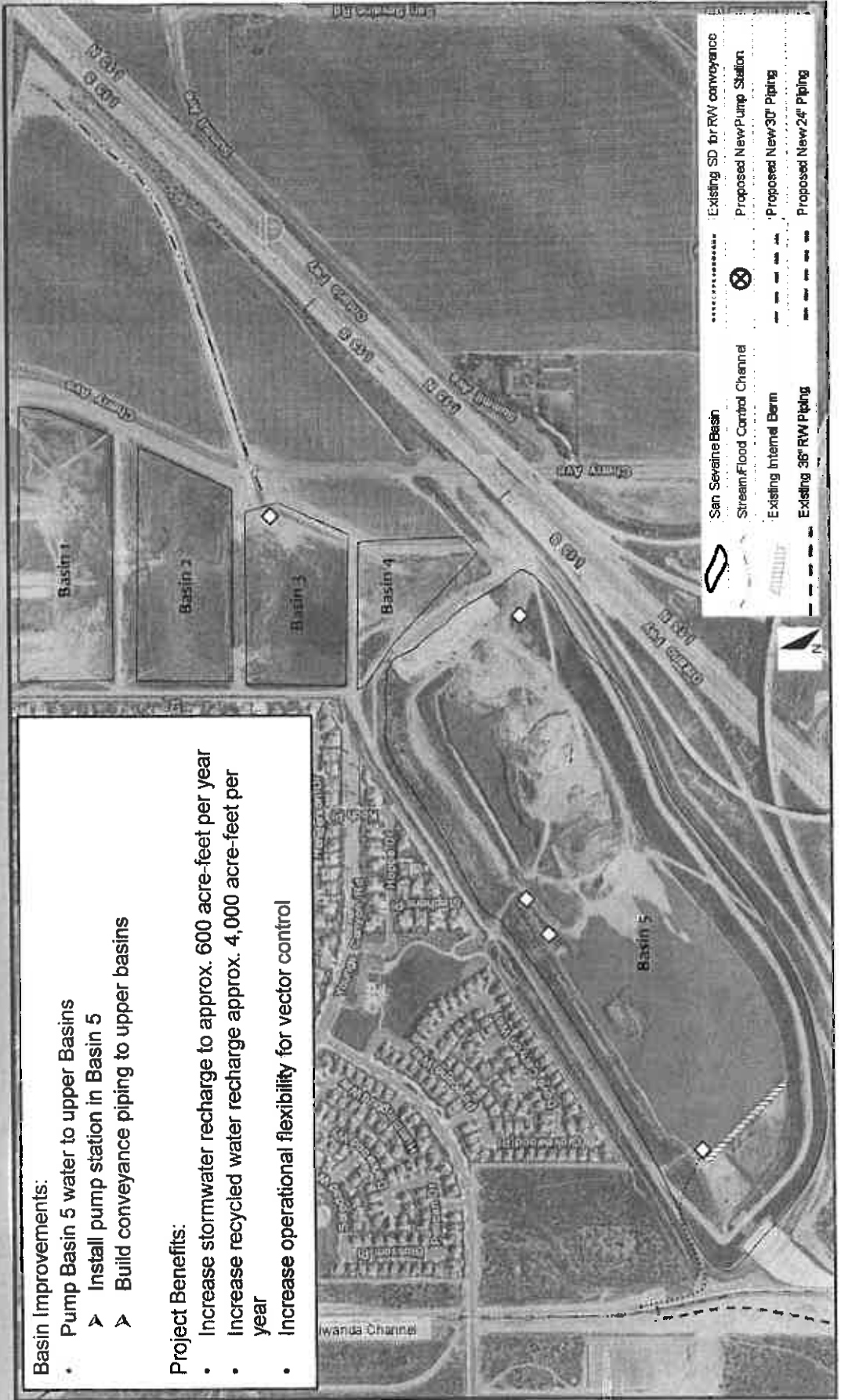
Project Scope

Basin Improvements:

- Pump Basin 5 water to upper Basins
- Install pump station in Basin 5
- Build conveyance piping to upper basins

Project Benefits:

- Increase stormwater recharge to approx. 600 acre-feet per year
- Increase recycled water recharge approx. 4,000 acre-feet per year
- Increase operational flexibility for vector control



CEQA Recommendation

- **Initial Study (IS) finds no significant effect on the environment**
- **Mitigated Negative Declaration (MND) will be prepared**
- **Public review of IS/MND completed on Nov. 16, 2015**
- **Five public comments received and responded to in the IS/MND**
- **Mitigation, Monitoring & Reporting Program (MMRP) implementation during and after construction**



Recommendation

Staff recommends that the Board of Directors approve the adoption of CEQA Initial Study/Mitigated Negative Declaration and Mitigation, Monitoring, and Reporting Program for the San Sevaine Basin RMPU Improvements, Project No. EN13001, and Authorize the General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

Project meets IEUA business goals by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of groundwater recharge facilities.



MITIGATED NEGATIVE DECLARATION

Lead Agency: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Contact: Joel Ignacio, P.E.
Phone: (909) 993-1913
Email: jignacio@ieua.org

Project Title: SAN SEVAINE BASIN DEVELOPMENT PROJECT

State Clearinghouse Number: Not yet assigned

Project Location: The proposed project is located in the City of Rancho Cucamonga, San Bernardino County, California. The proposed project sites are existing, south of Wilson Avenue; west of Interstate 15; and northwest of the Interstate 210 and Interstate 15 interchange. The project is located within Section 26 and 27, Township 1 North, Range 6 West, San Bernardino Baseline and Meridian, as depicted on the USGS – Devore Quadrangle, 7.5 Minute Series topographic map.

Project Description: The Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (CBWM) are proposing the San Sevaire Basin Improvements Project (proposed project). The objective of this project is to increase the amount of recycled water (RW) and stormwater recharged into the Chino Groundwater Basin, specifically at the San Sevaire Basins located immediately north and west of the Interstate 210 and Interstate 15 interchange in the City of Rancho Cucamonga, San Bernardino County.

The existing San Sevaire Basins (Basins) consist of five individual basins covering approximately 130 acres. The Basins consist of five, soft-bottomed basins along San Sevaire Creek. Each basin has inlet and outlet structures that allow the capture and recharge of various types of water sources. The primary mode of conveyance between Basins is surface transfer, which restricts the operational flexibility of the system. These Basins are dual-use facilities which serve flood control and groundwater recharge functions. Currently, a total of 500 acre-feet per year (AFY) of RW and 300 AFY of stormwater (on average) is infiltrated into the groundwater basins at this location. The recommended Basins improvements will allow up to an estimated 8,100 AFY of additional RW, and up to an additional 2,700 AF of stormwater to be recharged at this location.

Finding: Inland Empire Utilities Agency's (IEUA) decision to implement this proposed project is a discretionary decision or "project" that requires evaluation under the California Environmental Quality Act (CEQA). Based on the information in the project Initial Study, LACSD has made a *preliminary* determination that a Mitigated Negative Declaration will be the appropriate environmental determination for this project to comply with CEQA.

Initial Study: Copies of the Mitigated Negative Declaration/Initial Study are available for public review at the Copies of the Mitigated Negative Declaration/Initial Study are available for review at the IEUA's office located at 6075 Kimball Avenue, Chino, CA 91708. The proposed Mitigated Negative Declaration will be available for public review and comment from _____ 2015 to _____ 2015. Any comments you have must be submitted in writing no later than _____ 2015.

Mitigated Negative Declaration
Page 2 of 2

Mitigation Measures: All mitigation measures identified in the Initial Study are summarized on pages 51-53 and are proposed for adoption as conditions of the project. These measures will be implemented through a mitigation monitoring and reporting program if the Mitigated Negative Declaration is adopted.

Signature

Title

Date

**INFORMATION
ITEM**

3A

Engineering and Construction Management Project Updates January 2016



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Shaun J. Stone, P.E.
Manager of Engineering

EN15008 - Water Quality Laboratory

- Engineering consultant: The Austin Company
- Current contract: \$1.35 M
- Total project budget: \$21 M
- Scope of work: Design and construction of new water quality laboratory
- Current activities:
 - Laboratory – 85% design complete
 - Central plant – 85% design review
 - Solar system RFP in progress
 - Control system/commissioning coordination
- Focus points:
 - Complete 100% design
 - Construction cost estimate review/update
 - Contractors pre-qualification – advertise on PlanetBids in Jan 2016
 - Lab furniture selection and coordination
 - Fire alarm, communication, and security interface



Lab Rendering

EN16049 – Conference Rooms Audio-Visual Upgrades

- Engineering consultant: Vantage Technology Consulting
- Current contract: \$50 K
- Total project budget: \$700 K
- Scope of work:
 - Evaluate current and future AV needs
 - Develop functional specifications and cost estimates
- Current Activities:
 - Contract execution
 - Kickoff meeting
- Focus Point:
 - Identify key staff for interviews as part of needs analysis



Board Member Audio Visual



Event Center

EN13016 – SCADA Enterprise System CCWRF

- Contractor: Technical Systems, Inc.
- Current contract: \$2.5 M
- Total project budget: \$10.3 M
- Scope of work: Migration of existing control system to modern SCADA system at CCWRF
- Current activities:
 - Transition of Tertiary and Recycled Water System
 - Cleaning up and organizing all existing RIO cabinets
 - Checking all systems for final compliance to contract
- Contract completion: February 2016
- Percent complete: 95%
- Focus point:
 - Clean up and checking all systems for compliance



Tertiary Control Panel



Final Control Room Screen Configuration

EN08023.06 RP-1 Primary Clarifier 2015 Rehab Project

- Contractor: J.R. Filanc
- Current contract value: \$784 K
- Total project budget: \$6 M
- Scope of work: Replace chain and flight equipment in 8 clarifiers
- Current activities:
 - Wastewater testing of clarifiers
- Contract completion: January 2016
- Percent complete: 100%
- Focus points:
 - Allied-Locke will be on site to dry run to certify the remaining three clarifiers
 - Project closeout administrative activities



Clarifier No. 7 - Adjusting north Sprocket and drive shaft for chain install



Clarifier No. 8- Relocating existing sprocket and shaft

EN12019 GWR and RW Communication System Upgrades

- Contractor: Sun Wireless
- Current contract value: \$900 K
- Total project budget: \$1.6 M
- Scope of work: Upgrade all existing radio and antenna for remote Agency sites
- Current activities:
 - Decommissioning old radio equipment, including radios, tower dishes, and power connections
- Contract completion: January 2016
- Percent complete: 95%
- Focus points:
 - Project closeout administrative activities



Banana Basin Radio Testing



Radio Cut-Over from Old to New System

EN13045 – Wineville Recycled Water Pipeline Extension Segment B

- Contractor: Mike Bubalo Construction
- Current contract value: \$9 M (with VE)
- Total project budget: \$11.9 M
- Scope of work: Construct 2.6 miles of RW pipeline (VE alignment total)
- Current activities:
 - Valve Testing
- Contract completion: November 2015
- Percent complete: 98%
- Focus points:
 - Several testing failures of valves (approx. 15)
 - Working with contractor to resolve deficiencies
 - Field testing of remaining valves
 - Carlsbad Desalter Project experiencing similar issues



**INFORMATION
ITEM**

3C

Date: January 20, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (01/13/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: *CJW #649* Christina Valencia
Chief Financial Officer/ Assistant General Manager

JC #882 Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Treasurer's Report of Financial Affairs

RECOMMENDATION

The Treasurer's Report of Financial Affairs for the month ended November 30, 2015, is an informational item for the Board of Director's review. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3).

BACKGROUND

The Treasurer's Report of Financial Affairs for the month ended November 30, 2015, is submitted in a format consistent with State requirements.

Total cash, investments, and restricted deposits of \$141,950,202 reflect an increase of \$1,021,486 compared to the total reported for October 2015. The increase was mainly due to the property tax receipts of \$3.4 million. As a result, the average days of cash on hand for the month ended November 30, 2015 increased from 175 days to 183 days. Average days of cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency's cash flow. New connection fees collected and held by member agencies is excluded from the calculation.

The Agency's investment portfolio average rate of return in November 2015 was 0.654%, a slight increase of 0.009% compared to the average yield of 0.645% reported in October 2015.

The increase is attributed to the Local Agency Investment Fund (LAIF) yield rise from 0.357% in October to 0.374% in November.

The Financial Affairs report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

PRIOR BOARD ACTION

The Board reviewed the Financial Affairs Report for the month of October, 2015 on December 16, 2015.

IMPACT ON BUDGET

The interest earned on the Agency's investment portfolio increases the Agency's reserves.

Attachment: November 2015 Treasurer's Report of Financial Affairs

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended November 30, 2015



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on June 17, 2015.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

* A Municipal Water District

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

	November	October
Cash, Bank Deposits, and Bank Investment Accounts	\$1,338,165	\$1,835,211
Investments		
CBB Repurchase (Sweep)	\$28,006,642	\$25,814,216
Local Agency Investment Fund (LAIF)	24,873,252	24,873,252
CalTrust	4,546,929	4,545,413
Certificates of Deposit	3,874,000	3,378,000
Municipal Bonds	0	1,000,069
Medium Term Notes	3,000,806	3,000,887
U.S. Treasury Notes	999,812	999,798
U.S. Government Sponsored Entities	18,999,684	16,999,714
Total Investments	\$84,301,126	\$80,611,349
Total Cash and Investments Available to the Agency	\$85,639,291	\$82,446,560
Restricted Deposits		
Debt Service Accounts	\$2,544,728	\$5,669,728
CCRA Deposits Held by Member Agencies	46,871,217	45,857,853
OPEB (CERBT) Account	6,894,966	6,954,575
Total Restricted Deposits	\$56,310,911	\$58,482,156
Total Cash, Investments, and Restricted Deposits	\$141,950,202	\$140,928,716

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

Cash, Bank Deposits, and Bank Investment Accounts

Citizens Business Bank Demand Account (Offset by CBB Sweep Balance)	\$996,213
Citizens Business Bank Workers' Compensation Account	79,937
Bank of America Payroll Account	56,449
Bank of America Payroll Taxes Account	55,521
Subtotal Demand Deposits	\$1,188,120
Other Cash and Bank Accounts	
Petty Cash	\$2,250
Subtotal Other Cash	\$2,250
Bank of the West Money Market Account	\$51,785
US Bank Pre-Investment Money Market Account	\$96,010
Total Cash and Bank Accounts	\$1,338,165

Investments

CBB Repurchase (Sweep) Investments	
Federal Home Loan	
Subtotal CBB Repurchase (Sweep)	\$28,006,642
Local Agency Investment Fund (LAIF)	
LAIF Non-Restricted Fund	\$18,950,427
LAIF Insurance Sinking Fund	5,922,825
Subtotal Local Agency Investment Fund	\$24,873,252
CalTrust	
Short Term	\$4,546,929
Subtotal CalTrust	\$4,546,929
Certificates of Deposit	
Brokered Certificates of Deposit	\$3,874,000
Subtotal Certificates of Deposit	\$3,874,000

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

Investments Continued

Medium Term Notes

JP Morgan Securities	\$1,000,121
John Deere Capital Corp	1,001,551
JP Morgan Chase & Co.	999,135
Subtotal Medium Term Notes	\$3,000,806

U.S. Treasury Notes

Treasury Note	\$999,812
Subtotal U.S. Treasury Notes	\$999,812

U.S. Government Sponsored Entities

Fannie Mae Bank	\$7,999,476
Freddie Mac Bank	3,001,172
Federal Farm Credit Bank	3,000,000
Federal Home Loan Bank	4,999,036
Subtotal U.S. Government Sponsored Entities	\$18,999,684

Total Investments

\$84,301,126

Restricted Deposits

Debt Service Reserves

08A Debt Service Accounts	\$0
08B Debt Service Accounts	2,544,710
10A Debt Service Accounts	18
Subtotal Debt Service Reserves	\$2,544,728

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

*Month Ended
November 30, 2015*

CCRA Deposits Held by Member Agencies

City of Chino	\$11,446,858
Cucamonga Valley Water District	8,717,754
City of Fontana	7,851,888
City of Montclair	2,642,850
City of Ontario	9,459,351
City of Chino Hills	3,239,991
City of Upland	3,512,525
Subtotal CCRA Deposits Held by Member Agencies	<u>\$46,871,217</u>

CalPERS

OPEB (CERBT) Account	<u>\$6,894,966</u>
Subtotal CalPERS Accounts	<u>\$6,894,966</u>

Total Restricted Deposits

\$56,310,911

Total Cash, Investments, and Restricted Deposits as of November 30, 2015

\$141,950,202

Total Cash, Investments, and Restricted Deposits as of 11/30/15

\$141,950,202

Less: Total Cash, Investments, and Restricted Deposits as of 10/31/15

140,928,716

Total Monthly Increase (Decrease)

\$1,021,486

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	November Amortization	November Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Cash, Bank Deposits, and Bank Investment Accounts													
Citizens Business Bank													
Demand Account*					\$996,213	\$996,213	N/A	N/A	\$996,213		0.30%	N/A	\$996,213
Workers' Compensation Account					79,937	\$79,937	N/A	N/A	\$79,937		N/A	N/A	\$79,937
Subtotal CBB					\$1,076,150	\$1,076,150			\$1,076,150				\$1,076,150
Bank of America													
Payroll Checking					\$56,449	\$56,449	N/A	N/A	\$56,449		N/A	N/A	\$56,449
Payroll Tax Checking					55,521	55,521	N/A	N/A	55,521		N/A	N/A	55,521
Subtotal B of A					\$111,970	\$111,970			\$111,970		N/A	N/A	\$111,970
Bank of the West													
Money Market Plus - Business Account					\$51,785	\$51,785	N/A	N/A	\$51,785		0.18%	N/A	\$51,785
Subtotal Bank of the West Money Market					\$51,785	\$51,785			\$51,785		0.18%		\$51,785
US Bank													
Federated Automated MMA					\$96,010	\$96,010	N/A	N/A	\$96,010		0.01%	N/A	\$96,010
Subtotal US Bank Money Market					\$96,010	\$96,010			\$96,010		0.01%		\$96,010
Petty Cash													
					\$2,250	\$2,250	N/A	N/A	\$2,250		N/A	N/A	\$2,250
Total Cash, Bank Deposits and Bank Investment Accounts					\$1,338,165	\$1,338,165			\$1,338,165				\$1,338,165
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
Investments													
CBB Daily Repurchase (Sweep) Accounts													
Federal Home Loan					\$28,006,642	\$28,006,642	N/A	N/A	\$28,006,642		0.30%	N/A	\$28,006,642
Subtotal CBB Repurchase Accounts					\$28,006,642	\$28,006,642			\$28,006,642		0.30%		\$28,006,642
LAIF Accounts													
Non-Restricted Funds					\$18,950,427	\$18,950,427	N/A	N/A	\$18,950,427		0.374%	N/A	\$18,950,427
LAIF Sinking Fund					5,922,825	5,922,825	N/A	N/A	5,922,825		0.374%	N/A	5,922,825
Subtotal LAIF Accounts					\$24,873,252	\$24,873,252			\$24,873,252		0.374%		\$24,873,252
CALTRUST Accounts													
Short-Term					\$4,546,929	\$4,546,929	N/A	N/A	\$4,546,929		0.54%	N/A	\$4,546,929
Subtotal CalTrust Accounts					\$4,546,929	\$4,546,929			\$4,546,929		0.54%		\$4,546,929

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	November Amortization	November Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value	
	S&P	Moody's	S&P	Moody's									Value	Value
Investments (continued)														
Brokered Certificates of Deposit														
Ally Bank	N/A				\$245,000	\$245,000	541		\$245,000	0.80%	0.80%	01/17/17	\$245,164	
Capital One National Association	N/A				240,000	240,000	542		240,000	0.80%	0.80%	01/17/17	240,161	
Compass Bank	N/A				245,000	245,000	542		245,000	0.85%	0.85%	01/17/17	245,164	
Comenity Capital Bank	N/A				240,000	240,000	720		240,000	1.15%	1.15%	07/13/17	240,110	
Discover Bank	N/A				240,000	240,000	722		240,000	1.15%	1.15%	07/17/17	240,048	
Medallion Bank	N/A				240,000	240,000	722		240,000	1.20%	1.20%	07/17/17	240,048	
Sallie Mae Bank	N/A				248,000	248,000	743		248,000	1.15%	1.15%	11/06/17	248,134	
Key Bank National Association	N/A				248,000	248,000	732		248,000	1.10%	1.10%	11/13/17	248,129	
Capital One Bank	N/A				240,000	240,000	901		240,000	1.35%	1.35%	01/16/18	240,125	
Goldman Sachs Bank USA	N/A				240,000	240,000	901		240,000	1.40%	1.40%	01/16/18	240,674	
BMW Bank of North America	N/A				240,000	240,000	900		240,000	1.40%	1.40%	01/17/18	240,667	
American Express Bank	N/A				240,000	240,000	1081		240,000	1.70%	1.70%	07/16/18	239,935	
American Express Centurion	N/A				240,000	240,000	1081		240,000	1.70%	1.70%	07/16/18	239,935	
HSBC Bank USA, NA Step	N/A				244,000	244,000	1808		244,000	1.25%	1.25%	07/29/20	243,922	
JPM Chase NA, Step	N/A				244,000	244,000	1810		244,000	1.25%	1.25%	07/31/20	244,312	
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.25%	2.25%	10/02/20	240,324	
					\$3,874,000	\$3,874,000		\$0	\$3,874,000		1.426%		\$3,876,852	
Subtotal Brokered CDs														
US Treasury Note					\$1,000,000	\$999,463		15	\$999,812	0.62%	0.64%	12/15/16	\$998,870	
US Treasury Note	N/A	AAA			\$1,000,000	\$999,463		15	\$999,812	0.62%	0.64%		\$998,870	
Subtotal Treasuries														
U.S. Government Sponsored Entities														
(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&P)														
Federal Home Loan Bank	AA+	AAA			\$2,000,000	\$2,000,000	355		\$2,000,000	0.38%	0.38%	06/20/16	\$1,998,460	
Freddie Mac Bond	AA+	AAA			2,000,000	2,001,500	722	(62)	2,001,172	0.85%	0.81%	06/16/17	2,000,180	
Federal Home Loan Bank	AA+	AAA			2,000,000	2,000,000	1,100		2,000,000	1.20%	1.20%	06/29/18	2,002,700	
Fannie Mae Bond	AA+	AAA			2,000,000	2,000,000	1,096		2,000,000	1.20%	1.20%	11/28/18	1,992,200	
Fannie Mae Bond	AA+	AAA			2,000,000	2,000,000	1,459		2,000,000	1.51%	1.63%	12/28/18	2,009,160	
Fannie Mae Bond	AA+	AAA			4,000,000	3,999,400	1,456	12	3,999,476	1.50%	1.50%	05/24/19	4,007,360	
Federal Farm	AA+	AAA			2,000,000	2,000,000	1,460		2,000,000	1.51%	1.52%	06/24/19	2,002,320	
Freddie Mac Bond	AA+	AAA			1,000,000	1,000,000	1,440		1,000,000	1.00%	3.00%	07/29/19	1,000,540	
Federal Home Loan Bank	AA+	AAA			1,000,000	999,000	1,440	21	999,036	1.41%	1.43%	10/08/19	988,340	
Federal Farm Credit Bank	AA+	AAA			1,000,000	1,000,000	1,440		1,000,000	1.43%	1.42%	10/21/19	988,480	
					\$19,000,000	\$18,999,900		(\$29)	\$18,999,684		1.333%		\$18,989,740	
Subtotal U.S. Gov't Sponsored Entities														

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	November Amortization	November Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Medium Term Notes													
JP Morgan Securities	A	A2	A3		\$1,000,000	\$1,001,500	1,094	(41)	\$1,000,121	1.12%	1.07%	02/26/16	\$1,000,830
John Deere Capital Corp	A	A2		(68)	1,000,000	1,004,000	1,754		1,001,551	1.20%	1.11%	10/10/17	996,160
JP Morgan Chase & Co	A	A3		29	1,000,000	999,000	1,022		999,135	1.63%	1.66%	05/15/18	997,090
Subtotal Medium Term Notes				(\$81)	\$3,000,000	\$3,004,500			\$3,000,806		1.28%		\$2,994,080
Total Investments					\$84,300,823	\$84,304,686			\$84,301,126				\$84,286,365
Source of Investment Market Value: US Bank													
Restricted Deposits													
Debt Service and Arbitrage Accounts													
08A Debt Service Accounts					\$0	\$0	N/A	N/A	\$0		0.00%		\$0
08B Debt Service Accounts					2,544,710	2,544,710	N/A	N/A	2,544,710		0.00%		\$2,544,710
10A Debt Service Accounts					18	18	N/A	N/A	18		0.00%		\$18
Total Debt Service Accounts					\$2,544,728	\$2,544,728			\$2,544,728				\$2,544,728
CCRA Deposits Held by Member Agencies													
City of Chino					\$11,446,858	\$11,446,858	N/A	N/A	\$11,446,858		N/A	N/A	\$11,446,858
Cucamonga Valley Water District					8,717,754	8,717,754	N/A	N/A	8,717,754		N/A	N/A	8,717,754
City of Fontana					7,851,888	7,851,888	N/A	N/A	7,851,888		N/A	N/A	7,851,888
City of Montclair					2,642,850	2,642,850	N/A	N/A	2,642,850		N/A	N/A	2,642,850
City of Ontario					9,459,351	9,459,351	N/A	N/A	9,459,351		N/A	N/A	9,459,351
City of Chino Hills					3,239,991	3,239,991	N/A	N/A	3,239,991		N/A	N/A	3,239,991
City of Upland					3,512,525	3,512,525	N/A	N/A	3,512,525		N/A	N/A	3,512,525
Subtotal CCRA Deposits Held by Member Agencies					\$46,871,217	\$46,871,217			\$46,871,217				\$46,871,217
(Totals as reported through October 30, 2015)													
CaIPERS Deposits													
OPEB (CERBT) Account					\$7,000,000	\$7,000,000	N/A	N/A	\$6,894,966		N/A	N/A	\$6,894,966
Subtotal CaIPERS Deposits					\$7,000,000	\$7,000,000			\$6,894,966				\$6,894,966
Escrow Deposits													
Genesis Escrow					\$0	\$0	N/A	N/A	\$0		N/A	N/A	\$0
Subtotal Escrow Deposits					\$0	\$0			\$0				\$0
Total Restricted Deposits					\$56,415,945	\$56,415,945			\$56,310,911				\$56,310,911
Total Cash, Investments, and Restricted Deposits as of November 30, 2015					\$142,054,933	\$142,058,796			\$141,950,202				\$141,935,441

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

November Purchases			Investment Security	Par Amount Purchased	Investment Yield
No.	Date	Transaction			
1	11/06/15	Purchased	Sallie Mae Bank	\$ 248,000	1.150%
2	11/13/15	Purchased	Key Bank National Association	\$ 248,000	1.100%
				\$ -	
Total Purchases				\$ 496,000	

November Investment Maturities, Calls & Sales			Investment Security	Par Amount Matured/Sold	Investment Yield to Maturity
No.	Date	Transaction			
1	11/01/15	Matured	California State General Obligation Bond	\$ 1,000,000	1.350%
Total Maturities, Calls & Sales				\$ 1,000,000	

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
November 30, 2015

<u>Directed Investment Category</u>	<u>Amount Invested</u>	<u>Yield</u>
CBB Repurchase (Sweep)	\$28,006,642	0.300%
Local Agency Investment Fund	24,873,252	0.374%
CalTrust	4,546,929	0.540%
Medium Term Notes	3,000,806	1.283%
Municipal Bonds	0	0.000%
US Treasury Notes	999,812	0.640%
U.S. Government Sponsored Entities	18,999,684	1.333%
	\$80,427,126	0.621%
Bank Deposit and Investment Accounts		
Citizens Business Bank - Demand Account	\$996,213	0.300%
Various Banks - Brokered Certificates of Deposit	3,874,000	1.426%
Bank of the West Money Market Account	51,785	0.180%
	\$4,921,998	1.185%

Total Investment Portfolio
Investment Portfolio Rate of Return

\$85,349,124
0.654%

Restricted/Transitory/Other Demand Accounts

<u>Restricted/Transitory/Other Demand Accounts</u>	<u>Amount Invested</u>	<u>Yield</u>
US Bank - 2008B Debt Service Accounts	\$2,544,710	0.000%
US Bank - 2010A Debt Service Accounts	18	0.000%
CCRA Deposits Held by Member Agencies	46,871,217	N/A
Citizens Business Bank - Workers' Compensation Account	79,937	N/A
US Bank - Pre-Investment Money Market Account	96,010	0.010%
CalPERS OPEB (CERBT) Account	6,894,966	N/A
Other Accounts*	114,220	N/A
	\$56,601,078	0.000%

Total Other Accounts

Average Yield of Other Accounts

0.000%

Total Agency Directed Deposits

\$141,950,202

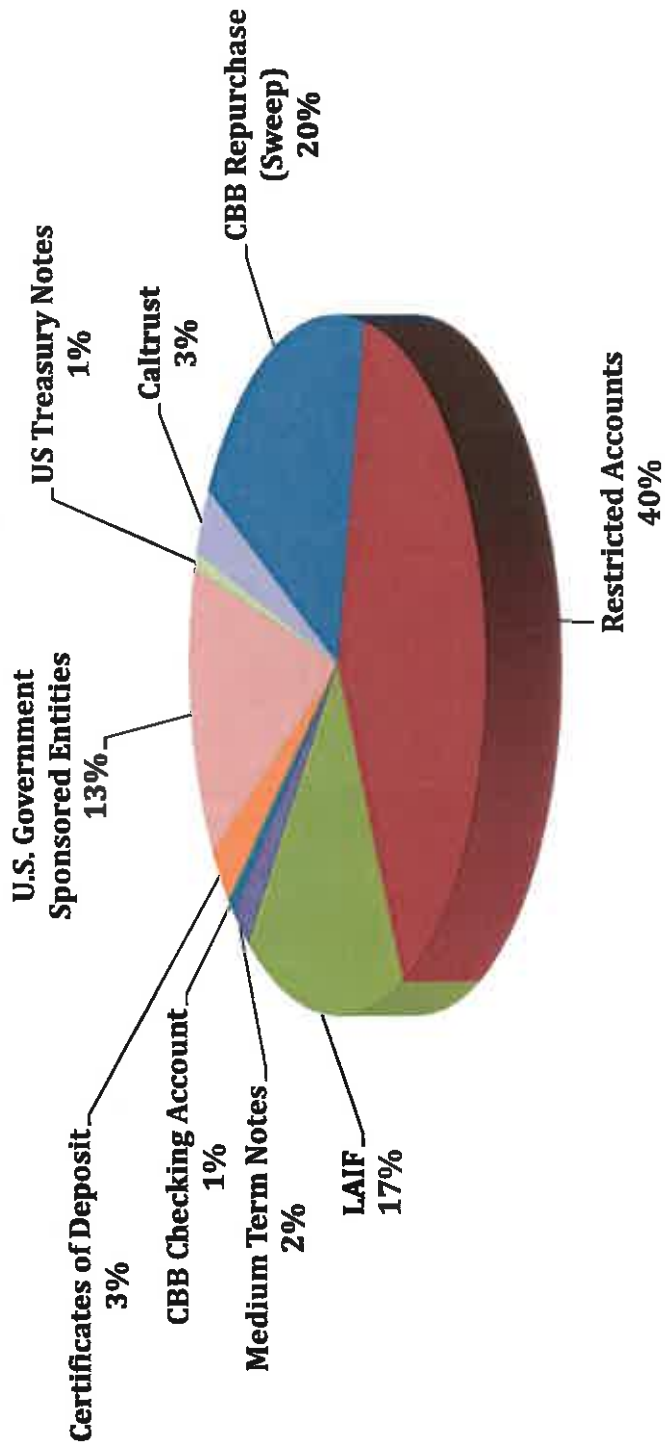
* Note: Bank of America Payroll Deposits used as compensating balances for bank services.

Inland Empire Utilities Agency

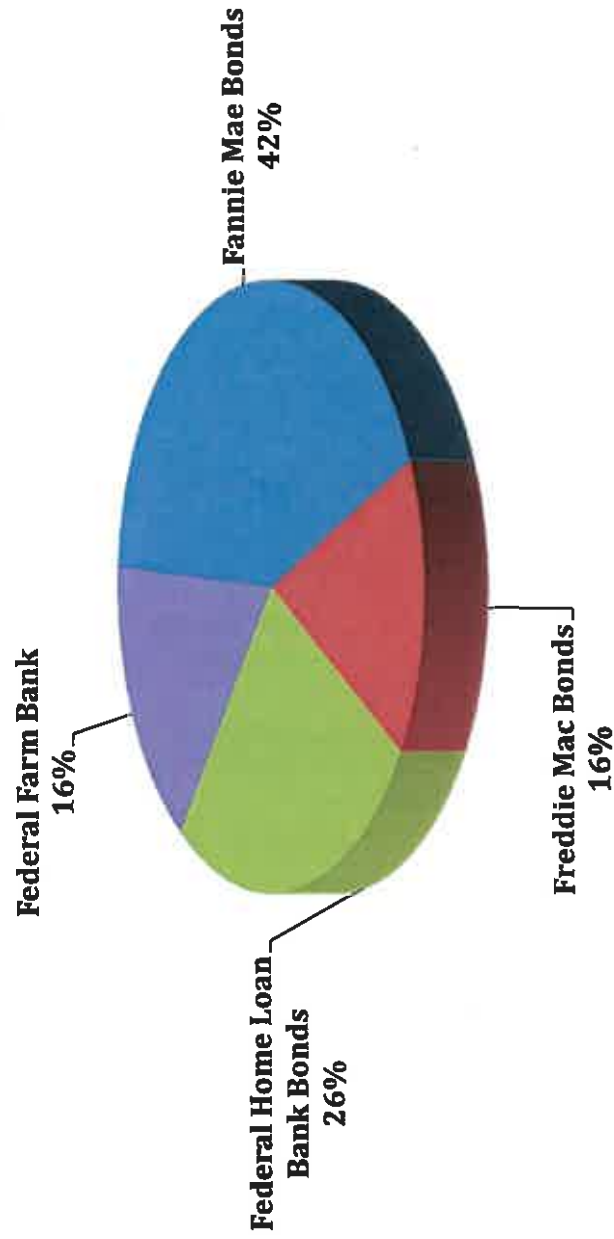
Treasurer's Report of Financial Affairs

For the Month Ended November 30, 2015

**Combined Agency Portfolio (net of escrow deposits)
\$141,950,202**



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended November 30, 2015
U.S. Government Sponsored Entities Portfolio
\$18,999,684



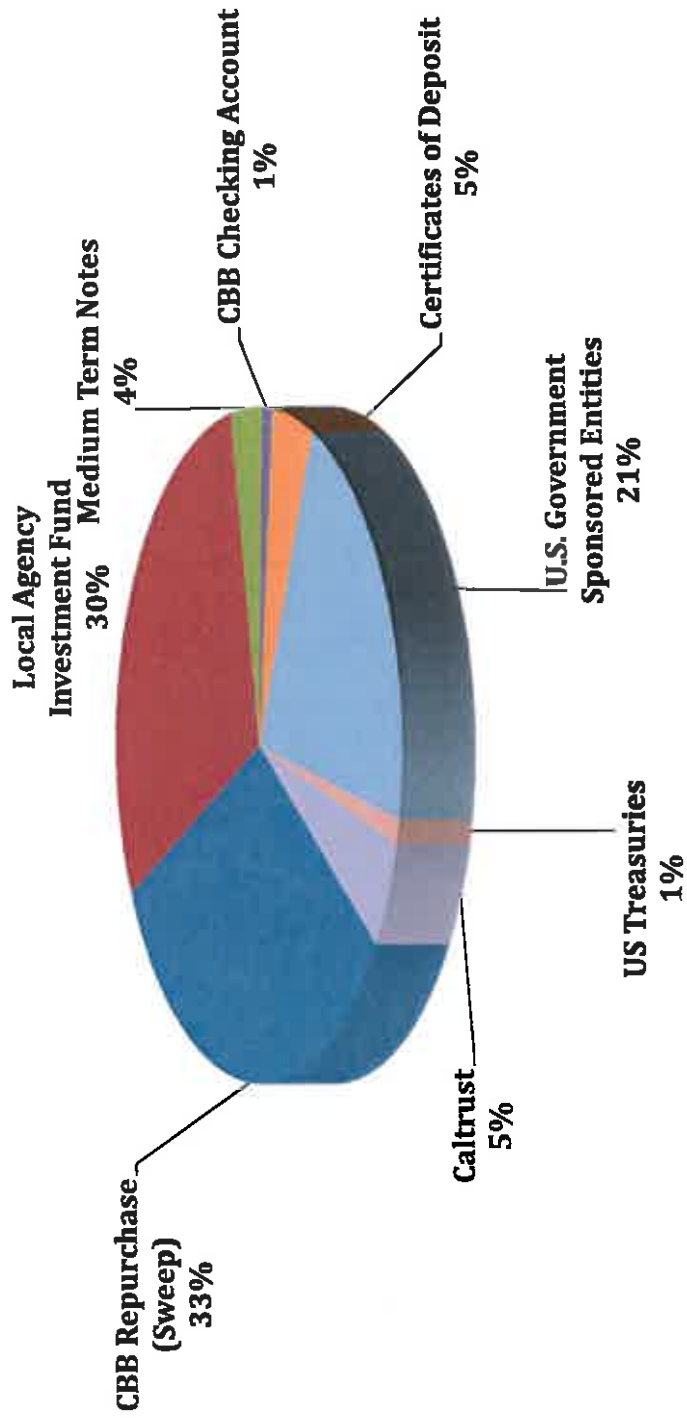
Inland Empire Utilities Agency

Treasurer's Report of Financial Affairs

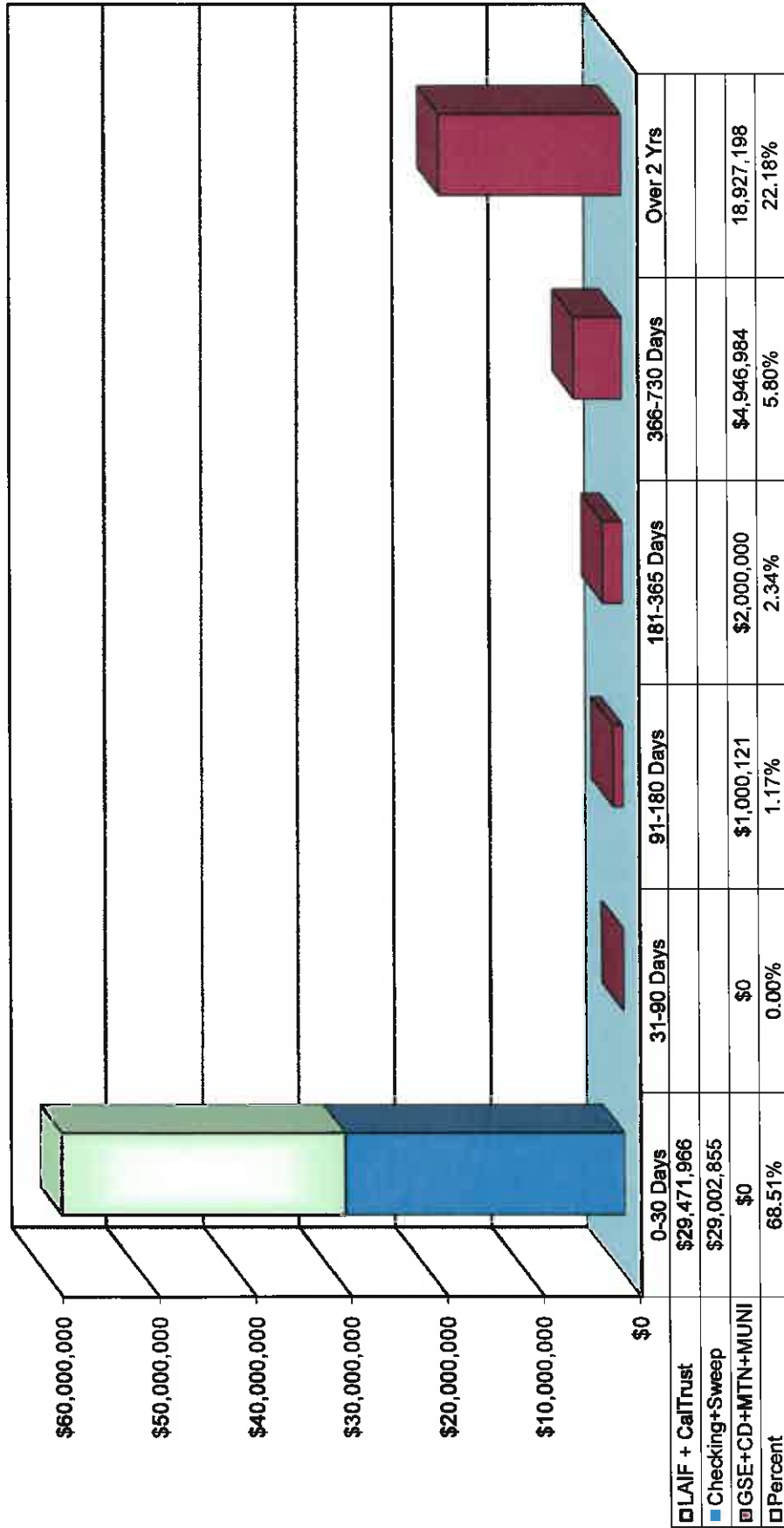
For the Month Ended November 30, 2015

Unrestricted Agency Investment Portfolio

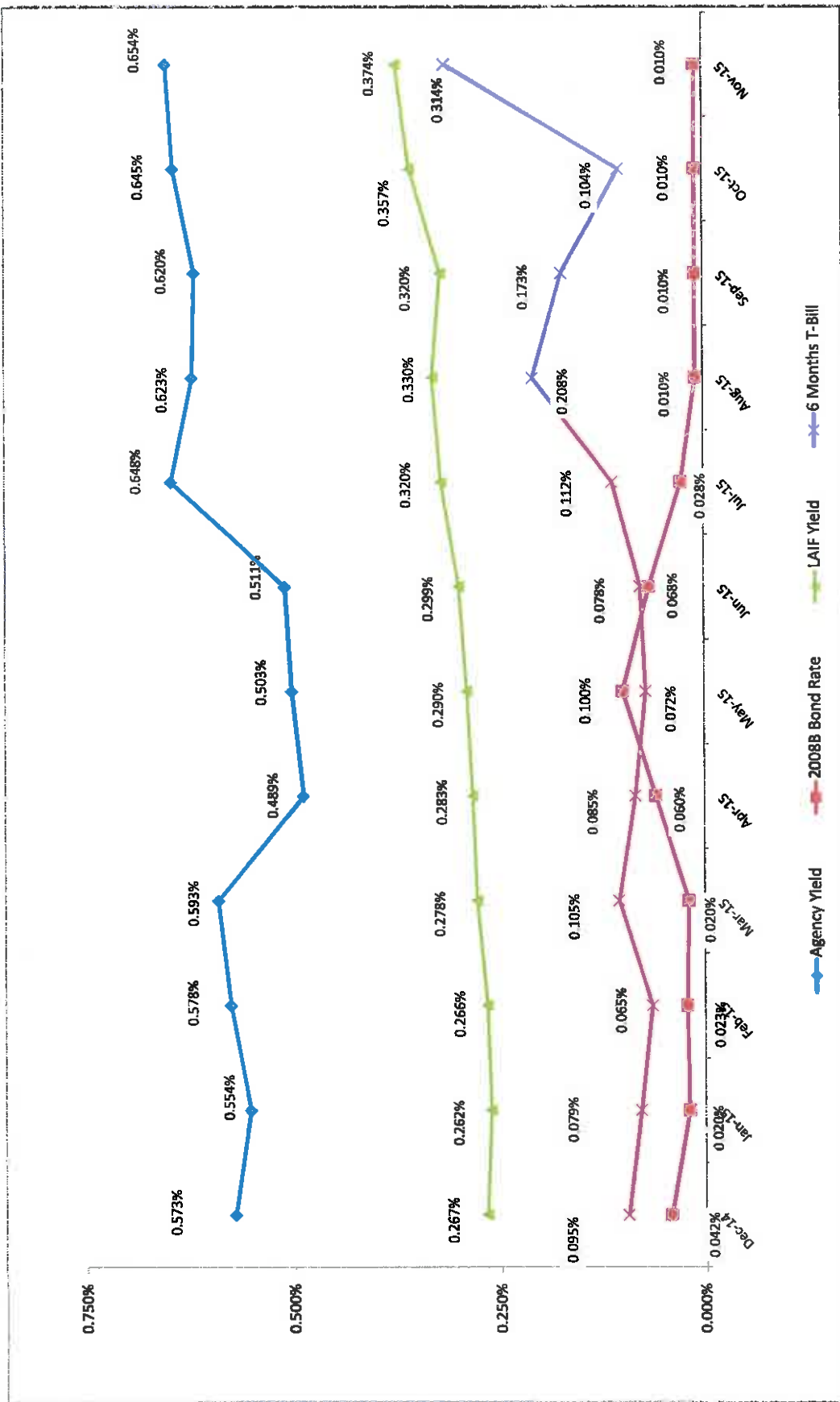
\$85,349,124



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended November 30, 2015
Directed Investment Portfolio Maturity Distribution
\$85,349,124



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
 Demand Deposit Accounts
 Agency Yield Comparison





Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Treasurer's Report of Financial Affairs for November 30, 2015

January 2016

Board Meeting

Report of Financial Affairs



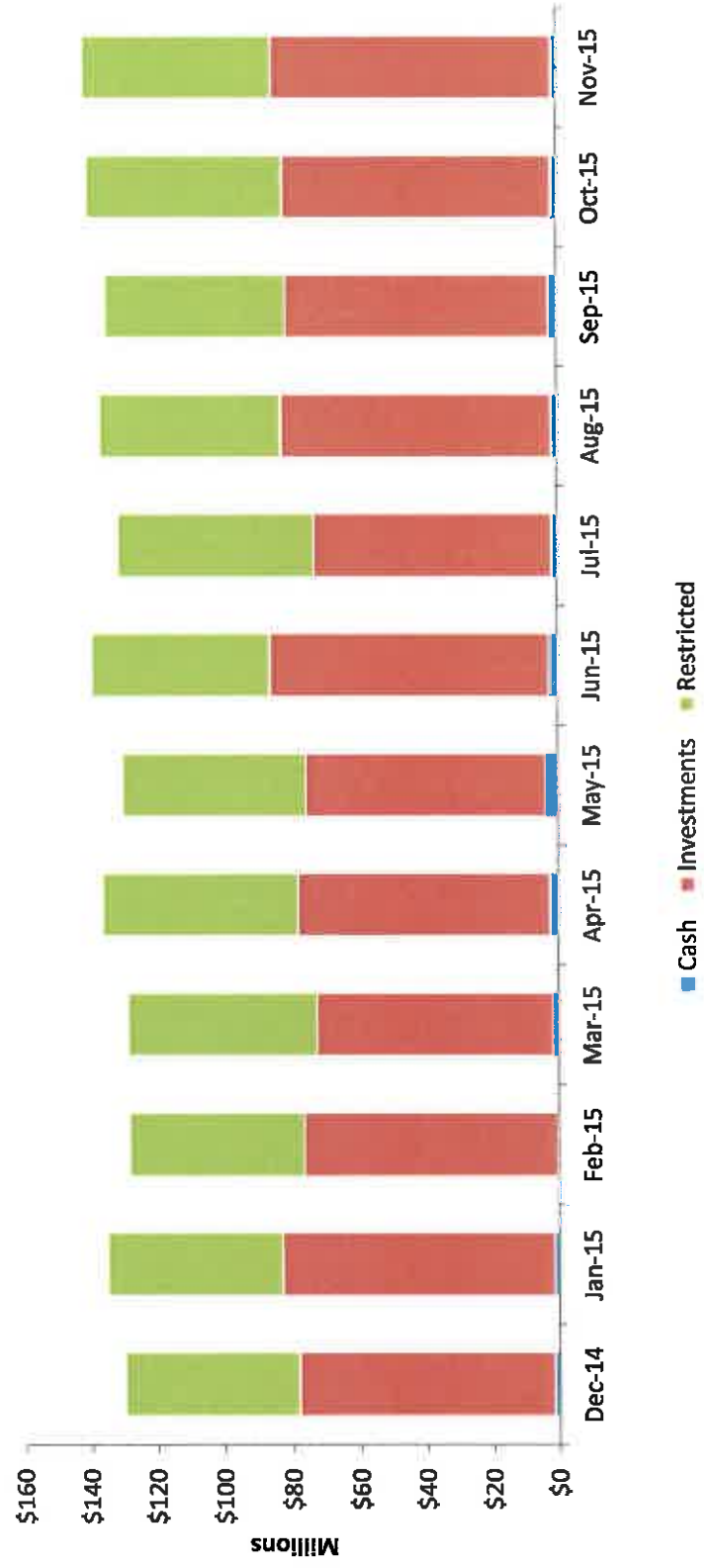
Liquidity

Description	November 2015	October 2015	Increase (Decrease)
Total Cash, Investments, and Restricted Deposits	\$141.9M	\$140.9M	\$1.0M
Total Investment Portfolio	\$85.3M	\$82.0M	\$3.3M
Investment Portfolio Yield	0.654%	0.645%	0.009%
Average Days Cash on Hand	183 Days	175 Days	8 Days

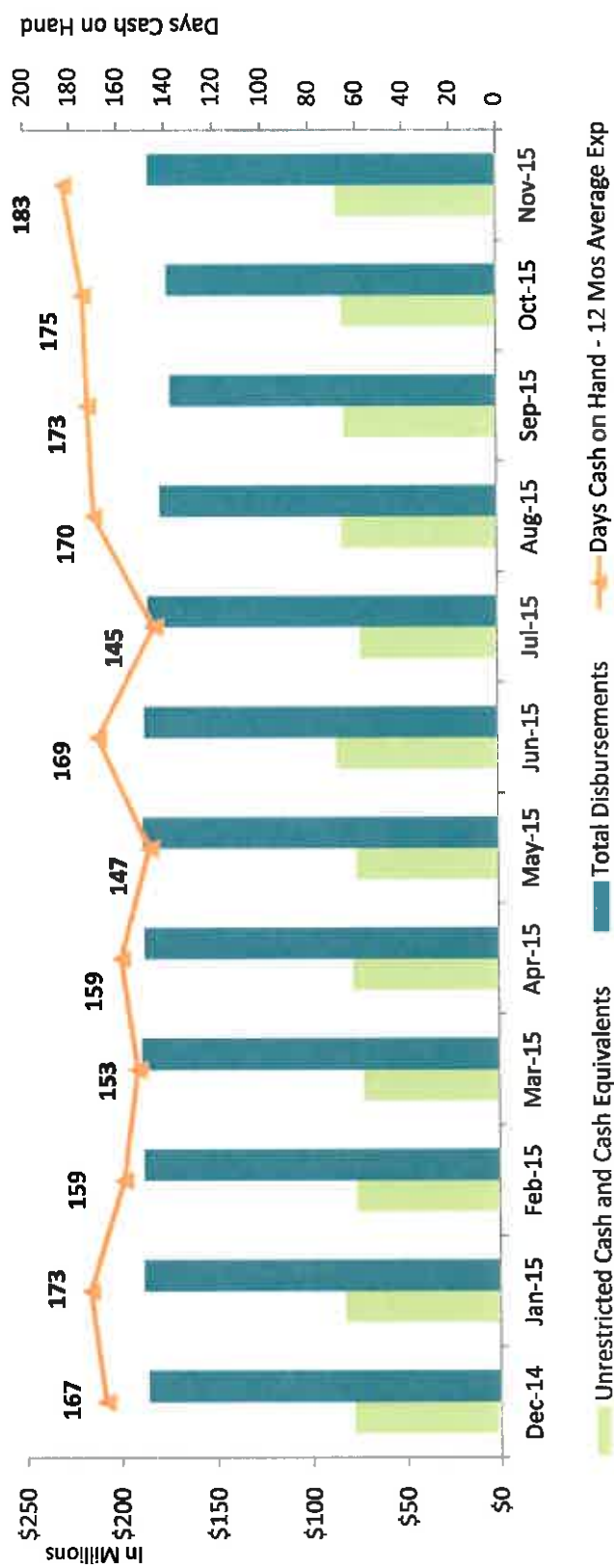
Portfolio

Term	Description	Allowable Threshold	Investment Value (\$ million)	Yield	Current Portfolio %
Short Term, Under 1 Year:	LAIF	\$50M	\$24.8	0.37%	29%
	CalTrust	\$20M	\$4.5	0.54%	5%
	Citizens Business –Sweep	40%	\$28.0	0.30%	33%
	Bank of the West – MIMA	20%	\$0.1	0.18%	0%
	Medium Term Notes	10%	\$1.0	1.07%	1%
1 to 3 Years:	US Government Securities	n/a	\$2.0	0.38%	2%
	CBB Checking	40%	\$1.0	0.30%	1%
	Brokered CDs	30%	\$3.1	1.21%	4%
Over 3 Years:	Medium Term Notes	10%	\$2.0	1.39%	2%
	US Treasury Note	n/a	\$1.0	0.64%	1%
	US Government Securities	n/a	\$6.0	1.07%	6%
	Brokered CDs	30%	\$0.7	2.36%	1%
	US Government Securities	n/a	\$11.0	1.65%	14%

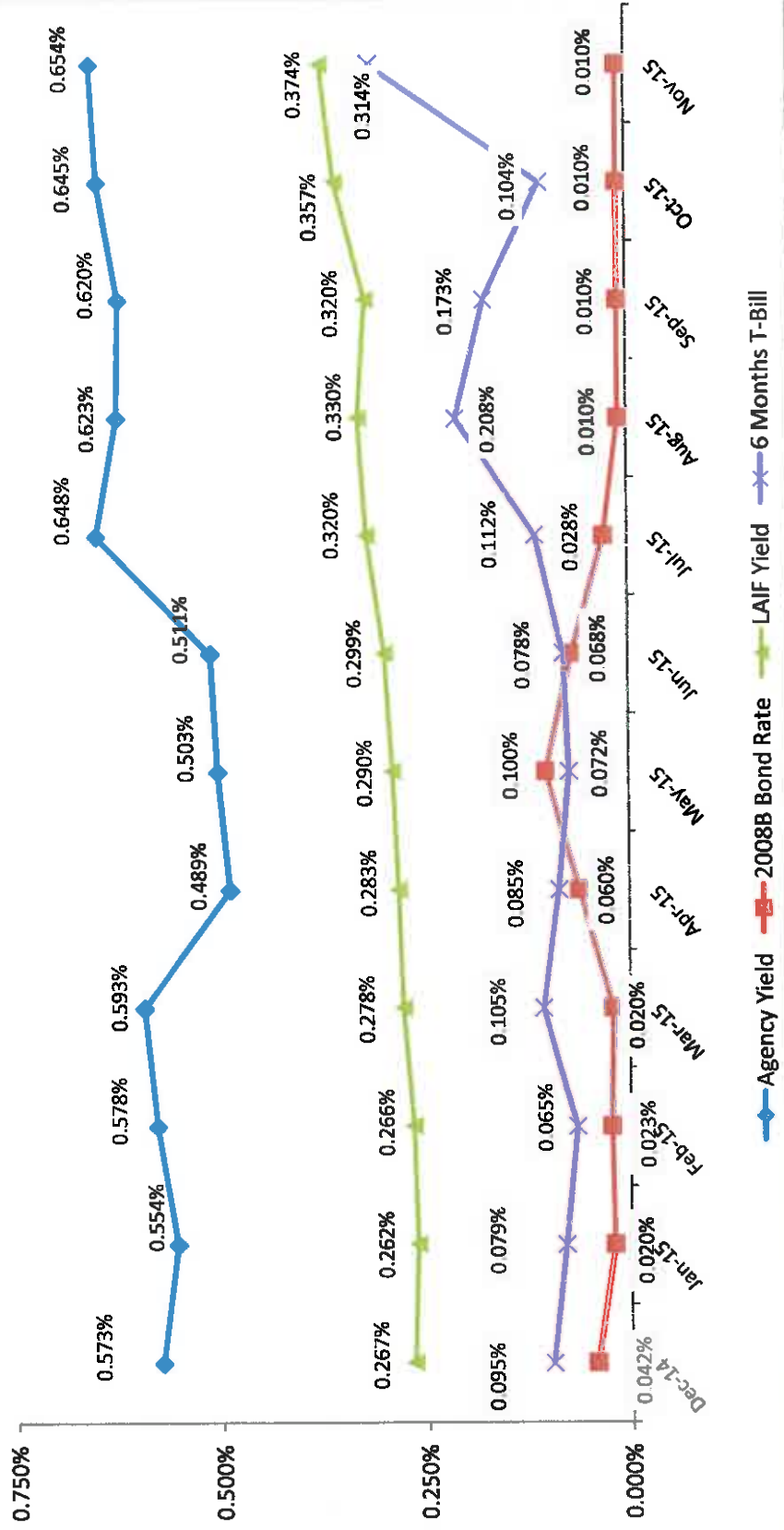
Cash, Investments and Restricted Deposits



Day Cash On Hand 12 Months Rolling Average



Month End Portfolio Yield Comparison





Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

QUESTIONS?

The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility

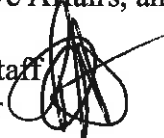
**INFORMATION
ITEM**


3D

Date: January 20, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (1/13/16)

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

January

- January 14, Blood Drive, IEUA HQB Event Room, 10:00 a.m. – 2:00 p.m.

February

- February 25, Cypress Elementary GIES Dedication, 9751 Cypress Ave., Fontana, 5:00 p.m. – 6:30 p.m.

April

- April 20, IEUA Earth Day Event (Student Day), Chino Creek Park, 9:00 a.m. – 2:00 p.m.
- April 21, IEUA Earth Day Event (Community Day), Chino Creek Park, 4:00 p.m. – 7:00 p.m.
- April 22, Eagle Canyon Elementary GIES Dedication, 13435 Eagle Canyon Drive, Chino Hills, 11:30 a.m. – 1:00 p.m.

May

- May 5, Truman Middle School GIES Dedication, 16224 Mallory Drive, Fontana, 2:00 p.m. – 3:00 p.m.
- May 24, Cortez Elementary School GIES Dedication, 12750 Carissa Ave., Chino, 5:45 p.m.

Public Outreach and Communication

January 20, 2016

Page 2

Outreach/Education - Civic Publications Newspaper Campaign

- IEUA staff is working with Civic Publications to develop an email blast and display ads for outreach. The *Kick the Habit* campaign theme will be implemented within these outreach tools.

Media and Outreach

- IEUA staff is working with member agencies to distribute *Kick the Habit* mirror clings and vehicle magnets. To date, the city of Chino, city of Ontario, Chino Basin Water Conservation District, Fontana Water Company, and San Antonio Water Company have requested and received vehicle magnets and clings. Internally, staff is working with Facilities Management on distribution and placement of vehicle magnets on all Agency vehicles.
- A *Kick the Habit* print advertisement ran in the *Chino Champion* on December 26, 2016.
- *Kick the Habit* bus advertisements began on October 5, 2015 and will run for six months. Mirror clings have been placed in restrooms at the Ontario Mills Mall for six months, and we are working with management at Victoria Gardens and the Chino Spectrum to do the mirror cling displays at these locations as well.

Education and Outreach Updates

- Water Discovery Program: 414 Girl Scout troop members, elementary, middle and high school students have taken part in the park field trip from July 1, 2015 through November 30, 2015. Seventeen additional Water Discovery Field Trips for school year 2015/16 have been scheduled. The Busing Mini-Grant program was extended through December 2020.
- Staff will begin outreaching MWD's "Water is Life" poster contest to all schools within IEUA's service area in January.
- IEUA staff is developing the FY 2014/15 Annual Report. The Annual Report will be booklet style design, finalized and distributed by end of January.
- Staff, in cooperation with member agencies, has recruited three teams for MWD's 2016 Solar Cup Competition to be held May 13-16, 2016. Final team names and contact information were submitted to MWD on October 1, 2015 for the 2016 program year: Chino High School (Chino), Chino Hills High School (Chino Hills) and Henry J. Kaiser High School (Fontana). All teams will be attending a mandatory technical workshop on January 30, 2016.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2015/16 Administrative Service Fund, External Affairs Services budget.

**INFORMATION
ITEM**

3E

Innovative Federal Strategies LLC

Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff and Kathy Besser, IEUA

From: Letitia White, Jean Denton, and Drew Tatum

Date: December 31, 2015

Re: December Monthly Legislative Update

FY16 Appropriations Package Crosses Finish Line

After passing two continuing resolutions in early December, Appropriators were able to put the finishing touches on an omnibus appropriations package that funds the federal government through September 30, 2016. The \$1.15 trillion package was introduced just after midnight on Wednesday, December 9 which delayed the House's original plan to vote on the legislation Thursday, December 10 and leave town. Instead, lawmakers held votes on Thursday, December 10th and Friday, December 11th. The House opted to "divide the question" in the rule for consideration, which meant that while the bill contained the text for both the appropriations and tax extenders, lawmakers took separate votes on the two parts of the bill. The House voted Thursday on the tax legislation, advancing it on a bipartisan vote of 318-109. The appropriations portion of the bill received its own bipartisan vote of 316-113. During prior years, the conservative wing of the House Republican caucus has complained that that leadership has moved appropriations bills that did not enjoy the support of the majority of the Republican caucus. In the end, an overwhelming number of Republican supported both the tax extenders and omnibus appropriations package.

In an effort to leave town the same week, the Senate also passed the omnibus and tax extenders package on Friday, December 11th. Legislation in the Senate can be stalled without the cooperation from all Senators, but Majority Leader Mitch McConnell (R-KY) was able to secure the cooperation he needed to quickly move through procedural hurdles with a unanimous consent agreement. Once the Senate received the House-passed package, Senators voted on three procedural motions and final passage within an hour, wrapping up all major legislative action for the year.

President Barack Obama signed the package into law the same day ahead of a visit to San Bernardino and his family's annual Christmas trip to Hawaii.

The final package included \$1.15 trillion in spending for the remainder of fiscal year 2016 that began on October 1. Unlike last year's end-of-year CROmnibus that included a three month continuing resolution for the Department of Homeland Security, this bill funds each federal department for the remainder of the fiscal year and includes the necessary legislative language to give the departments the authority to start and stop particular projects. For the drought stricken

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west, the package includes \$100 million in drought relief funding, \$50 million more than last year. We will keep you posted as that money becomes available through grant programs administered by the Department of the Interior. While most controversial policy riders were left out of the omnibus, Republicans were able to negotiate the inclusion of language that lifts the 40-year ban on crude oil exports. Republicans originally hoped to include language that would block Syrian refugees from entering the United States, but included a compromise bill that impacts the Visa Waiver program instead.

Lawmakers were also able to pass a tax-cut extension package that costs approximately \$650 billion over the next decade. A number of the tax provisions, including those for business research and development, small business expenses, individual deductions for state and local sales taxes, financing rules for multinational corporations, an enhanced Child Tax Credit, the Earned Income Tax Credit, charitable contributions, and teacher expenses, are made permanent in the legislation. The two pieces of legislation would suspend three taxes intended to fund the Affordable Care Act -- a so-called Cadillac tax on high-cost health insurance plans would be delayed from 2018 to 2020; a 2.3 percent tax on medical devices would be paused in 2016 and 2017; and a fee on health insurers would be paused for 2016.

California Republicans Admit Defeat on Drought Legislation for the Year

California Republicans, led by House Majority Leader Kevin McCarthy (R-CA) hoped to take advantage of end-of-year momentum to attach drought legislation to the omnibus appropriations package. While negotiations have continued among Republican and Democratic lawmakers from both the House and Senate, the progress made has not produced a final package that would be acceptable to both sides, the White House, and California Governor Jerry Brown. Citing the need and desire to take advantage of an El Nino year, McCarthy circulated his proposed compromise bill that addressed issues in the Central Valley while including programs he hoped would bring Senator Dianne Feinstein (D-CA) to the table.

Despite efforts from the Republican delegation to get local water agencies to support the effort, they seemed inclined to admit defeat in advance of the release of the omnibus. "We put proposals to provide solutions to the tremendous drought bearing down on our state," McCarthy said at a news conference. "Sadly, our senators once again have failed to rise and meet the challenge with us." In response, Feinstein released statement condemning efforts to include "at least a half-dozen items in the bill that I had rejected and that would have drawn objections from state or federal agencies — some of them would likely violate environmental law."

Senator Feinstein was also critical of the way the new legislation came about, citing the defunct rumor that she had worked with McCarthy on the compromise. She reiterated her calls to take a bill through regular order and indicated she hoped to have a bill ready before the end of 2015 for the Senate Energy and Natural Resources Committee in an effort to find a way to move forward, but she did not release revised legislation before Congress adjourned.

Republicans Reflect on First Year Controlling Congress

Republicans have just wrapped up their first year controlling both the House and Senate since the midterm elections in 2006 that gave control of the House and Senate to the Democrats. While Republicans won back control of the House in 2010, they were unable to secure enough Senate

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seats to control the Senate until the 2014 midterm elections. As Congress was preparing to adjourn for the year, Republicans took a victory lap declaring that they had put Congress back to work during 2015—citing successes in crafting a two-year budget deal, a five-year transportation bill, an overhaul to the K-12 education system, fast-track trade authority for President Obama, changes to the NSA's bulk data collection program, and implementing a permanent fix to reimbursement rates for doctors.

To be clear, many of the legislative successes of the year were bipartisan in nature. With a conservative faction in Congress not willing to compromise, Republicans looked to Democrats to cut deals that would receive the bipartisan support they needed to become law. Additionally, Republicans needed bipartisan support in order to send something to President Obama that he would be willing to sign. While there were a number of bipartisan pieces of legislation, Republicans have also had some successes of their own making, including the passage of a bicameral budget that will allow them to use the reconciliation process to move some legislation with a simple majority. Senate Republicans amended the House-passed reconciliation package that would defund Planned Parenthood and gut portions of the Affordable Care Act. The House is expected to pass the package when they return in January. Even though it will be vetoed by President Obama, Republicans have delivered on a campaign promise to send legislation to the president's desk that makes substantial changes to his signature healthcare law.

Senate Majority Leader Mitch McConnell (R-KY) credits much of the Senate's success to an open amendment process. This year the Senate votes on approximately 200 amendments, a sharp increase to the 15 voted on during 2014. McConnell started the year with an open amendment process on legislation that would have approved the Keystone XL pipeline (legislation that was later vetoed by the president). That continued with many other major pieces of legislation, with the bipartisan budget agreement and the omnibus appropriations bills being notable exceptions. The Senate Majority Leader has indicated he intends to continue the open amendment process in 2016 and hopes that, coupled with more control of legislation at the committee level, will produce bipartisan legislation in the upcoming year.

Moving into 2016, Republican leaders in both chambers have indicated they'd like to continue the effort to return to regular order in the appropriations process as well as other legislation. In his first major speech after becoming the Speaker of the House, Paul Ryan (R-WI) said House Republicans will use 2016 to work with Democrats, but will also be a year when they cast a vision for where they would like the country to go rather than just being viewed as a party that opposes actions from the president.

Outlook for January and 2016

The Second Session of the 114th Congress convenes in Washington on January 4th at noon. The Senate will recess before considering legislation until the following Monday when it will return to consider at least one nomination. The House will not hold votes until Tuesday, when it will hold a vote to establish the quorum for the Second Session of the 114th Congress. On Wednesday the House will proceed to a vote on the reconciliation package amended by the Senate. The package includes provisions that defund Planned Parenthood and repeal certain portions of the Affordable Care Act. If it passes, which we expect it will, it will be the first time that Republicans will be able to send a measure to President Obama that repeals much of his

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signature healthcare law. President Obama is expected to veto the reconciliation package if it reaches his desk. The House is also set to devote time to the consideration of judicial reform legislation in January. January will mark President Obama's last State of the Union Address. He is scheduled to address Congress on January 12, 2016.

The 2016 election will impact the Congressional schedule. The August recess will start earlier this year when lawmakers recess for the final two weeks of July for the Republican and Democratic Conventions where each party will officially nominate their candidates for the presidency. Additionally, Congress is scheduled to be in recess for most of the month of October through Veterans Day the second week of November. With three Republican Senators running for President, their campaign travel schedules could impact voting schedules throughout the year.

While there may be a number of recesses, Republican leaders in the House and Senate have promised that they will push for regular order again next year in the appropriations process. While the House six of their annual appropriations bills before the end of the fiscal year, the Senate eventually only passed one of the twelve appropriations bills, but not until a bipartisan budget agreement was reached. That agreement set new topline numbers for fiscal years 2015 and 2016, which could make it easier for lawmakers to move individual bills early this year.

The appropriations process will begin once President Obama sends his budget to Congress. It is due in early February—a deadline that has been missed every year until last year. We expect the budget to arrive on time or even early this year.

Other high-profile items we expect to see on the agenda this year include:

- **Environmental Regulations** – While the omnibus appropriations bill did not block any EPA regulations—including the waters of the United States regulation—that Republicans detest, the fight will undoubtedly continue between Congress and the White House even as the courts work through many challenges brought against the regulations.
- **Drought legislation** – We anticipate that House Leader McCarthy and Senator Feinstein will continue negotiations in an effort to compromise on language for California in a west-wide drought package.
- **Criminal Justice Reform** - Momentum to reform sentencing and other aspects of the criminal justice system has been building throughout 2015, getting attention from the White House, members of both parties in Congress and presidential candidates. While there are still sticking points, including a mens rea provision, House and Senate leaders are working on measures to reduce minimum sentences for drug offenders. The mens rea provision supported by many Republicans is controversial because it would require prosecutors to prove that white-collar defendants knew or had reason to believe that the conduct they are being prosecuted for was unlawful.
- **The Trans-Pacific Partnership** – The TPP is a sweeping trade deal reached in October between the United States and 11 other Pacific Rim nations. While Congress gave the president the authority to negotiate the deal, it still requires an up-or-down vote in the House and Senate before being ratified. In an election year where leading presidential candidates on both sides of the aisle oppose it, Senate Majority Leader Mitch McConnell (R-KY) has publically stated it is unlikely to come before congress prior to the election.

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- **Puerto Rico's debt crisis** – Puerto Rico has been struggling to repay billions of dollars in debt. They have been pushing lawmakers to allow the territory to restructure with bankruptcy protection, but have been unsuccessful in their efforts thus far—including an attempt to include language in the omnibus appropriations bill at the end of the year. Both House Speaker Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell have indicated it will be addressed in the new year.
- **Mergers and acquisitions** – With mergers and acquisitions reaching record highs in recent years, Congress is likely to hold hearings on them in 2016. The Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights, and the House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law are expected to question executives and to hear concerns from those who oppose pending deals. While it is up to the Justice Department's Antitrust Division to block pending mergers, we expect to see Congress devote time at the committee level to review any pending or future planned mergers in 2016.

**INFORMATION
ITEM**

3F



December 31, 2015

To: Inland Empire Utilities Agency
From: Michael Boccadoro
President
RE: December Legislative Report

Overview:

December was a relatively slow month in Sacramento with Legislators working in their districts before returning to Sacramento in January. Final action on legislation was taken in October leaving November and December with no formal legislative activity. When members return in January, they will have until the end of the month to move any two-year holdover bills out of their house of origin.

As discussed in November, there have been significant efforts to advance reform of Proposition 218. A group of organizations including the Association of California Water Agencies (ACWA), have filed a Constitutional Amendment with the Secretary of State which would leave Prop 218 in Article XIII of the California Constitution unchanged, but would create a separate, optional, rate-making process in Article X of the Constitution. This amendment would redefine the definition of sewer service to include stormwater and flood water, expressly authorize low-income rates and set up a separate process to establish tiered, or conservation-based rates. The coalition is actively trying to gain the support of the Governor. The group is also planning a legislative push seeking placement on the ballot, which requires a two-thirds vote.

The California Public Utilities Commission (CPUC) has released a Proposed Decision (PD) on the new version of Net-Energy Metering (NEM 2.0.) The PD does not make any major changes to the program for commercial customers. The most significant changes are on the residential side which would add new interconnection costs and non-bypassable charges to distributed solar systems, while also imposing new minimum bill requirements and time-of-use rates that could complicate the solar value proposition. In addition, Southern California Edison is inching closer to their NEM 1.0 cap with 884 MW of capacity remaining before switching over to the NEM 2.0 program.

Statewide, the snowpack is 111 percent of average for December. In the northern Sierra, it is 116 percent of the norm; in the central Sierra, 121 percent of average and in the southern Sierra, 85 percent of the norm. Last year at this time, the statewide snowpack was little more than half the average, setting the tone for a dismal winter of bare Sierra slopes. Snow in these areas is a key source of water for the state. While the snowpack is doing well, reservoir conditions are still hovering at roughly the same levels they were at the end of September.

Fall salmon runs are significantly stronger than expected according to the National Marine Fisheries Agency, welcome news after inadequate cold flows hurt run of juvenile Coho salmon

earlier this year. The strong run is important as regulators have the ability to limit flows to protect salmon.

The State Water Resources Control Board released a proposed regulatory framework that extends the emergency conservation regulation, until October 2016, requiring urban water suppliers to meet state-mandated conservation targets, ranging from 4% to 36% over 2013 levels.

The proposal also proposes modifications including:

- A climate adjustment of up to four percentage points for water suppliers located in the warmest regions of the state;
- An adjustment to account for water-efficient growth since 2013;
- A reduction for urban water suppliers using new drought resilient water supplies; and
- Modification of the Commercial Agricultural Exclusion to set a threshold of at least \$1,000 per year in agricultural sales revenue for customers claiming the exclusion.

Inland Empire Utilities Agency Status Report – December 2015

Proposition 218 Reform

As discussed in the November Report, following the April appellate court ruling striking down San Juan Capistrano's tiered water rate structure, and the Governor's October message noting that Prop 218 is the biggest impediment to public water systems establishing low-income water rate assistance programs and that Prop 218 is an obstacle to conservation pricing and stormwater improvements, several organizations worked together on a solution.

The Association of California Water Agencies (ACWA), the California League of Cities (League), and the California State Association of Counties (CSAC), officially filed a Constitutional Amendment with the Secretary of State for potential qualification for the November 2016 ballot to amend Title X of the California Constitution to offer an alternative ratesetting process for tiered water rates, redefine "sewer service" to include management of stormwater and flood water and allowing the rates for those services to be approved in a similar ratesetting process, and authorize voluntary low-income rates.

Some ACWA members are still pushing for further protections from the Legislature or any state agency requiring adoption of tiered rates as a condition for any sort of state funds (ie, SRF or bond.)

ACWA is hoping to get the Constitutional Amendment on the ballot through the legislative process rather than having to rely on signature gathering to qualify. The coalition fully understands a commitment of support from the Governor is essential to passing a Constitutional Amendment through the Legislature, and are in constant contact with the Administration. Even with the Governor's support, it will be very challenging to pull together a two-thirds vote in an

election year as many believe that it is unlikely all of the Democrats would be in favor of the amendment at this time, let-alone the handful of Republicans needed to achieve the super majority vote. Additionally, any legislative Constitutional Amendment must be completed by the early summer as the Secretary of State needs time to print ballots and mail them to overseas voters. This leaves a short window to get a measure passed.

To qualify via signatures, they will need close to 600,000 valid signatures (more than a regular ballot measure because it is a Constitutional Amendment).

West Coast Advisors is monitoring all workgroup discussions and will continue to work with IEUA staff to analyze draft language as it is released.

Net-Energy Metering

NEM Cap

The existing NEM program is scheduled to sunset in June of 2016 or when each of the utilities reaches the “NEM Cap,” which is 5 percent of their aggregate peak load. All projects that are interconnected before the program closes will stay on the current NEM tariff for 20 years after their interconnection date. The following shows utility totals (installation and applications in the queue) toward their respective 5 percent caps. Southern California Edison is at 3.03 percent with 884 MWs remaining.

NEM 2.0

As discussed in previous reports, with the current version of the NEM program set to expire soon, the CPUC has been working on crafting the next version of NEM, referred to as NEM 2.0, with interested stakeholders. The Proposed Decision that was released in December does not make any major changes to the program for commercial customers. The most significant changes are on the residential side that would add new interconnection costs and non-bypassable charges to distributed solar systems, while also imposing new minimum bill requirements and time-of-use rates that could complicate the solar value proposition.

The Proposed Decision is eligible for consideration in January, but has not been calendared.

Snow Pack and Reservoir Conditions

Statewide, the snowpack is 111 percent of average for the date. In the northern Sierra, it is 116 percent of the norm; in the central Sierra, 121 percent of average and in the southern Sierra, 85 percent of the norm.

Last year at this time, the statewide snowpack was little more than half the average, setting the tone for a dismal winter of bare Sierra slopes. Snow in these areas is a key source of water for the state.

When it comes to snowpack, the critical date is still months away. April 1 is when snowpack reaches its peak, and in a typical year that snow provides Californians with roughly a third of their water supply.

The recent storms have done little to refill critically low reservoirs, but the runoff has helped to slow the bleeding, and in a few, cases minimally improve supply.

The following is a chart of water levels at several California reservoirs comparing end of September levels to end of December levels:

Reservoir	Percent of Capacity		Percent of Historical Average	
	Sept. 28	Dec. 30	Sept. 28	Dec. 30
Lake Shasta	35%	31%	59%	51%
Lake Oroville	30%	29%	48%	47%
Folsom Lake	18%	24%	32%	49%
San Luis Reservoir	20%	20%	42%	30%
Lake Perris	36%	35%	47%	45%
Castaic Lake	36%	39%	45%	49%

Strong Fall Salmon Run

Long droughts like the one California is experiencing can take a toll on wild chinook salmon starving, overheating, disorienting and drying out the fish.

But up and down Central Valley rivers, the story is surprisingly different this fall. Salmon have come home to breed after a three-year struggle to survive migrations, predators, water-diversion pumps and drought.

The abundance is in sharp contrast to the meager returns for the Coho salmon on many coastal creeks, and for the endangered winter-run chinook on the upper Sacramento River, where overheated water killed many young fish earlier this year. Inadequate flows of cold enough water hurt survival of young winter-run salmon this spring on the Upper Sacramento River, with many of the endangered juveniles dying out, the National Marine Fisheries Service reported in October.

Officials say the fall run is doing better because of abundant food sources in the ocean the past three years and because of effective human intervention: operating hatcheries, trucking young hatchery fish out of shallow, drought-starved rivers, and delicately balancing the flow of water between people and fish.

The scene of plentiful salmon returning is playing out on several rivers, including the American near Sacramento, where nearly 8,000, salmon more than average, have swum into the federal Nimbus Hatchery. More than 16,000 salmon, also above average, have traveled up the Feather River to a hatchery below Oroville Reservoir north of Sacramento.

Dam and hatchery operators in California have taken unusual measures in the drought to protect salmon competing with 38 million state residents for limited water supplies. Officials have installed water-chilling equipment at hatcheries, released pulses of cold water behind dams, and reared baby fish longer in hatcheries than before.

They also have stepped up efforts to truck young hatchery-reared salmon for release in the Sacramento-San Joaquin Delta or San Francisco Bay. The giant taxi service moves salmon past meager drought-stricken rivers and streams, where fish can be overheated to death or picked off by predators.

State and federal environmental regulators have broad authority to limit pumping water from rivers and the Delta, and have faced criticism from environmentalists who say too much water has been diverted to people and farms at the expense of fish.

SWRCB Emergency Conservation Regulations

The State Water Resources Control Board released a proposed regulatory framework that extends until October 2016 the emergency conservation regulation requiring urban water suppliers to meet state-mandated conservation targets in late December.

As a reminder, under the existing emergency regulation, water suppliers must meet state-mandated conservation targets ranging from 4% to 36% over 2013 levels. The new proposal includes those targets, but also proposes modifications including:

- A climate adjustment of up to four percentage points for water suppliers located in the warmest regions of the state;
- An adjustment to account for water-efficient growth since 2013;
- A reduction for urban water suppliers using new drought resilient water supplies; and
- Modification of the Commercial Agricultural Exclusion to set a threshold of at least \$1,000 per year in agricultural sales revenue for customers claiming the exclusion.

The framework includes a recommendation that all credits and adjustments be capped so that the maximum allowable decrease for any individual water supplier does not exceed four percentage points. However, staff rejected stakeholder proposals for credits or adjustments related to non-potable recycled water use, sustainable groundwater management, regional compliance, and isolated hydrogeological regions that do not import or export water.

Public comment on the proposed framework will be accepted until Jan. 6, 2016 and the Board is expected to consider the proposal in early February.

Legislation Update

Members return to Sacramento in January. Quick action must be taken on “two-year” bills introduced in 2015 and still in their original house. The house of origin deadline for two-year bills is January 31. The Governor must submit his fiscal year 2016-17 budget to the Legislature by January 10.

Of note, Assemblyman Henry Perea (D- Fresno) has announced he will resign from the Assembly effective January 1. Perea has been the leader of the moderate Democrat caucus. Democrats have chosen Assemblyman Jim Cooper (D- Elk Grove) and Assemblyman Rudy Salas (D- Bakersfield) as the new leaders of the moderate Democrat caucus.

Speaker Atkins also announced several committee changes for 2016, shifting members around to accommodate Asm. Perea leaving and soon-to-be Speaker Elect Anthony Rendon (D-Lakewood) vacating his committee seats. The most notable change is Assemblyman Mike Gatto (D-Burbank) taking over as Committee Chair of the Assembly Utilities and Commerce Committee. No IEUA delegation members have changed committees, as of yet.

**INFORMATION
ITEM**

3G

Agricultural Resources

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

December 30, 2015

Legislative Report

TO: Joe Grindstaff
General Manager, Inland Empire Utility Agency

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

SU: Legislative Report, December, 2015

The first session of Congress limped to an exhausting if not weary close in late December. Despite a year filled with intense political conflict and prolonged gridlock, Senate Majority Leader Mitch McConnell (R-KY) and Minority Leader Harry Reid (D-NV) both publicly acknowledged that 2015 was one of the most production sessions in years when it came to a close on the eve of Christmas.

The Federal Government – defense and non-defense – was fully funded through September 30, 2016, end of the current fiscal year. As significantly, a shut-down, repeatedly threatened, was avoided.

A California drought bill, however, remains unresolved and seriously grid-locked.

Snapshot.

- Congress adjourned in late December.
- Speaker Ryan and Minority Leader Pelosi worked together to pass funding bills for all Departments and agencies for the remainder of the Fiscal Year (September 30, 2016) based on funding levels worked out when Speaker Boehner was still in the Congress.

- After all was said and done, strong bi-partisan votes approved Federal funding in both the House and Senate. Strength of the votes surprised most observers.
- Freedom Caucus (in the House) opposition to the Omnibus funding bill became irrelevant House Rs and Ds jointly supported the funding bill.
- Significantly, the ever-constant threat of a Federal Government shut-down never materialized. Speaker Ryan publicly declared it wouldn't happen – and it didn't.
- Speaker Ryan demonstrated an ability to lead his deeply divided House R Caucus. When he became Speaker no one knew what to expect. His caucus was – and remains – deeply divided. Maybe it was a political honeymoon. Maybe it was the change. Maybe it was his personality. For right now the House is more productive and less contentious (though there are clear signs of internal strife and on-going discontent).
- Between Speaker Boehner and Speaker Ryan, a highway bill was enacted, a major tax extender bill was enacted, an education bill was passed – these and other long-stalled bill – each passed with strong bi-partisan support.
- Congress is, after its own drought, legislating again.

Ways and Means – Tax Reform Back on the Agenda

- Speaker Ryan, in one of his first speeches after becoming House leader, declared that tax reform would be a priority for House Rs in 2016 (not 2017 as many predicted).
- Incoming House Ways and Means Chair, Rep. Kevin Brady (R-TX), made similar statements.
- Both indicated that 2016 would be devoted to building a record for tax reform.
- The centerpiece of House R interest in tax reform – reducing rates for both personal and corporate rates – with announced targets of 25% rates for both.
- Unstated, in order to reduce rates (and maintain revenue neutrality), major sections of the tax code have to be repealed altogether, or, at the very least, amended and reduced – without question, this would include deductibility of municipal bonds. Put another way, the tax rate (corporate and personal), cannot be achieved without slashing the tax codes in a huge way. The Treasury Department reports that the “cost” of muni bonds – in tax terms – is huge.
- At risk – muni bonds are the primary funding for local governments across America.
- IEUA, along with ACWA, NWRA along with almost every major form of infrastructure (water energy, transportation, hospitals, schools, libraries, recreation, etc.), have been

working with the Municipal Bonds Coalition of America, headed by Columbia, SC Mayor, Steve Benjamin. This is a high priority for the US Conference of Mayors as well. The Coalition is planning an even more intensive effort in 2016.

Water/Weather/Drought

Drought Bill Stalls – Again – Effort for Bill Lead to Political Meltdown, Again

- In late 2014, drought bill talks blew up over charges of secrecy and accusations of bad faith. Urban interests in San Francisco and Los Angeles were even accused of “taking” water that rightfully should go to the San Joaquin Valley – and the west side in particular.
- In happened again in December 2015.
- Behind closed door talks – this time between House Majority Leader McCarthy (R-Bakersfield).and California’s senior senator, Dianne Feinstein -- similarly broke apart again.
- House Ds were excluded – and furious. Secrecy and bad faith were, once again, the bookends of public charges. Letters, op-eds, leaked stories, charges and more charges – filled newspapers, blogs, DWR clips, MAVEN and just about every newsletter that covers the issue.
- Majority Leader McCarthy produced a 92-page version of the drought bill (reportedly unseen by Feinstein) and instructed House Appropriators to include it in the Omnibus funding bill in the closing days of the session. Unseen bill was not subject to review, hearings or a markup. The Majority Leader was forced to drop the bill and effort as opposition arose over its content, lack of transparency and exclusionary process. Once again, charges of bad faith and mistrust overwhelmed the effort.
- House Rs, particularly from the San Joqquin Valley, have publicly have attacked Senator Feinstein making legislation in 2016 even more difficult.
- Speculation and rumors have replaced any semblance of a normal legislative process.

Appropriations – Feinstein Leads Senate Effort to Include \$100 Million for Drought Relief

- A year ago, Senate Feinstein, who serves on the Senate Appropriations Committee, was successful in securing a special, one-time \$50 million appropriation for drought relief in California.
- While the drought bill collapsed amid partisan charges and counter-charges, Senator Feinstein was successful securing a second installment of drought funding – this time for \$100 million.
- IEUA is working with its House Members to ask Interior Secretary Jewell to dedicate a major share of those funds for Title XVI and we are asking that the funds be allocated not just for previously authorized projects, but also projects approved by the State Water

Resources Control Board (this is potentially very important as it is another way to resolve the funding issue with the Cucamonga recycling project stalled by BuRec opposition.

El Nino

- 2015 came to a close in December with reports of a Sierra Nevada mountain snow pack that was characterized as “above normal.” Few reports are as welcome as this.
- These storms and snow are not “drought-buster” numbers, but early indications that the El Nino is real and is beginning to have a positive impact.
- Larger question – will the El Nino provide a positive “wet” January, February and/or March.

Unanticipated Drought-Related Federal Tax Issue

- The “unintended tax penalty” resulting from the Governor’s Drought Orders remains an issue.
- MWD continues to work with Senate Finance Chair, Sen. Hatch (R-UT) and his committee staff to devise a solution.
- This is not a California-only issue. Texas and other states are now concerned.

Drought Status – CA and Rest of the West

- **Drought Conditions – California.** Even with a series of December storms, the Drought Monitor displays California drought conditions as substantially the same as the last several months. As with the past several months, all 58 counties remained in drought.
- **El Nino.** Last month, I reported that westwide, the drought map would indicate that drought conditions are lessening in most western states. That is beginning to happen, which is encouraging.
- **Lake Mead.** Reports, just before December came to a close indicated that Lake Mead finished 2015 at its lowest level since the reservoir was being filled years ago. Even a strong Winter cannot correct this problem (but it’s a start).

Looking Into January 2016

- With December coming to a close and 2016 upon us that means a presidential year has arrived.
- In 30 days, the first primaries will take place in Iowa, then New Hampshire.
- To be sure, the election year impacts everything in Congress.
- Paris, San Bernadino and other similar situations are altering the national agenda as is Syria and the rest of the Mideast.

- Whether or not drought talks resume or remain stalled – unknown.
- Senator Murkowski, Chair, Senate Energy Committee has not yet indicated what she will do and/or when regarding a westwide drought bill. A westwide bill has yet to be introduced or circulated.
- The President’s State of the Union address is now scheduled for mid-January. The budget is still expected in early February.
- Last month, I concluded my monthly report stating, *“December is the last month of the calendar year. A presidential election year is but 30 days away. The first voting – the Iowa Caucus, followed by the New Hampshire primary is almost here. It will impact everything here in Washington.”* That’s about right.

**INFORMATION
ITEM**

3H



CALIFORNIA STRATEGIES, LLC

Date: December 30, 2015
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: December 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 December that they wanted accomplished. Specifically discussed concept of Water Forum Initiative.
- 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 is pursuing.
- Received the recently released LAFCO report and updated strategy and approach to Plan for Service including references to LAFCO consultants and specific review of scopes of work
- Discussed County flood control and IEUA issues.
- Continue to monitor statewide water issues including the BDCP, water bond, and ongoing conservation activities.
- Outreach to Board Directors as needed on issues of interest
- Monitor Santa Ana Regional Board agenda and issues of interest to IEUA.
- Followed up with San Bernardino County per Mr. Grindstaff's request and reported back to him the results of the communication.

**INFORMATION
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Federal Legislation of Significance

Bill Number	Sponsor	Summary	Status
H.R.2029	House and Senate Appropriations Committees	Consolidated Appropriations Act, 2016	<p>The Consolidated Appropriations Act contains just north of \$23 million for Title XVI in FY2016. Additionally, the package contains \$100 million in Western Drought Money. We are coordinating an effort to have Members of Congress encourage the Department of the Interior to use that funding to supplement Title XVI and WaterSMART grants for FY16.</p> <p>The Consolidated Appropriations Act funds all federal agencies through the end of the Fiscal Year, which runs through September 30, 2016.</p>
H.R.1314	Former Speaker John Boehner (amendment)	The bipartisan budget agreement suspends the debt ceiling through March of 2017, and provides \$40 billion in relief from the Budget Control Act caps for defense and domestic spending in Fiscal Years 2016 and 2017.	President Obama has signed the bipartisan agreement. It provides relief from sequestration in FY16 and FY17, providing additional funding for both defense and domestic spending priorities.
S.1894	Sen. Dianne Feinstein	Feinstein introduced legislation in the final days of the month to combat drought in California. Specifically for IEUA, it contains a title on recycled water. It also removed the requirement for Congress to authorize Title XVI projects.	<p>First Legislative Committee Hearing was held in early October. Staff from the Senate Energy and Natural Resources Committee and the House Natural Resources Committee are attempting to preconference a bill with compromise language between the Senate and House drought bills, but proposals are not being traded back and forth. Additionally, a compromise bill is expected to be West-wide, not just include California.</p> <p>Feinstein has indicated she hoped to introduce an updated bill for consideration in a west-wide package before the end of 2015, but no legislative language was introduced before Congress adjourned for the year. Feinstein has also indicated she would like the bill to proceed through regular order rather than introducing a bill that has been pre-conferenced will little opportunity for amendment.</p> <p>Passed the House.</p>
H.R.2898	Rep. David Valadao	Western Drought Legislation introduced by California House Republicans that would ease environmental	<p>First Legislative Committee Hearing was held in early October. Staff from the Senate Energy and Natural Resources Committee and the House Natural Resources Committee are attempting to preconference a bill with compromise</p>

		<p>regulations provide for easier permitting for water storage projects</p>	<p>language between the Senate and House drought bills, but proposals are not being traded back and forth. Additionally, a compromise bill is expected to be West-wide, not just include California.</p> <p>California House Republicans attempted to attach their own version of a compromise drought bill to the omnibus appropriations package. Those efforts failed after Feinstein publically opposed the legislative language and criticized the manner in which the package was introduced.</p>
<p>S.J.Res.22</p>	<p>Sen. Joni Ernst</p>	<p>Congressional Resolution of Disapproval of the “waters of the United States” regulation introduced by the EPA and Army Corps of Engineers</p>	<p>The Senate has passed the resolution of disapproval of the “waters of the United States” regulation finalized by the EPA and Army Corps of Engineers. The House did not take up the resolution for adjourning for the year, but they might still pass it in early 2016. The resolution is subject to a veto from the president.</p> <p>The regulation is currently on hold nationwide as the courts hear arguments from states challenging the rule.</p>

**INFORMATION
ITEM**

3J

2nd Quarter Planning & Environmental Compliance Update



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Pretreatment & Source Control

Regional System

- * 25 Permitted industries
 - * 3 Enforcement actions (1 Significant Non-Compliance)
 - * Local limits study evaluating need for dioxin local limit
 - * Conduct dioxin source identification study
 - * Source water testing and trunk line monitoring
- ## North NRWS
- * 39 Permitted industries
 - * 2 Enforcement actions and 3 permits renewed
 - * Wastewater Disposal Agreement & industry capacity allocation
 - * 9 exceeded allocation (Jul-Oct 2015)
 - * 8 exceeded historical maximum (Jul-Oct 2015)

South Brine Line

- * 12 Permitted industries
- * No enforcement actions and 1 permit renewed
- * OCSD Ordinance adoption (Feb 2016)
- * OCSD local limits adoption (Feb 2016)
- * Collection station MOU to replace permit



Regulatory Compliance Update

SWRCB – DDW

- * CDA1 – 100% compliance
- * GWR – Total nitrogen at Banana Basin and RP3 Basin

RWQCB

- * Dioxin exceedance RP-5 effluent
- * De minimis discharge – TSS exceedance

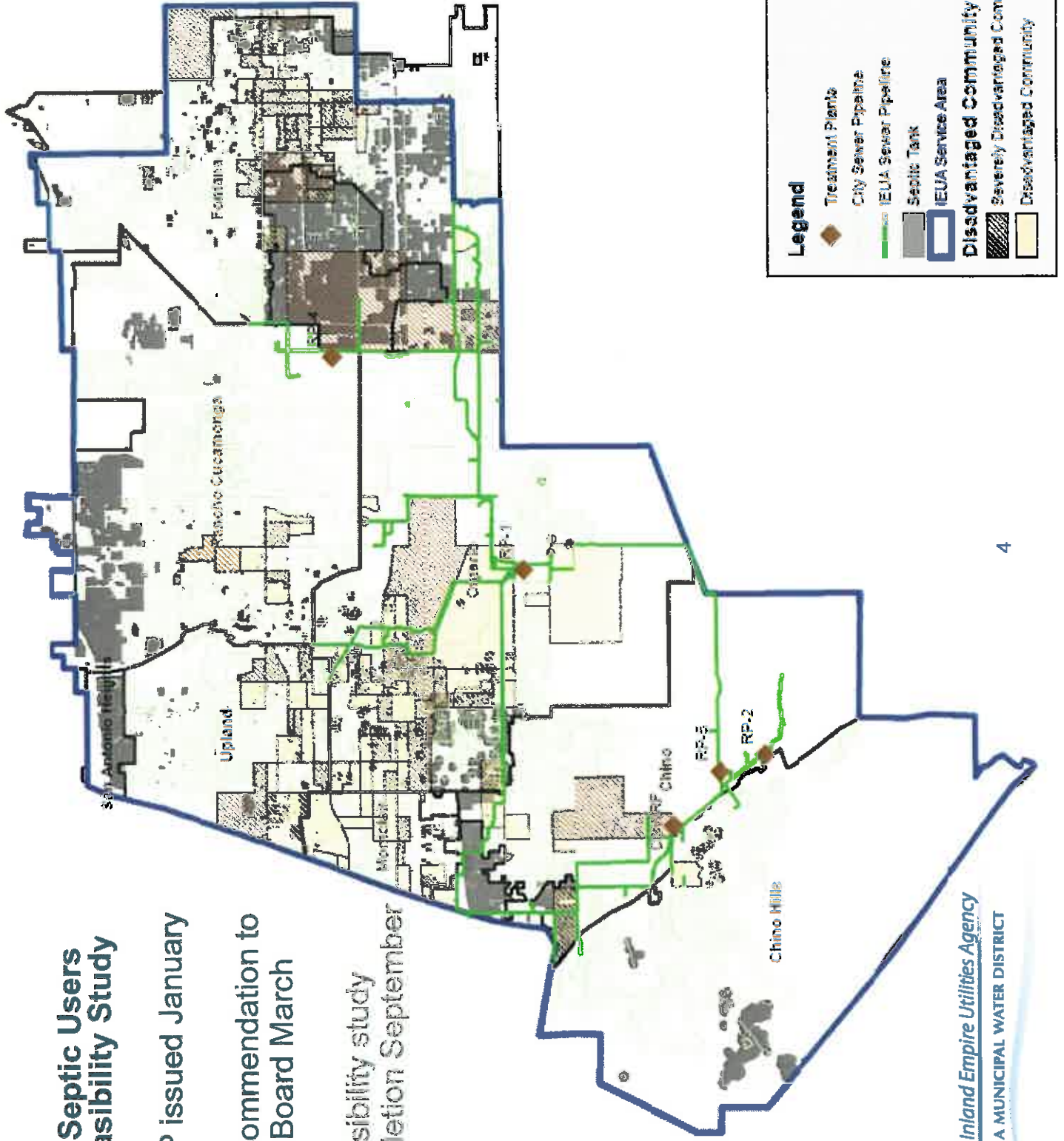
AQMD

- * All facilities – 100% compliance



Septic Users Feasibility Study

- * RFP issued January 2016
- * Recommendation to IEUA Board March 2016
- * Feasibility study completion September 2016



Planning

* **Organics Diversion and GHG/SLCP Reduction**

- * Waste grease assessment update
- * Food waste survey
- * Digester gas utilization evaluation

Santa Ana River Habitat Conservation Plan

- * Phase 1 completed
- * Phase 2 Hydraulic Impact Modeling - completion by February 2016

Integrated Resources Plan Phase 1

- * Presented recommended strategy to Policy November 4
- * Feb. 2016 Complete IRP Report
- * Mar. 2016 Initiate IRP Phase 2



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Planning

SARCCUP

- * Preparing Decision Support Model – SBVMWD-led RFP
- * Coordinating regional CEQA process with team

Recycled Water Injection Evaluation

- * Coordinating expert panel with NWRI and State

Water Use Efficiency Business Plan

- * Final report in preparation for Jan. 2016 completion

Water Resources Activities

Emergency Drought Regulations

- * Member agencies ahead of overall target
 - 28% overall target, 29.5 overall reduction
- * IEUA recommendations to the SWRCB
 - Consider utilizing existing State efficiency standards for ongoing reporting; 55 gpcd indoors, 80% of local ET outdoors
- * SAWPA Prop. 84 Grant
 - 3 IEUA member agencies have applied for rate structure grant funding
 - IEUA will submit request for installing a CIMIS ET station
 - IEUA will have been approved for a reimbursement of \$102,000 for previous land cover and water budget development with Omni Earth

Water Supply Allocation Plan (WSAP)

- * Tier 3 allocation 61,269 AF effective July 1, 2015 - June 30, 2016
- * Sales through November 2015 = 23% Allocation

**AGENCY
REPRESENTATIVES'
REPORTS**

4A



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

REGULAR COMMISSION MEETING TUESDAY, JANUARY 19, 2016 – 9:30 A.M.

REVISED AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Thomas P. Evans, Chair)
2. ROLL CALL
3. PUBLIC COMMENTS
Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).
4. CONSENT CALENDAR
All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.
 - A. APPROVAL OF MEETING MINUTES: JANUARY 5, 2016 5
Recommendation: Approve as posted.
5. NEW BUSINESS
 - A. ADDITIONAL SUPPLEMENTAL ENVIRONMENTAL PROJECT FUNDING FOR THE SAWPA SUCKER FISH HABITAT IMPROVEMENT PROJECT (CM#2016.3) 17
Presenter: Ian Achimore
Recommendation: Authorize staff to enter into an agreement to receive approximately \$39,000 in Supplemental Environmental Project (SEP) funding from a Santa Ana Regional Water Board fine levied on the City of Norco.
 - B. INLAND EMPIRE BRINE LINE REACH 5 REHABILITATION AND IMPROVEMENT PROJECT (CM#2016.4) 49
Presenter: David Ruhl
Recommendation: Authorize the General Manager to approve:
 1. Change Order 2 to Task Order VALI326-02 with Vali Cooper and Associates for additional Construction Management and Inspection services for the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project for an amount not to exceed \$562,344;
 2. Change Order 1 to Task Order DUDK326-02 with Dudek for additional Engineering Services during Construction for the Inland Empire Brine Line Reach 5 Rehabilitation and Improvement Project for an amount not to exceed \$64,420; and,
 3. Change Order No. 2 to Work Order No. 2016-16 with Ramtech Laboratories for additional CIPP Laboratory testing for the Inland Empire Brine Line Reach 5 Rehabilitation and improvement Project for an amount not to exceed \$53,428.

- C. **OCSD FACILITIES TOUR JOINT MEETING DISCUSSION**
Presenter: Celeste Cantú
Recommendation: Discussion of February 2, 2016 OCSD Facilities Tour.

6. **INFORMATIONAL REPORTS**

Recommendation: Receive and file the following oral/written reports/updates.

- A. **CASH TRANSACTIONS REPORT – NOVEMBER 2015**..... 67
Presenter: Karen Williams
- B. **INTER-FUND BORROWING – NOVEMBER 2015 (CM#2016.1)**..... 73
Presenter: Karen Williams
- C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – NOVEMBER 2015 (CM#2016.2)**..... 77
Presenter: Karen Williams
- D. **GENERAL MANAGER’S REPORT**..... 97
- E. **SAWPA GENERAL MANAGERS MEETING NOTES** 103
• January 12, 2016
- F. **CHAIR’S COMMENTS/REPORT**
- G. **COMMISSIONERS’ COMMENTS**
- H. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

7. **CLOSED SESSION**

- A. **CONFERENCE WITH LABOR NEGOTIATORS – PURSUANT TO GOVERNMENT CODE SECTION 54957.6**
Agency Designated Representatives: Thomas P. Evans, Commission Chair
Ed Killgore, Commission Vice Chair
Unrepresented Employee: General Manager
- B. **CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION – PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)**
Number of Potential Cases: Two

8. **ADJOURNMENT**

**AGENCY
REPRESENTATIVES'
REPORTS**

4B



REVISION 2

Regular Board Meeting

January 12, 2016

12:00 p.m. – Board Room

Tuesday, January 12, 2016 Meeting Schedule		
7:00-8:00 a.m.	Rm. 1-101	Dir. Computer Training
8:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	OP&T
10:30 a.m.	Rm. 2-145	IRP
12:00 p.m.	Board Room	Board Meeting

MWD Headquarters Building

• 700 N. Alameda Street •

Los Angeles, CA 90012

1. Call to Order

(a) Invocation: Chris Gutierrez, Unit Manager IV, Office of the General Auditor

(b) Pledge of Allegiance: Director Peter Beard

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(a))

5. OTHER MATTERS

A. Approval of the Minutes of the Meeting for December 8, 2015. (A copy has been mailed to each Director)
Any additions, corrections, or omissions

B. Report on Directors' events attended at Metropolitan expense for month of December

- C. Presentation of ten-year service pins to Directors John Murray and Jesús Quiñonez, representing City of Los Angeles
- D. Approve committee assignments
- E. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of Metropolitan's activities for the month of December
- B. General Counsel's summary of Legal Department activities for the month of December
- C. General Auditor's summary of activities for the month of December
- D. Ethics Officer's summary of activities for the month of December

7. CONSENT CALENDAR ITEMS — ACTION

Revised

- 7-1 Adopt resolution to support Metropolitan's application for United States Bureau of Reclamation grant funding of \$1 million for High-Efficiency clothes washer rebates; and authorize entering into a contract with United States Bureau of Reclamation if awarded. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

- a. Adopt the resolution;
- b. Authorize the General Manager to accept grant funds, if awarded; and
- c. Authorize the General Manager to enter into a contract for the grant funds.

- 7-2** Appropriate \$980,000; and award \$413,186.30 procurement contract to Peerless Pump Company for washwater pumps at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and

- a. Appropriate \$980,000; and**
- b. Award \$413,186.30 pump procurement contract to Peerless Pump Company for the Weymouth washwater tanks.**

- 7-3** Certify the Environmental Impact Report for planned improvements at and near the Robert B. Diemer Water Treatment Plant; and approve the Diemer Upgrades Project for purposes of the California Environmental Quality Act. (E&O)

Recommendation:

Option #1:

Certify the Final EIR for planned improvements at and near the Diemer plant; adopt the FOF, the SOC, and the MMRP; and approve the Diemer Upgrades Project for the purposes of CEQA.

Withdrawn

- ~~**7-4** Authorize a long term ground lease to Verizon Wireless for a telecommunications equipment site on Metropolitan fee-owned property located in the unincorporated area of Los Angeles County, near the city of La Verne. (RP&AM)~~

- 7-5** Appropriate \$1.1 million; and authorize design of urgent prestressed concrete cylinder pipe repairs at two locations on the Sepulveda Feeder (Approp. 15496). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is statutorily exempt, and

- a. Appropriate \$1.1 million; and**
- b. Authorize final design of urgent PCCP repairs at two locations on the Sepulveda Feeder.**

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1** Appropriate \$4.25 million; and authorize design of four rehabilitation projects along the Colorado River Aqueduct (Approp.15483). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and

- a. Appropriate \$4.25 million;**
- b. Authorize design to improve drainage at each CRA pumping plant;**
- c. Authorize preliminary design to replace the CRA domestic water systems;**
- d. Authorize design of conduit structural protection at 22 locations along the aqueduct; and**
- e. Authorize preliminary design to control erosion at eight locations along the aqueduct.**

- 8-2** Appropriate \$2.7 million; and authorize design of two pump reliability projects at the Colorado River Aqueduct pumping plants (Approp. 15481). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

- a. Appropriate \$2.7 million;**
- b. Authorize final design of discharge line Isolation couplings at the Colorado River Aqueduct pumping plants; and**
- c. Authorize design to replace overhead cranes at each of the plants.**

- 8-3** Adopt the 2015 Integrated Water Resources Plan Update. (IRP)

Recommendation:

Option #1:

Adopt the CEQA determination that the 2015 IRP Update is not subject to CEQA, and adopt the 2015 Integrated Water Resources Plan Update.

- Added** **8-4** **Report on *Bradley Wayne Nutt v. Metropolitan Water District of Southern California*, Los Angeles Superior Court Case No. BC550863; and authorize an increase in the maximum amount payable under contract with Atkinson, Andelson, Loya, Ruud & Romo for legal services by \$200,000 to an amount not to exceed \$550,000. (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

9. BOARD INFORMATION ITEMS

- 9-1** **Proposal to enter into agreements related to a Bard Water District land management and seasonal fallowing pilot program. (WP&S)**

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

NOTE: At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.


Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parentheses at the end of the description of the agenda item e.g., (E&O, F&I). Committee agendas may be obtained from the Board Executive Secretary.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

**GENERAL
MANAGER'S
REPORT**



Date: January 20, 2016
 To: The Honorable Board of Directors
 From: P. Joseph Grindstaff, General Manager 
 Subject: General Manager's Report Regarding Agency Activities

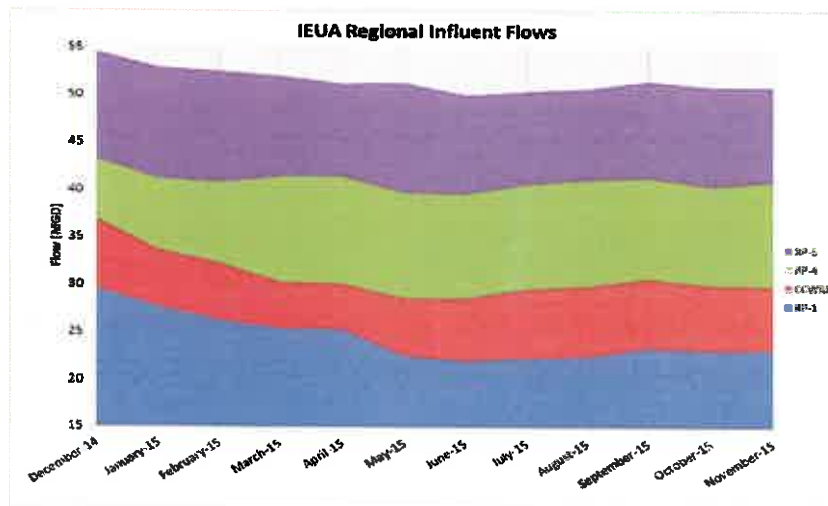
PLANNING & ENVIRONMENTAL RESOURCES

Member Agencies drought summary versus State Board requirement.

Water Tracker			
Agency	Target Savings	Cumulative Savings (Jun-Nov 2015)	Monthly Savings (Nov 2015)
Chino	24%	22%	15%
Chino Hills	28%	30%	21%
CVWD	32%	27%	17%
FWC	28%	30%	20%
MVWD	24%	27%	20%
Ontario	24%	22%	16%
Upland	36%	40%	16%

OPERATIONS UPDATE

Regional Plant influent flows during the month of November was consistent with the flow received during the previous months. Agency-wide average daily influent flow for the month of November was approximately 50 million gallons per day.

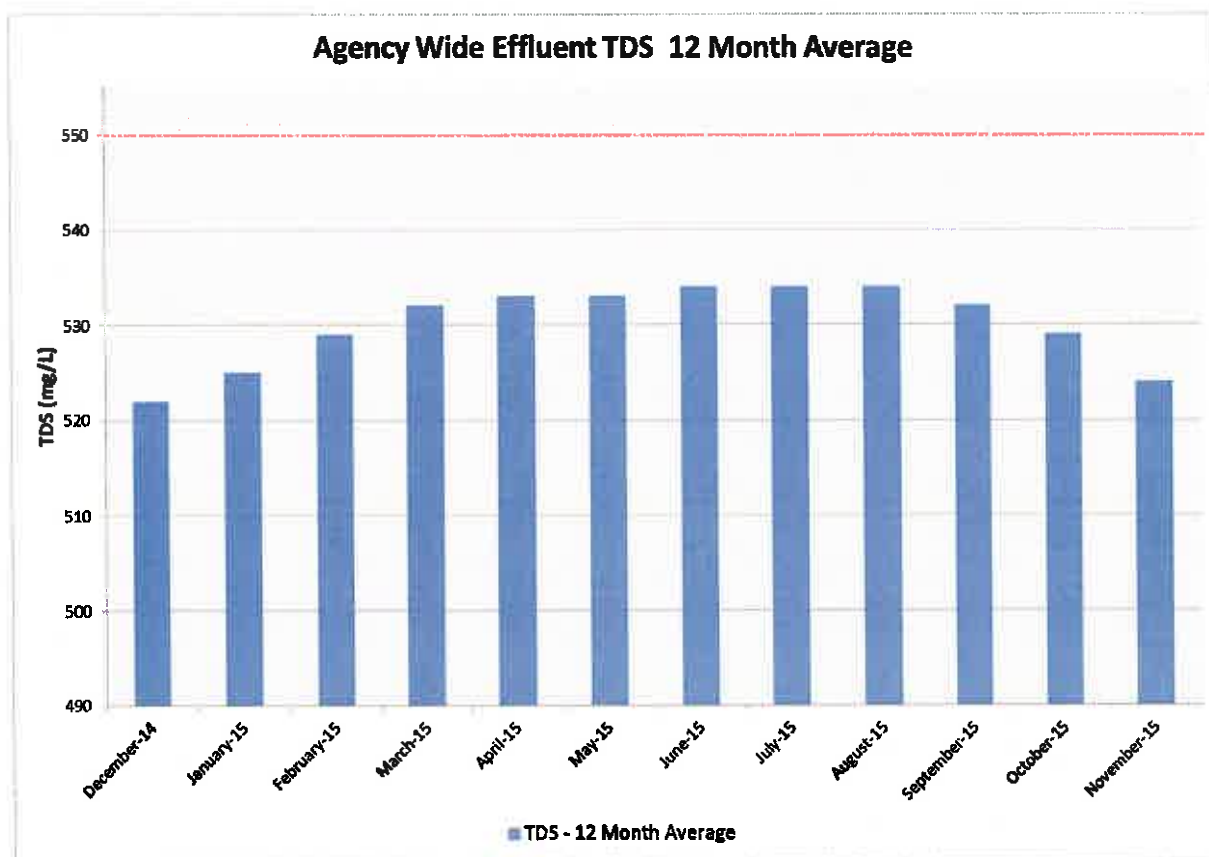


November 2015, Regional Plant sodium hypochlorite consumption averaged 15.2 gallons per million gallons of treated flows.

The National Pollutant Discharge Elimination System (NPDES) permit limit for Agency-wide 12 month flow-weighted running average of Total Inorganic Nitrogen (TIN), is 8 mg/L. The value for November 2015 TIN was 5.7 mg/L.

The 12-month running average for TDS from the Agency's treatment plants was on an incline, and reached 534 mg/L; November's 12-month average had slightly decreased to 524 mg/L. The increase in salinity can be contributed to a combination of conservation efforts which increases the wastewater strength received at the treatment plants, and increased salinity from the State Water Project. If the TDS trend continues to increase, the Agency will have to plan for added treatment in order to meet NPDES permit requirement of 550 mg/L, and in the long term to meet salinity objectives for the Chino Basin.

We have asked for the time over which, we calculate our compliance to be extended and should that happen the immediate pressure will be relieved. The Regional Board executive officer has indicated a willingness to consider this, but no formal response has been received.



The Agency has maintained 100% water quality compliance for 36 consecutive months. There was one Air Quality Management District (AQMD) NOV exceedance at RP-5 in September 2015.

IERCF UPDATE

Operational Comments – Facility throughput for December averaged approximately 100% of permitted capacity at an average of 426 tons per day of biosolids and 164 tons per day of amendments (based on a 30-day month). The facility is operating well with no violations or lost time incidents.

Facility Throughput

POTW	Wet Tons Month	Wet Tons Year to Date
LACSD	7,274.19	82,476.06
IEUA	5,503.36	58,069.13
OCSD	0	2,907.92
Total	12,777.55	143,453.11

Compost Sales – Fiscal YTD sales are lower than last year due to timing of the agricultural markets and impacts from the drought including turf removal. Tree and vine crops started taking material in December and are expected to continue to use compost through March 2016. Compost inventory in the storage facility is at 13,000 cubic yards. Storage volumes may increase if there is significant rain caused by El Niño. Compost is typically not delivered when it is raining or when the ground is muddy. It is anticipated that there is adequate storage to ensure no throughput impacts.

Monthly Sales Summary December 2015

Month	Product	Cubic Yards	Avg. \$/CYD	Total \$
December	Premium	11,003.14	\$2.59	\$28,476.77
	Base	6,650.05	\$0.00	\$0.00
Total		17,653.19	\$1.61	\$28,476.77

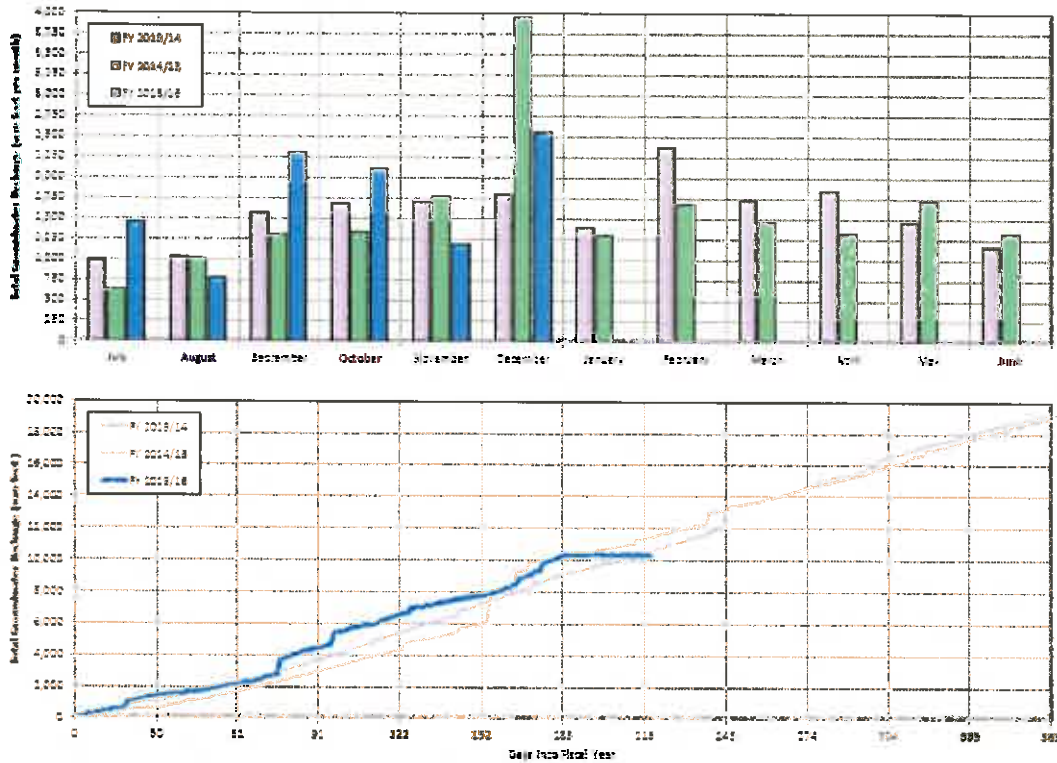
YTD Sales Summary through December 2015

Month	Total Cyds 2015/2016	Total Cyds 2014/2015	Total \$ 2015/2016	Total \$ 2014/2015
July	21,389.25	23,882.49	\$34,657.16	\$39,474.57
August	16,919.04	25,689.52	\$30,461.07	\$27,575.69
September	16,750.02	33,184.26	\$24,655.71	\$37,732.49
October	27,394.30	31,487.37	\$33,401.74	\$31,552.56
November	29,056.62	22,348.31	\$25,280.90	\$32,957.02
December	17,653.19	18,272.61	\$28,476.77	\$23,528.45
Total	129,162.42	154,864.56	\$176,933.35	\$192,820.78
Average	21,527.07	25,810.76	\$29,488.89	\$32,136.80

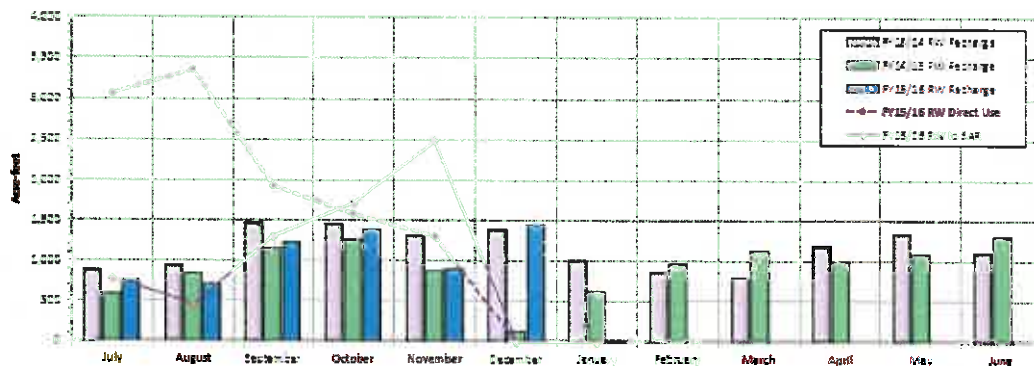
GROUNDWATER RECHARGE

During December 2015, recycled water recharge totaled 1,435 acre-feet. There was no imported water delivered. The capture of dry weather creek flows totaled 39 acre-feet. There were four rain events during this period that generated a total of approximately 1,066 acre-feet of captured storm water. A detailed summary of the Chino Basin Groundwater Recharge Operations can be found at <http://www.ieua.org/category/reports/groundwater-recharge-reports>.

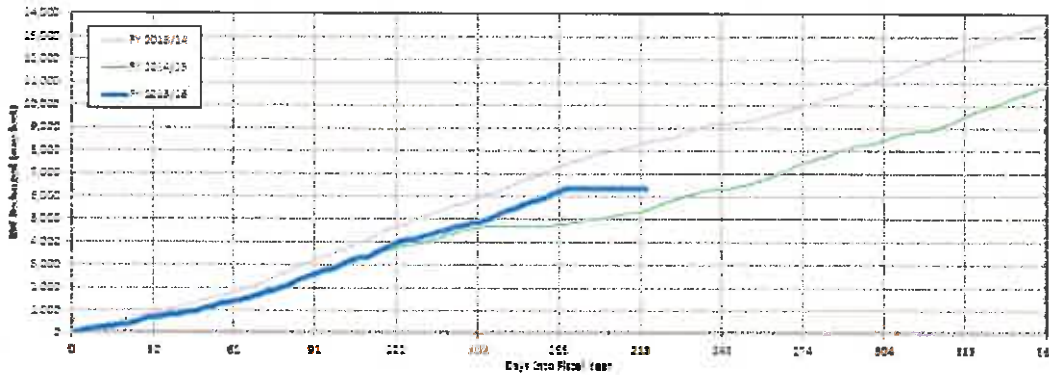
Total Groundwater Recharge



Recycled Water Delivered to Groundwater Recharge

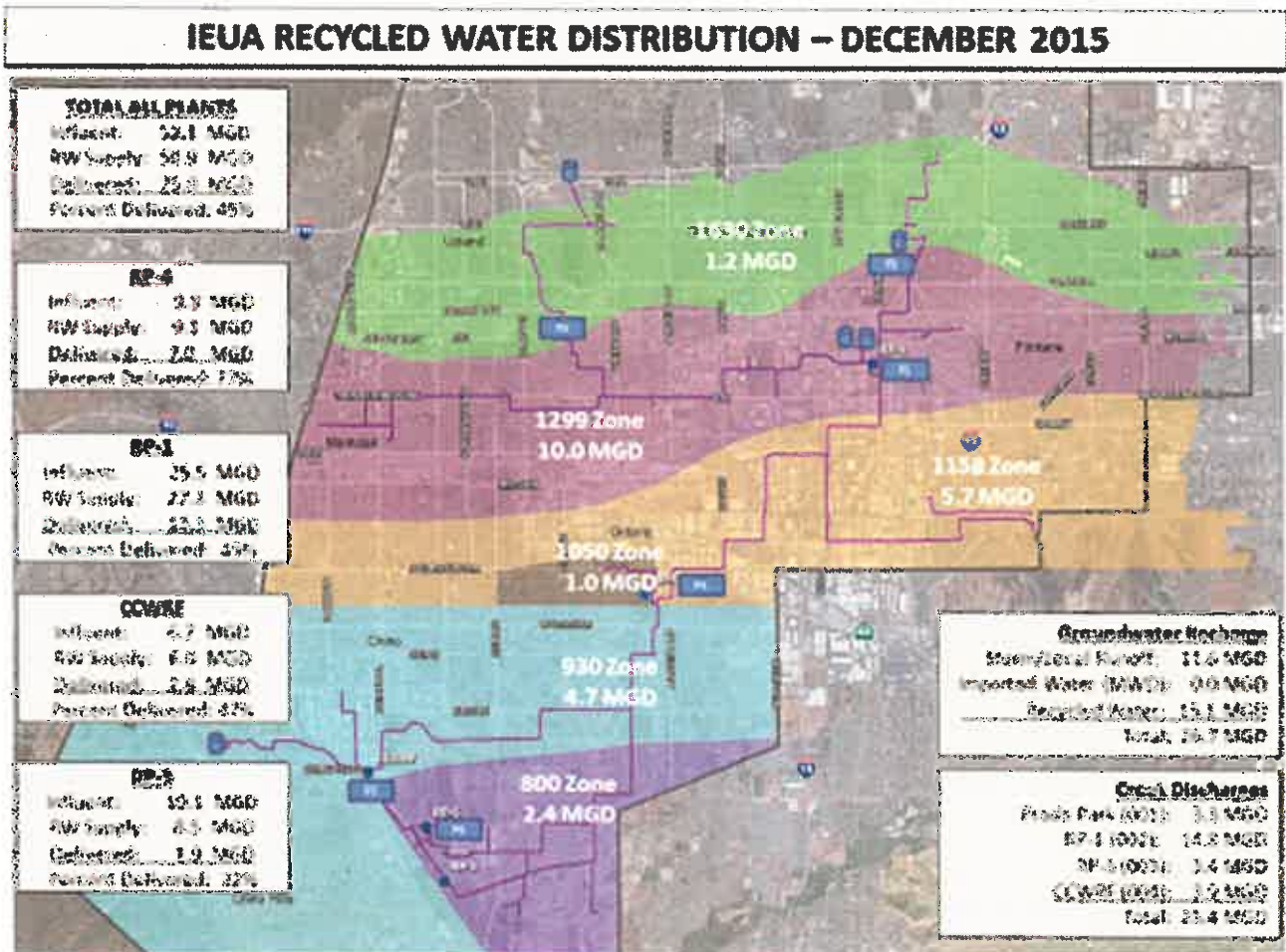


Recycled Water Delivered to Groundwater Recharge (continued)



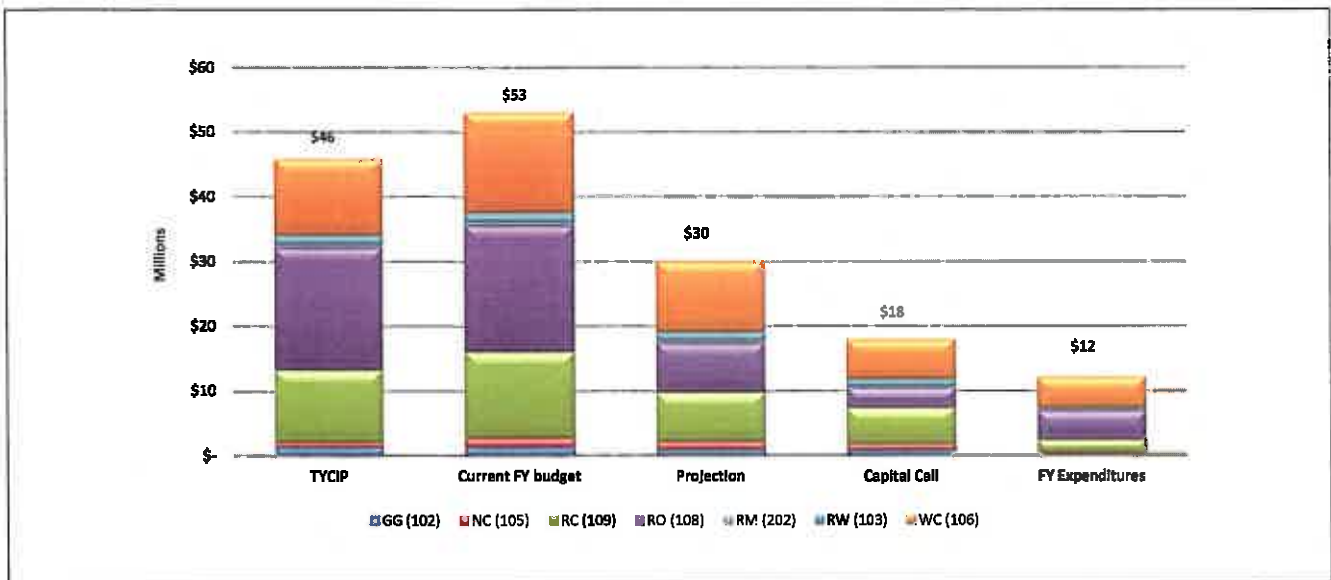
RW Distribution

During December 2015, 49% (25.0 MGD) of IEUA recycled water supply (50.9 MGD) was delivered into the distribution system for both direct use customers (9.9 MGD) and groundwater recharge (15.1 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 25.4 MGD.



ENGINEERING & CONSTRUCTION MANAGEMENT PROJECT STATUS SUMMARY

Engineering and Construction Management's FY15/16 budget is \$52,981,234. As of December 31st, staff has projected to spend \$29,993,343 during FY15/16 of which \$12,118,039 has been spent. The following chart summarizes the Engineering and Construction Management FY Budget status update.

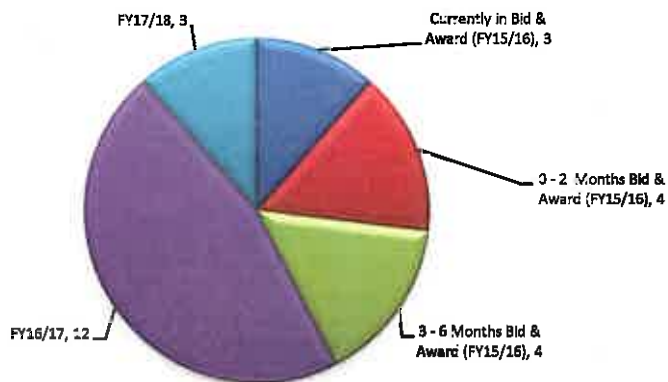


Currently, nine projects have over \$500,000 of FY budget that will not be expended this FY. These nine projects represent \$14,845,217 of the variance between the current FY budget and the FY projections. The reasons for their FY variances are as follows:

Project #	Description	FY 15/16 Forecast	FY 15/16 Budget	Variance (FY Budget - FY Forecast)	Reason for Variance
EN06025	Wineville Ext Recy Wtr Pipeline Seg A	1,104,282	2,135,354	1,031,072	The project finished under budget with a 4% change order ratio.
EN13001	San Savaine Basin Improvements	2,573,435	3,500,000	926,565	A majority of the expense is within construction which will begin later in the fiscal year. The capital call was reduced to reflect major expenses occurring in the following fiscal year.
EN13045	Wineville RW Extension Segment B	1,755,863	2,506,256	750,393	The project is nearly complete and will finish below the FY budget.
EN13048	RP-1 930-Zone RW Pump Station Load Analysis	230,970	1,000,000	769,030	An extensive analysis of the RP-1 existing load is required prior to launching the design. The majority of the budget will be consumed in FY16/17.
EN15008	New Water Quality Laboratory	1,129,013	1,700,000	570,987	Based on original TYCIP allocation, some of the FY15/16 budget belongs to the construction phase which will begin in FY16/17.
EN16021	Chino Basin Groundwater Supply Wells and Raw Water Pipelines	406,152	9,000,000	8,593,848	The project work has been delayed due to the ongoing settlement negotiations with the Regional Board. CDA has initiated project management with Michael Baker International, but design and construction will not begin until Regional Board settlement is complete, per IEUA's agreement with CDA. The Regional Board is expected to present the proposed settlement to their Board of Directors in January 2016.
EN11031	RP-5 Flow Equalization and Effluent Monitoring	151,639	1,255,264	1,103,625	The project scope was modified to meet Agency operating requirements. Contract modifications are underway and resulted in delays.
EN14019	RP-1 Headworks Gate Replacement	191,377	700,000	508,623	The project evaluation period was extended based on review of project expectations and Stakeholder requirements.
EN16024	RP-1 Mixed Liquor Return Pumps	408,926	1,000,000	591,074	The project evaluation period was extended based on review of project expectations and Stakeholder requirements.
		7,951,657	22,796,873	14,845,217	

Active Projects in Design

26 Active Project in Design



3 Project Currently in Bid & Award

- EN13056.01 RP-4 MCC - Power Center Five Roof Access
- EN15055.00 1630 W. Recycled Water Pump Station - Surge Tank Installation
- EN16055.00 Headquarters Back Up Generator

4 Projects 0-2 Months Bid & Award

- EN14047.00 GWR and RW SCADA Control Upgrades
- EN16047.00 HQ Parking Lot FY15/16
- EN16132.00 Magnolia Channel Spillway
- EN15008.00 Water Quality Laboratory

Active Projects in Construction

Project ID	Project Title	Description	Total Project Budget (\$)	Total Cost to Date (\$)	FY Budget (\$ 2015)	FY Cost thru 12/31/15	CGs Processed thru 12/31/15	Total Project COV (%)	% Project Complete	Original Opt Date	Estimated Opt Date
1	EN08029.06 RP1 Primary Clarifier 2015 Rehab Proj	Continuation of the required rehab work within the Primary Clarifiers	890,108	792,344	-	767,869	161,768	25.67%	90.04%	12/31/2015	1/26/2016
2	EN12014.00 East Avenue 1630 E RWP Relocation	Relocation of 200 LF of 36 inch RW PL on East Avenue in Rancho	1,594,400	1,106,878	633,261	14,447	0	0.00%	90.09%	8/30/2015	1/14/2016
3	EN12019.00 GWR and RW Comm. Sys. Upgrades	Upgraded the SCADA system to provide control & monitoring	477,503	173,809	477,503	786,552	0	0.00%	100.00%	7/2/2015	1/15/2016
4	EN12020.00 Chino Creek Invert Repair	Evaluate condition of the creek invert over the siphon trench & make repairs	10,309,546	4,152,953	4,200,000	2,571,375	7,897	11.74%	81.60%	11/30/2015	1/25/2016
5	EN13016.00 SCADA Enterprise System	Design/construct SCADA system that enables remote control of facilities	3,030,095	391,105	1,203,874	76,873	0	0.00%	92.04%	2/15/2016	2/29/2016
6	EN13018.00 Montclair Diversion Structure Improvements	Replace liquid mist odor control system @ COWRF and replace bar screens	356,265	289,732	223,987	157,454	0	0.00%	83.92%	7/16/2016	7/5/2016
7	EN13040.00 Prado Ditcher Communication System	Design, supply & install a monopole to communicate with the RP-5	387,918	248,456	303,566	165,104	0	0.00%	97.10%	1/29/2016	12/18/2015
8	EN13042.00 Philly Pump Station Communication System	Design, supply & install monopole @ Philly PS & Integrate w/existing network	571,281	456,730	447,614	333,063	0	0.00%	97.10%	1/29/2016	12/18/2015
9	EN13045.00 Wineville RW Extension Segment B	Design, supply & install monopole at Montclair LS	11,890,500	10,557,490	2,506,256	1,465,863	30,477	0.00%	97.10%	1/29/2016	12/18/2015
10	EN13045.00 Wineville RW Extension Segment B	Install 2.8 miles of 30" RWP & to the associated appurtenances	3,600,000	439,634	487,622	297,644	0	0.00%	95.72%	6/26/2015	12/23/2015
11	EN13046.00 RP1 Hara System Improvements	Design, procure, construction & startup of the two new flares systems at RP1	-	10,264	-	10,329	0	0.00%	92.23%	9/30/2015	1/26/2016
12	EN14012.01 RP2 Drying Beds Rehab Tractor & Compost Aerator	Purchase tractor/compost Aerator	150,000	106,507	109,328	56,091	0	0.00%	47.92%	3/31/2016	7/7/2016
13	EN14038.00 CS20 Noise Mitigation Measures	Design and build the sound mitigating enclosure	1,112,000	995,586	65,020	49,243	19,015	2.56%	113.55%	6/30/2014	1/15/2016
14	EN14052.00 RP1 Primary Clarifier West Effluent PL Replacement	Replace effluent pipeline w/verified clay pipe and extend life	1,200,000	273,623	1,009,250	179,347	0	0.00%	107.01%	8/31/2014	1/1/20/2015
15	EN15035.00 Agency-Wide HVAC Improvements- Pkg No. 3	Evaluate elect & control bldgs. HVAC systems & provide solutions @ RP-1	620,000	230,031	512,340	124,565	0	0.00%	72.28%	6/6/2016	6/6/2016
16	EN15045.00 Collection System Manhole Upgrades FY 15/16	Repair/replace 44 sewer collection system manhole frames and covers	436,086	137,670	350,000	59,196	0	0.00%	97.70%	4/30/2016	4/5/2016
17	EN15046.00 NRW Manhole Upgrades FY 15/16	Repair 23 NRW collection system manholes.	120,000	9,607	120,000	9,607	0	0.00%	77.31%	4/30/2016	4/4/2016
18	EN16067.00 RP-1 DAF's Plug Valve Replacement	Demo & replacement of existing eccentric plug valves in DAF Valve Vaults	36,745,502	20,559,812	13,620,183	7,267,991	264,247	0.00%	70.58%	2/09/2016	2/5/2016
			28112	23319	0	0.00%	100.00%				11/5/2015

• Total construction contract payments for work completed in December: \$635,238

Completed Construction Projects - Notice of Completion Filed

Project ID	Project Title	Description	Total Project Budget (\$)	Total Cost to Date (\$)	FY Budget (\$ 2015)	FY Cost thru 12/31/15	CGs Processed thru 12/31/15	Total Project COV (%)	% Project Complete	Original Opt Date	Notice of Completion Filed
1	EN15026.11 Emergency HQA and HOB Slab Repair	HQA and HOB Slab Repair	-	-	-	23319	0	0.00%	100.00%		11/5/2015

Emergency Projects Awarded in December 2015

Project ID	Contractor	Task Order Description	TO #	Amount	Date
2	EN16017.10 W.A. Rasic Construction	RP-3 Valve Station Security Fence and Bollard Install	TO-24	19,000	12/7/2015
5	EN16017.12 W.A. Rasic Construction	Jurupa Force Main Pipeline Repair	TO-25	3,750	12/8/2015
				22,750	

General Manager's Report Regarding Agency Activities
 January 20, 2016
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Office Engineering Project

Project ID	Project Title	Status	% Complete	Actual Costs
CW16003.01	Ontario Reg Conns to ETS Group 1	The temporary manhole covers were replaced with IEUA covers.	82.43%	389
CW16003.02	Chino Reg Conn C-30	Preserve LS has not been advertised for const. due to USACE's lengthy review	8.17%	103
CW16102.01	CVWD RW Conn CVRW-43	The revised final design was submitted for review	52.59%	296
CW16102.02	Ontario RW Conns ORW-67 & ORW-68	The revised final design was submitted for review	32.86%	49
CW16102.03	CVWD RW Conn CVRW-42	The revised final design was submitted for review	18.10%	106
CW16102.04	CVWD RW Conn CVRW-44	The mylar was signed & request for the contractor's certificate of ins was submitted.	46.12%	278
CW16102.05	CVWD RW Conn CVRW-45	The connection location was reviewed with as-built drawings.	70.93%	0
CW16102.06	CVWD RW Conn CVRW-46	The connection location was reviewed w/as-builts & design comments provided.	70.83%	0
CW16102.07	CVWD RW Conn CVRW-47	The connection location was reviewed w/as-builts & design comments provided.	70.93%	0
				1,221.00

FINANCE ADMINISTRATION

Fiscal Years 2015/16-2016/17 Biennial Budget Awarded by GFOA

For the eleventh consecutive year, the Government Finance Officers Association of the United States (GFOA) has presented the Distinguished Budget Presentation Award to the Agency's FYs 2015/16-2016/17 Biennial Budget. This award is the highest form of recognition in governmental budgeting and represents a significant achievement by the Agency. To receive this award, a budget document must be rated "proficient" as a policy document, a financial plan, and an operations guide by independent reviewers. Additionally, the Agency's budget document received special recognition as an Outstanding Communication Device.

Special recognition is given to the Financial Planning group primarily responsible for compiling and publishing the Agency's budget document. Their efforts are supported by the Agency's Board of Directors, management and key staff who collaborate in the development of the Agency's budget.

GRANTS ADMINISTRATION SIGNIFICANT EVENTS

Board Activities

Since the last General Manager's report, Grants Administration has not processed any Board items. It is anticipated that there will be two grant-related items processed for February 2016.

Grant/Loan Opportunities and Applications

The Agency's Grant Administration group is continuing to pursue additional grant opportunities as they become available to offset project costs, including;

State Water Resources Control Board (SWRCB)

Staff is working with the SWRCB on the Regional Plant No. 1 (RP-1) and Regional Plant No. 5 (RP-5) Expansion Preliminary Design Report (PDR) SRF loan application (\$3M).

Staff is also working on the WaterSMART: Water and Energy Efficiency Grants for FY 2016 for the Napa Lateral project.

In addition, staff is working on a SRF loan application for RMPU Projects. Multiple projects will be included for basins that receive recycled water for recharge.

Final Grant Application Guidelines have been posted under the Proposition 1 Storm Water Grant Program. The opportunity will open on January 19, 2016, for both planning and implementation grants.

California Department of Food and Agriculture

Staff is working on an application with the California State Polytechnic University (Cal Poly) for a grant that will provide a more efficient irrigation system and water sensors to a portion of the land that Cal Poly leases from the California Institute for Men located in Chino.

Grant Reimbursements and Reporting Activities

The following is a status update on several existing contracts for various grants and loans:

- USBR/CDA Brine Concentrate Reduction Facility – Invoicing is complete for costs through September 30, 2015 for \$4,923,926.73.