

**NOTICE OF COMMISSION
MEETING OF THE CHINO
BASIN FINANCING
AUTHORITY AND WORKSHOP
OF THE IEUA BOARD OF
DIRECTORS**

**A CHINO BASIN REGIONAL FINANCING
AUTHORITY MEETING
AND
A BOARD OF DIRECTORS WORKSHOP
OF THE**



**WILL BE HELD ON
WEDNESDAY, FEBRUARY 3, 2016
10:00 A.M.**

**AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE, BUILDING A,
CHINO, CA 91708**



AGENDA

COMMISSION MEETING OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY AND WORKSHOP MEETING OF THE BOARD OF DIRECTORS

**WEDNESDAY, FEBRUARY 3, 2016
10:00 A.M.**

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

CALL TO ORDER OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Commission 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.

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 can be the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES

The Commission will be asked to approve the minutes of the December 16, 2015, Chino Basin Regional Financing Authority Commission meeting.

2. ADJOURN

CALL TO ORDER
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS
WORKSHOP 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. INLAND EMPIRE UTILITIES AGENCY'S BUSINESS GOALS WORKSHOP

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.

2. 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.

Declaration of Posting

Proofed by: SK

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 28, 2016.

for Stephanie Riley
April Woodruff

**ACTION ITEM
1A**

**MINUTES
OF THE
SPECIAL
COMMISSION MEETING OF
THE CHINO BASIN REGIONAL FINANCING AUTHORITY
DECEMBER 16, 2015**

COMMISSIONERS PRESENT:

Michael Camacho
Terry Catlin, President
Steven J. Elie, Secretary
Jasmin Hall

COMMISSIONERS ABSENT:

Gene Koopman, Vice President

STAFF PRESENT:

Chris Berch, Executive Manager of Engineering/Assistant General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Ernest Yeboah, Executive Manager of Operation/Assistant General Manager
Rosemary Alvarado, Supervisor of Contracts and Program Administration
Angel Anguiano, Intern Staff
Blanca Arambula, Deputy Manager of Human Resources
Sharmeen Bhojani, Manager of Human Resources
Kathryn Besser, Manager of External Affairs
Jerry Burke, Deputy Manager of Engineering
Pietro Cambiaso, Supervisor of Environmental Compliance and Energy
Andy Campbell, Deputy Manager of Planning and Environmental Resources
Lucia Diaz, Facilities Program Supervisor
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Warren Green, Manager of Contracts and Facility Services
Randy Lee, Manager of Operations
Suresh Malkani, Principal Accountant
Jason Marseilles, Acting Senior Engineer
Dave Mendez, Acting Deputy Manager of Engineering
Jason Pivovarovff, Senior Engineer
Jesse Pompa, Senior Associate Engineer - PE
Serina Pope, External Affairs Specialist I
Stephanie Riley, Executive Assistant
John Scherck, Acting Deputy Manager of Construction Management
Peter Soelter, Senior Internal Auditor
Shaun Stone, Manager of Engineering
Kenneth Tuliau, Manager of Maintenance
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, Cihigoyenette, Grossberg, & Clouse
Nitini Patel, White Nelson Diehl Evans

A commission meeting of the Chino Basin Regional Financing Authority was held at the office of the Inland Empire Utilities Agency, *A Municipal Water District, 6075 Kimball Avenue Chino, California on the above date.

President Catlin called the meeting to order at 10:09 a.m., and he led the pledge of allegiance. A quorum was present.

President Catlin stated that members of the public may address the Commission. There were no persons desiring to do so.

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

ACTION ITEM

1. MINUTES

Upon motion by Commissioner Camacho, seconded by Commissioner Hall abstaining, and unanimously carried:

M2015-12-1

MOVED, approval of the minutes from the November 18, 2015, Chino Basin Regional Financing Authority Commission meeting.

2. ADOPTION OF RESOLUTION NO. 2015-7, AUTHORIZING A SUBSTITUTE CREDIT FACILITY FOR VARIABLE RATE DEMAND REVENUE REFUNDING BONDS

Chief Financial Officer/AGM Christina Valencia gave a presentation regarding the substitute credit facility for the 2008B bonds. She stated that this item was presented to the Finance Committee on December 9, 2015, as well as the Authority in September, 2015. This will be the fourth substitution of the Letter of Credit (LOC) provider of the 2008B bonds that the Agency has completed. This process requires an extensive review and update of numerous legal documents/agreements. Ms. Valencia gave a detailed overview of the numerous legal documents and agreements that require the Authority and IEUA Board approval to authorize the substitution. Union Bank, the Agencies current LOC provider will be replaced by Sumitomo Mitsui Banking Corporation (Sumitomo). Union Bank held the LOC for the last three years. Ms. Valencia stated that the Agency has cleared the credit check with Sumitomo. She also added that Moody's and SMP that will issue a credit rating on the Agency's bonded debt will reaffirm their 2010 credit rating provided to the Agency. Copies of the agreements have been provided in substantive form as they have not yet been completed, minor changes are still expected. She stated that the remarketing agreement between the Authority and the new remarketing agent, US Bank Corporation; Citi Group had been the remarketing agent since the issuance of the bond. Ms. Valencia gave an overview of the documents including the supplement to the official statement, the reimbursement agreement and the fee agreement. General Manager Joseph Grindstaff stated that this is important because of the fixed low interest rate received as opposed to the current variable rate for the 2008B bonds, this will in turn save the Agency money.

Upon motion by Commissioner Camacho, seconded by Commissioner Elie, and unanimously carried:

M2015-12-2

MOVED, to adopt Resolution No. 2015-7, authorizing a substitute credit facility for Variable Rate Demand Revenue Refunding Bonds (Inland Empire Utilities Agency); Series 2008B (2008B Bonds) for a not to exceed amount of \$44,060,000, which approves:

- a. The Letter of Credit Reimbursement Agreement and related Fee Agreement, the Remarketing Agreement, the Restated or Amended Indenture of Trust and execution of certain documents in substantive form;
- b. Preparation and distribution of the Supplement to the Official in substantive form; and

Continued....

M2015-12-2, continued.

- c. Authorize the President, Vice President, Treasurer or the designee to execute such documents and authorize certain other matters in connection therewith, as required.

RESOLUTION NO. 2015-7

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING A REPLACEMENT CREDIT FACILITY FOR ITS VARIABLE RATE DEMAND REVENUE REFUNDING BONDS (INLAND EMPIRE UTILITIES AGENCY), SERIES 2008B AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH *(for full text, see Resolution Book)*

3. CHINO BASIN REGIONAL FINANCING AUTHORITY FISCAL YEARS (FYs) 2012/13 THROUGH 2014/15 ANNUAL FINANCIAL STATEMENTS

Chief Financial Officer/AGM Christina Valencia gave a PowerPoint presentation of the annual financial statements for the Authority for the fiscal years ending June 30, 2013, 2014, and 2015. Ms. Valencia stated that the Authority was created to serve as a conduit for the issuance of bonded debt since 1994. Ms. Valencia stated that there are several reasons why audited financial statements are now needed for the Authority. Audited financial statements are necessary to comply with State Controller requirements, financing of future regional projects, and to allow use of other financing options such as State Revolving Fund loans. The external audit was performed by White, Nelson, Diehl Evans, LLP.

Upon motion by Commissioner Elie, seconded by Commissioner Hall, and unanimously carried:

**M2015-12-3
MOVED, to:**

1. Approve the Annual Financial Statements of the Chino Basin Regional Financing Authority (Authority) for FYs ended June 30, 2013, 2014, and 2015; and
2. Direct staff to distribute the reports, as appropriate, to the various federal, state, and local agencies, financial institutions, and other interested parties.

With no further business, President Catlin adjourned the meeting at 10:55 a.m.

Steven J. Elie, CBRFA Secretary

APPROVED: FEBRUARY 3, 2016

**WORKSHOP
ITEM**

1

IEUA Business Goals February 2016



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Workshop Purpose

- Business Goals Adoption
- Key Elements of Business Goals
- Implementation of Business Goals
- Solicit Board of Director Feedback and Additions
- Timeline

Business Goals Background

- 2011 – Levels of Service (LOS) development and approval
 - Included IEUA Board of Directors and staff
- Early 2013 – LOS expansion into broader business goals to include additional areas beyond operational function; areas included water reliability, fiscal accountability, and employee wellbeing
- October 2013 -- IEUA Business Goals development and approval
 - Included IEUA Board of Directors, staff, and Tech & Policy Committees

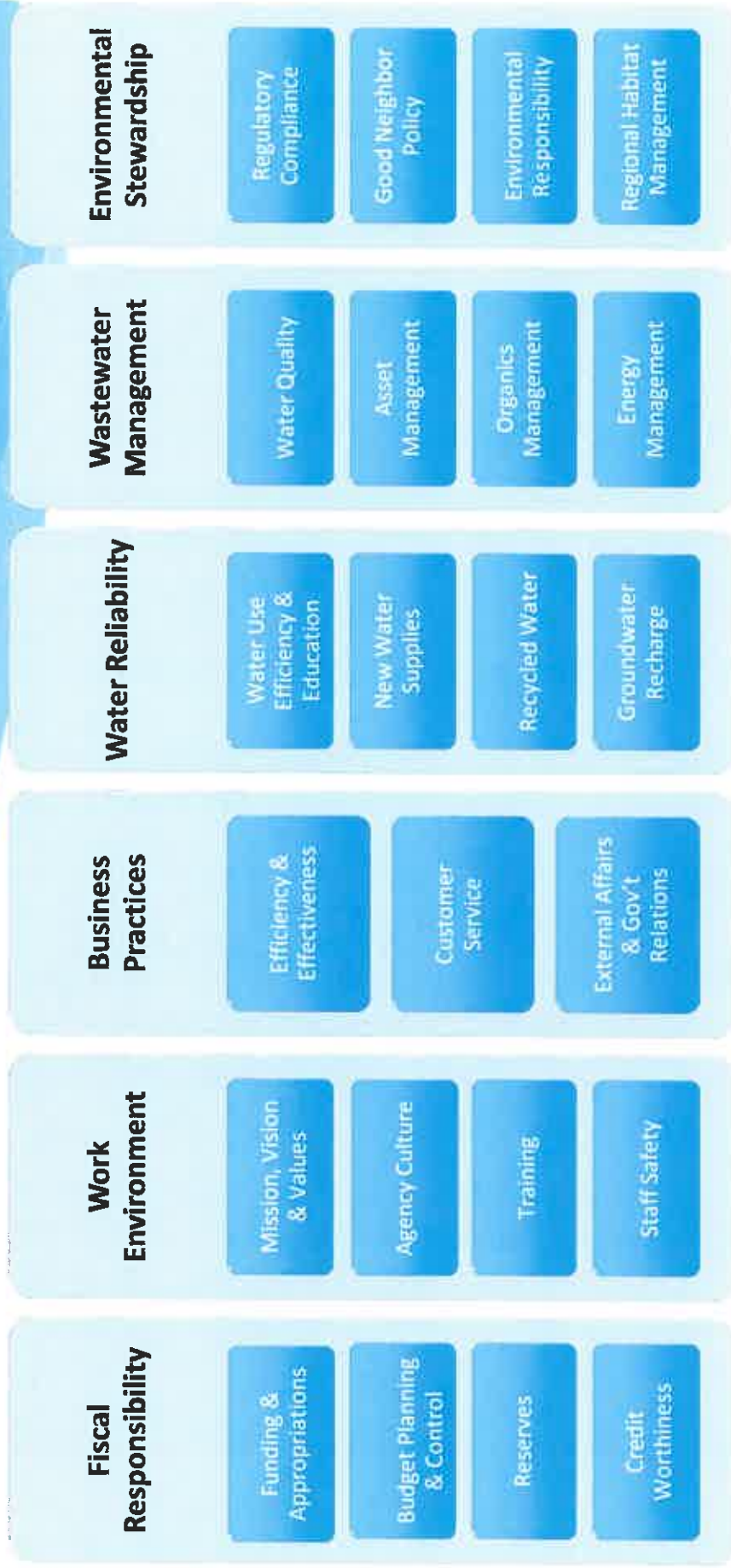
Business Goals

- Key Elements
 - AAA Credit Rating
 - Mission, Vision, & Values
 - Regional Leadership
 - Drought Resilient Water Supply
 - Reliable Infrastructure
 - Good Neighbor Policy
- Business Goal Influence and Implementation
 - Drives Agency Discussion, Initiatives, and Projects
 - Included in Agency Board Letters
 - Quarterly and Annual Budget and Work Plan Updates

Business Goals

- Board of Director Feedback
 - Additional elements and/concerns
- Timeline
 - Technical and Policy Committee
 - February/March 2016
 - Management and Staff Workshops
 - March – September 2016
 - Recommendation to the Board
 - October 2016

Key Points of Importance



Fiscal Responsibility

Goal: IEUA is committed to safeguarding the Agency's fiscal health and maintaining high quality credit rating to effectively support short and long-term needs.

- **FUNDING & APPROPRIATIONS**

Objective: IEUA will fund operations and capital investments through a sustainable rate structure, grants, and other funding sources.

Commitment: Maintain service rates and fees that fully support the costs of service, and pursue grant and other funding opportunities to support capital investments.

- **BUDGET PLANNING & CONTROL**

Objective: IEUA will forecast trends to establish and manage multi-year budgets and rates, and plan for short and long-term budget requirements.

Commitment: Provide multi-year forecasts for operational, repair & replacement, capital investment, and debt service costs to support the adoption of multi-year budgets and rates.

- **RESERVES**

Objective: IEUA will maintain fund reserves that provide long-term financial stability and can withstand significant changes to the economy and funding sources.

Commitment: Reliably maintain fund reserves consistent with IEUA's adopted financial policies.

- **CREDIT WORTHINESS**

Objective: Reduce IEUA's future borrowing costs.

Commitment: Apply financial management strategies to reinstate the Agency's credit rating to AAA ratio.

Work Environment

Goal: *IEUA is committed to providing a positive work environment with a highly skilled and dedicated workforce.*

- **MISSION, VISION & VALUES**

Objective: IEUA staff will uphold business goals, objectives and commitments that support and advance the Agency's Mission, Vision, and Values.

Commitment: Ensure the highest standard of conduct from all Agency staff by promoting values of leadership, integrity, collaboration, open communication, respect, and accountability.

- **AGENCY CULTURE**

Objective: IEUA will provide a work environment that will attract and retain highly skilled, professional, motivated, and committed employees.

Commitment: Foster a collaborative work environment that promotes communication, innovation, diversity, and opportunities for work-life balance.

- **TRAINING**

Objective: IEUA will provide employees with advanced skills and knowledge to meet current and anticipated Agency and industry needs.

Commitment: Facilitate and provide opportunities for staff to further their personal/professional development in support of maintaining a highly skilled workforce.

- **STAFF SAFETY**

Objective: IEUA will promote and ensure a safe and healthy work environment.

Commitment: Ensure compliance with federal and state workplace safety standards and regulations.

Business Practices

Goal: IEUA is committed to ethical, fiscally responsible and environmentally sustainable regional planning principles in all aspects of business and public service.

- **EFFICIENCY & EFFECTIVENESS**

Objective: IEUA will promote standards of efficiency and effectiveness in all Agency business practices and processes.

Commitment: Evaluate business practices and processes; identify opportunities to improve the quality and value of the services the Agency provides to the Member Agencies and public.

- **CUSTOMER SERVICE**

Objective: IEUA will provide excellent service that is cost-effective, efficient, innovative, and reliable.

Commitment: Provide responsive service that supports our Member Agencies and region.

- **EXTERNAL AFFAIRS & GOVERNMENT RELATIONS**

Objective: IEUA will effectively support the development of policies and legislation which benefit the region; cultivate a positive relationship with the community while preserving our heritage and protecting the environment.

Commitment: Promote a collaborative approach to advocate for policies, legislation, and regulations that impact the region; coordinate with stakeholders to support public outreach and education.

Water Reliability

Goal: IEUA is committed to providing a cost-effective and reliable water supply; and promoting sustainable water use throughout the region.

- **WATER USE EFFICIENCY & EDUCATION**

Objective: IEUA will promote water-use efficiency and education to enhance water supplies within the region.

Commitment: Reduce regional water use to meet and exceed state efficiency standards.

- **NEW WATER SUPPLIES**

Objective: IEUA will support member and regional agencies with the development of reliable, resilient, and sustainable water from diverse local and regional water supplies.

Commitment: Promote importing and storage of water into local groundwater basins during wet and normal years; maximize the beneficial use of existing water infrastructure and meet future increased demands through water resources management strategies.

- **RECYCLED WATER**

Objective: IEUA will maximize the use of recycled water to enhance reliability and reduce dependence on imported water.

Commitment: Continue the development of recycled water infrastructure and support the Member Agencies in achieving reuse of 50,000 AFY by 2025.

- **GROUNDWATER RECHARGE**

Objective: IEUA will utilize all available supplies for groundwater recharge.

Commitment: Recharge all available stormwater and recycled water, and pursue the purchase and storage of cost-effective supplemental water supplies within the local groundwater basins.

Wastewater Management

Goal: IEUA is committed to managing Agency facilities and infrastructure to meet current and future needs in an environmentally responsible and cost effective manner that complies with regulatory standards.

- **WATER QUALITY**

Objective: IEUA will appropriately plan for growth to meet anticipated federal, state, and regional regulatory requirements.

Commitment: Ensure that Agency systems are managed and constructed to meet the demands necessary to protect public health and the environment.

- **ASSET MANAGEMENT**

Objective: IEUA will ensure the regional sewer system and treatment facilities will be maintained, upgraded, and managed, as well as accommodating changes in regional water use.

Commitment: Design and construct facilities through efficient project management to ensure that projects are implemented in a timely and environmentally responsible manner.

- **ORGANICS MANAGEMENT**

Objective: IEUA will manage organics to meet regulatory compliance standards in a fiscally prudent and environmentally sustainable manner.

Commitments: Ensure that the Inland Empire Regional Composting Facility's capacity is maximized and operated efficiently, and all compost is marketed for sale or beneficial use.

- **ENERGY MANAGEMENT**

Objective: IEUA will effectively manage energy resources to achieve statewide renewable energy goals and stabilize future energy costs.

Commitment: Implement renewable energy projects, public/private partnerships, organic diversion, and operational efficiencies in support of achieving peak power independence by 2020 and being carbon neutral by 2030.

Environmental Stewardship

Goal: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

- **REGULATORY COMPLIANCE**

Objective: IEUA will comply with all federal, state, and local environmental laws and regulations.

Commitment: Operate its facilities to meet all applicable regulatory requirements.

- **GOOD NEIGHBOR POLICY**

Objective: IEUA will strive to be a good neighbor to the local community.

Commitment: Develop and implement programs and projects that minimize impacts to the local community and environment; diligently and appropriately respond to concerns from the public related to odor control and vector management.

- **ENVIRONMENTAL RESPONSIBILITY**

Objective: IEUA will provide regional leadership to improve surface and groundwater quality, and environmental heritage.

Commitment: Identify, develop, and implement programs and projects to address historical land use and water quality issues.

- **REGIONAL HABITAT MANAGEMENT**

Objective: IEUA will promote the preservation of regional habitat and meet the requirements of federal and state laws.

Commitment: Implement appropriate mitigation measure on all of its projects.