



## **AGENDA**

### **MEETING OF THE BOARD OF DIRECTORS**

**WEDNESDAY, MARCH 16, 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. **FISCAL YEAR 2016/17 BUDGET UPDATE WORKSHOP**
2. **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 February 17, 2016, Board meeting.

**B. REPORT ON GENERAL DISBURSEMENTS**

It is recommended that the Board approve the total disbursements for the month of January 2016, in the amount of \$8,807,661.98.

**C. ADOPTION OF RESOLUTIONS FOR A SMALL COMMUNITY GRANT APPLICATION**

It is recommended that the Board:

1. Adopt Resolution No. 2016-3-1, authorizing the General Manager to sign a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB) for a Planning Grant application through the Small Community Wastewater Grant Program; and
2. Adopt Resolution No. 2016-3-2, dedicating certain revenues in connection with the Small Community Wastewater Grant Program and associated State Revolving Fund (SRF) loan financing.

**D. RESOLUTION NO. 2016-3-3, FOR SGMA BASIN BOUNDARY MODIFICATION**

It is recommended that the Board adopt Resolution No. 2016-3-3, for the Agency to initiate a SGMA boundary change request to the California Department of Water Resources recommending that the Bulletin 118 Basin Boundary of the Chino Basin be conformed to the adjudicated Chino Basin boundary throughout the majority of the Chino Basin.

**E. ADOPTION OF RESOLUTIONS FOR DESIGN-BUILD PROJECTS AND CONFLICT OF INTEREST POLICY**

It is recommended that the Board adopt, pursuant to California Senate Bill 785:

1. Resolution No. 2016-3-4, approving use of the design-build method for project delivery; and
2. Resolution No. 2016-3-5, approving a Conflict of Interest Policy for design-build projects.

**F. RESOLUTION NO. 2016-3-8, AUTHORIZING AGENCY ORGANIZATION MEMBERSHIPS AND AFFILIATIONS**

It is recommended that the Board:

1. Approve the Agency-wide memberships and affiliations for FY 2016/17, in the amount of \$238,250 (includes 5% contingency); and
2. Adopt Resolution No. 2016-3-8, authorizing Agency organizational memberships and affiliations.

**G. EXTERNAL AUDIT SERVICES**

It is recommended that the Board:

1. Approve Contract No. 4600002079, in the amount of \$172,160 with Lance, Soll & Lunghard, LLP, Certified Public Accountants (LSL), to provide annual financial audit services for the Inland Empire Utilities Agency (IEUA or Agency) for an initial 3-year term and two single-year options to extend, beginning in Fiscal Year (FY) 2015/16;
2. Approve Contract No. 4600002081, in the amount of \$21,160 to LSL to provide financial statement preparation services for the Chino Basin Regional Financing Authority (CBRFA) for an initial 3-year term and two single-year options to extend, beginning in FY 2015/16; and
3. Authorize the General Manager or his designee to execute the contracts.

**H. RESIDENTIAL EDUCATION, SURVEY, AND CONTROLLER UPGRADE PROGRAM**

It is recommended that the Board:

1. Award a 15-month contract to ConServ Construction, Inc., for a not-to-exceed amount of \$300,000 to implement the Program; and
2. Authorize the General Manager to execute the contract.

**I. CONTRACT AWARD FOR MIDGE FLY SAMPLING AND CONTROL INVESTIGATION**

It is recommended that the Board:

1. Approve Contract No. 4600002068 to West Valley Mosquito and Vector Control District (WVMVCD) establishing a two-year contract for midge fly sampling and control investigation services at various groundwater recharge sites for a not-to-exceed amount of \$280,000; and
2. Authorize the General Manager, or his designee, to execute the contract.

**J. MASTER CONTRACT AWARDS FOR ASPHALT SERVICES**

It is recommended that the Board:

1. Approve the contract award of four 5-year Master Contracts for asphalt services, for all of the Agency's structures and facilities in the not-to-exceed amount of \$100,000 each, to the following:
  - EBS General Engineering, Inc. (Contract No. 4600002077)

- G.M. Sager Construction Company, Inc. (Contract No. 4600002075)
- Medina construction (Contract No. 4600002076)
- Terra Pave, Inc. (Contract No. 4600002067); and

2. Authorize the General Manager to execute the contracts.

**K. MASTER CONTRACT AWARDS FOR ROOFING SERVICES**

It is recommended that the Board:

1. Approve the contract award of four 5-year Master Contracts for roofing services, for all of the Agency's structures and facilities in the not-to-exceed amount of \$100,000 each, to the following:

- Best Contracting Services, Inc. (Contract No. 4600002074)
- Exbon Development, Inc. (Contract No. 4600002078)
- Right-Way Roof Corporation (Contract No. 4600002065)
- Tecta America Southern California, Inc. (Contract No. 4600002073); and

2. Authorize the General Manager to execute the contracts.

**L. MASTER CONTRACT AWARDS FOR FENCING SERVICES**

It is recommended that the Board:

1. Approve the contract award of four 5-year Master Contracts for fencing services, for all of the Agency's structures and facilities in the not-to-exceed amount of \$100,000 each, to the following:

- Ace Fence Company (Contract No. 4600002071)
- Ferreira Construction Company, Inc. (Contract No. 4600002070)
- Harris Steel Fence Company, Inc. (Contract No. 4600002069)
- Moore Fence Company, Inc. (Contract No. 4600002066); and

2. Authorize the General Manager to execute the contracts.

**3. ACTION ITEMS  
(Action Items B and C will continue following Closed Session)**

**A. RECYCLED WATER POLICY PRINCIPLES**

It is recommended that the Board:

1. Adopt the Recycled Water Policy Principles; and



2. Direct staff to develop a Regional Contract amendment based on the Recycled Water Policy Principles.

**4. INFORMATION ITEMS**

- A. MWD UPDATE AND DROUGHT UPDATE (ORAL)
- B. PLANNING AND ENVIRONMENTAL RESOURCES UPDATE (ORAL)

**RECEIVE AND FILE INFORMATION ITEMS**

- C. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/ POWERPOINT)
- D. FY 2015/16 SECOND QUARTER BUDGET VARIANCE REPORT (WRITTEN)
- E. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)
- F. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)
- G. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)
- H. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)
- I. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)
- J. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)
- K. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)
- L. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)
- M. RECYCLED WATER SEMI-ANNUAL UPDATE (POWERPOINT)
- N. INTERNAL AUDIT QUARTERLY STATUS REPORT (WRITTEN)
- O. FOLLOW-UP REVIEW – INFORMATION TECHNOLOGY (WRITTEN)

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.

**5. AGENCY REPRESENTATIVES' REPORTS**

- A. SAWPA REPORT (WRITTEN)

- B. MWD REPORT (WRITTEN)
- C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)
- D. CHINO BASIN WATERMASTER REPORT (WRITTEN)
- 6. GENERAL MANAGER'S REPORT (WRITTEN)
- 7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS
- 8. 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.

- 9. 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. Two (2) Cases
  - 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. General Manager

**3. ACTION ITEMS - continued**

**B. RESOLUTION NO. 2016-3-6, FOR ALL GENERAL UNIT**

It is recommended that the Board:

1. Approve and adopt the recently completed classification and compensation study for all General Unit employees;
2. Approve the modification of various positions titles for all General Unit employees, as a result of the adoption of the classification and compensation study; and
3. Adopt Resolution No. 2016-3-6, to amend the 2013 through 2018 Memorandum of Understanding (MOU) for the General Unit with a new salary matrix and classification plan based on the results of a classification and compensation study.

**C. RESOLUTION NO. 2016-3-7, FOR THE UNREPRESENTED, EXECUTIVE MANAGEMENT, LABORATORY UNIT, OPERATORS' ASSOCIATION, PROFESSIONAL UNIT AND GENERAL UNIT**

It is recommended that the Board adopt Resolution No. 2016-3-7, amending the salary schedule/matrix for the Unrepresented, Executive Management, Laboratory Unit, Operators' Association, Professional Unit, and General Unit employees.

**10. ADJOURN**

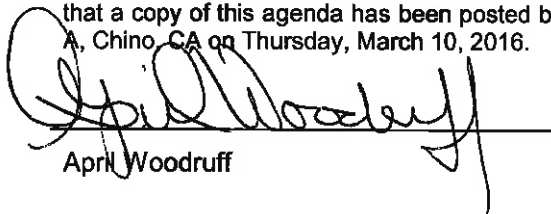
\*A Municipal Water District

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, March 10, 2016.


  
April Woodruff


**BOARD  
WORKSHOP  
ITEM**


**1**

Date: March 16, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff  
General Manager 

 Christina Valencia  
Chief Financial Officer/Assistant General Manager

 Javier Chagoyen-Lazaro  
Manager of Finance and Accounting

Subject: Fiscal Year 2016/17 Budget Update

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### **RECOMMENDATION**

This is an informational item for the Board of Directors to review.

### **BACKGROUND**

Consistent with the IEUA Business Goal of Fiscal Responsibility to support long range planning, the Board of Directors (Board) adopted the Agency's first biennial budget in June 2015 for Fiscal Years (FYs) 2015/16 and 2016/17, along with the FY 2016 through 2025 Ten-Year Capital Improvement Plan (TYCIP).

While appropriations continue to be made annually under this process, a key objective of the biennial budget was to streamline the budget preparation process in the second year. This update review is intended to adjust the financial plan approved for FY 2016/17 based on current projections and needed changes. Since review of the TYCIP is just getting started, the primary focus of the midyear review will be on staffing, operating and maintenance (O&M) costs, and O&M program projects on a consolidated and fund level basis. Another key focus area are the imported water rates currently under review with the member water agencies.

### **Staffing**

No change to the 290 authorized full time equivalent (FTE) staffing level is proposed for FY 2016/17. Year to date, the average vacancy factor of 10% has been well above the budgeted 4%. Even with the numerous recruitments currently underway, the vacancy factor through the end of the fiscal year is still projected to remain well below budget. A reduction in the FY 2016/17

vacancy factor from 3% to 2% is proposed. The reduction in the vacancy factor will help support the Agency's implementation of succession planning.

The Agency will continue to leverage limited term staffing and consultant services to assist with the execution of the TYCIP and related activities, such as grant sourcing and administration.

## **Program Fund Overview**

### Water Resources (WW) Fund

The decrease in imported water deliveries from Metropolitan Water District of Southern California (MWD) is a primary driver in the preliminary reductions projected for total revenues and expenses in the Water Resources (WW) fund. The restructuring of the imported water rates currently underway is another key factor. At the request of the member agencies, restructuring of the imported water rates was deferred last fiscal year. Rates remained unchanged from FY 2014/15. Discussions with member agencies resumed in January 2016, and are scheduled to be completed in April for final adoption in June 2016. The plan is to adopt multi-year rates through FY 2019/20 in alignment with the Agency's regional wastewater and recycled water program rates.

The proposed rates are consistent with the structure recommended by Carrollo Engineers and presented to the IEUA Board, Regional Policy Committee, and member agencies in February 2015.

The key objectives of the proposed rates remain:

- Equitable allocation of program costs to member agencies
- Sustainable structure that accounts for future changing conditions
- Stable revenue streams that fully support cost of service

To mitigate the impact to member agencies, a phased implementation of three or four years to achieve full cost of service was proposed. A summary of these scenarios is provided in the Appendix.

In consideration of the proposed 12.8% increase by MWD to the Tier 1 Untreated rate effective January 2017, and the preliminary agreement to address the use of recycled water over entitlement as defined in the Regional Sewage Service Contract, member agencies requested an extended phase-in period of seven (7) years to achieve full cost of service with the proposed imported water rates. The 7-year period aligns with the implementation of the recycled water surcharge for use over entitlement.

The 7-year implementation period is the basis for the WW fund preliminary update review. Included in the proposed rates is the phased recovery of employment costs over 4 years, as requested by member agencies. Below are the proposed meter equivalent unit (MEU) rates for FY 2016/17 through FY 2019/20. Annual increases of \$.10 per MEU are projected through FY 2022/23, the end of the 7-year implementation period, as indicated in Table 1 below.

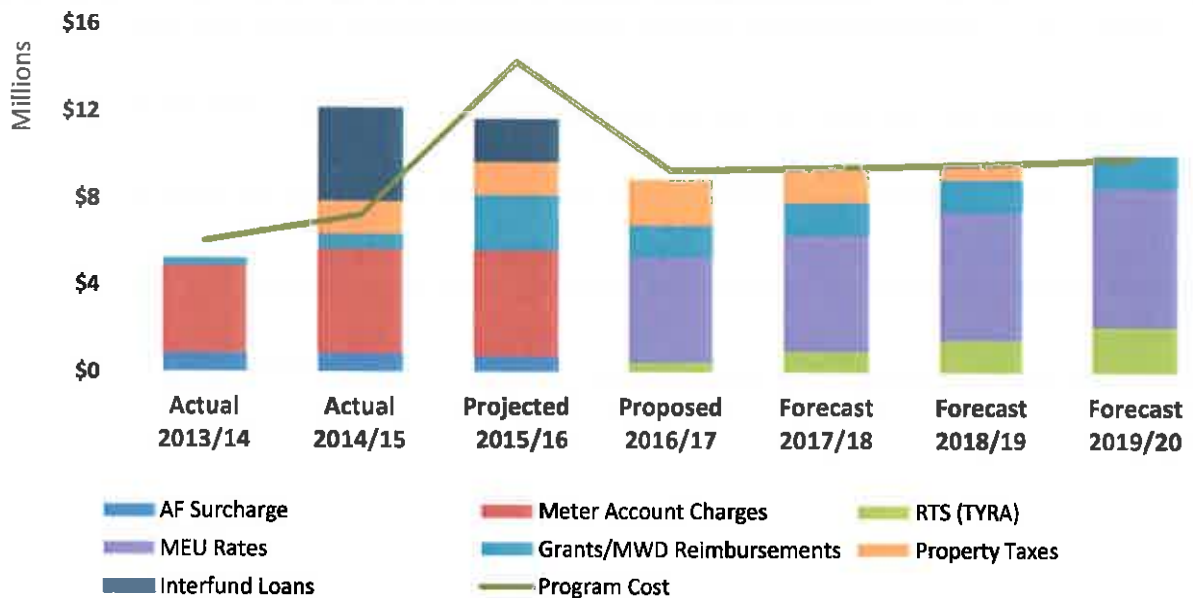
Table 1: Proposed MEU Rates for Cost of Service Recovery (Preliminary)

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
<b>MEU Rate (\$/MEU)</b>	\$1.00	\$1.10	\$1.20	\$1.30

Under all scenarios, the Readiness-to-Serve (RTS) pass-through charges from MWD will be fully recovered through a combination of a direct allocation based on consumption and the meter equivalent unit (MEU) rate. The basis for the direct allocation is consistent with MWD’s ten year rolling average (TYRA) methodology. The higher MEU rates proposed under the 3-year and 7-year scenarios are due to a higher percentage of RTS charges not recoverable through the TYRA allocation and applied to the MEU rate.

Given the revenue shortfall in the existing rate structure and the proposed 7-year implementation plan, additional inter-fund loans and property tax subsidies will be needed to appropriately support program costs and maintain a positive fund balance. Figure 1 below provides a summary of the revenues and funding sources needed to support program costs each fiscal year through FY 2019/20. As indicated, property tax allocation will be needed to cover the shortfall in program costs not recoverable from the proposed water rates.

Figure 1: Program Costs Funding Sources



Property Taxes and Inter-Fund Loans

The property tax revenue stream is projected to stabilize due to the housing market rebound and information from the County indicating that assessed values will grow strongly in the upcoming fiscal year. FY 2016/17 tax revenue projection growth was adjusted from 3% to 6%, resulting in an increase from \$42.4 million to \$43.6 million. Property tax revenue from FY 2016/17 through FY 2019/20 is projected at a total of \$182 million, is the major funding source supporting the

Agency’s capital expenditures, debt services, and key programs that are consistent with the Agency’s business goals.

Beginning in FY 2014/15, \$1.5 million in property taxes were reallocated to the WW fund from the Administrative Services (GG) fund. The property tax subsidy was intended to support future purchase and storage of supplemental water not covered by rates and charges. Given the shortfall in the existing rates and the proposed 77year implementation period for the proposed rates; the property tax subsidies of \$7.4 million from FY 2015/16 through FY 2019/20 will instead be designated to support program costs not recovered by rates until rates recover full cost of service. Thereafter, property taxes allocated to the WW fund will be designated to support the purchase and storage of supplemental water.

In addition to the property tax subsidies, inter-fund loans have also been needed in the past to support program costs, such as the turf removal project. Included in the proposed amended budget are two additional inter-fund loans from the Regional Operations and Maintenance (RO) fund to the WW fund: \$2 million in the current fiscal year to support project costs, and \$3.2 million in FY 2016/17 to support supplemental water purchases. Table 2 below provides a summary of the inter-fund loans and the source fund:

Table 2: Inter-Fund Loan and Source Fund (\$Millions)

Source	Purpose	2014/15 Actual	2015/16 Projected Actual	2016/17 Proposed	Total
<b>GG Fund</b>	To support program expenses and the implementation and administration of regional drought and conservation projects. <i>Repayment to start in FY 17/18</i>	\$4.3	\$2.0	\$0.0	\$6.3
<b>RO Fund</b>	To support supplemental water purchases. <i>Repayment to start in FY 20/21</i>	0.0	0.0	3.2	3.2
<b>Total</b>		<b>\$4.3</b>	<b>\$2.0</b>	<b>\$3.2</b>	<b>\$9.5</b>

A copy of the WW Fund Sources and Uses of Funds report is provided in the Appendix.

Recycled Water (WC) Fund

The major change in the preliminary midyear review for the Recycled Water (WC) fund is an estimated reduction of \$7.1 million in total revenues and other funding sources. The reduction is primarily due to a projected decrease in SRF loans and grants in FY 2016/17, which correlates to the execution of capital projects. The TYCIP update currently underway may adjust the program’s



capital project execution timeline further impacting total revenues and expenses. Other changes include a \$300,000 decrease in debt service costs associated with the Central/Wineville SRF loan and an increase of \$800,000 in projected O&M project expenses. It is important to note the impending expiration of the MWD Local Projects Program (LPP) in June 2017, which provides \$2.1 million in revenues to the program.

A copy of the WC Fund Sources and Uses of Funds report is provided in the Appendix.

#### Regional Wastewater Operations & Maintenance (RO) Fund

No significant change in total revenues is proposed for the RO fund FY 2016/17 adopted budget. Proposed amendments in total expenses in FY 2016/17 include an additional inter-fund loan of \$3.2 million to the WW fund to support supplemental water purchases and \$3.0 million increase in O&M projects.

A copy of the RO Fund Sources and Uses of Funds report is provided in the Appendix.

#### Regional Wastewater Capital Improvement (RC) Fund

The RC fund records capital related activities for the Agency's regional wastewater system. Capital projects and debt service costs comprise the major portion of total expenses. The preliminary midyear review projects an increase of \$2.5 million SRF loan receipts for the predesign of the RP-1 & RP-5 Expansion Project. An \$800,000 net increase in expenses including a reduction of \$300,000 in interest expense for the 2008B bonds due to lower interest rates and an increase of \$1.1 million in O&M project expenses is projected. Updates to the TYCIP may result in further changes to total revenues and expenses.

No changes to the number of new wastewater connection units of 4,580 EDUs for FY 2016/17 is being proposed at this time. An evaluation of the projected number of new connections for both the wastewater and water systems will be conducted as part of the update to the Agency's Long Range Plan of Finance following the adoption of the FY 2016/17 Budget and 2017-2026 TYCIP.

A copy of the RC Fund Sources and Uses of Funds report is provided in the Appendix.

#### Other Program Funds

No significant changes are proposed for the Administrative Services (GG) Fund, or the Recharge Water (RW) Fund. The Non-Reclaimable Wastewater (NC) fund pass-through from LACSD and SAWPA for the North and South system, respectively, is anticipated to increase.

Copies of the Sources and Uses of Funds report for each of these funds are provided in the Appendix.

**Consolidated Expenses and Revenues**

A preliminary net reduction of \$7.4 million in total expenses and other uses of funds is projected from the FY 2016/17 adopted budget as indicated in Table 3. Based on the preliminary evaluation of O&M costs, total expenses will be reduced from \$227.8 million to \$220.4 million. The primary drivers for the net reduction are summarized in Table 3 below:

**Table 3: FY 2016/17 Preliminary Reduction to Total Expenses (\$Millions)**

<b>Expense</b>	<b>Description</b>	<b>Increase/(Decrease)</b>
<b>MWD Water Purchases</b>	Deliveries reduced from 60,000 AF to 45,000 AF (5,000 AF IEUA storage)	(\$10.2)
<b>Operating Expenses</b>	Increase of \$0.9M in special O&M project costs and \$0.7M professional fees	\$1.6
<b>Capital Projects</b>	TYCIP update in progress	(\$1.5)
<b>Debt Service Costs</b>	\$3.2M inter-fund loan from RO to WW fund, less debt service costs of \$.6M for WC and RC funds	\$2.6
<b>Employment Cost</b>	Reduction in vacancy factor from 3% to 2%	\$0.1
<b>Net Reduction</b>		<b>(\$7.4)</b>

A preliminary net reduction of \$20.3 million in total revenues and other funding sources is projected from the FY 2016/17 adopted budget. Based on the preliminary evaluation, total revenues will be reduced from \$257.9 million to \$237.6 million. The primary drivers for the net reduction are summarized in Table 4 below:

**Table 4: FY 2016/17 Preliminary Reduction to Total Revenues (\$Millions)**

<b>Expense</b>	<b>Description</b>	<b>Increase/(Decrease)</b>
<b>MWD Water Sales (pass-through)</b>	Deliveries reduced from 60,000 AF to 45,000 AF (5,000AF IEUA storage)	(\$13.4)
<b>User Charges</b>	Changes in water rate structure	(\$4.2)
<b>Grants/Loans</b>	TYCIP update in progress	(\$6.5)
<b>Interest Revenue</b>	Lower projection	(\$0.6)
<b>Property taxes</b>	Projected 6% increase from planned 3%	\$1.2

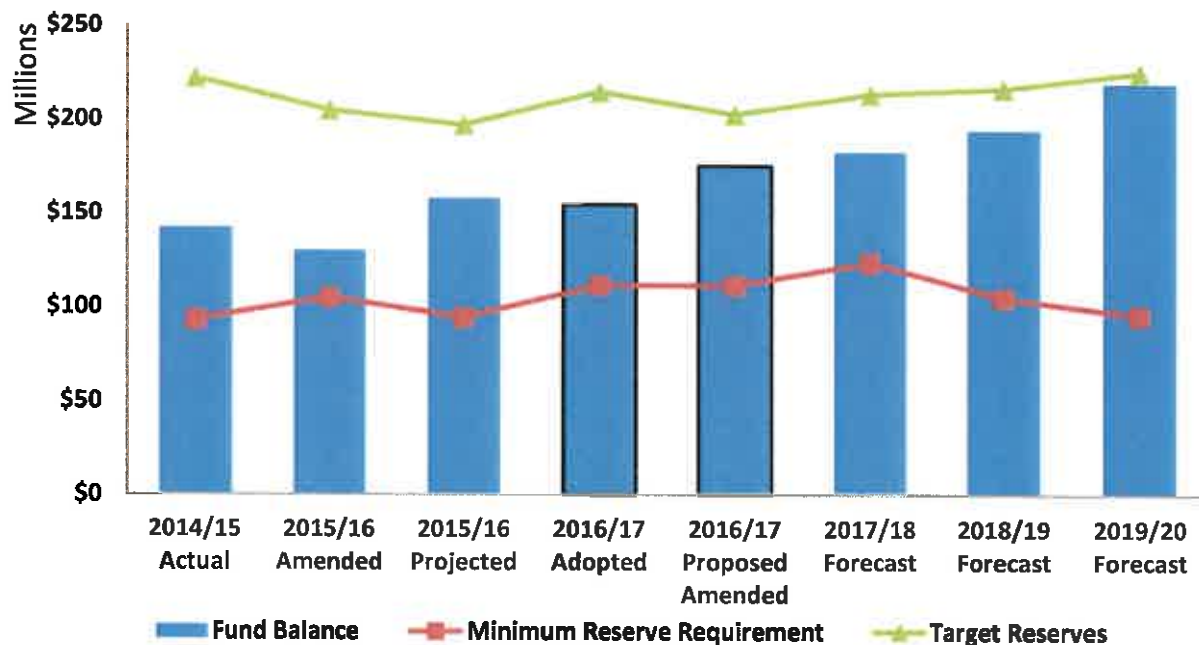
Expense	Description	Increase/(Decrease)
<b>Inter-Fund Loan</b>	From RO Fund to WW Fund to support water purchases	\$3.2
	<b>Net Reduction</b>	<b>(\$20.3)</b>

Adjustments to the TYCIP and ongoing evaluation of operating activities may change the preliminary reductions to revenues and expenses.

### Consolidated Fund Balance

Based on preliminary net changes to total revenues and expenses, the consolidated fund balance is projected to be approximately \$20.7 million higher at the end of FY 2016/17, fund balance change total amount will be from \$154.5 million to \$175.2 million as shown in Figure 2. Ongoing adjustments to the TYCIP and total revenues and expenses will impact the estimated change in total fund balance.

Figure 2: Consolidated Fund Balance (\$Millions)



A copy of the Consolidated Sources and Uses Report is provided in the Appendix.

### Fiscal Ordinance Update

Fiscal Ordinance 90 (Ordinance) was last updated in June, 2012. The proposed updates include housekeeping items to bring the Ordinance up to date with current Agency practices including updating and adding of new definitions to more clearly define the policy objectives and responsibilities of the staff. Certain sections of the Ordinance were enhanced, combined and/or

shifted to better streamline the document. Highlights of the key changes are provided in the Appendix C. The Fiscal Ordinance will be brought to the Board for adoption in May 2016.

Copies of Fiscal Ordinance 90 and the proposed Fiscal Ordinance 102 are attached for review.

**PRIOR BOARD ACTION**

On June 17, 2015, the Board of Directors adopted the Agency's Biennial Budget for FYs 2015/16 and 2016/17.

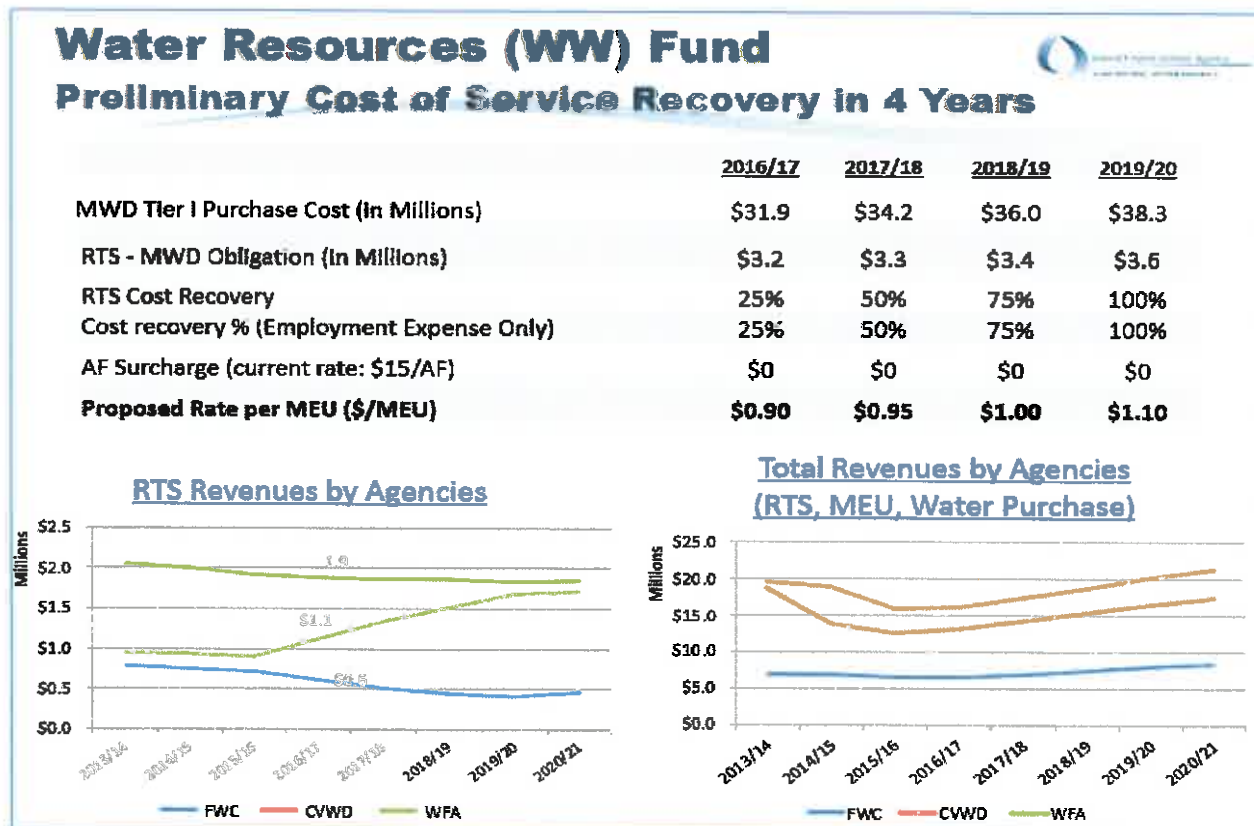
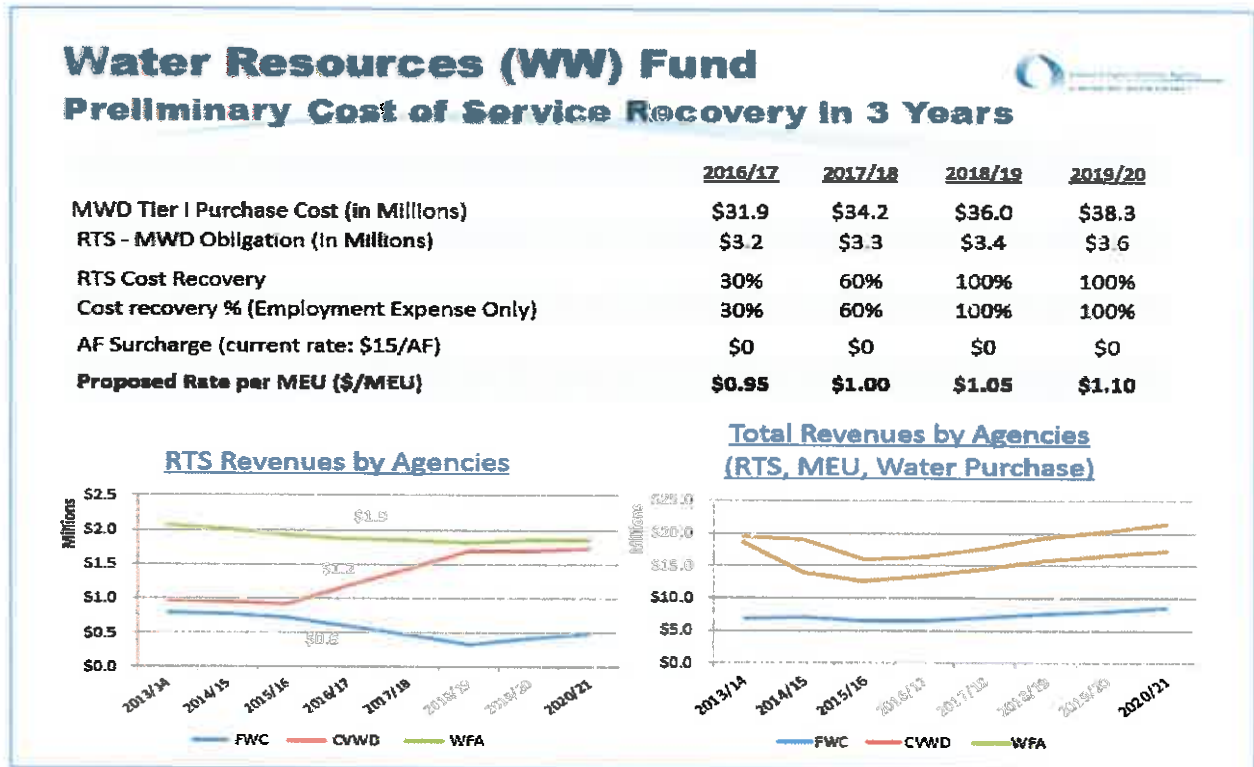
**IMPACT ON BUDGET**

None.

**Attachments:**

Fiscal Ordinance 90

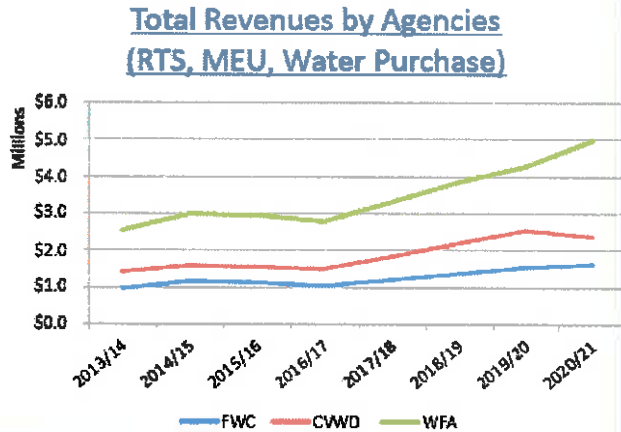
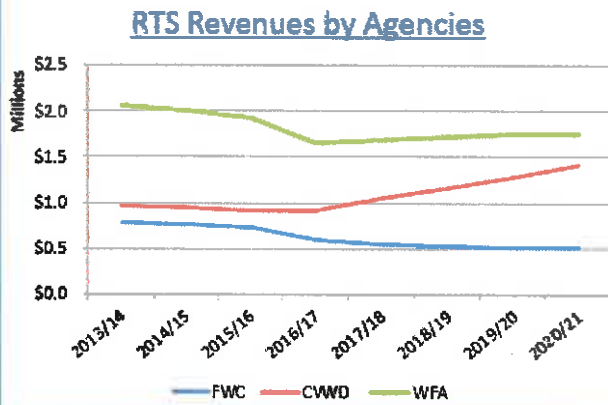
Proposed Ordinance 102



## Water Resources (WW) Fund Preliminary Cost of Service Recovery in 7 Years



	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
MWD Tier I Purchase Cost (in Millions)	\$31.9	\$34.2	\$36.0	\$38.3	\$40.7	\$42.9	\$45.0
RTS - MWD Obligation (In Millions)	\$3.2	\$3.3	\$3.4	\$3.6	\$3.7	\$3.9	\$4.0
RTS Cost Recovery	15%	30%	45%	60%	75%	90%	100%
Cost recovery % (Employment Expense Only)	25%	50%	75%	100%	100%	100%	100%
AF Surcharge (current rate: \$15/AF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Proposed Rate per MEU (\$/MEU)</b>	<b>\$1.00</b>	<b>\$1.10</b>	<b>\$1.20</b>	<b>\$1.30</b>	<b>\$1.40</b>	<b>\$1.50</b>	<b>\$1.60</b>



**Appendix B**

**INLAND EMPIRE UTILITIES AGENCY  
 FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET  
 ALL FUNDS - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	PROPOSED BUDGET
<b>REVENUES</b>					
User Charges	\$63,557	\$67,041	\$65,435	\$76,665	\$72,484
Property Tax - O&M	1,828	1,793	1,793	1,891	1,386
Cost Reimbursement from JPA	5,256	5,483	5,227	5,738	5,738
Contract Cost reimbursement	752	3,160	3,105	1,593	1,593
Interest Revenue	436	1,036	623	1,299	619
Recycled Water Sales	12,047	14,022	14,022	17,814	17,814
Water Sales	34,147	34,659	26,514	42,062	28,671
<b>TOTAL REVENUES</b>	<b>\$118,023</b>	<b>\$127,193</b>	<b>\$116,717</b>	<b>\$147,063</b>	<b>\$128,305</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax - Debt , Capital, Reserves	\$39,118	\$39,364	\$42,117	\$40,500	\$42,240
Connection Fees	15,074	23,329	23,064	30,636	30,636
State Loans	22,714	12,315	11,746	23,641	15,558
Grants	5,918	8,942	4,686	7,710	9,288
Sale of Assets	0	0	0	0	0
Capital Contract Reimbursement	714	2,931	1,318	5,419	5,419
Other Revenues	1,330	895	1,352	913	929
Sale of Capacity	0	0	0	0	0
Loan Transfer from Internal Fund	14,808	2,000	2,000	2,000	5,216
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$99,675</b>	<b>\$89,777</b>	<b>\$86,284</b>	<b>\$110,819</b>	<b>\$109,284</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$217,698</b>	<b>\$216,969</b>	<b>\$203,001</b>	<b>\$257,882</b>	<b>\$237,590</b>
<b>EXPENSES</b>					
Employment Expense	\$36,510	\$40,661	\$40,820	\$42,737	\$42,869
Contract Work/Special Projects	5,045	28,235	15,285	16,117	17,051
Utilities	9,064	11,100	10,345	11,617	11,626
Operating Fees	12,599	13,334	12,745	13,651	13,380
Chemicals	4,192	4,641	4,498	4,524	4,674
Professional Fees and Services	7,133	9,874	9,076	8,539	9,238
Office and Administrative Expense	1,614	1,852	1,466	2,465	2,583
Biosolids Recycling	3,800	4,359	4,349	4,300	4,292
Materials & Supplies	2,273	2,912	2,926	2,883	2,888
Operation Contribution to IERCA	0	0	0	0	0
MWD Water Purchases	34,147	34,659	29,460	42,062	31,856
Other Expenses	1,454	1,897	894	1,596	1,603
<b>TOTAL EXPENSES</b>	<b>\$117,832</b>	<b>\$153,322</b>	<b>\$131,863</b>	<b>\$150,492</b>	<b>\$142,060</b>
<b>CAPITAL PROGRAM</b>					
CSDLAC 4Rs	\$658	\$738	\$673	\$738	\$736
IERCA investment	0	0	0	500	500
Capital Construction & Expansion	53,161	51,306	30,988	51,292	49,770
Rehab & Replacement	0	0	0	0	0
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$53,819</b>	<b>\$52,043</b>	<b>\$31,662</b>	<b>\$52,530</b>	<b>\$51,008</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$3,752	\$549	\$429	\$349	\$336
Interest	9,616	9,601	9,191	9,810	9,747
Principal	26,655	11,281	11,827	12,528	12,008
Short Term Inter-Fund Loan	14,808	2,032	2,032	2,048	5,248
<b>TOTAL DEBT SERVICE</b>	<b>\$54,831</b>	<b>\$23,463</b>	<b>\$23,479</b>	<b>\$24,734</b>	<b>\$27,339</b>
<b>FUND BALANCE</b>					
Net Increase (Decrease)	(\$8,784)	(\$12,154)	\$15,709	\$30,127	\$17,183
Beginning Fund Balance July 01	\$151,132	\$142,348	\$142,348	\$124,386	\$158,057
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$142,348</b>	<b>\$130,194</b>	<b>\$158,057</b>	<b>\$154,512</b>	<b>\$175,240</b>

**INLAND EMPIRE UTILITIES AGENCY  
 FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET  
 WW FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/15 ACTUAL	2015/2016 AMENDED BUDGET	2015/2016 PROJECTED ACTUAL	2016/2017 ADOPTED BUDGET	2016/2017 PROPOSED BUDGET
<b>REVENUES</b>					
User Charges	\$5,690	\$5,620	\$5,620	\$9,498	\$5,317
Contract Cost reimbursement	138	2,574	2,574	1,500	1,500
Interest Revenue	12	14	14	9	8
Water Sales	34,147	34,659	26,514	42,062	28,671
<b>TOTAL REVENUES</b>	<b>\$39,987</b>	<b>\$42,867</b>	<b>\$34,722</b>	<b>\$53,069</b>	<b>\$35,495</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax - Debt and Capital	\$1,500	\$1,500	\$4,253	\$1,500	\$2,104
Grants	\$565	\$1,000	\$0	\$2,000	\$0
Other Revenues	0	0	0	0	0
Loan Transfer from Internal Fund	4,308	2,000	2,000	0	3,200
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$6,373</b>	<b>\$4,500</b>	<b>\$6,253</b>	<b>\$3,500</b>	<b>\$5,304</b>
<b>EXPENSES</b>					
Employment Expenses	\$949	\$1,750	\$1,750	\$1,842	\$1,937
Contract Work/Special Projects	2,200	11,138	9,021	8,372	4,372
Operating Fees	3,715	3,562	3,562	3,669	3,190
Professional Fees and Services	239	157	194	157	157
Office and Administrative expenses	50	60	60	60	60
MWD Water Purchases	34,147	34,659	29,460	42,062	31,856
Other Expenses	69	406	406	338	345
<b>TOTAL EXPENSES</b>	<b>\$41,369</b>	<b>\$51,733</b>	<b>\$44,454</b>	<b>\$56,501</b>	<b>\$41,916</b>
<b>DEBT SERVICE</b>					
Inter-Fund Loan	\$0	\$32	\$32	\$48	\$48
<b>TOTAL DEBT SERVICE</b>	<b>\$0</b>	<b>\$32</b>	<b>\$32</b>	<b>\$48</b>	<b>\$48</b>
<b>TRANSFERS IN (OUT)</b>					
Operation support	\$0	\$0	\$0	\$0	\$0
One Water	0	41	41	269	269
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>\$0</b>	<b>\$41</b>	<b>\$41</b>	<b>\$269</b>	<b>\$269</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	\$4,991	(\$4,356)	(\$3,469)	\$290	(\$896)
Beginning Fund Balance July 01	\$916	\$5,906	\$5,906	\$1,550	\$2,437
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$5,906</b>	<b>\$1,550</b>	<b>\$2,437</b>	<b>\$1,840</b>	<b>\$1,541</b>
<b>RESERVE BALANCE SUMMARY</b>					
Capital / Operation Contingencies	\$5,906	\$1,550	\$2,437	\$1,840	\$1,541
Supplemental Water Resources	\$0	\$0	\$0	\$0	\$0
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$5,906</b>	<b>\$1,550</b>	<b>\$2,437</b>	<b>\$1,840</b>	<b>\$1,541</b>



**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET**  
**WC FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2015/2016 AMENDED ACTUAL	2015/2016 PROJECTED ACTUAL	2016/2017 ADOPTED BUDGET	2016/2017 PROPOSED AMENDED
<b>REVENUES</b>				
Contract Cost reimbursement	\$480	\$5	\$0	\$0
Interest Revenue	0	192	79	216
Water Sales	12,047	14,022	14,022	17,814
<b>TOTAL REVENUES</b>	<b>\$12,527</b>	<b>\$14,219</b>	<b>\$14,101</b>	<b>\$17,883</b>
<b>OTHER FINANCING SOURCES</b>				
Property Tax - Debt/Capital	\$2,064	\$2,058	\$2,058	\$2,120
Connection Fees	0	683	417	4,475
State Loans	22,714	11,367	10,799	15,985
Grants	4,901	4,417	4,161	2,125
Capital Contract Reimbursement	110	1,444	138	718
Other Revenues	32	0	0	0
Loan Transfer from Internal Fund	10,500	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$40,321</b>	<b>\$19,969</b>	<b>\$17,573</b>	<b>\$25,422</b>
<b>EXPENSES</b>				
Employment Expenses	\$4,080	\$3,300	\$3,569	\$3,419
Contract Work/Special Projects	343	2,332	1,178	2,225
Utilities	2,033	2,877	2,877	3,010
Operating Fees	159	216	198	152
Professional Fees and Services	737	704	643	654
Materials & Supplies	114	183	169	169
Other Expenses	197	1,356	1,356	1,283
<b>TOTAL EXPENSES</b>	<b>\$7,662</b>	<b>\$10,968</b>	<b>\$9,989</b>	<b>\$11,961</b>
<b>CAPITAL PROGRAM</b>				
Work In Progress	\$35,295	\$19,898	\$12,934	\$18,630
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$35,295</b>	<b>\$19,898</b>	<b>\$12,934</b>	<b>\$18,630</b>
<b>DEBT SERVICE</b>				
Financial Expenses	(\$31)	\$2	\$2	\$2
Interest	2,773	2,816	2,816	2,822
Principal	2,815	3,412	3,962	4,433
Short Term Inter-Fund Loan	-	0	0	2,000
<b>TOTAL DEBT SERVICE</b>	<b>\$5,557</b>	<b>\$6,230</b>	<b>\$6,780</b>	<b>\$9,257</b>
<b>TRANSFERS IN (OUT)</b>				
Capital Contribution	(\$375)	(\$361)	(\$246)	(\$459)
Debt Service	-	1,465	1,465	1,465
Operation support	(1,674)	(466)	(466)	(791)
One Water	0	(130)	(130)	(378)
Property Tax Transfer	-	0	0	0
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$2,049)</b>	<b>\$508</b>	<b>\$623</b>	<b>(\$164)</b>
<b>FUND BALANCE</b>				
Net Income (Loss)	\$2,285	(\$2,400)	\$2,594	\$4,490
Beginning Fund Balance July 01	10,351	12,636	12,636	14,391
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$12,636</b>	<b>\$10,236</b>	<b>\$15,230</b>	<b>\$18,881</b>
<b>RESERVE BALANCE SUMMARY</b>				
Operating Contingencies	\$2,554	\$3,656	\$3,330	\$3,637
Capital Expansion & Replacement	5,217	601	5,921	2,773
Rehabilitation/Replacement Reserve	100	500	500	3,000
Debt Service & Redemption	4,765	5,480	5,480	9,471
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$12,636</b>	<b>\$10,236</b>	<b>\$15,230</b>	<b>\$18,881</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET**  
**RO FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/16	2015/16	2016/17	2016/17
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	PROPOSED AMENDED
<b>REVENUES</b>					
User Charges	\$46,865	\$49,696	\$49,696	\$55,023	\$55,023
Cost Reimbursement JPA	3,423	3,350	3,350	3,526	3,526
Contract Cost Reimbursement	123	531	531	93	93
Interest Revenue	195	154	154	150	150
<b>TOTAL REVENUES</b>	<b>\$50,706</b>	<b>\$53,731</b>	<b>\$53,731</b>	<b>\$58,792</b>	<b>\$58,792</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax Revenues	\$9,140	\$9,054	\$9,054	\$9,326	\$9,598
State Loans	0	948	948	7,657	7,657
Grants	332	3,525	525	3,525	3,525
Other Revenues	763	738	738	757	757
Loan Transfer from Internal Fund	0	0	0	0	16
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$10,235</b>	<b>\$14,265</b>	<b>\$11,265</b>	<b>\$21,264</b>	<b>\$21,552</b>
<b>EXPENSES</b>					
Employment Expenses	\$24,338	\$27,887	\$27,887	\$29,348	\$29,418
Contract Work/Special Projects	1,053	12,065	3,354	4,110	7,115
Utilities	6,398	7,331	6,595	7,687	7,690
Operating Fees	1,819	2,283	1,847	2,339	2,347
Chemicals	4,092	4,471	4,328	4,349	4,499
Professional Fees and Services	2,979	3,640	2,922	2,721	2,812
Office and Administrative expenses	20	406	206	406	406
Biosolids Recycling	3,755	4,233	4,223	4,188	4,181
Materials & Supplies	1,621	2,096	2,113	2,020	2,028
Other Expenses	741	5,652	5,652	4,857	4,857
<b>TOTAL EXPENSES</b>	<b>\$46,815</b>	<b>\$70,064</b>	<b>\$59,127</b>	<b>\$62,025</b>	<b>\$65,353</b>
<b>CAPITAL PROGRAM</b>					
Capital Construction & Expansion (WIP)	9,336	\$12,588	\$8,899	\$11,794	\$11,794
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$9,336</b>	<b>\$12,588</b>	<b>\$8,899</b>	<b>\$11,794</b>	<b>\$11,794</b>
<b>DEBT SERVICE</b>					
Financial Expenses	(\$5)	\$2	\$0	\$2	\$0
Interest	159	214	214	214	214
Short Term Inter-Fund Loan	0	0	0	0	3,200
<b>TOTAL DEBT SERVICE</b>	<b>\$154</b>	<b>\$216</b>	<b>\$214</b>	<b>\$216</b>	<b>\$3,415</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	\$1,274	\$82	\$82	(\$1,545)	(\$1,545)
Operation support	0	6,000	1,060	0	0
Capital - Connection Fees Allocation	0	3,440	3,440	4,111	4,111
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>\$1,274</b>	<b>\$9,522</b>	<b>\$4,582</b>	<b>\$2,566</b>	<b>\$2,566</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	\$5,909	(\$5,350)	\$1,338	\$8,589	\$2,349
Beginning Fund Balance July 01	\$36,306	\$42,215	\$42,215	\$32,053	\$43,554
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$42,215</b>	<b>\$36,865</b>	<b>\$43,554</b>	<b>\$40,642</b>	<b>\$45,903</b>
<b>RESERVE BALANCE SUMMARY</b>					
Capital / Operation Contingencies	\$15,605	\$19,238	\$18,239	\$18,500	\$19,609
Rehabilitation/Replacement	26,395	17,412	25,099	20,616	24,767
Debt Service & Redemption	216	216	216	1,526	1,526
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$42,215</b>	<b>\$36,865</b>	<b>\$43,554</b>	<b>\$40,642</b>	<b>\$45,903</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET**  
**RC FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/15	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED	PROJECTED ACTUAL	ADOPTED BUDGET	PROPOSED AMENDED
<b>REVENUES</b>					
Contract Cost reimbursement	\$12	\$0	\$0	\$0	\$0
Interest Revenue	\$94	365	91	545	72
<b>TOTAL REVENUES</b>	<b>\$105</b>	<b>\$365</b>	<b>\$91</b>	<b>\$545</b>	<b>\$72</b>
<b>OTHER FINANCING SOURCES</b>					
Property Tax - Debt and Capital	\$26,414	\$26,752	\$26,752	\$27,554	\$28,357
Regional System Connection Fees	15,074	22,647	22,647	26,161	26,161
State Loans	0	0	0	0	2,500
Grants	50	0	0	0	0
Other Revenues	0	6	1	6	6
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$41,538</b>	<b>\$49,405</b>	<b>\$49,400</b>	<b>\$53,721</b>	<b>\$57,024</b>
<b>EXPENSES</b>					
Employment Expenses	\$3,230	\$3,013	\$3,013	\$3,171	\$3,171
Contract Work/Special Projects	1,007	908	191	750	1,850
Operating Fees	233	240	225	247	247
Professional Fees and Services	312	321	288	299	324
Other Expenses	1,457	1,605	803	1,790	1,790
<b>TOTAL EXPENSES</b>	<b>\$6,239</b>	<b>\$6,087</b>	<b>\$4,519</b>	<b>\$6,258</b>	<b>\$7,382</b>
<b>CAPITAL PROGRAM</b>					
IERCA investment	\$0	\$0	\$0	\$500	\$500
Work In Progress	4,318	14,015	5,606	14,845	14,845
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$4,318</b>	<b>\$14,015</b>	<b>\$5,606</b>	<b>\$15,345</b>	<b>\$15,345</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$207	\$381	\$288	\$248	\$233
Interest	6,204	6,043	5,774	6,125	5,859
Principal	23,083	7,078	7,074	7,279	7,274
Short Term Inter-Fund Loan	10,500	0	0	0	0
<b>TOTAL DEBT SERVICE</b>	<b>\$39,994</b>	<b>\$13,502</b>	<b>\$13,136</b>	<b>\$13,652</b>	<b>\$13,366</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	(\$1,023)	(\$1,344)	(\$1,337)	\$1,014	\$1,014
Debt Service	(350)	(1,925)	(1,925)	(1,964)	(1,964)
Operation support	0	(6,000)	(1,060)	0	0
Capital - Connection Fees Allocation	0	(4,318)	(4,318)	(4,600)	(4,600)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(1,373)</b>	<b>(13,587)</b>	<b>(8,640)</b>	<b>(5,550)</b>	<b>(5,550)</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	(\$10,282)	\$2,579	\$17,589	\$13,461	\$15,452
Beginning Fund Balance July 01	65,455	55,174	55,174	53,321	72,762
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$55,174</b>	<b>\$57,752</b>	<b>\$72,762</b>	<b>\$66,782</b>	<b>\$88,214</b>
<b>RESERVE BALANCE SUMMARY</b>					
Capital Expansion / Construction	(\$7,276)	(\$13,336)	\$1,674	\$2,300	\$3,830
CCRA Capital Construction	41,023	55,472	55,472	45,913	68,633
Rehabilitation/Replacement	0	0	0	3,000	0
Debt Service & Redemption	21,427	15,615	15,615	15,569	15,750
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$55,174</b>	<b>\$57,752</b>	<b>\$72,762</b>	<b>\$66,782</b>	<b>\$88,214</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET**  
**GG FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	ADOPTED BUDGET	PROPOSED BUDGET
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Property Tax	\$1,828	\$1,793	\$1,793	\$1,891	\$1,386
Cost Reimbursement from JPA	1,238	1,391	1,391	1,439	1,439
Contract Cost reimbursement	-	-	-	-	-
Interest Revenue	87	215	215	279	221
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$3,153</b>	<b>\$3,398</b>	<b>\$3,398</b>	<b>\$3,610</b>	<b>\$3,047</b>
<b>OTHER FINANCING SOURCES</b>					
Other Revenues	\$157	\$34	\$34	\$34	\$49
Sale of Capacity	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$157</b>	<b>\$34</b>	<b>\$34</b>	<b>\$34</b>	<b>\$49</b>
<b>EXPENSES</b>					
Employment Expenses	\$1,319	\$2,030	\$2,030	\$2,033	\$1,728
Contract Work/Special Projects	387	1,425	1,513	450	450
Utilities	438	699	678	723	703
Operating Fees	7	6	6	6	6
Professional Fees and Services	2,651	4,254	4,242	3,967	4,540
Office and Administrative expenses	1,537	1,370	1,184	1,983	2,101
Biosolids Recycling	33	25	25	25	25
Materials & Supplies	418	438	451	505	507
Other Expenses	(1,103)	(7,921)	(7,921)	(7,202)	(7,202)
<b>TOTAL EXPENSES</b>	<b>\$5,686</b>	<b>\$2,327</b>	<b>\$2,208</b>	<b>\$2,491</b>	<b>\$2,858</b>
<b>CAPITAL PROGRAM</b>					
Capital Expansion & Construction (WIP)	\$1,098	\$1,770	\$1,770	\$938	\$938
Rehab & Replacement	0	0	0	0	0
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$1,098</b>	<b>\$1,770</b>	<b>\$1,770</b>	<b>\$938</b>	<b>\$938</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$3,503	\$18	\$20	\$18	\$21
Short Term Inter-Fund Loan	4,308	2,000	2,000	-	-
<b>TOTAL DEBT SERVICE</b>	<b>\$7,811</b>	<b>\$2,018</b>	<b>\$2,020</b>	<b>\$18</b>	<b>\$21</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	\$1,098	\$1,059	\$1,059	\$571	\$571
Capital - Connection Fees Allocation	-	684	684	355	355
One Water	-	27	27	13	13
Property Tax Transfer	-	-	-	-	-
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>\$1,098</b>	<b>\$1,770</b>	<b>\$1,770</b>	<b>\$938</b>	<b>\$938</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	(\$10,188)	(\$913)	(\$796)	\$1,134	\$216
Beginning Fund Balance July 01	\$28,528	\$18,340	\$18,340	\$17,427	\$17,544
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$18,340</b>	<b>\$17,427</b>	<b>\$17,544</b>	<b>\$18,561</b>	<b>\$17,760</b>
<b>RESERVE BALANCE SUMMARY</b>					
Capital / Operation Contingencies	\$2,643	\$963	\$904	\$1,045	\$1,229
Insurance & Other	6,000	6,000	6,000	6,000	6,000
Retirement reserves	9,697	10,464	10,640	11,516	10,531
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$18,340</b>	<b>\$17,427</b>	<b>\$17,544</b>	<b>\$18,561</b>	<b>\$17,760</b>

**INLAND EMPIRE UTILITIES AGENCY  
 FISCAL YEAR 2015/2016 AND FISCAL YEAR 2016/17 BIENNIAL BUDGET  
 RW FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/16	2015/16	2016/17	2016/17
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED AMENDED
<b>REVENUES</b>					
User Charges					
Property Tax - O&M					
Cost Reimbursement from JPA	\$595	\$742	\$486	\$773	\$773
Contract Cost reimbursement	0	50	0	0	0
Interest Revenue	13	10	10	10	10
<b>TOTAL REVENUES</b>	<b>\$608</b>	<b>\$802</b>	<b>\$496</b>	<b>\$783</b>	<b>\$783</b>
<b>OTHER FINANCING SOURCES</b>					
Capital Contract Reimbursement	\$604	\$1,487	\$1,180	\$4,701	\$4,701
Other Revenues	23	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$697</b>	<b>\$1,487</b>	<b>\$1,180</b>	<b>\$4,761</b>	<b>\$4,761</b>
<b>EXPENSES</b>					
Employment Expenses	\$398	\$650	\$540	\$684	\$684
Contract Work/Special Projects	0	140	0	0	0
Utilities	112	122	122	122	122
Operating Fees	4	7	7	5	5
Professional Fees and Services	183	647	643	593	574
Office and Administrative expenses	8	16	16	16	16
Expense Allocation	0	76	76	61	61
Materials & Supplies	67	86	86	83	88
<b>TOTAL EXPENSES</b>	<b>\$772</b>	<b>\$1,742</b>	<b>\$1,489</b>	<b>\$1,564</b>	<b>\$1,549</b>
<b>CAPITAL PROGRAM</b>					
CSDLAC 4Rs	\$0	\$0	\$0	\$0	\$0
Capital Expansion/Construction	\$758	\$1,816	\$1,228	\$4,735	\$4,780
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$758</b>	<b>\$1,816</b>	<b>\$1,228</b>	<b>\$4,735</b>	<b>\$4,780</b>
<b>DEBT SERVICE</b>					
Financial Expenses	\$86	\$145	\$117	\$78	\$78
Interest	7	143	2	273	273
Principal	607	632	632	647	647
<b>TOTAL DEBT SERVICE</b>	<b>\$700</b>	<b>\$920</b>	<b>\$751</b>	<b>\$999</b>	<b>\$999</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	\$338	\$315	\$200	\$440	\$440
Debt Service	350	460	460	499	499
Operation support	400	466	466	791	791
Property Tax Transfer	0	62	62	96	96
<b>TOTAL INTERFUND TRANSFERS IN (OU</b>	<b>\$1,088</b>	<b>\$1,302</b>	<b>\$1,188</b>	<b>\$1,826</b>	<b>\$1,826</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	\$162	(\$887)	(\$605)	\$73	\$43
Beginning Fund Balance July 01	\$3,413	\$3,575	\$3,575	\$2,743	\$2,969
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$3,575</b>	<b>\$2,687</b>	<b>\$2,969</b>	<b>\$2,816</b>	<b>\$3,012</b>
<b>RESERVE BALANCE SUMMARY</b>					
Operating Contingencies	\$2,614	\$1,688	\$1,970	\$1,741	\$1,900
Capital Expansion / Construction	500	500	500	500	500
Debt Service & Redemption	460	499	499	575	612
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$3,575</b>	<b>\$2,687</b>	<b>\$2,969</b>	<b>\$2,816</b>	<b>\$3,012</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2015/16 and FISCAL YEAR 2016/17 BIENNIAL BUDGET**  
**NC FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2015/2016	2016/2017	2016/2017
	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED AMENDED
<b>REVENUES</b>					
User Charges	\$10,902	\$11,725	\$10,119	\$12,144	\$12,144
Interest Revenue	35	85	60	90	90
<b>TOTAL REVENUES</b>	<b>\$10,938</b>	<b>\$11,810</b>	<b>\$10,179</b>	<b>\$12,234</b>	<b>\$12,234</b>
<b>OTHER FINANCING SOURCES</b>					
Other Revenues	\$355	\$117	\$579	\$117	\$117
Loan Transfer from Internal Fund	0	0	0	2,000	2,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$355</b>	<b>\$117</b>	<b>\$579</b>	<b>\$2,117</b>	<b>\$2,117</b>
<b>EXPENSES</b>					
Employment Expenses	\$2,195	\$2,030	\$2,030	\$2,137	\$2,137
Contract Work/Special Projects	55	226	28	210	210
Utilities	83	72	74	75	86
Operating Fees	6,662	7,020	6,900	7,231	7,231
Chemicals	101	170	170	175	175
Professional Fees and Services	33	150	144	148	163
Biosolids Recycling	12	25	25	25	25
Materials & Supplies	53	108	109	107	107
Other Expenses	93	598	598	530	530
<b>TOTAL EXPENSES</b>	<b>\$9,288</b>	<b>\$10,401</b>	<b>\$10,078</b>	<b>\$10,639</b>	<b>\$10,664</b>
<b>CAPITAL PROGRAM</b>					
CSDLAC 4Rs SRF Loan	\$658	\$738	\$673	\$738	\$738
Capital Expansion/Construction	2,356	1,218	551	350	350
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$3,015</b>	<b>\$1,956</b>	<b>\$1,224</b>	<b>\$1,088</b>	<b>\$1,088</b>
<b>DEBT SERVICE</b>					
Financial Expenses	(\$8)	\$2	\$2	\$2	\$2
Interest	473	385	385	376	376
Principal	150	159	159	168	168
<b>TOTAL DEBT SERVICE</b>	<b>\$615</b>	<b>\$545</b>	<b>\$545</b>	<b>\$546</b>	<b>\$546</b>
<b>TRANSFERS IN (OUT)</b>					
Capital Contribution	(\$37)	(\$46)	(\$46)	(\$19)	(\$19)
Property Tax Transfer	0	194	194	134	134
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$37)</b>	<b>\$148</b>	<b>\$149</b>	<b>\$115</b>	<b>\$115</b>
<b>FUND BALANCE</b>					
Net Income (Loss)	(\$1,662)	(\$826)	(\$941)	\$2,194	\$2,168
Beginning Fund Balance July 01	\$6,163	\$4,502	\$4,502	\$2,900	\$3,561
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$4,502</b>	<b>\$3,675</b>	<b>\$3,561</b>	<b>\$5,094</b>	<b>\$5,729</b>
<b>RESERVE BALANCE SUMMARY</b>					
Capital / Operation Contingencies	\$857	\$1,051	\$1,050	\$1,066	\$1,074
Capital Expansion / Construction	2,362	1,341	1,228	1,388	2,015
CSDLAC Prepayment	738	738	738	738	738
Debt Service & Redemption	545	546	546	1,902	1,902
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$4,502</b>	<b>\$3,675</b>	<b>\$3,561</b>	<b>\$5,094</b>	<b>\$5,729</b>

Summary of Proposed Changes to Fiscal Ordinance 90

Current Ordinance 90	Proposed Ordinance 102
Section 1 Purpose	<b>Section 101 Purpose:</b> Modified to conform to recommended best practices for budgeting according to the GFOA.
Section 2 Definitions	<b>Section 102 Definitions:</b> Some definition were modified and new ones added for better clarity, see proposed version.
Section 3 Fiscal Year	<b>Section 103 Fiscal Year:</b> No Change
Section 4 Adoption of the Budget	<b>Section 107 Adoption of the Budget:</b> Includes the final budget approval by a budget resolution from Section 6.
Section 5 Budget, A Public Record	<b>Section 108 Budget, A Public Record:</b> Defines the proposed budget documents to be made available to public a minimum of 10 days prior to the date of adoption at the Agency's facilities and website.
Section 6 Final Adoption of the Budget	Combined with Section 107 Adoption of the Budget.
Section 7 Budget Modification	<b>Section 109 Budget Amendments:</b> Greater emphasis on Board action and reference to Agency policies to address procedural tasks.
Section 8 Approval and Expenditures of Funds	<b>Section 201 Approval and Responsibilities:</b> Expanded to include "all employees" in prudent use of public fund and "department managers" in monitoring their respective budgets.
Section 9 Unencumbered Fund Balance	<b>Section 202 Unencumbered Fund Balance:</b> Removed reference to "multi-year capital appropriations" consistent with the requirement for Board approval of all carry forward requests.
Section 10 Fund Structure	<b>Section 104 Fund Structure:</b> Simplified to remove the Administrative Services which is also an enterprise fund.



Current Ordinance 90	Proposed Ordinance 102
Section 11 Self-Balancing Accounts	<b>Section 105 Self-Balancing Accounts:</b> No Change
Section 12 Basis of Accounting	<b>Section 106 Basis of Accounting:</b> More firmly establishes the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP).
Section 13 Financial Reporting	<b>Section 203 Financial Policy and Reporting:</b> Expanded to include the various financial reports submitted to the Board during the fiscal year and posted on the Agency's website.
Section 14 Annual Independent Audit	<b>Section 204 Annual Independent Audit:</b> Expanded to include single audit for grant related activities.
Section 15 Implementation of Responsibility	<b>Section 205 Implementation of Responsibility:</b> No Change
Section 16 Severability	<b>Section 206 Severability:</b> No Change
Section 17 Repeal of Prior Ordinances	<b>Section 207 Repeal of Prior Ordinances:</b> No Change
Section 18 Effective Date	<b>Section 208 Effective Date and Execution:</b> No Change





*Inland Empire Utilities Agency*

A MUNICIPAL WATER DISTRICT

# Budget Update Review FY 2016/17



# Agenda



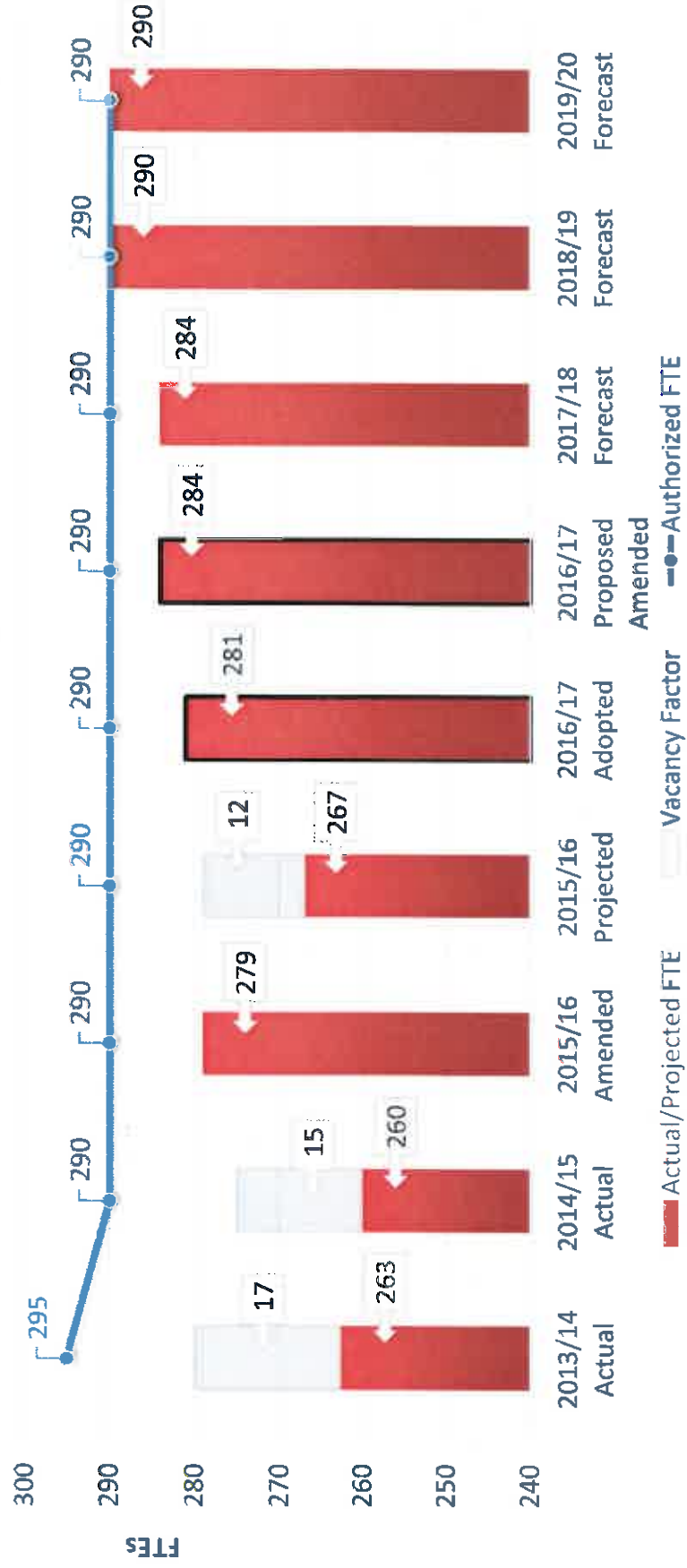
## Budget update review

- Staffing
- Fund Overview
- Consolidated Budget
- Fiscal Control Ordinance

# FY 2016/17 Budget Update Review: Staffing



- ❖ Maintain 290 FTEs
- ❖ Implement succession planning
  - Reduce vacancy factor starting FY 2015/16



# Program Fund Overview



- **Water Resource (VWV) Fund**
- **Recycled Water (WC) Fund**
- **Regional Wastewater Operations & Maintenance (RO) Fund**
- **Regional Wastewater Capital Improvement (RC) Fund**
- **Non-Reclaimable Wastewater (NC) Fund**
- **Recharge Water (RW) Fund**
- **Administrative Services (GG) Fund**



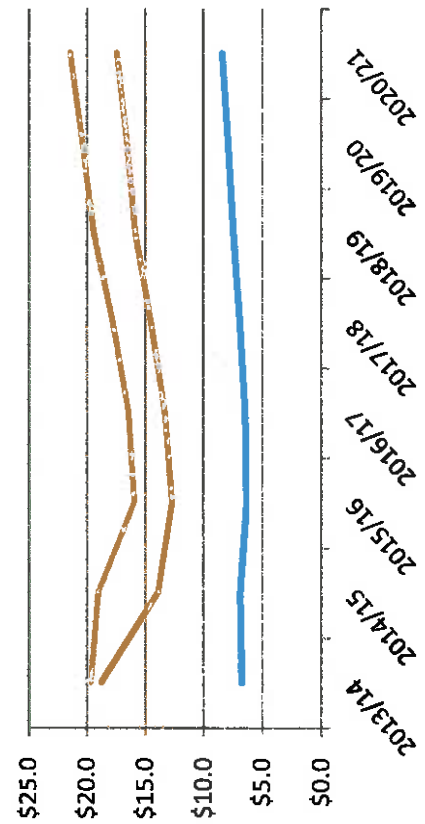
# Water Resources (WW) Fund

## Preliminary Cost of Service Recovery in 3 Years

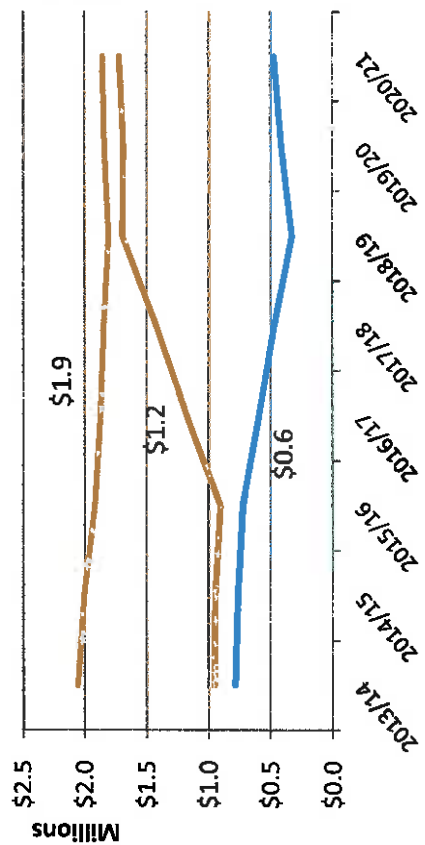


	2016/17	2017/18	2018/19	2019/20
MWD Tier I Purchase Cost (in Millions)	\$31.9	\$34.2	\$36.0	\$38.3
RTS - MWD Obligation (In Millions)	\$3.2	\$3.3	\$3.4	\$3.6
RTS Cost Recovery	30%	60%	100%	100%
Cost recovery % (Employment Expense Only)	30%	60%	100%	100%
AF Surcharge (current rate: \$15/AF)	\$0	\$0	\$0	\$0
<b>Proposed Rate per MEU (\$/MEU)</b>	<b>\$0.95</b>	<b>\$1.00</b>	<b>\$1.05</b>	<b>\$1.10</b>

Total Revenues by Agencies  
(RTS, MEU, Water Purchase)



RTS Revenues by Agencies



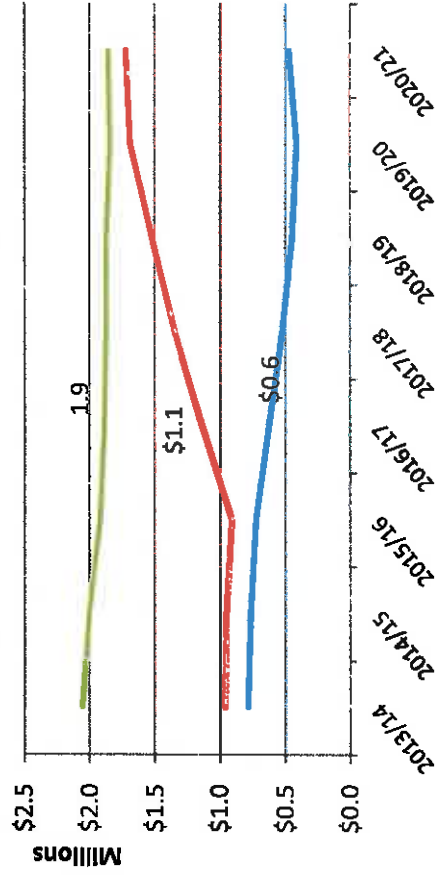
# Water Resources (WW) Fund

## Preliminary Cost of Service Recovery in 4 Years

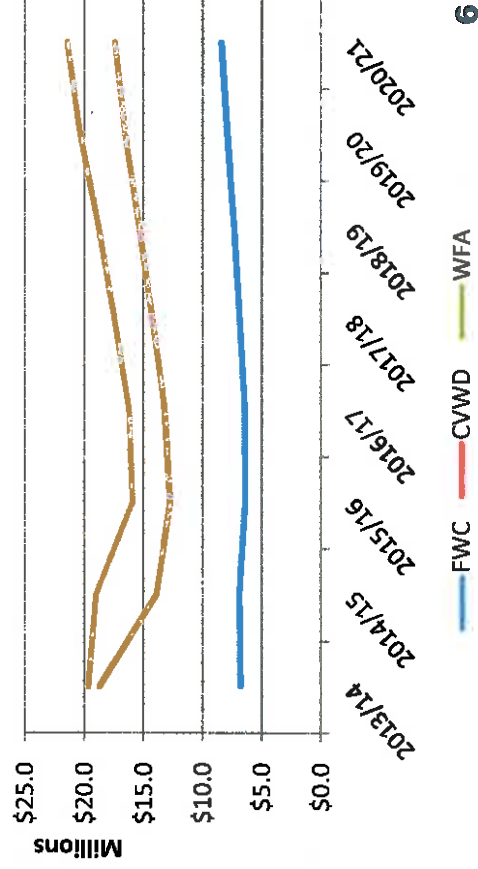


	2016/17	2017/18	2018/19	2019/20
MWD Tier I Purchase Cost (in Millions)	\$31.9	\$34.2	\$36.0	\$38.3
RTS - MWD Obligation (In Millions)	\$3.2	\$3.3	\$3.4	\$3.6
RTS Cost Recovery	25%	50%	75%	100%
Cost recovery % (Employment Expense Only)	25%	50%	75%	100%
AF Surcharge (current rate: \$15/AF)	\$0	\$0	\$0	\$0
<b>Proposed Rate per MEU (\$/MEU)</b>	<b>\$0.90</b>	<b>\$0.95</b>	<b>\$1.00</b>	<b>\$1.10</b>

RTS Revenues by Agencies



Total Revenues by Agencies (RTS, MEU, Water Purchase)





# Water Resources (WW) Fund

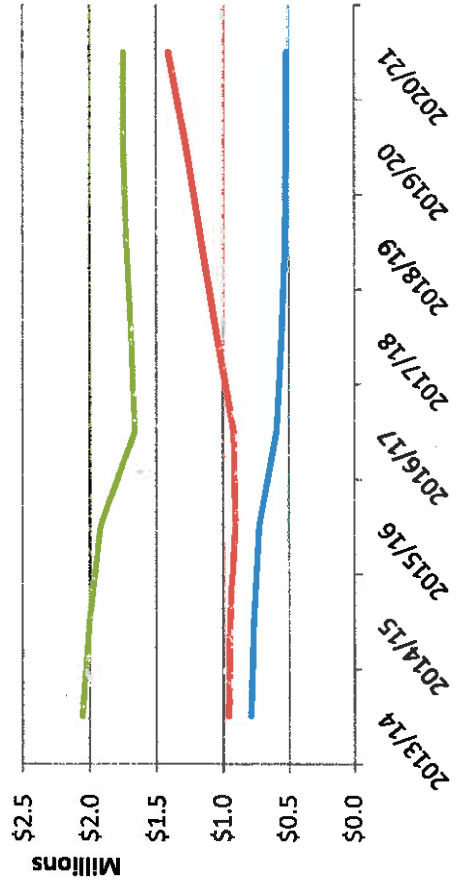
## Preliminary Cost of Service Recovery in 7 Years



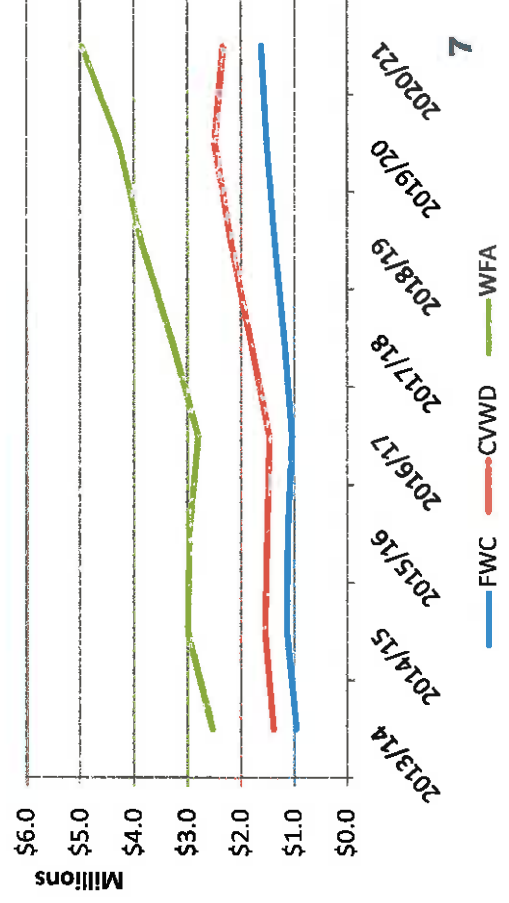
2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23

MWD Tier I Purchase Cost (in Millions)	\$31.9	\$34.2	\$36.0	\$38.3	\$40.7	\$42.9	\$45.0
RTS - MWD Obligation (In Millions)	\$3.2	\$3.3	\$3.4	\$3.6	\$3.7	\$3.9	\$4.0
RTS Cost Recovery	15%	30%	45%	60%	75%	90%	100%
Cost recovery % (Employment Expense Only)	25%	50%	75%	100%	100%	100%	100%
AF Surcharge (current rate: \$15/AF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Proposed Rate per MEU (\$/MEU)</b>	<b>\$1.00</b>	<b>\$1.10</b>	<b>\$1.20</b>	<b>\$1.30</b>	<b>\$1.40</b>	<b>\$1.50</b>	<b>\$1.60</b>

RTS Revenues by Agencies



Total Revenues by Agencies  
(RTS, MEU, Water Purchase)

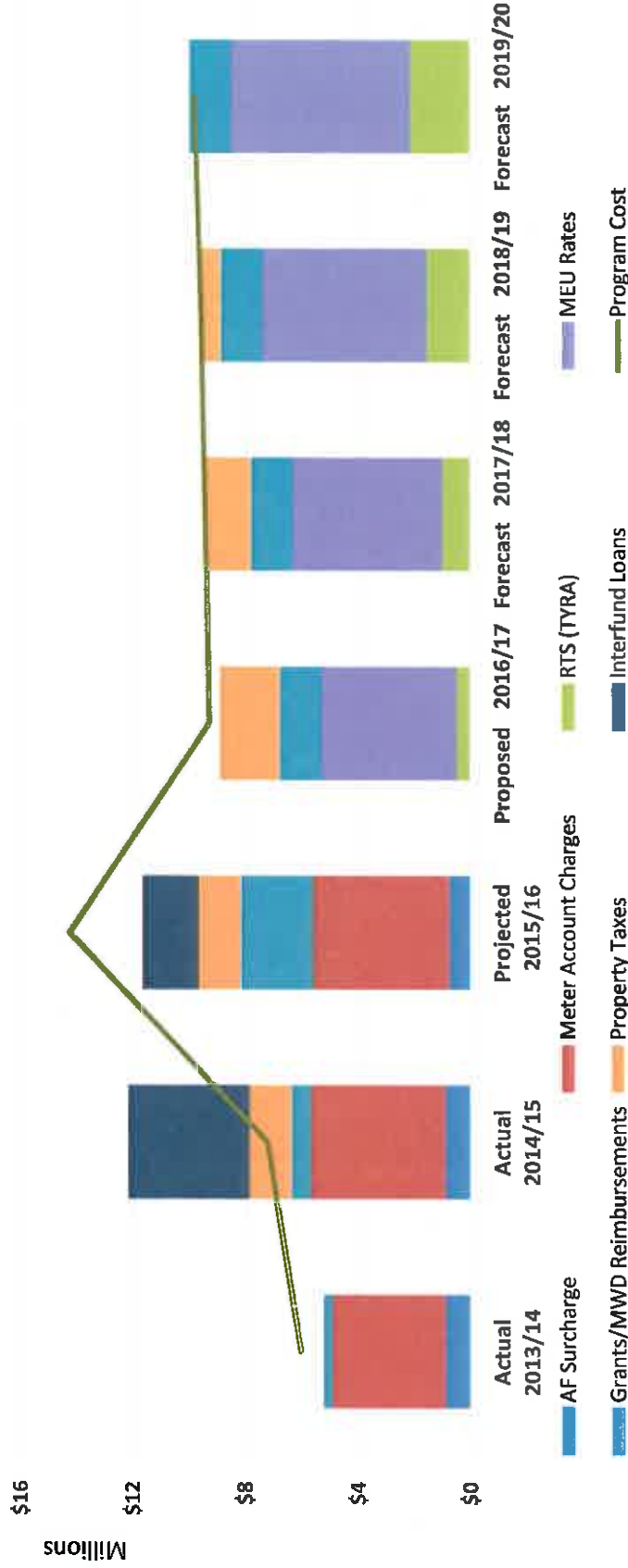


# Water Resources (WW) Fund Program Cost Funding Sources



## Key Assumptions

- ❖ Excludes SARCUPP (\$9M Net Cost) and Local Supply Resilience Projects (\$.772M per Fiscal Year)
- ❖ \$7.4M of property tax allocation from FY 2015/16 through FY 2019/20 to cover the shortfall in program costs not recoverable from the proposed water rates.





# WW Fund - Inter-Fund Loans

(In Millions)



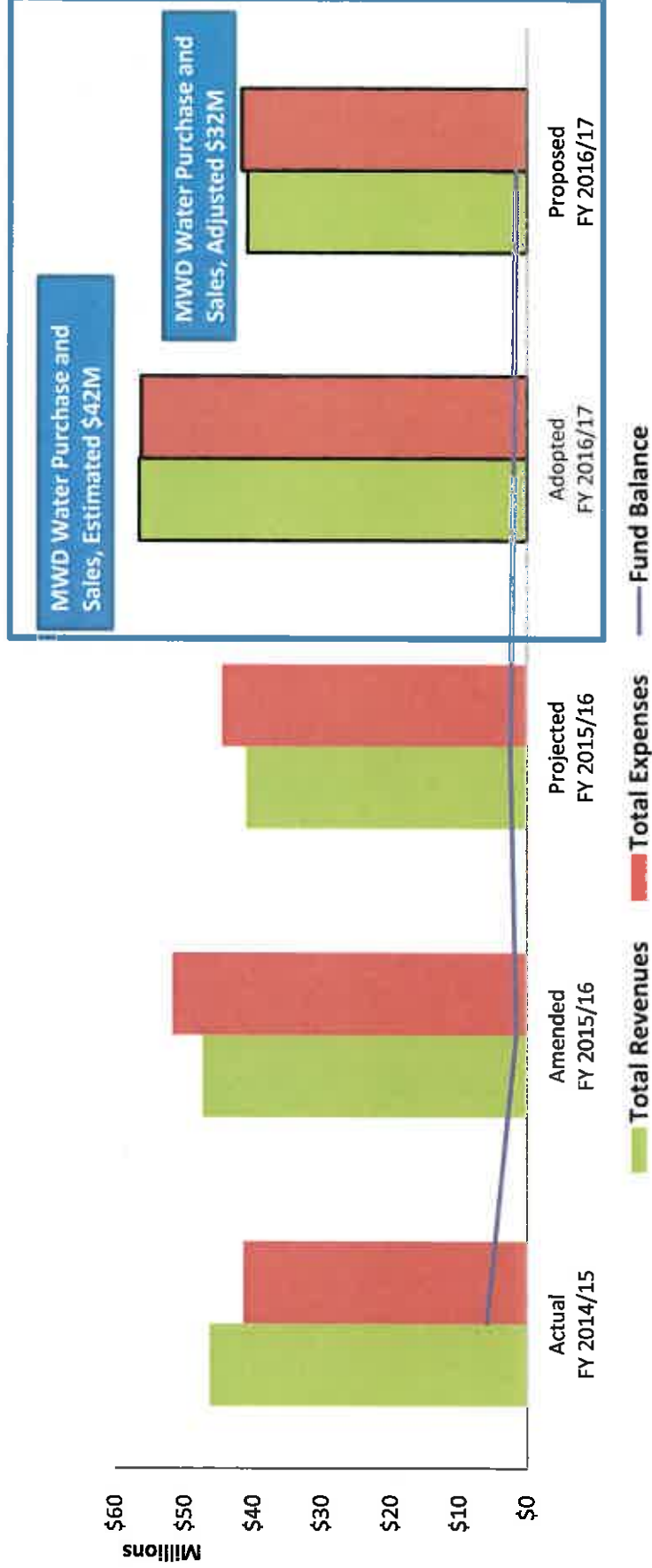
Source	Purpose	2014/15 Actual	2015/16 Projected Actual	2016/17 Proposed	Total
GG Fund	To support program expenses and the implementation/administration of regional drought and conservation projects.	\$4.3	\$2.0	\$0.0	\$6.3
	<i>Repayment to start in FY 17/18</i>				
RO Fund	To support supplemental water purchases.	0.0	0.0	3.2	3.2
	<i>Repayment to start in FY 20/21</i>				
	<b>Total</b>	<b>\$4.3</b>	<b>\$2.0</b>	<b>\$3.2</b>	<b>\$9.5</b>

# Water Resources (WW) Fund Sources & Uses of Funds and Fund Balance



## FY 2016/17 Proposed Changes Based on 7 year rate scenario

- ❖ \$10M Reduction in MWD water pass through, adjusted water delivery from 60k AF to 45k AF
- ❖ \$3.2M Inter-fund loan transfer from RO fund to support water supplemental purchases
- ❖ Maintain Conservation Program as endorsed by water managers

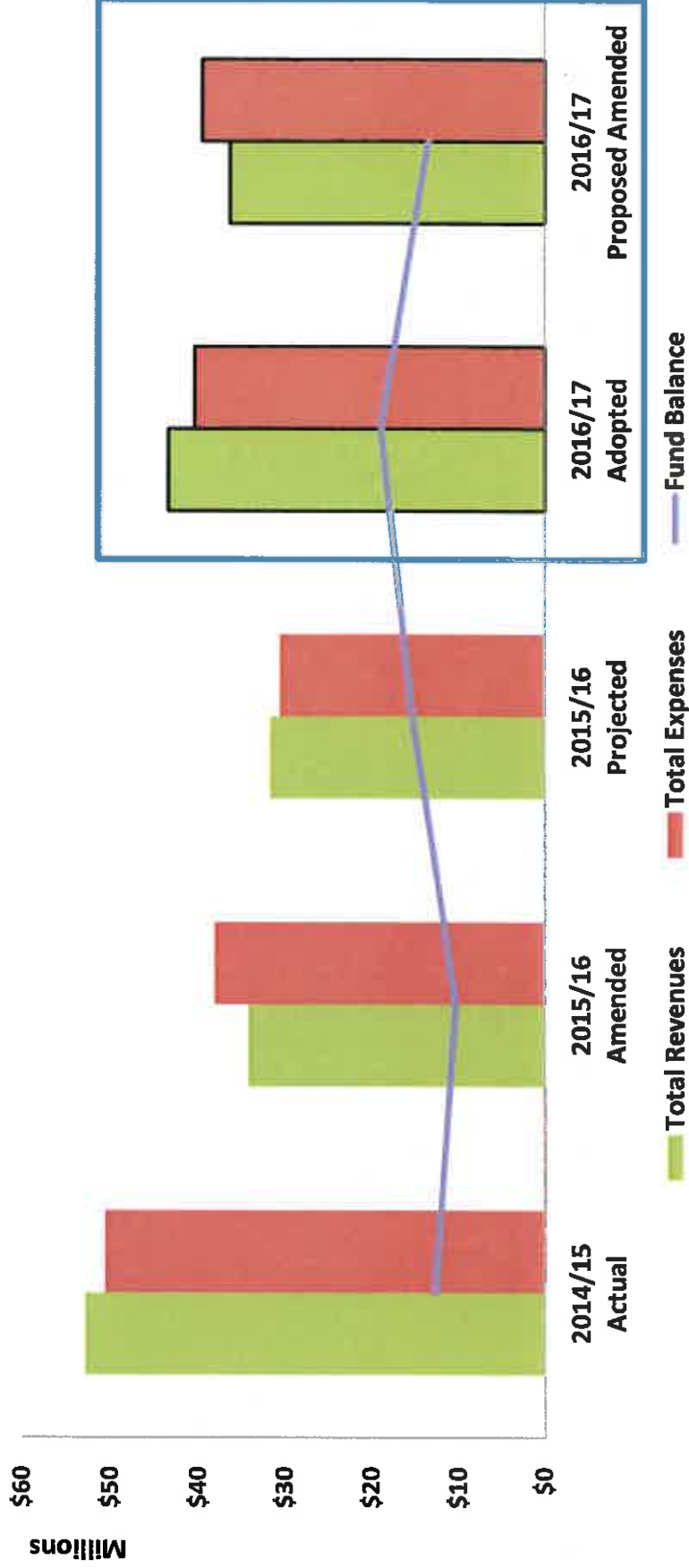


# Recycled Water (WC) Fund Sources & Uses of Funds and Fund Balance



## FY 2016/17 Proposed Changes Based on 2016-2025 TYCIP

- ❖ \$7M projected decrease in SRF Loans/Grants shifted to FY 2017/18
- ❖ \$800,000 increase O&M project expense
- ❖ \$2.1M MWD LPP expires June 2017

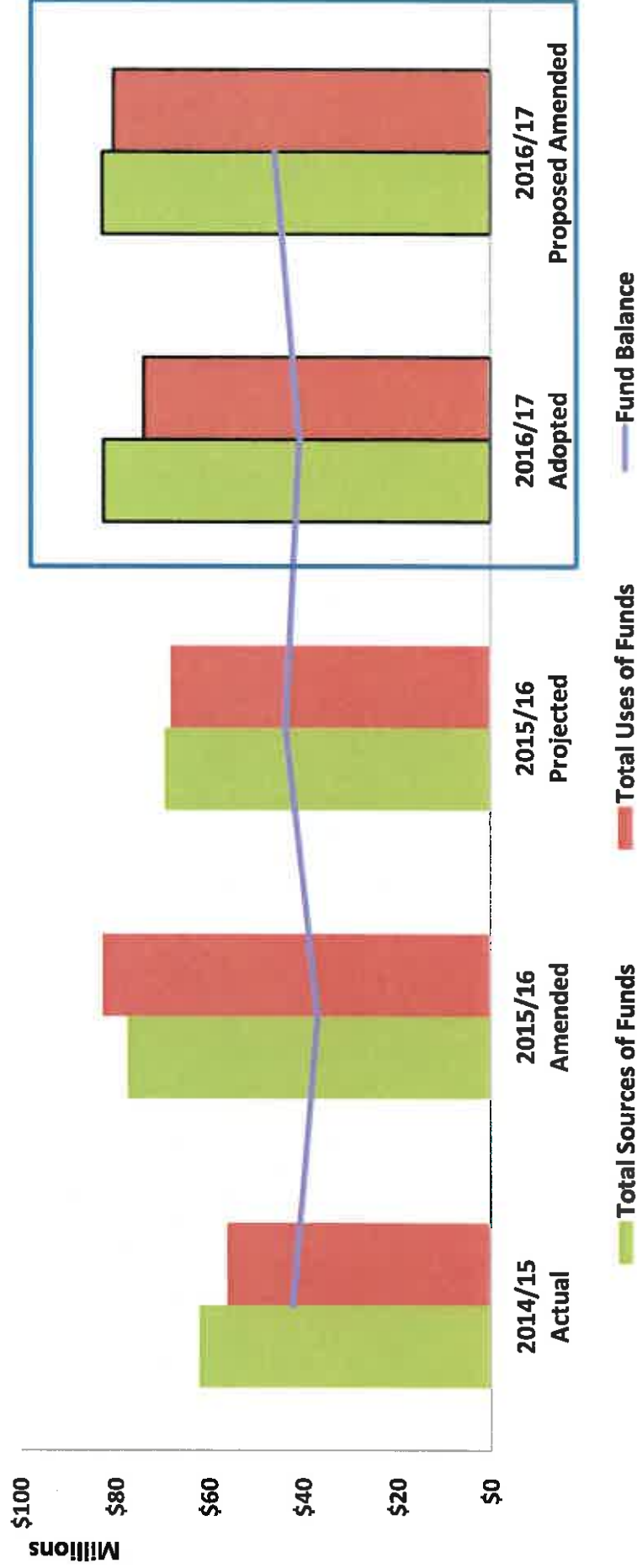


# Regional Wastewater O&M (RO) Fund Sources & Uses of Funds and Fund Balance



## FY 2016/17 Proposed Changes

- ❖ \$3.2M inter-fund loan from RO fund to support supplemental water purchases in WW fund
- ❖ \$3.0M increase in O&M projects

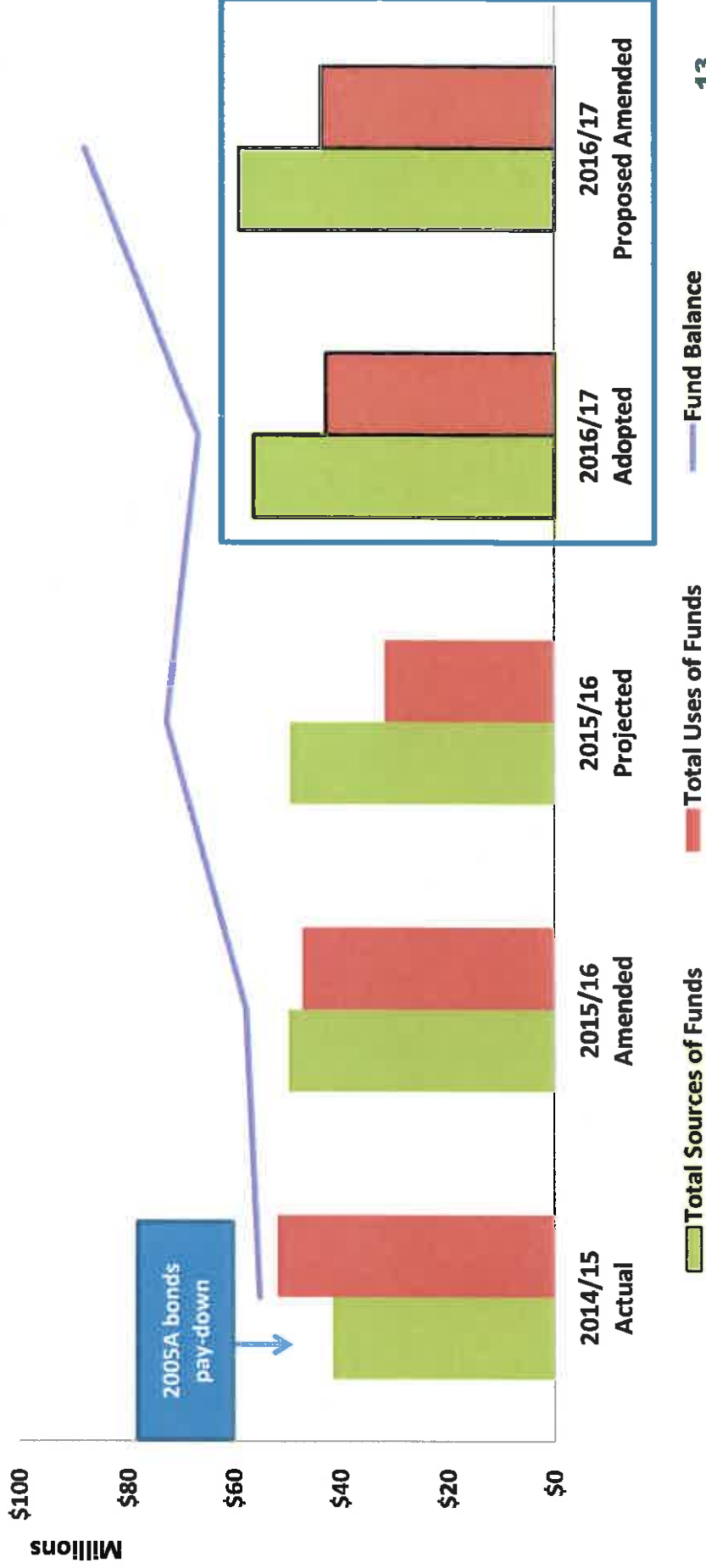


# Regional Wastewater Capital (RC) Fund Sources & Uses of Funds and Fund Balance



## FY 2016/17 Proposed Change

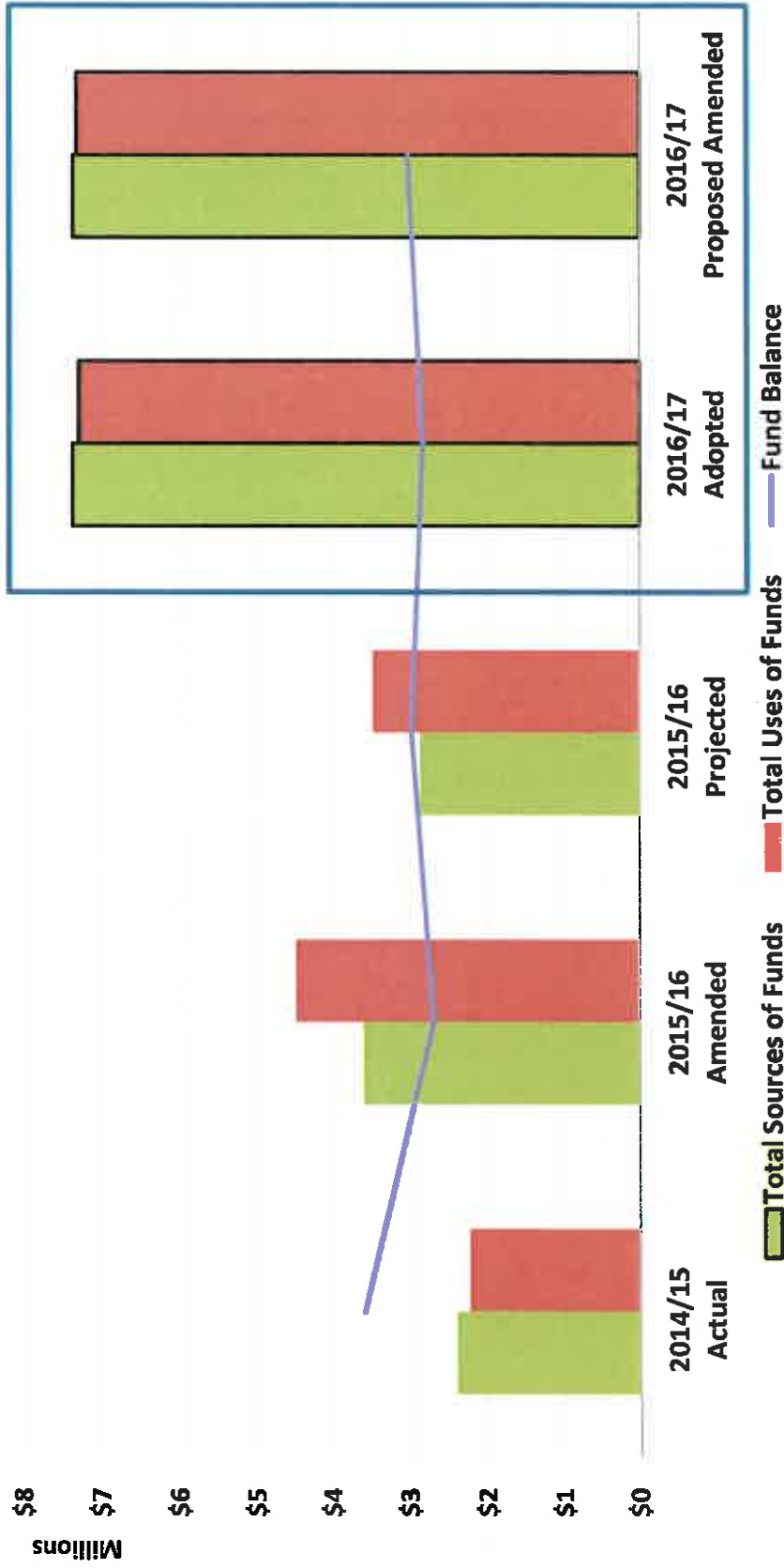
- ❖ \$2.5M increase in projected SRF Loan receipts for predesign of RP-1 and RP-5 Expansion project
- ❖ Reserve increase due prior year reduction in capital and other expenses



# Recharge Water (RW) Fund Sources & Uses of Funds and Fund Balance

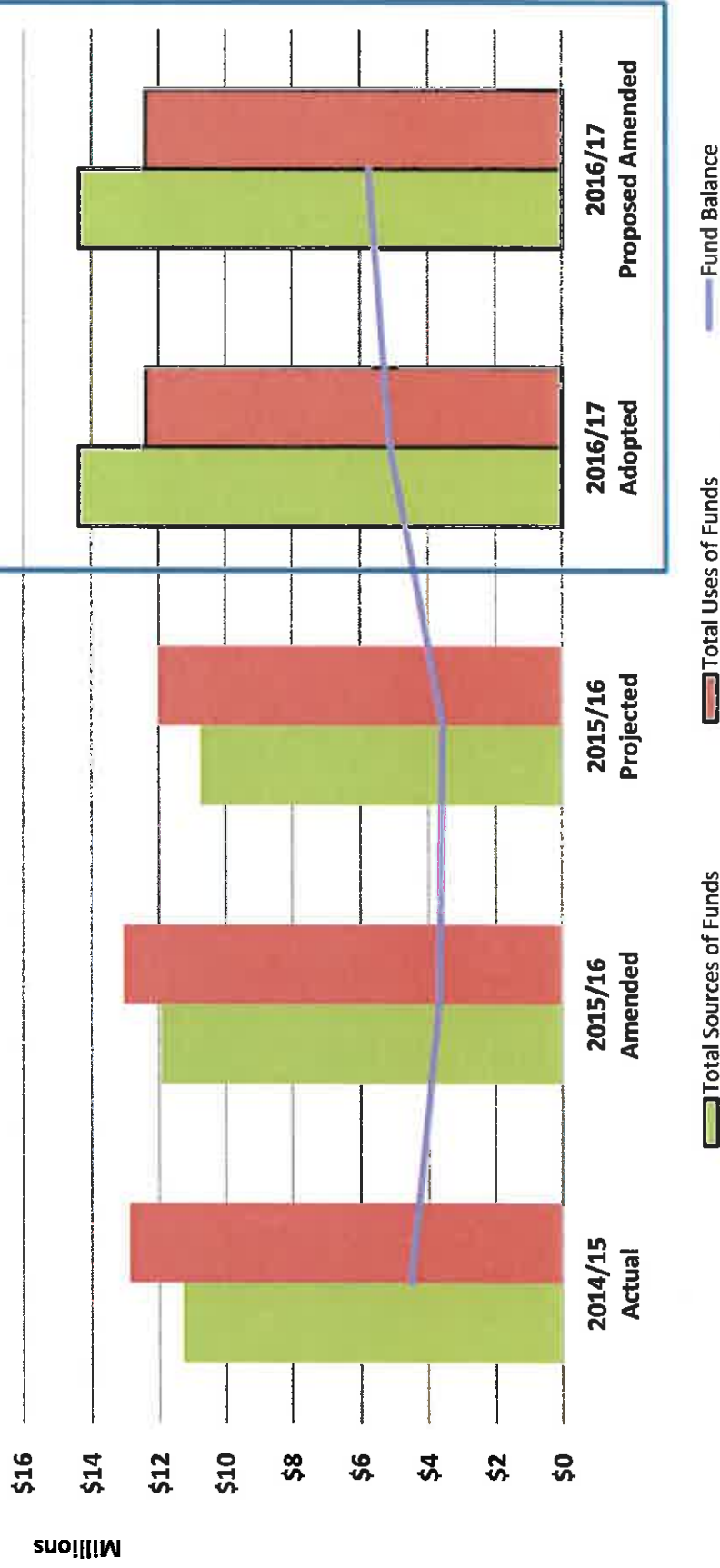


No major changes proposed for FY 2016/17



# Non-Reclaimable Wastewater (NC) Fund Sources & Uses of Funds and Fund Balance

Repayment of inter-fund loan (\$15M) from Recycled Water Fund starts in FY 2016/17 accounts for the increase in sources of funds

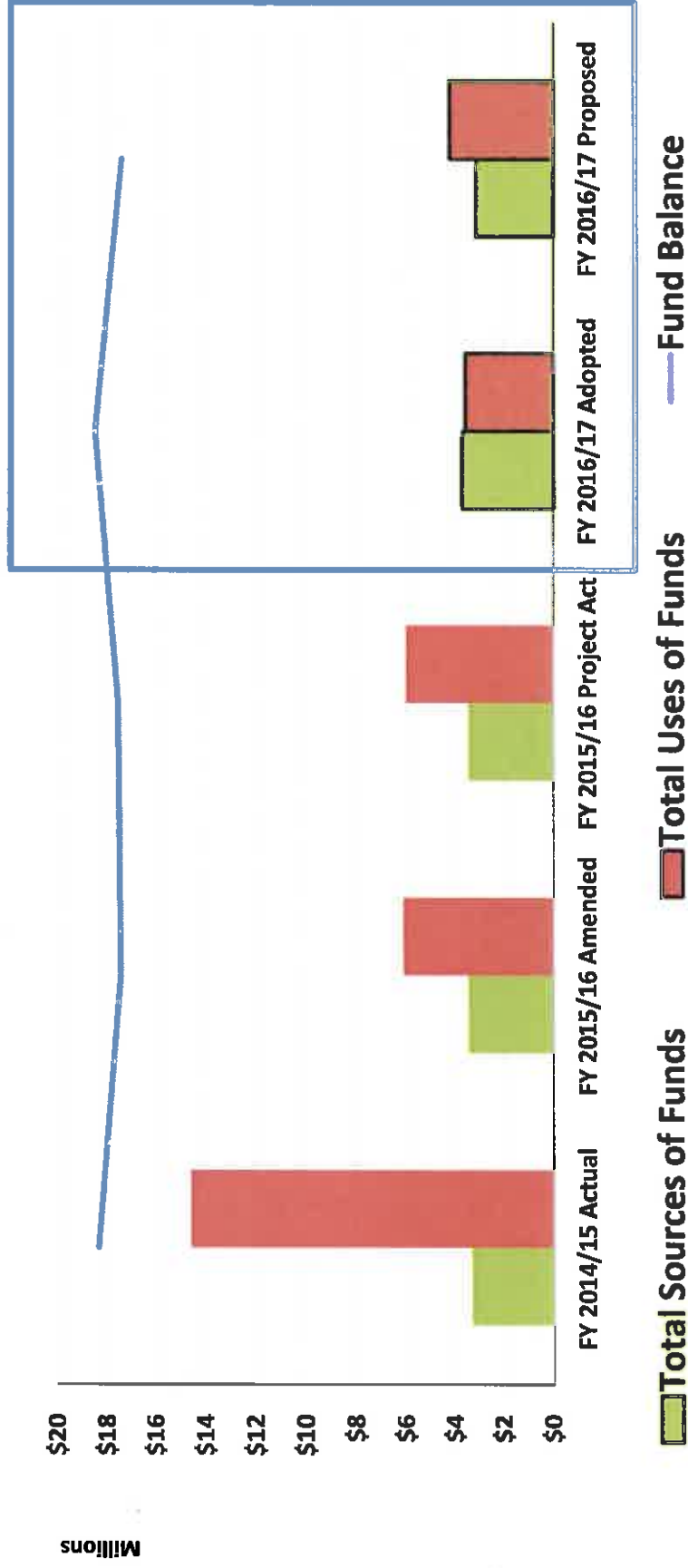


# Administrative Services (GG) Fund Sources & Uses of Funds and Fund Balance



FY 2016/17 Proposed Change

- ❖ \$600k increase in professional fees
- ❖ \$300k reduction in property taxes due re-allocation to WW fund

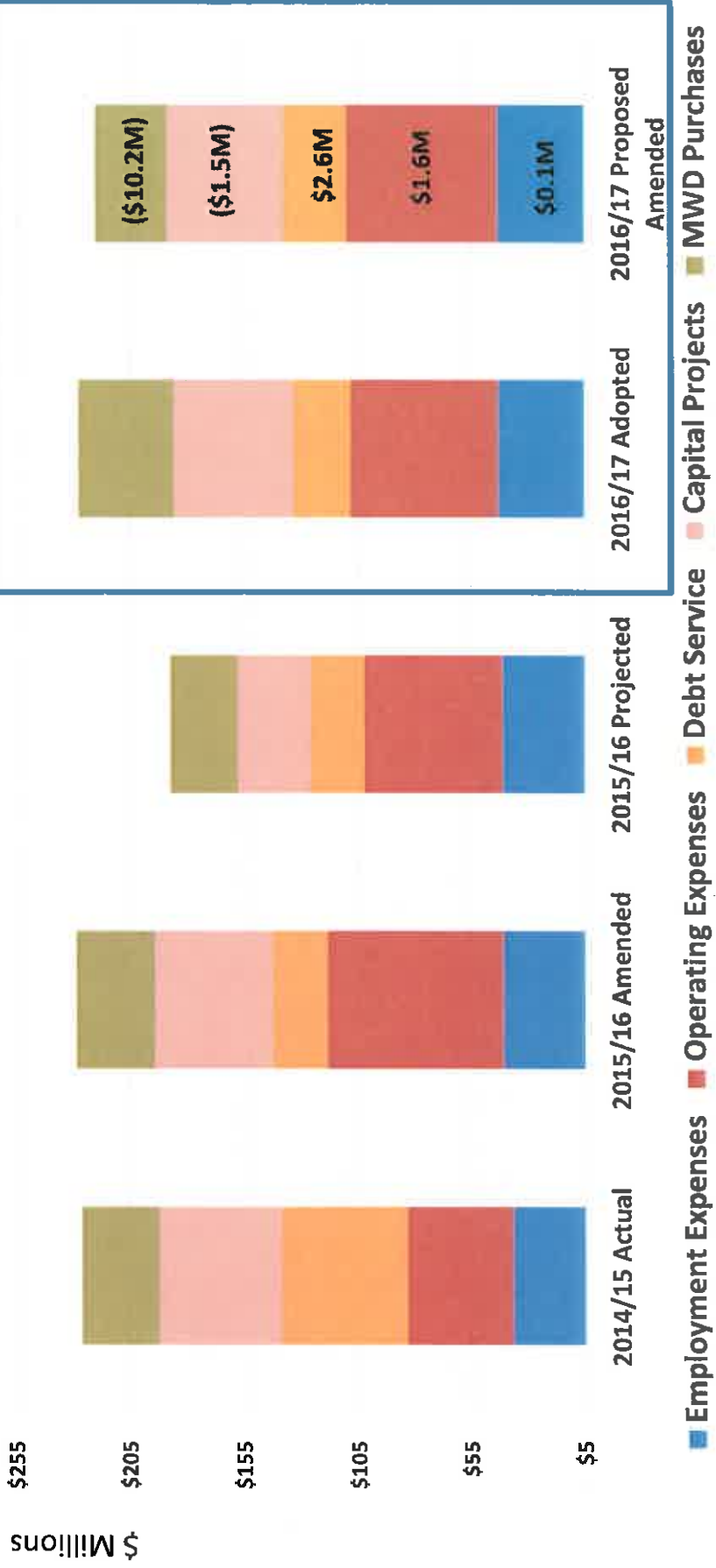




# Adjusted Consolidated Expenses



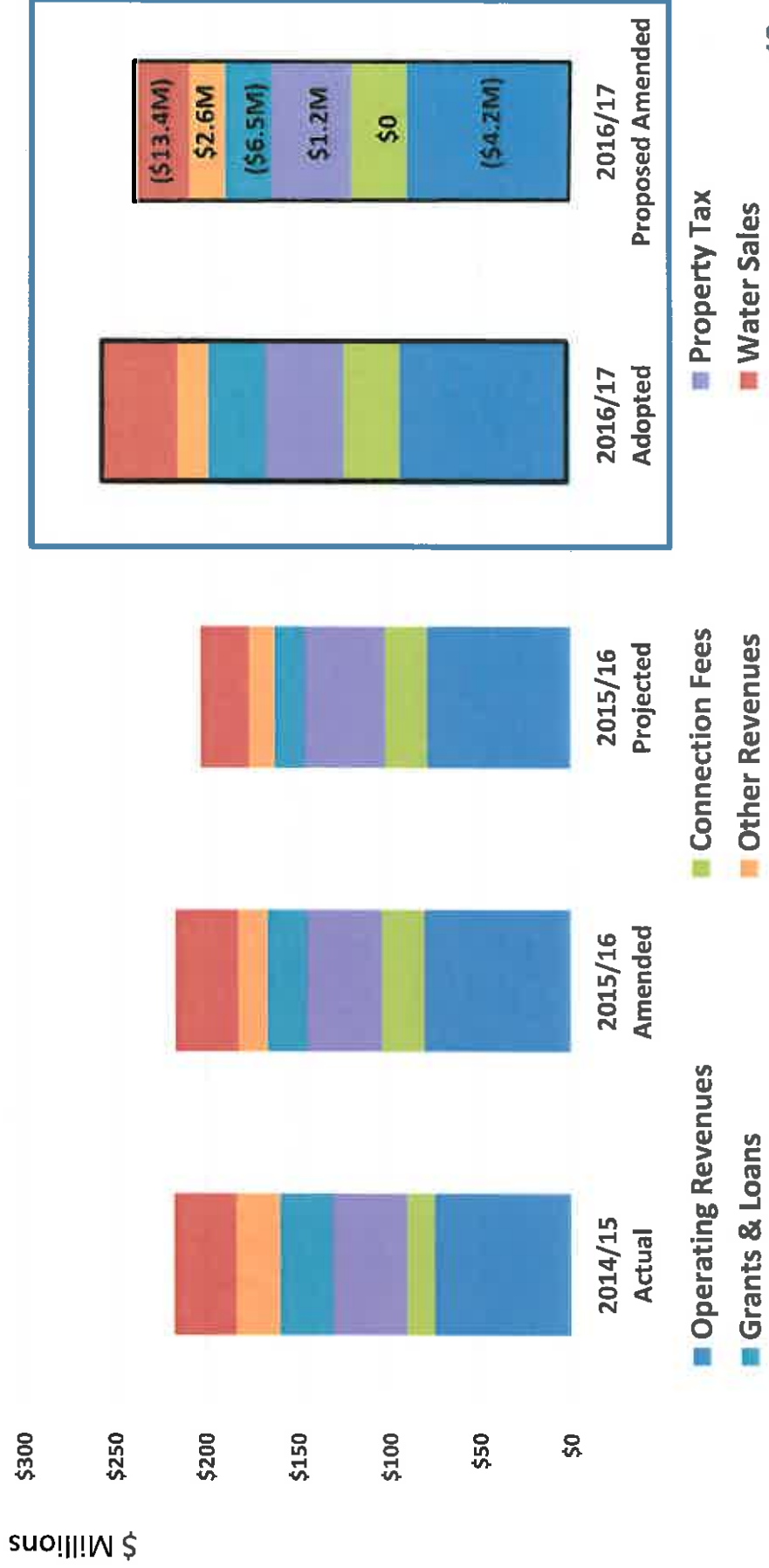
- ❖ \$7.4M net reduction in FY 2016/17 Proposed Budget
  - MWD water purchases decrease of \$10.2M
- ❖ Capital Projects based on FY 2016-2025 TYCIP



# Adjusted Consolidated Revenue and Funding Sources



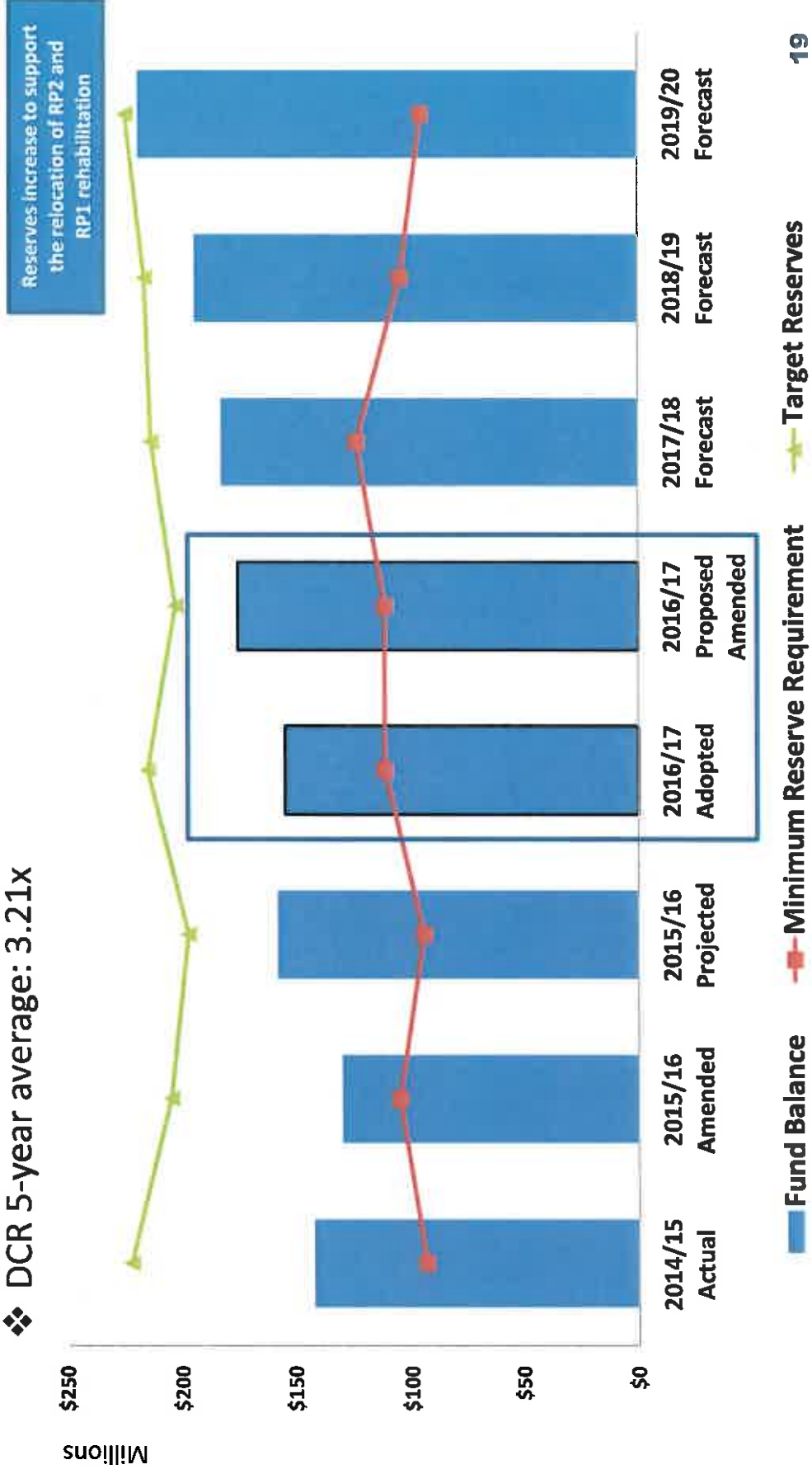
❖ FY 2016/17 Proposed budget net change is a reduction of \$20.3M primarily due to a reduction in MWD water sales and SRF loan and grant receipts



# Consolidated Fund Balances



- ❖ Includes early retirement of 2008A Revenue Bonds beginning FY 2016/17
- ❖ Based on FY 2016-2025 TYCIP (subject to change)
- ❖ DCR 5-year average: 3.21x



# Fiscal Ordinance Update



- ❖ Fiscal Ordinance 90 last updated in 2012
- ❖ Proposed changes intended to conform to recommended best practices and streamline the document;
  - Definitions enhanced for better clarity
  - Alignment with Procurement Ordinance and related policies
  - Budget amendments types more clearly defined
  - Approval and responsibilities expanded to include all Agency employees



# 2016 Schedule



Action	IEUA Finance Committee	IEUA Board	Regional Technical Committee	Regional Policy Committee
FY 2016/17 Budget Amendments*	May 11	May 18	May 26	June 2
Fiscal Control Ordinance 102				

\* Budget Amendments to include updated TYCIP

IEUA is committed to achieving full cost of service rates for the for key Agency programs. This achievement is consistent with the Agency's business goal of Fiscal Responsibility - safeguarding the Agency's fiscal health through the adoption of balanced multiyear budgets and rates that meet the full cost of service targets.



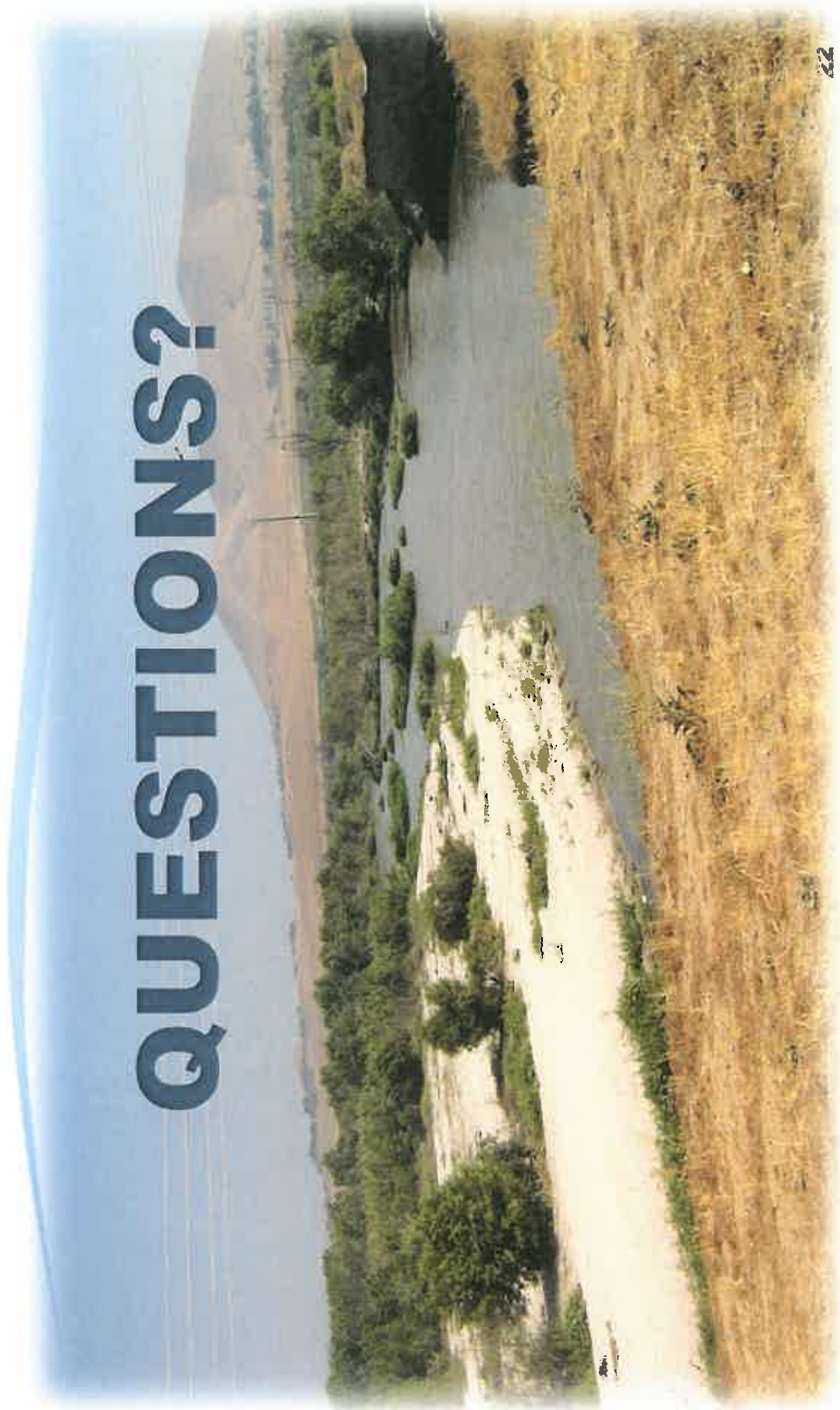




*Inland Empire Utilities Agency*

A MUNICIPAL WATER DISTRICT

# QUESTIONS?



## **ORDINANCE NO. 90**

### **AN ORDINANCE OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING FISCAL CONTROL**

BE IT ORDAINED by the Board of Directors of the Inland Empire Utilities Agency\* as follows:

#### **SECTION 1. PURPOSE**

The purpose of this Ordinance, to be known as the "Fiscal Control Ordinance of the Inland Empire Utilities Agency\*", is to provide for a system of financial administration, accounting, fiscal, and budgetary control, which conforms to generally accepted accounting principles and practices.

#### **SECTION 2. DEFINITIONS**

- A. Appropriation – Shall mean an authorization made by the Board, which permits designated Agency employees to incur obligations against, and to make expenses of, Agency resources. Appropriations for expenses and certain capital acquisitions shall be granted for a period of one fiscal year, or less. Capital acquisition projects meeting the multi-year criteria, as defined by fiscal current Agency policy, shall be granted for a period that expires upon the project's completion.
- B. Board – Shall mean the Board of Directors of the Inland Empire Utilities Agency.
- C. Budget- Shall mean the approval plan of financial operations embodying an estimate of proposed expenses for a given fiscal year and the proposed means of financing them.
- D. Agency – Shall mean the Inland Empire Utilities Agency.
- E. GM – Shall mean the General Manager of the Inland Empire Utilities Agency.
- F. AGM – Shall mean the Assistant General Manager of the Inland Empire Utilities Agency.
- G. CFO – Shall mean the Chief Financial Officer of the Inland Empire Utilities Agency.
- H. Designated Agency Employee – Shall mean those employees of the Agency so empowered under the provisions of Ordinance 74 and Agency Policy No. A-32.
- I. Account Category – Shall mean a grouping of various accounts.

#### **SECTION 3. FISCAL YEAR**

The fiscal year shall begin on July 1 of each year and end on June 30 of the succeeding year.

#### **SECTION 4. ADOPTION OF THE BUDGET**

The annual budget will be adopted by the Board prior to the first day of the fiscal year. However, if for good and sufficient reasons, the budget cannot be adopted by the first day of the fiscal year, the budget shall be adopted not later than 45 days subsequent to the beginning of the fiscal year. If the budget is not adopted prior to the beginning of the fiscal year, a resolution authorizing the continuation of necessary and essential expenses to operate the Agency shall be adopted prior to the beginning of the fiscal year. The proposed budget shall be prepared by the CFO and transmitted to members of the Board for its review a minimum of 10 days before the required date of adoption. The budget, as adopted, shall be a balanced budget with anticipated revenues (including appropriated unencumbered fund balances and reserves) equal to appropriate expenses. All funds within the budget shall also be balanced.

#### **SECTION 5. BUDGET, A PUBLIC RECORD**

At the time the proposed budget is transmitted to the Board by the GM, a copy of the proposed budget shall be made available for public inspection during regular business hours at the Agency's administrative office.

#### **SECTION 6. FINAL ADOPTION OF THE BUDGET**

The adoption of the budget shall be accomplished by the approval of a budget resolution, which specifies the anticipated revenues and appropriated expenses, by reference to the attached budget, for each fund covered by the budget. Amendments to the budget shall be approved by a majority of the Board.

#### **SECTION 7. BUDGET MODIFICATION**

An increase in the appropriation in any fund budget major account category, whether accomplished through a transfer of or increase to appropriations among funds or departments, that exceeds the appropriated amount as defined in Section 8, shall require the approval of the Board. The only exception is the General Manager's (GM) Contingency Account(s) established in a specific Agency fund(s) and included in the adopted budget to support unplanned costs that may arise during the fiscal year. Solely in the case of the GM Contingency Account(s), the GM, or his designate, is authorized to transfer budget to other fund(s) and between major account categories as needed. A report on the amount expended from the GM Contingency account is to be provided to the Board at least every three months. Replenishment of the GM Contingency Account(s) during the fiscal year will require Board approval.

The transfer of appropriations for a single account category within a single fund's budget shall only require the approval of the GM, AGM or CFO. After a fund's cumulative appropriated amount (sum of major account categories) for the fiscal year is reached, all such transfers shall require the approval of the Board, (with the exception of the GM Contingency Account as aforementioned). A report of all individual transfers shall be prepared and presented to the Board at least every three months. However, any transfer of appropriations



so as to increase the total wages appropriation, for whatever purpose, shall require the approval of the Board

## **SECTION 8. APPROVAL AND EXPENDITURE OF FUNDS**

The CFO, acting under the direction of GM, or AGM, shall have charge of the administration of the financial affairs of the Agency and to that end shall supervise and be responsible for the disbursement of all monies that have control over all expenses to insure that the appropriation amount approved by Board of Directors as part of the annual budget adoption in any fund budget major account category (defined as Operating or Capital) is not exceeded. The CFO shall exercise financial budgetary control over each department, division and fund of the Agency and shall cause separate accounts to be kept for the items of appropriation contained in the budget. Unless the CFO shall certify that there is a sufficient unencumbered balance available, no appropriation shall be encumbered and no expenditure shall be made.

## **SECTION 9. UNENCUMBERED FUND BALANCE**

All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year, shall lapse except for multi-year capital appropriations, and shall become part of the unrestricted fund balance after adjustment for required fund reservations and sinking fund reserves. The final unrestricted fund balance at the end of a fiscal year may be appropriated in the following fiscal year.

## **SECTION 10. FUND STRUCTURE**

The following funds may be established and shall be used as necessary to provide for the proper accounting of all financial activities of the Agency:

- (a) The Administrative Service Fund - to account for the general operations of the Agency and all financial transactions not properly accounted for in another fund. This fund will also account for the financing of special activities and services performed by a designated Agency organization unit for other Agency organization units.
- (b) Enterprise Funds - to account for the financing of services to the general public where all or most of the costs involved are paid in the form of charges by users of such services.
- (c) Special Assessment Funds - to account for special assessments levied to finance public improvements or services deemed to benefit the properties against, which the assessments are levied.

## **SECTION 11. SELF-BALANCING ACCOUNTS**

A complete self-balancing group of accounts shall be established and maintained for each fund used. This group of accounts shall include all general ledger accounts and subsidiary

records necessary to reflect compliance with legal provisions, and to set forth the financial position and the results of financial operations of the fund.

#### **SECTION 12. BASIS OF ACCOUNTING**

To the extent possible, the accrual basis of accounting shall be used so that expenses are recorded at the time liabilities are incurred and revenues are recorded when earned. All receipts and disbursements shall be posted promptly and, at least, on a monthly basis. To the extent possible, all interfund transfers shall be cleared by the end of the fiscal year.

#### **SECTION 13. FINANCIAL REPORTING**

Financial reports showing the current conditions of all accounts shall be prepared and presented to the Board at least every three months. A comprehensive annual financial report, covering all funds and financial operations, shall be prepared and published not later than six months after the close of the fiscal year.

#### **SECTION 14. ANNUAL INDEPENDENT AUDIT**

All the funds, accounts, and financial transactions of the Agency shall be subjected to an annual audit by an independent certified public accountant selected by the Agency's Audit Committee and approved by the Board. The audit shall be conducted in accordance with Generally Accepted Auditing Standards (GAAS) promulgated by the American Institute of Certified Public Accountants (AICPA).

#### **SECTION 15. IMPLEMENTATION RESPONSIBILITY**

The responsibility for the proper execution of the provisions of this Fiscal Control Ordinance shall be with the CFO under the direction of the GM or AGM, except where the responsibility is explicitly given to the Board.

#### **SECTION 16. SEVERABILITY**

In the event any section, subsection, sentence, clause, or phrase of this Ordinance shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no manner affect the other sections, subsections, sentences, clauses, or phrases of this Ordinance, which shall remain in full force and effect, as if the section, subsection, sentence, clause or phrase so declared or adjudged invalid or unconstitutional were not originally part hereof.

#### **SECTION 17. REPEAL OF PRIOR ORDINANCES**

Ordinance No. 77 is hereby repealed in its entirety.

#### **SECTION 18. EFFECTIVE DATE**

This Ordinance shall become effective upon its passage

ADOPTED THIS 20<sup>th</sup> day of June 2012,



Michael Camacho, Vice President of the Inland  
Empire Utilities Agency\* and the Board of  
Directors thereof

ATTEST:



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

\* A MUNICIPAL WATER DISTRICT

STATE OF CALIFORNIA )  
COUNTY OF ) SS  
SAN BERNARDINO )

I, Steven J. Elie, Secretary of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Ordinance being No. 90, was adopted at a regular Board Meeting on June 20, 2012, of said Agency by the following vote:

AYES: Santiago, Elie, Camacho, Koopman

NOES: None

ABSTAIN: None

ABSENT: Catlin

  
\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer

(SEAL)

\* A MUNICIPAL WATER DISTRICT

**ORDINANCE NO. 102**

**AN ORDINANCE OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING FISCAL CONTROL**

**BE IT ORDAINED** by the Board of Directors of the Inland Empire Utilities Agency\* as follows:

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**PART I - DESIGNATIONS**

**SECTION 101 - PURPOSE**

The Fiscal Control Ordinance of the Inland Empire Utilities Agency sets forth the requirements for fiscal control that provide a framework for ensuring accountability in the Agency's budgetary and financial operations. These requirements provide for a system of financial administration, accounting, fiscal, and budgetary control on the same basis as the audited financial statements which conform to recommended best practices for budgeting according to the Government Finance Officers Association of the United States of America.

**SECTION 102 - DEFINITIONS**

- A. **Account Categories** – Shall mean Operating and Non-Operating account groups as defined in the Agency's budget to report sources and uses of funds and to execute budget control. [Modified to include Operating and Non-Operating]
- B. **Adopted Budget** - Shall mean the plan of financial operations adopted by the Board of Directors embodying an estimate of proposed revenues and funding sources, operating expenses, capital expenditures, debt service costs, and other uses of funds for a given fiscal year (annual budget), or for two consecutive fiscal years (biennial budget), and the proposed means of financing them. [Changed from "Budget"]
- C. **Agency** – Shall mean the Inland Empire Utilities Agency.
- D. **Amended Budget** - Shall mean the Adopted Budget inclusive of approved budget amendments and budget transfers. [Added to distinguish from "Adopted Budget"]
- E. **Appropriation/Appropriated Expense** – Shall mean an expense which has been authorized by the Board of Directors for a specific fund or project which permits designated Agency employees, as defined in the Agency's Procurement Ordinance, to incur obligations against, and to incur expenses for a specified purpose. Appropriations approved by the Board of Directors in the Adopted or Amended Budget are limited to the fiscal year they are approved for unless otherwise specified. All unexpended appropriations shall lapse at the end of the fiscal year, unless approved by the Board to be carried forward to the following fiscal year. The Agency's annual appropriation is subject to the State's Article XIII Gann Appropriation Limit. [Modified to reference the Agency's Procurement Ordinance]
- F. **Board of Directors** - Shall mean the Board of Directors (Board) of the Inland Empire Utilities Agency, which sometimes is referred to as the Board within this document.

## PROPOSED

- G. **Budget Amendment** – Shall mean a change to the Adopted Budget of a fund in a fiscal year, including the reallocation of budget either between funds, or account categories within the same fund, as defined in Budget Transfer & Amendment Policy. Budget amendments are subject to approval or ratification by a majority of the Board. [New]
- H. **Budget Control** – Shall mean a system of management control in which actual costs, revenues, and resources are compared to the Agency’s Adopted or Amended Budget to ensure consistency with the Board approved appropriations, and identify if changes are needed, as defined in Agency’s Budget Transfer & Amendment Policy. [New]
- I. **Budget Transfer** – Shall mean the reallocation of appropriations or resources within the same fund and the same account category in a given fiscal year, as defined in the Budget Transfer & Amendment Policy. [New]
- J. **Capital Expenditures** – Shall mean costs associated with acquisition, construction, replacement and rehabilitation (R&R), and improvement of fixed and real assets. Based on the scope and duration of a capital project, the total project budget can be established for one or multiple years. [New]
- K. **CFO/AGM** – Shall mean the Chief Financial Officer/Assistant General Manager of the Inland Empire Utilities Agency. [Combined with “AGM”]
- L. **CIP** – Shall mean the Agency’s capital improvement plan provided in the Adopted Budget document, Capital section. [New]
- M. **Debt Service** – Shall mean the payment of current year portion of principal and interest costs incurred on long-term debt issued by the Agency. [New]
- N. **Designated Agency Employee/Designee** – Shall mean employees of the Agency empowered under the provision of the Fiscal Control Ordinance and Procurement Ordinance to incur obligation against and to make expenses of appropriated resources.
- O. **Emergency Procurement** – Shall mean any procurement required for the prevention against imminent danger, or to mitigate the loss or impairment of: life, health, or safety of the public, Agency employees, suppliers, contractors; public or private property; compliance with critical permit and regulatory requirements; or any other condition which cannot reasonably be foreseen and would have a significant effect on the public’s health/safety or that could have a significant adverse financial impact on the Agency. [New]
- P. **Enterprise Fund** – Shall mean a fund which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. Enterprise funds account for operations, capital and debt service costs which are substantially financed by revenue derived from user charges and fees.[New]
- Q. **Fund** – Shall mean Agency’s enterprise funds as established for a specific program to account for operations, capital, debt service costs, and funding sources. [New]

- R. GM – Shall mean the General Manager of the Inland Empire Utilities Agency.
- S. General Manager (GM) Contingency Account – Shall mean an account budgeted with contingency funds which the GM or his designee can transfer to any funds to meet unplanned requirements for any account or project under the Operating account category. Replenishment of the GM Contingency Account appropriation is considered a budget amendment and requires approval by a majority of the Board. Use of the GM contingency funds and requests for replenishment to the account will be submitted as part of the budget variance reporting process, or if necessary, at the next regularly scheduled meeting of the Board of Directors. [New]
- T. Inter-Fund Activities – Shall mean (1) inter-fund transfers between Agency’s funds to support operating and/or capital requirements; and (2) inter-fund loans between Agency funds to support shortfall in debt service, operating and/or capital requirements. Inter-fund loans require the establishment of a promissory note between borrower and lender, providing payment terms and repayment timeline. The use of an inter-fund loan or inter-fund transfer is determined on a case by case basis. Both inter-fund activities are considered budget amendments and require approval by a majority of the Board. [New]
- U. Lapsed Appropriations – Shall mean all appropriations which are not obligated, encumbered, or expended and which lapse at the end of the fiscal year. [New]
- V. Non-Operating Accounts – Shall mean classification of accounts utilized by the Agency which are not directly related to day-to-day operational activities. The Non-Operating expense classification includes capital, debt service and other non-operating expenditures. The Non-Operating revenue classification includes tax receipts, capital contributions, interest income, grant and debt proceeds, and other non-operating miscellaneous receipts. [New]
- W. Operating Accounts – Shall mean classification of accounts utilized by the Agency to track revenues and expenses associated with day-to-day activities. The operating expense classification includes among others, chemicals and utilities. The operating revenue classification includes among others, service charges and recycled water sales and miscellaneous operating income. [New]
- X. Special Assessment Fund – Shall mean fund that is used to account for special assessments levied to finance public improvements or services deemed to benefit the properties, against which the assessments are levied. [New]
- Y. State’s Article XIII Gann Appropriation Limit – Shall mean Article XIII B of the California Constitution which was added by the November 1979 passage of the Gann Initiative. This legislation mandates the Agency compute, and establish by resolution, an annual appropriation limit that places a ceiling on the total amount of tax revenues that can be appropriated annually. [New]



- Z. Total Project Budget – Shall mean the total amount planned to complete project tasks. The total project budget for an operations and maintenance (O&M) project, or special project, should be limited to one fiscal year. The total project budget for a capital project may extend over multiple fiscal years. [New]

**SECTION 103 - FISCAL YEAR**

The fiscal year shall begin on July 1 of each year and ends on June 30 of the succeeding year.

**SECTION 104 - FUND STRUCTURE**

The following fund types may be established and shall be used as necessary to provide for the proper accounting of all financial activities of the Agency; enterprise and special assessment. All Agency funds are enterprise funds, and include both capital and operating activities.

**SECTION 105 - SELF-BALANCING ACCOUNTS**

A complete self-balancing group of accounts shall be established and maintained for each fund used. This group of accounts shall include all general ledger accounts and subsidiary records necessary to reflect compliance with legal provisions, and to set forth the financial position and the results of financial operations of the fund.

**SECTION 106 - BASIS OF ACCOUNTING**

The accrual basis of accounting shall be used so that expenses are recorded at the time liabilities are incurred and revenues are recorded when earned in conformity with Generally Accepted Accounting Principles (GAAP). All receipts and disbursements shall be posted promptly and, at a minimum, on a monthly basis.

**SECTION 107 - ADOPTION OF THE BUDGET**

The Agency's budget will be adopted by the Board prior to the first day of the fiscal year. The proposed budget shall be submitted by the CFO/AGM and transmitted to members of the Board for review at a minimum of 10 days before the required date of adoption. However, if for a valid and sufficient reason, the budget cannot be adopted by the first day of the fiscal year, the budget shall be adopted no later than 45 days subsequent to the beginning of the fiscal year. If the budget is not adopted prior to the beginning of the fiscal year, a resolution authorizing the continuation of necessary and essential expenses to operate the Agency shall be adopted prior to the beginning of the fiscal year.

The budget, as adopted, shall be a balanced budget with anticipated sources of funds including appropriated unencumbered fund balances and reserves equal to appropriated uses of funds. Each fund within the budget shall also be balanced.

## **PROPOSED**

The adoption of the budget shall be accomplished by the approval of a budget resolution. The resolution must be entered into the minutes of the Board meeting at which it was adopted.

### **SECTION 108 - BUDGET, A PUBLIC RECORD**

At the time the proposed budget is submitted by the CFO/AGM and delivered to members of the Board for its review, a summary of the proposed budget shall be made available for public inspection during regular business hours at the Agency's administrative office and website for a minimum of 10 days before the required date of adoption. At a minimum the summary of the proposed budget should include the Sources and Uses of Funds by Funds reports, program rates and fees, and a listing of capital and O&M projects.

When the proposed budget has been approved by the Board, the adopted budget document shall be made available for public inspection, during regular business hours at the Agency's administrative office; as well as, on the Agency's website ([www.ieua.org](http://www.ieua.org)).

### **SECTION 109 - BUDGET AMENDMENTS**

Budget amendments must be approved by a majority of the Board prior to obligating funds in excess of the budgeted appropriations to ensure they pose no financial risk to the Agency's overall financial health. The only exceptions to prior Board approval are; emergency procurements and the use of the GM Contingency Account(s) to support unplanned expenditures.

- Emergency procurements can be approved by the GM or designee and submitted for ratification by the Board at the next regularly scheduled meeting, as defined in the Agency's Procurement Ordinance.
- Solely in the case of the GM Contingency Account(s), the GM or designee is authorized to transfer GM Contingency budget to other funds and account categories as needed to support unplanned expenditures, as defined in the Agency's Budget Transfer & Amendment Policy. Replenishment of the GM Contingency Account are considered budget amendments and are subject to approval by the majority of the Board.

Changes to the second year of the Adopted Biennial Budget are considered budget amendments. These budget amendments shall be made through the mid-year budget review process which takes place on the second half of the first year of the biennial budget cycle.

Encumbered, obligated or unexpended funds at the end of the fiscal year carried forward to the following fiscal year, as defined in the Agency's Fiscal Year End Carry Forward of Encumbrances and Related Budget, are considered budget amendments and require approval by the majority of the Board.

**PART II – RESPONSIBILITIES**

**SECTION 201 - APPROVAL AND RESPONSIBILITIES**

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

The CFO/AGM, under the direction of GM, is authorized as follows:

- Administration, control, oversight, and reporting of the financial affairs of the Agency;
- Oversight of disbursement of all monies;
- Exercise budgetary control over expenditures to ensure that annual appropriations and total project budget as approved by the Board are not exceeded; and
- No appropriation will be encumbered and no expenditure shall be made prior to confirming sufficient unencumbered fund balance is available.

The GM and the CFO/AGM are authorized to approve reallocation of appropriations between departments within the same fund and account category, as defined in the Budget Transfer & Amendment Policy.

Department managers are responsible for monitoring their budgets and determining if a budget amendment or budget transfer is necessary.

**SECTION 202 - UNENCUMBERED FUND BALANCE**

All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year shall lapse and shall become part of the unrestricted fund balance after adjustment for required fund reservations. The final unrestricted fund balance at the end of a fiscal year may be appropriated in the following fiscal year.

**SECTION 203 - FINANCIAL POLICY AND REPORTING**

Financial Policies to support the Agency’s business goals of fiscal responsibility at the direction of the GM and CFO/AGM shall be presented to the Board upon revision or update, based on regulatory changes or staff recommendations and updated in accordance with California code.

Financial reports shall be prepared and presented to the Board during the fiscal year, amongst them:

- Monthly report on the Agency’s cash and investments activities and status.
- Monthly report on detailed disbursements.
- Quarterly report on current conditions of all major accounts compared to the Adopted or Amended Budget, including budget transfers and budget amendments implemented during the report period.

**PROPOSED**

- A Comprehensive Annual Financial Report shall be prepared and published no later than six months after the conclusion of each fiscal year.
- Single Audit, as required.

All financial reports shall be posted on the Agency's website.

**SECTION 204 - ANNUAL INDEPENDENT AUDIT**

All funds, accounts, and financial transactions of the Agency, including a single audit for grants related activities if required, shall be subjected to an annual audit by an independent certified public accountant selected by the Agency's Audit Committee and approved by the Board. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts.

**SECTION 205 - IMPLEMENTATION RESPONSIBILITY**

The responsibility for the proper execution of the provisions of this Fiscal Control Ordinance shall be with the CFO/AGM under the direction of the GM, except where responsibility is explicitly given to the Board.

**SECTION 206 - SEVERABILITY**

In the event any section, subsection, sentence, clause, or phrase of this Ordinance shall be declared or adjusted invalid or unconstitutional, such adjudication shall in no manner affect the other sections, subsections, sentences, clauses, or phrases of this Ordinance, which shall remain in full force and effect, as if the section, subsection, sentence, clause or phrase so declared or adjudged invalid or unconstitutional were not originally part hereof.

**SECTION 207 - REPEAL OF PRIOR ORDINANCES**

Upon adoption of Ordinance No. 102, Ordinance No. 90 is hereby repealed in its entirety.

**SECTION 208 - EFFECTIVE DATE AND EXECUTION**

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

**ADOPTED**, this 18th day of May, 2016.

---

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

**ATTEST:**

---

Steven J. Elie,  
Secretary of the Inland Empire Utilities  
Agency\* and the Board of Directors  
Thereof

\* A MUNICIPAL WATER DISTRICT

STATE OF CALIFORNIA )  
COUNTY OF ) SS  
SAN BERNARDINO )

I, Steven J. Elie, Secretary of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Ordinance being No. 102, was adopted at a regular Board Meeting on May 18, 2016, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer

(SEAL)

\* A MUNICIPAL WATER DISTRICT

**CONSENT  
CALENDAR  
ITEM**

**2A**



**MINUTES OF THE REGULAR  
MEETING OF  
THE BOARD OF DIRECTORS  
OF  
THE INLAND EMPIRE UTILITIES AGENCY\*  
WEDNESDAY, FEBRUARY 17, 2016  
10:00 A.M.**

**DIRECTORS PRESENT:**

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

**DIRECTORS ABSENT:**

Terry Catlin, President  
Gene Koopman

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Blanca Arambula, Deputy Manager of Human Resources  
Tom Ash, Senior Environmental Resources Planner  
Jerry Burke, Deputy Manager of Engineering  
Adham Almasri, Senior Engineer  
Pietro Cambiaso, Environmental Compliance and Energy Supervisor  
Andy Campbell, Deputy Manager of Planning and Environmental Resources  
Andrea Carruthers, Senior External Affairs Specialist  
Lucia Diaz, Facilities Program Supervisor  
Connie Gibson, Executive Assistant  
Warren Green, Manager of Contracts and Facility Services  
Jason Gu, Grants Officer  
Randy Lee, Manager of Operations  
Sylvie Lee, Manager of Planning and Environmental Resources  
Dave Mendez, Acting Deputy Manager of Engineering  
Lisa Morgan-Perales, Senior Water Resources Analyst  
Liza Munoz, Senior Engineer  
Jeff Noelte, Manager of Technical Services  
Jason Pivovarov, Senior Engineer  
Craig Proctor, Pretreatment & Source Control Supervisor  
John Scherck, Acting Deputy Manager of Construction Management  
Peter Soelter, Senior Internal Auditor  
Al VanBreukelen, Deputy Manager of Maintenance  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenette, Cihigoyenette, Grossberg, & Clouse  
Vivian Castro, Chino Basin Water Conservation District  
Kara-Lee Darnell, Tripepi Smith & Associates



Tom Dodson, Tom Dodson & Associates  
Justin Scott-Coe, Monte Vista Water District  
Pranesh Venugopal, The Energy Network  
Jamie Fern, TEL  
Matt Schroeder, TGG  
Ryan Shaw, City of Ontario  
Carl Wallace, Wallace & Associates

A regular meeting of the Board of Directors of the Inland Empire Utilities Agency\* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A, Chino, California on the above date.

Vice President Camacho called the meeting to order at 10:07 a.m., and he led with the pledge of allegiance to the flag. A quorum was present.

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

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

#### 1. **CONSENT CALENDAR**

Vice President Camacho asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. There was no one desiring to do so.

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

##### **M2016-2-1**

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the January 20, Board Meeting.
- B. Approved the total disbursements for the month of December 2015, in the amount of \$19,602,753.89.
- C. The Board adopted Resolution No. 2016-2-1, authorizing participation in the California Asset Management Program.

##### **RESOLUTION NO. 2016-2-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, SAN BERNARDINO COUNTY, CALIFORNIA, TO JOIN WITH OTHER PUBLIC AGENCIES AS A PARTICIPANT OF THE CALIFORNIA ASSET MANAGEMENT TRUST AND TO INVEST IN SHARES OF THE TRUST AND IN INDIVIDUAL PORTFOLIOS**  
*(for full text, see Resolution Book)*

- D. The Board moved the Adopted Resolution No. 2016-2-2, Authorizing Agency Organizational Memberships and Affiliations Board letter to the March Board meeting, as it requires a 4/5 vote.
- E. PULLED from Consent Calendar Item to Action Item.

*Continued...*

**M2016-2-1, continued.**

**F. The Board:**

1. Approved the landscape service contract to EcoTech Services, Inc. for the CCWRF Lawn Conversion Improvements Project, for a not-to-exceed amount of \$124,000;
2. Approved a budget amendment to increase the Regional Wastewater Operations and Maintenance (RO) Fund revenue and expense in the amount of \$200,000; and
3. Authorized the General Manager to execute the contract.

**G. The Board:**

1. Approved Contract No. 4600002004 to Managed Mobile, Inc. of Placentia, California, establishing a two-year contract for on-site vehicle maintenance services, with an option for two, one-year extensions, for a not-to-exceed amount of \$150,000 for the initial two-year term; and
2. Authorized the General Manager, or the designee, to execute the contract with two one-year potential contract extensions.

**H. The Board:**

1. Awarded a three-year contract to Carollo Engineers, Inc., GK & Associates, MHW, and Wallace & Associates Consulting, Inc. for on-call "as needed" project management, engineering, and construction staff augmentation support service for a not-to-exceed total amount of \$1,500,000 for each contract; and
2. Authorized the General Manager to execute the contracts.

**I. The Board:**

1. Adopted Resolution No. 2016-2-3, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior – Bureau of Reclamation (USBR) for a grant application submitted on January 20, 2016, for the recycled water laterals for the California Steel Industries and the Auto Club Speedway to Increase Local Water Supply and Energy Efficiency Project; and

*Continued...*

**M2016-2-1, continued.**

**RESOLUTION NO. 2016-2-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR FY 2016 WITH THE U.S. DEPARTMENT OF INTERIOR – BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENT THERETO FOR THE NAPA AND SAN BERNARDINO AVENUE LATERAL PROJECT**

*(for full text, see Resolution Book)*

2. Authorized the General Manager, Assistant General Managers, or his designees to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

**J. The Board:**

1. Adopted the Addendum No. 2 to the Facilities Master Plan Program Environmental Impact Report; and
2. Authorized the General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

**K. The Board:**

1. Approved the construction contract for the 1630 East and West Recycled Water Pump Station Surge Protection, Project No. EN15055, to J.R. Filanc Construction Company for \$729,000; and
2. Authorized the General Manager to execute the contract.

**L. The Board:**

1. Authorized the single source procurement of new aeration basin membrane diffusers that the membrane diffuser reskinning services for Regional Water Recycling Plant No. 4 from OVIVO USA, LLC for a not-to-exceed amount of \$1,032,000; and
2. Authorized the General Manager, or his designee, to execute the purchase.

## **ACTION ITEM**

### **ADOPTION OF RESOLUTION NO. 2016-2-5, FOR THE INTERIM APPOINTMENT OF A RETIRED ANNUITANT**

Chief Financial Officer/AGM Christina Valencia stated that the Executive Manager of Engineering Ernest Yeboah retired in January. She reported that the Agency began an active recruitment process to permanently fill the vacated position. Ms. Valencia mentioned that this is a critically needed position for the Agency and requires specialized experience and qualifications. She said that it is imperative that the Agency fill this position on an interim basis while the recruitment is ongoing. She stated that Mr. Ernest Yeboah will be appointed Executive Manager of Operations/Assistant General Manager in the interim. She stated that the Government Code requires the Agency to adopt a certification resolution when hiring a retiree before 180 days has passed since their retirement date. Therefore staff is requesting that the Board adopt Resolution No. 2016-2-5, for exception to the 180-day wait period.

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

#### **M2016-2-3**

MOVED, to adopt Resolution No. 2016-2-5 for exception to the 180-day wait period Government Code Sections 7522.56 & 21221(h) and for the interim appointment of Ernest Yeboah, as a retired annuitant, to the position of Executive Manager of Operations/Assistant General Manager.

## **PRESENTATION**

Ms. Kara-Lee Darnell from Tripepi Smith & Associates gave a PowerPoint presentation on the *Kick the Habit* campaign.

## **2. ACTION ITEMS**

### **A. WATER PURCHASE AND STORAGE AGREEMENT**

Executive Manager of Engineering/AGM Chris Berch stated that the MWD Administrative Code requires that Cucamonga Valley Water District (CVWD) must maintain a minimum flow of 15 cubic-feet/second to their water treatment plant through the MWD turnout at any time. He stated that this demand has resulted in ongoing operational challenges for CVWD. Mr. Berch stated in 2015, CVWD and IEUA developed an approach that would help CVWD meet their minimum flow needs and enable the Agency to purchase water and store water in the Chino Basin. All the terms and provisions are included in the Water Storage Agreement. He stated that approval of the Agreement would affect the purchase of up to 5,000 acre-feet of water. He also stated that based on the MWD Untreated Tier 1 rate of \$594/acre foot, approximately \$3,000,000 of water could be purchased and stored under this agreement. Mr. Berch noted that this agreement meets the IEUA adopted Business Goal of *Water Reliability* by reducing demands for imported water during dry and normal years and storing imported water into the Chino Basin during wet years.

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

**M2016-2-2**

MOVED, to:

1. Approve the Water Storage Agreement between Inland Empire Utilities Agency and Cucamonga Valley Water District for the purchase of up to 5,000 acre-feet of supplemental water;
2. Approve the use of \$2,700,000 of "one-time" incremental property taxes to fund the purchase of supplemental water; and
3. Authorize the General Manager, subject to non-substantial changes, to execute the Agreement.

**B. ENERGY MANAGEMENT PLAN**

Environmental Compliance and Energy Supervisor Pietro Cambiaso gave a PowerPoint presentation on the Energy Management Plan (EMP). Mr. Cambiaso reminded the Board that the primary objectives of the EMP is to benchmark the Agency's current energy infrastructure to achieve the objectives set forth in the Agency's Business Goals. He stated that the plan will also identify projects and business practices that could improve the Agency's Integrated Demand Side Management (IDSM) and work in concert with energy utilities whenever possible to benefit grid management. Mr. Cambiaso focused on the changes to the EMP since the first time it was presented to the Board. He stated that the primary change is that the Plan now includes biosolids and organics. He stated that the Plan will include organics diversion, which would assist member agencies to comply with the State's organics diversion requirements; divert organics from landfills to IEUA's solid facilities; and reduce critical short-lived climate pollutants. He stated that the revised EMP has been submitted to CEQA. Mr. Cambiaso updated the Board on the recent energy management efforts, i.e. energy audits completed and efficiency measure identified; energy storage agreement in development, and the Organics Diversion Feasibility Study is in process. A brief discussion ensued regarding the processes of adopting the EMP and the other components that are impacted by the Programmatic EIR.

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

**M2016-2-3**

MOVED, to concur with the proposed initiatives and findings as outlined in the Energy Management Plan.

**C. AGENCY-WIDE LIGHTING IMPROVEMENTS CONSTRUCTION CONTRACT AWARD**

Executive Manager of Engineering/AGM Chris Berch reported that as part of the Agency-Wide Energy Efficiency Study Project, staff has been working with The Energy Network (TEN) and the Water Infrastructure and System Efficiency (WISE) Program to identify opportunities to reduce the total electricity usage and costs. He stated that based on a business case evaluation, the Agency-Wide Lighting Improvement Project was launched to replace lighting fixtures with Design Lights Consortium (DLC) approved LED fixture within RP-1, RP-4, RP-5, Carbon Canyon Water Recycling Facility (CCWRF), Inland Empire Regional Composting Facility, and the Headquarter buildings. The project objective will include: \$115,823 in utilities incentives from Southern California Edison

(SCE); reduction in energy usage by over 1.6 million kWh, reduction in greenhouse gas emission equal to 16,608 tons of carbon dioxide; reduction in maintenance costs, and it will further recognize the Agency as a community leader. Mr. Berch reported that in addition to the objectives, the Agency was offered an on-bill financing option through SCE for approximately 80% of the construction costs, or \$1,099,888 over a 10-year period. He stated that the on-bill financing will allow the Agency to finance most of the construction costs with a 0% interest rate and amortized payments over a 10-year period, with no balloon payment, as the amount financed will be paid in full by the end of the term. Mr. Berch also reported that it is anticipated that the generated electrical savings are projected to offset the monthly loan payments. He said that the construction will consist of two phases. Phase I will occur at RP-4 and the IERCF. Upon the Phase I completion, the energy savings will be verified by comparing readings from the data loggers installed before and after construction. Following verification, Phase II will occur at all the remaining sites. Mr. Berch noted that the Agency-Wide Lighting Improvements Project is part of the Agency's Energy Management Goal to optimize the facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, and achieve statewide renewable energy, distributed generation and greenhouse gas.

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

**M2016-2-4**

**MOVED, to:**

1. Approve the construction contract for the Agency-wide Lighting Improvements Project No. EN16013, to Facilities Solutions Group for a not-to-exceed amount of \$1,400,320; and
2. Authorized the General Manager to finalize and execute the contract.

### **3. INFORMATION ITEMS**

#### **A. REGIONAL CONTRACT AMENDMENT AND RENEWAL UPDATE**

Manager of Planning and Environmental Resources Sylvie Lee gave a PowerPoint update on the Regional Contract amendment and renewal. She highlighted the goals and objectives, which were to renew the Regional Contract, and update and streamline the document, with a completion date of January 2017. She stated that the schedule is important due to significant capital financing demands for RP-5 and RP-1 expansion and improvement projects, and the long-term debt borrowings to be evaluated by the financing agencies. She noted that a 1% interest rate difference represents \$1/EDU/month to each resident. Ms. Lee highlighted the proposed methodology, and the next steps.

#### **B. MID-YEAR BUILDING ACTIVITY REPORT**

Executive Manager of Engineering/AGM Chris Berch stated that for the first half of Fiscal Year 2015/16 there were approximately 2,600 new EDU, which is on target compared to the forecast. He stated; however, the City of Ontario only had 288 new EDUs compared to the 3,000 projected. He said that most of the new EDUs came from Cucamonga Valley Water District with more than 600 industrial EDUs in the month of December. Overall, the building activities resulted in approximately \$1.3 million in New wastewater connection fees.

**C. CHINO BASIN BOUNDARY UPDATE FOR THE 2014 SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)**

Deputy Manager of Planning and Environmental Resources Andy Campbell gave a PowerPoint presentation on the Chino Basin Boundary Update for the 2014 Sustainable Groundwater Management Act (SGMA). He reported that the sustainable groundwater management act (SGMA) requires sustainability plans for non-adjudicated groundwater basins. He stated for the Chino Basin, which is adjudicated, SGMA provides for a basin boundary change process to resolve conflicts in groundwater basin boundaries between the boundaries defined by the state and those set by an adjudication. Mr. Campbell said that IEUA will serve as the local agency for CBWM to make a boundary change request under the SGMA. Staff will prepare a resolution for the board for its March meeting as needed to submit a SGMA boundary request.

**D. MWD AND DROUGHT UPDATE**

Senior Engineer Jason Pivovarovoff gave a MWD Monthly Recap PowerPoint presentation. He highlighted the water conditions and sales. He reported that the State Water Project (SWP) allocation increased from 10% to 15%; through December; snowpack is 99% of normal; and Delta exports have been reduced and restricted. Mr. Pivovarovoff stated that the first time in history, Lake Mead is on the Colorado River aqueduct system (CRA) expecting to experience a shortage in storage levels for water to a critical level possibly in 2016; likely in 2017. He also reported that the SWP and the CRA are both off line due to leak repairs. Mr. Pivovarovoff reported that the MWD adopted the Integrated Water Resources Plan last month; however, it also raised key policy questions by both Directors and member agencies. In 2016, the committee will identify the scope, reliability, level of service, conservation programming, and overall storage. Mr. Pivovarovoff noted that the overall MWD rates are expected to be increased an average of 4% to 4.5% over the next 10 years. He reviewed the proposed rates for calendar year 2017 and 2018 and provided a projected volumetric overview.

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

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

**F. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**

**G. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**

**H. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)**

**I. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)**

**J. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)**

**K. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)**

**L. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)**

**M. UNFUNDED LIABILITIES FOR PENSION AND OTHER POST-EMPLOYMENT BENEFITS UPDATE (POWERPOINT)**

**N. WATER CONSERVATION PROGRAM UPDATE (POWERPOINT)**

**O. CONSERVATION & DATA INITIATIVES (POWERPOINT)**

## **P. LABORATORY SEMI-ANNUAL UPDATE (POWERPOINT)**

### **4. AGENCY REPRESENTATIVES' REPORTS**

#### **A. SAWPA REPORT**

Director Hall reported that SAWPA hired Mr. Paul Browning to interview member agencies to evaluate SAWPA's mission, goals, and key areas of focus.

#### **B. MWD REPORT**

Director Camacho had nothing further to report.

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

(February meeting was cancelled. Next meeting scheduled for March 3, 2016)

#### **D. CHINO BASIN WATERMASTER REPORT**

Director Elie reported that the Judge moved the hearing to the second week in April. He also reported that he was re-elected as CBWM Chair.

### **5. GENERAL MANAGER'S REPORT**

The General Manager's Report was received and filed by the Board.

General Manager Joseph Grindstaff mentioned that the State Board actually received all the Agency's grant applications within the time period where the state was offering potentially 1% low-interest loans, and a loan forgiveness of up to 35%. He noted that all the Agency's projects are eligible for the 35%. Mr. Grindstaff stated staff is still working to determine whether the Agency will be eligible for the 1% given the high number of applications competing for the funding. He mentioned a number of projects that could benefit, such as recycled water up in the Cucamonga area to Fontana, including the CSI Speedway projects; the deal with Jurupa to bring water from the South, and a potential project with Pomona, bringing water over to desalinate for recharge in the basin. He also mentioned that the State Board has extended, with some modifications, the requirement for conservation through the month of April. He stated as of today, the reservoirs still remain significantly below average, even if a precipitation is above average. He stated that it is likely that the conditions will remain officially in drought.

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

The Directors had no requested future agenda items.

### **7. BOARD OF DIRECTORS' COMMENTS**

Director Hall reported that she attended the January 20-22 CASA Conference in Palm Springs. She also mentioned that she will be attending the CASA Washington DC Conference from February 22-24, along with General Manager Joe Grindstaff and Kathy Besser.

Director Elie reported that he attended the Southern California Water Committee Quarterly Luncheon at Western MWD. He also noted that Mr. Rich Atwater will be retiring as the Executive Director and Mr. Charlie Wilson is stepping down as Chair assuming the Executive Director position. He stated that Mr. Charlie Wilson will be the guest speaker at the Special Districts dinner meeting in March.

Director Camacho stated that he sponsored a MWD Tour of the State Water Project and the Sacramento-San Joaquin Delta on February 5-6.

### **8. CLOSED SESSION**

The Board went into Closed Session at 11:35 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:



(1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (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; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: 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) General Manager

The meeting resumed at 12:24 p.m., and General Counsel Jean Cihigoyenatche stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

Martin vs. IEUA, Case No. CIVRS 1000767

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

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

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board did not discuss.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board did not discuss.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) Case

The Board did not discuss.

Regarding Personnel Matters:

Various Positions – Compensation Study

General Manager Joe Grindstaff reported that the Inland Empire Utilities Agency (IEUA) participated in negotiating with all of the units in an attempt to implement the 2014 classification and compensation study. IEUA has reached agreement and implemented with all units except the Supervisors and the General Unit. The Supervisor's Unit sent the Agency a letter on December 22, 2015, requesting that the negotiations be concluded and not proceed any further, and that the Unit was electing to proceed under the current MOU effective through

2018. The General Unit has still not ratified. The General Unit was given the Agency's last, best, and final offer back in early November, which would result in all of the members receiving a salary increase. Since then, the General Unit recently asked for clarification on the IEUA's last, best, and final offer, which IEUA has provided. The last, best, and final offer provides that until February 17, 2016, the IEUA would recommend that the Board implement retroactive wage increases that are a direct and indirect result of the classification and compensation study. The Board has approved the last, best, and final offer, as written, with the advancement and proficiency requirements and clarification of the last, best, and final offer and will adopt the recommendation set forth as to the retroactive pay, if the last, best, and final offer is ratified by March 2, 2016. If the General Unit does not ratify by this date, the Agency will assume the last, best, and final offer has been rejected.

**Regarding Personnel Matters:**

**Various Positions**

The Board took no reportable action.

**Regarding Personnel Matters – Public Employee Performance Evaluation**

**General Manager**

The Board did not discuss.

With no further business, Vice President Camacho adjourned the meeting at 12:30 p.m.

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Steven J. Elie, Secretary/Treasurer

**APPROVED: MARCH 16, 2016**

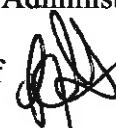
**CONSENT  
CALENDAR  
ITEM**


**2B**


Date: March 16, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (3/9/16)

From: P. Joseph Grindstaff  
General Manager 

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

 Javier Chagoyen-Lazaro  
Manager of Finance and Accounting

Subject: Report on General Disbursements

**RECOMMENDATION**

It is recommended that the Board of Directors approve the total disbursements for the month of January 2016, in the amount of \$8,807,661.98.

**BACKGROUND**

January disbursement activity includes vendor payments (check numbers 212241-212549) of \$2,420,748.75 and workers compensation payments (check numbers 04401-04428) of \$5,790.52. The total amount of ACH and wire transfer payments is \$6,378,478.89, which includes payroll taxes in the amount of \$788,295.98. The total employee pay was \$1,396,481.54. The total pay for the Board of Directors was \$4,098.63.

Payment Type		Transactions	Total Amount
Check	Vendors	306	2,420,748.75
	Workers-Comp	28	5,790.52
	Payroll-Directors <sup>7</sup>	4	2,643.82
	Payroll-Others	0	0
<b>Subtotal Check</b>		<b>338</b>	<b>\$2,429,183.09</b>
<b>ACH</b>		<b>146</b>	<b>\$1,972,839.85</b>
Wire Transfer	Payroll-Net Pay	2	1,396,481.54
	Payroll-Directors <sup>7</sup>		1,454.81
	Others	16	3,007,702.69
<b>Subtotal Wires</b>		<b>18</b>	<b>\$4,405,639.04</b>
<b>TOTAL</b>		<b>502</b>	<b>\$8,807,661.98</b>

Report on General Disbursements

March 16, 2016

Page 2

Payments to vendors this month above \$500,000 include:

<b>Vendor</b>	<b>Amount</b>	<b>Description</b>
MWD	\$1,121,153.80	November 2015 Water Purchase
PERS	\$1,026,267.11	P/R 26, 1 & 2 Contributions; 1/16 Health Ins
Chino Basin Desalter	\$784,499.68	MWD Rebate & USBR Grants Pass-Through
IRS	\$652,676.42	P/R 1 & 2 Taxes

The report on general disbursements is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for general disbursements associated with operating requirements.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The cash held by the Agency's various funds, including the Administrative Services (GG) Fund, is reduced as a result of paying the Agency's authorized expenditures.

CITIZENS BUSINESS BANK  
 122234149  
 231167641

CHEB  
 122234149  
 CIBECK

ONTARIO CA 917610000

Check	Check number from to	Payment	Payment date	Ctry	Amount paid (Pd)	Recipient/Void reason code	Rec'd /void
212241	2200071978	01/07/2016	USD	126.42	ARATIX CORPORATION DALLAS TX	01/12/2016	
212242	2200071975	01/07/2016	USD	490.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	01/15/2016	
212243	2200071990	01/07/2016	USD	1,700.00	AIR MANAGEMENT INDUSTRIES INC RANCHO CUCAMONGA CA	01/11/2016	
212244	2200071937	01/07/2016	USD	766.02	AIRGAS WEST INC PASADENA CA	01/11/2016	
212245	2200071945	01/07/2016	USD	16,227.14	ALL AMERICAN CRANE MAINTENANCE WALNUT CA	01/12/2016	
212246	2200071991	01/07/2016	USD	1,529.00	ALL ENVIRONMENTAL DALLAS TX	01/14/2016	
212247	2200071999	01/07/2016	USD	478.28	AMERICAN HERITAGE LIFE INSURANCE DALLAS TX	01/19/2016	
212248	2200071956	01/07/2016	USD	30.00	ARCECO HESPERIA CA	01/13/2016	
212249	2200071983	01/07/2016	USD	130.67	AUTOZONE INC ATLANTA GA	01/12/2016	
212250	2200071947	01/07/2016	USD	516.45	BATTERY SPECIALTIES COSTA MESA CA	01/13/2016	
212251	2200072017	01/07/2016	USD	122.48	BOUGHRAN, ARIN CHINO HILLS CA	01/11/2016	
212252	2200071951	01/07/2016	USD	4,900.91	BRAGO-CRANE SERVICE LONG BEACH CA	01/12/2016	
212253	2200071970	01/07/2016	USD	862.50	BURLINGTON SAFETY LAB OF CALIFORNIA CA	01/14/2016	
212254	2200071977	01/07/2016	USD	35,649.50	C.E. FICKOR COMPANY INC SANITA ANA CA	01/13/2016	
212255	2200071971	01/07/2016	USD	6,000.00	CALIFORNIA STRATEGIES LLC NEWPORT BEACH CA	01/13/2016	
212256	2200071987	01/07/2016	USD	9,531.93	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	01/11/2016	
212257	2200072013	01/07/2016	USD	156.69	CAMACHO, MICHAEL CHINO HILLS CA	01/11/2016	
212258	2200072007	01/07/2016	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	01/14/2016	
212259	2200071926	01/07/2016	USD	320.32	CARL WARREN & COMPANY LOS ANGELES CA	01/11/2016	
212260	2200071959	01/07/2016	USD	668.88	CDW GOVERNMENT INC CHICAGO IL	01/14/2016	
212261	2200071944	01/07/2016	USD	10,000.00	CHINO BASIN WATER CONSERVATION MONTCLAIR CA	01/13/2016	
212262	2200071967	01/07/2016	USD	6,163.98	CINEMAS CORPORATION LOS ANGELES CA	01/13/2016	
212263	2200072006	01/07/2016	USD	373.00	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	01/13/2016	
212264	2200071993	01/07/2016	USD	2,671.09	CITY OF CHINO CHINO CA	01/11/2016	
212265	2200071927	01/07/2016	USD	39.07	CITY RENTALS INC ONTARIO CA	01/13/2016	
212266	2200071928	01/07/2016	USD	507.28	COLE FARMER INSTRUMENT CO CHICAGO IL	01/13/2016	
212267	2200072002	01/07/2016	USD	572.55	COLONIAL LIFE & ACCIDENT INSURANCE CO	01/11/2016	
212268	2200072010	01/07/2016	USD	43.70	CUNNINGHAM, RICHARD CHINO HILLS CA	01/11/2016	
212269	2200072012	01/07/2016	USD	52.79	DAGAN, EDWARD CHINO HILLS CA	01/25/2016	
212270	2200071942	01/07/2016	USD	250.00	DAVE'S PLUMBING CHINO HILLS CA	01/13/2016	
212271	2200071958	01/07/2016	USD	11,586.13	DELL MARKETING L P PASADENA CA	01/13/2016	
212272	2200071958	01/07/2016	USD	7,742.19	DEL SOLUTIONS ATLANTA GA	01/12/2016	
212273	2200071982	01/07/2016	USD	2,208.13	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	01/12/2016	
212274	2200072014	01/07/2016	USD	VOIDED BY MACHES - CHECK NOT RECORDED		01/25/2016	
212275	2200071964	01/07/2016	USD	3,276.64	ENDRESS+HAUSER INC INDIANAPOLIS IN	01/23/2016	
212276	2200071981	01/07/2016	USD	6,670.00	EUROFINS BAYON ANALYTICAL INC BAYONNE TX	01/11/2016	
212277	2200071930	01/07/2016	USD	1,036.06	FIBER SCIENTIFIC LOS ANGELES CA	01/11/2016	
212278	2200071997	01/07/2016	USD	463.11	FORTYNA WATER COMPANY FONTANA CA	01/27/2016	
212279	2200072004	01/07/2016	USD	1,575.41	FRANCHISE TAX BOARD SACRAMENTO CA	01/27/2016	
212280	2200071965	01/07/2016	USD	3,365.17	GET CONSULTANTS INC BOSTON MA	01/12/2016	
212281	2200071980	01/07/2016	USD	33,518.35	GHD INC IRVINE CA	01/25/2016	
212282	2200071961	01/07/2016	USD	7,626.00	GRAINGER STATE LABOR COMPLIANCE PALMDALE CA	01/12/2016	
212283	2200071940	01/07/2016	USD	6,868.65	GRAINGER PALATINE IL	01/12/2016	
212284	2200071974	01/07/2016	USD	10,818.83	GRAPHIC PRODUCTS BEAVERTON OR	01/12/2016	

Check Register

Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

ONTARIO CA 917610000

CITIZENS BUSINESS BANK  
 231167641

Bank CBB  
 Bank Key 122234149  
 Acct number CHECK

Check	Check number from to	Payment	Emnt date	Crcy	Amount paid (P/C)	Recipient/void reason code	Bank /void
212285	2200072018	300.00	01/07/2016	USD	300.00	CELEPHITH, DAN RANCHO CUCAMONGA CA	01/13/2016
212286	2200072016	128.80	01/07/2016	USD	128.80	HALL, JASMIN CHINO HILLS CA	01/14/2016
212287	2200071931	620.10	01/07/2016	USD	620.10	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	02/05/2016
212288	2200072019	300.00	01/07/2016	USD	300.00	HEKRAM, JACOBEY FONTANA CA	01/13/2016
212289	2200071932	2,650.17	01/07/2016	USD	2,650.17	HOME DEPOT CREDIT SERVICES DES MOINES IA	01/13/2016
212290	2200072000	244.00	01/07/2016	USD	244.00	ADRA EMPLOYERS ASSOCIATION CHINO HILLS CA	01/13/2016
212291	2200071963	66.00	01/07/2016	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	01/13/2016
212292	2200071965	37,672.47	01/07/2016	USD	37,672.47	EMERGENCY DESIGN SERVICES INCLAVINE CA	01/13/2016
212293	2200071992	540.00	01/07/2016	USD	540.00	INTERNATIONAL COUNCIL FOR BROKEN ARROW OK	01/21/2016
212294	2200071933	232.20	01/07/2016	USD	232.20	E.G. TUCKER & SON INC CONYVA CA	01/15/2016
212295	2200071934	1,562.21	01/07/2016	USD	1,562.21	JOHNSON POWER SYSTEMS LOS ANGELES CA	01/11/2016
212296	2200071979	39.00	01/07/2016	USD	39.00	KIM'S MASTER AUTO REPAIR CHINO CA	01/15/2016
212297	2200071984	947.20	01/07/2016	USD	947.20	KINETIC PERSONNEL GROUP, INC RIVERSIDE CA	01/14/2016
212298	2200071948	12.96	01/07/2016	USD	12.96	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	01/14/2016
212299	2200071963	586.95	01/07/2016	USD	586.95	KREBS ENGINEERS ATLANTA GA	01/14/2016
212300	2200071962	1,100.00	01/07/2016	USD	1,100.00	LA OPLINION LOS ANGELES CA	01/13/2016
212301	2200072005	329.80	01/07/2016	USD	329.80	LEGALSHIELD ADA OK	01/15/2016
212302	2200071954	677.04	01/07/2016	USD	677.04	LOCKMASTERS USA INC PANAMA CITY FL	01/12/2016
212303	2200071941	178.20	01/07/2016	USD	178.20	MAJESTIC TROPHY CO ONTARIO CA	01/13/2016
212304	2200072008	288.00	01/07/2016	USD	288.00	MAYLA RESOURCES LAS VEGAS NV	01/14/2016
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212306	2200071949	382.70	01/07/2016	USD	382.70	MCMASTER-CARR SUPPLY CO CHICAGO IL	01/13/2016
212307	2200072009	59.80	01/07/2016	USD	59.80	MERRILL, DEBORAH CHINO HILLS CA	02/02/2016
212308	2200071952	267.48	01/07/2016	USD	267.48	MEIDPOINT BREAKING ONTARIO CA	01/11/2016
212309	2200071938	94.33	01/07/2016	USD	94.33	MISSION REPROGRAPHICS RIVERSIDE CA	01/19/2016
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212311	2200071929	321.97	01/07/2016	USD	321.97	OFFICE DEPOT LOS ANGELES CA	01/11/2016
212312	2200071968	5,458.08	01/07/2016	USD	5,458.08	ORAN CORP ATLANTA GA	01/11/2016
212313	2200071948	395.00	01/07/2016	USD	395.00	ONTARIO CHAMBER OF COMMERCE ONTARIO CA	01/21/2016
212314	2200071959	230.40	01/07/2016	USD	230.40	PAMA AUTO DETAIL INC COLTON CA	01/20/2016
212315	2200071989	5,220.00	01/07/2016	USD	5,220.00	PC TRONICS INC RIVERSIDE CA	01/12/2016
212316	2200072003	70.98	01/07/2016	USD	70.98	PEBS LONG TERM CARE PROGRAM PASADENA CA	01/13/2016
212317	2200071939	943.20	01/07/2016	USD	943.20	PETTY CASH EXPENDITURES CHINO CA	01/12/2016
212318	2200072015	45.00	01/07/2016	USD	45.00	POH, SHRIDA CHINO HILLS CA	01/13/2016
212319	2200071935	1,529.38	01/07/2016	USD	1,529.38	RAMONA TIRE & SERVICE CENTERS HEMET CA	01/13/2016
212320	2200072021	300.00	01/07/2016	USD	300.00	REYES, LEO ONTARIO CA	03/03/2016
212321	2200071936	1,374.60	01/07/2016	USD	1,374.60	ROYAL WHOLESALE ELECTRIC ORANGE CA	01/13/2016
212322	2200071978	365.54	01/07/2016	USD	365.54	RUTAN & TUCKER LLP COSTA MESA CA	01/13/2016
212323	2200071957	1,000.00	01/07/2016	USD	1,000.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	01/22/2016
212324	2200072022	300.00	01/07/2016	USD	300.00	SEKARAN, THOMAS FONTANA CA	01/14/2016
212325	2200071995	51,932.97	01/07/2016	USD	51,932.97	SO CALIF EDISON ROSEMEAD CA	01/12/2016
212326	2200071994	895.87	01/07/2016	USD	895.87	SO CALIF GAS MONTEREY PARK CA	01/22/2016
212327	2200071943	1,000.00	01/07/2016	USD	1,000.00	SOUTHERN CALIFORNIA WATER COMMSTUDIO CITY CA	01/21/2016
212328	2200072011	104.88	01/07/2016	USD	104.88	SPEITZLOVE, DANNY CHINO HILLS CA	01/13/2016

Check Register

Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

Bank: CBB  
 Bank Key: 122234149  
 Acct number: CHECK  
 231167641

CITIZENS BUSINESS BANK  
 ONTARIO CA 917610000

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212331	2200071986	01/07/2016	USD	6,794.20	THE BRICKMAN GROUP LTD LLC CHICAGO IL	01/12/2016	
212332	2200071960	01/07/2016	USD	783.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	01/14/2016	
212333	2200071953	01/07/2016	USD	423.90	U S ROSE INC ONTARIO CA	01/14/2016	
212334	2200071978	01/07/2016	USD	8,402.18	UNIVERSAL PROTECTION SERVICE PASADENA CA	01/11/2016	
212335	2200071985	01/07/2016	USD	9,860.83	UTILLQUEST LLC ATLANTA GA	01/11/2016	
212336	2200071954	01/07/2016	USD	3,097.50	VERIZON CALIFORNIA BELLAS TX	01/13/2016	
212337	2200071998	01/07/2016	USD	204.99	VERIZON COMMUNICATIONS DALLAS TX	01/13/2016	
212338	2200072092	01/14/2016	USD	591.60	10-R RETROFIT INC ONTARIO CA	01/25/2016	
212339	2200072081	01/14/2016	USD	577.34	ABATIX CORPORATION DALLAS TX	01/19/2016	
212340	2200072056	01/14/2016	USD	3,745.43	AIRGAS WEST INC PASADENA CA	02/04/2016	
212341	2200072090	01/14/2016	USD	41,348.19	ARCADIS U.S., INC. HIGHLANDS RANCH CO	01/20/2016	
212342	2200072110	01/14/2016	USD	65.40	ARCHER WILLIAM CHINO HILLS CA	01/22/2016	
212343	2200072085	01/14/2016	USD	1,566.37	AUTOZONE INC ATLANTA GA	01/20/2016	
212344	2200072088	01/14/2016	USD	2,252.47	BEULIN PACKAGING LLC CHICAGO IL	01/20/2016	
212345	2200072062	01/14/2016	USD	2,000.00	BEST BEST & KRIBER LLP RIVERSIDE CA	01/20/2016	
212346	2200072108	01/14/2016	USD	7,758.04	BURNS WASTE INDUSTRIES INC BUENA PARK CA	01/21/2016	
212347	2200072089	01/14/2016	USD	6,331.75	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	01/19/2016	
212348	2200072098	01/14/2016	USD	3,279.01	CARBON ACTIVATED CORE COMPTON CA	01/23/2016	
212349	2200072076	01/14/2016	USD	15,697.50	CAGA VERDE LANDSCAPE ALTA LOMA CA	01/25/2016	
212350	2200072075	01/14/2016	USD	25,152.00	CHINO MFG & REPAIR INC CHINO CA	01/26/2016	
212351	2200072075	01/14/2016	USD	3,632.42	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/20/2016	
212352	2200072070	01/14/2016	USD	55.32	CINTAS FIRST AID & SAFETY EGGLECHURCH ILL OH	01/22/2016	
212353	2200072099	01/14/2016	USD	2,530.29	CITY OF CHINO CHINO CA	01/20/2016	
212354	2200072049	01/14/2016	USD	29.38	CITY RENTALS INC ONTARIO CA	01/21/2016	
212355	2200072091	01/14/2016	USD	6,037.00	CLEAN AIR TESTING INC GLENORA CA	01/20/2016	
212356	2200072050	01/14/2016	USD	327.53	COLE PARMER INSTRUMENT CO CHICAGO IL	01/19/2016	
212357	2200072112	01/14/2016	USD	2,184.00	CONCEMNO, FRANCIS CHINO HILLS CA	01/20/2016	
212358	2200072083	01/14/2016	USD	61,365.39	CONSERV CONSTRUCTION INC MURRIETA CA	01/23/2016	
212359	2200072096	01/14/2016	USD	10,272.48	CPC SYSTEMS INC IRVINDALE CA	01/20/2016	
212360	2200072101	01/14/2016	USD	55.20	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	01/20/2016	
212361	2200072051	01/14/2016	USD	560.36	DAVALOK COMPANY, THE LOS ANGELES CA	01/20/2016	
212362	2200072050	01/14/2016	USD	50.00	DAVID WHEELER'S PEST CONTROL NORCO CA	01/25/2016	
212363	2200072094	01/14/2016	USD	160,407.16	DEERE & COMPANY CARY NC	01/22/2016	
212364	2200072061	01/14/2016	USD	4,870.28	DELLA MARKETING L.P. PASADENA CA	01/19/2016	
212365	2200072063	01/14/2016	USD	287.71	DEZORIK INC CHICAGO IL	01/21/2016	
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212367	2200072053	01/14/2016	USD	901.14	FIREBANK FIRE & SAFETY SAN DEIGO CA	01/20/2016	
212368	2200072054	01/14/2016	USD	1,309.44	FLO SYSTEMS INC BURBANK CA	01/20/2016	
212369	2200072066	01/14/2016	USD	375.46	FLORENCE FILTER CORP COMPTON CA	02/01/2016	
212370	2200072060	01/14/2016	USD	623.34	KONTAMA HERALD NEWS MONTANA CA	01/26/2016	
212371	2200072058	01/14/2016	USD	5,777.15	GRANGER PALATINE IL	01/19/2016	
212372	2200072056	01/14/2016	USD	1,146.33	HARRINGTON INDUSTRIAL PLASTICSCHINO CA	01/20/2016	



Check Register

Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

CITIZENS BUSINESS BANK  
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 Acct number

ONTARIO CA 917610000

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212375	2200072093	01/14/2016	USD	792.28	HEIDER INSPECTION GROUP ONTARIO CA	01/21/2016	
212376	2200072055	01/14/2016	USD	1,163.96	HOME DEPOT CREDIT SERVICES DES MOINES IA	01/24/2016	
212377	2200072068	01/14/2016	USD	427.90	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	01/26/2016	
212378	2200072074	01/14/2016	USD	423.23	KANSAS COMPRESSORS FARMERSBURG VA	01/28/2016	
212379	2200072085	01/14/2016	USD	691.20	KINETIC PERSONNEL GROUP, INC RIVERSIDE CA	01/25/2016	
212380	2200072064	01/14/2016	USD	208.45	KONIGA-MENDELA BUSINESS SOLUTIONS PASADENA CA	01/28/2016	
212381	2200072095	01/14/2016	USD	4,299.77	MAIN GRAPHICS IRVINE CA	01/25/2016	
212382	2200072071	01/14/2016	USD	4,851.17	MCCROMETER INC CHICAGO IL	01/28/2016	
212383	2200072109	01/14/2016	USD	108.00	MENDEZ, DAVID CHINO HILLS CA	01/22/2016	
212384	2200072077	01/14/2016	USD	10,095.38	MERCHANTS BUILDING MAINTENANCE MONTEREY PARK CA	01/28/2016	
212385	2200072087	01/14/2016	USD	4,773.76	MICROAGE TEMPE AZ	01/21/2016	
212386	2200072052	01/14/2016	USD	1,377.88	OFFICE DEPOT LOS ANGELES CA	01/19/2016	
212387	2200072078	01/14/2016	USD	voided by KMCCHRIS - Lost Check		02/10/2016	
212388	2200072078	01/14/2016	USD	voided by KMCCHRIS - Lost Check		02/10/2016	
212389	2200072057	01/14/2016	USD	11,041.50	PACIFIC DATA MARKETING SOMAY CA	01/19/2016	
212390	2200072067	01/14/2016	USD	251.00	PEITY CASH EXPENDITURES CHINO CA	01/20/2016	
212391	2200072082	01/14/2016	USD	6,080.60	SEGMANET INC LOS ANGELES CA	01/20/2016	
212392	2200072104	01/14/2016	USD	19,417.50	SINNOTT, FURBIA, CAMPAGNE & CULOS ANGRLES CA	02/01/2016	
212393	2200072104	01/14/2016	USD	11,587.18	SO CALIF GISON ROSENHEAD CA	01/29/2016	
212394	2200072059	01/14/2016	USD	1,195.88	SO CALIF BUS MONTEREY PARK CA	02/02/2016	
212395	2200072105	01/14/2016	USD	19,182.04	SOUTH COAST AOMC DIAMOND PARK CA	02/02/2016	
212396	2200072069	01/14/2016	USD	917.24	TIME WARNER TELECOM DENVER CO	01/20/2016	
212397	2200072079	01/14/2016	USD	4,941.20	TOM DOWSON & ASSOCIATES SAN BERNARDINO CA	01/20/2016	
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212402	2200072116	01/14/2016	USD	971.58	WORLDWIDE EXPRESS ALBANY NY	01/20/2016	
212403	2200072135	01/21/2016	USD	450.00	STATE WATER RESOURCES CENTRAL BRACRAMENTO CA	01/23/2016	
212404	2200072159	01/21/2016	USD	247.80	AIRGAS WEST INC PASADENA CA	02/01/2016	
212405	2200072176	01/21/2016	USD	210.99	ALBERT INSURANCE SERVICES INSAN DIEGO CA	01/28/2016	
212406	2200072154	01/21/2016	USD	83,299.44	ALLISON MECHANICAL, INC. REDLANDS CA	01/27/2016	
212407	2200072179	01/21/2016	USD	416.05	ALSTAR FIRE EQUIPMENT INC ARCADIA CA	01/25/2016	
212408	2200072155	01/21/2016	USD	13,467.56	ALTA PACIFIC BANK TEMECULA CA	01/26/2016	
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212412	2200072178	01/21/2016	USD	1,568.80	BRASS CRANE SERVICE LONG BEACH CA	01/26/2016	
212413	2200072141	01/21/2016	USD	2,004.06	BUSINESS CARD WILMINGTON DE	01/26/2016	
212414	2200072174	01/21/2016	USD	177.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/29/2016	
212415	2200072208	01/21/2016	USD	9,479.46	CHRISTOPHER WATERS TECHNOLOGIES PASADENA CA	01/26/2016	
212416	2200072236	01/21/2016	USD	105.22	CAMACHO, MICHAEL CHINO HILLS CA	02/03/2016	
212417	2200072236	01/21/2016	USD	18.00	CAMACHO, PIERRO CHINO HILLS CA	02/03/2016	

CITIZENS BUSINESS BANK  
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Bank CEB  
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ONTARIO CA 917610000

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212419	2200072147	01/21/2016	USD	51.60	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	01/28/2016	
212420	2200072161	01/21/2016	USD	41.29	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/27/2016	
212421	2200072199	01/21/2016	USD	373.00	CITY EMPLOYERS ASSOCIATES LONG BEACH CA	01/26/2016	
212422	2200072180	01/21/2016	USD	43,328.82	CSI MECHANICAL CONTRACTORS INC SANTA FE SPRINGS CA	01/26/2016	
212423	2200072185	01/21/2016	USD	1,085.91	CUCUMONGA VALLEY WATER DISTRICT LOS ANGELES CA	02/02/2016	
212424	2200072204	01/21/2016	USD	43.78	CUNNINGHAM, RICHARD CHINO HILLS CA	01/27/2016	
212425	2200072169	01/21/2016	USD	425.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	01/27/2016	
212426	2200072157	01/21/2016	USD	69,139.43	DAVIS ELECTRIC INC HUNTER CA	01/28/2016	
212427	2200072181	01/21/2016	USD	1,101.60	DC INTERNATIONAL INC LAFAYETTE LA	01/28/2016	
212428	2200072128	01/21/2016	USD	76.21	FEDERAL EXPRESS CORP PASADENA CA	01/28/2016	
212429	2200072200	01/21/2016	USD	2,133.09	FIDELITY SECURITY LIFE INSURANCE CINCINNATI OH	01/27/2016	
212430	2200072139	01/21/2016	USD	2,338.29	FISHER SCIENTIFIC LOS ANGELES CA	01/28/2016	
212431	2200072203	01/21/2016	USD	36.97	FLORIO, JOSEPHAN D CHINO HILLS CA	01/27/2016	
212432	2200072173	01/21/2016	USD	4,000.00	FONTANA UNIFIED SCHOOL DISTRICT FONTANA CA	01/27/2016	
212433	2200072190	01/21/2016	USD	2,072.95	FOUNDATION HA ENERGY GENERATION FRANCISCO CA	02/03/2016	
212434	2200072196	01/21/2016	USD	1,676.15	FRANCHISE TAX BOARD SACRAMENTO CA	01/26/2016	
212435	2200072207	01/21/2016	USD	172.50	FRESQUEZ, ADRIAN CHINO HILLS CA	01/26/2016	
212436	2200072175	01/21/2016	USD	638.39	FULL SOURCE, LLC JACKSONVILLE FL	01/26/2016	
212437	2200072154	01/21/2016	USD	590.51	GARDNER DENVER WASH LLC ST LOUIS MO	01/26/2016	
212438	2200072142	01/21/2016	USD	255,883.44	GENERAL AIR COMPRESSOR INC ANAHEIM CA	02/01/2016	
212439	2200072138	01/21/2016	USD	3,983.84	GENESIS CONSTRUCTION HEMET CA	01/26/2016	
212440	2200072170	01/21/2016	USD	49.92	GRAINGER PALMATEL ILL	01/26/2016	
212441	2200072130	01/21/2016	USD	2,059.54	GU, JASON CHINO HILLS CA	01/26/2016	
212442	2200072131	01/21/2016	USD	402.86	HARRINGTON INDUSTRIAL PLASTICS CHINGO CA	01/26/2016	
212443	2200072192	01/21/2016	USD	189.00	HOME DEPOT CREDIT SERVICES DES MOINES IA	01/26/2016	
212444	2200072152	01/21/2016	USD	271.52	LEDA EMPLOYERS ASSOCIATION CHINO HILLS CA	01/26/2016	
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212446	2200072191	01/21/2016	USD	16,274.45	INTEL CO DEGREMONT INC BALTIMORE MD	01/26/2016	
212447	2200072153	01/21/2016	USD	56.00	INLAND BIOENERGY LLC FONTANA CA	01/26/2016	
212448	2200072182	01/21/2016	USD	100.00	INLAND-EMERLE UNIFIED-WAY-RANCHO CUCUMONGA CA	01/26/2016	
212449	2200072146	01/21/2016	USD	5,520.44	INTERNATIONAL COUNCIL FOR BROKEN ARROW OK	01/26/2016	
212450	2200072132	01/21/2016	USD	62,819.58	J F SHRA CONSTRUCTION INC PALMATEL CA	01/26/2016	
212451	2200072133	01/21/2016	USD	217.31	J R FLANC CONSTRUCTION CO INC ESCONCIDO CA	01/27/2016	
212452	2200072144	01/21/2016	USD	2,705.41	JOHNSON POWER SYSTEMS LOS ANGELES CA	01/27/2016	
212453	2200072143	01/21/2016	USD	2,359.58	KONICA MINOLTA PASADENA CA	01/27/2016	
212454	2200072158	01/21/2016	USD	1,500.00	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	01/27/2016	
212455	2200072155	01/21/2016	USD	50.00	LA OPTIMON LOS ANGELES CA	01/27/2016	
212456	2200072197	01/21/2016	USD	13,009.28	LEIBERT GASSIDY WHITMORE LOS ANGELES CA	01/27/2016	
212457	2200072202	01/21/2016	USD	286.00	LIFE INSURANCE COMPANY OF PHILADELPHIA PA	02/01/2016	
212458	2200072149	01/21/2016	USD	2,331.90	MARIA FRESQUEZ LAS VEGAS NV	01/27/2016	
212459	2200072145	01/21/2016	USD	53,690.85	MCMASTER-CARR SUPPLY CO CHICAGO IL	01/27/2016	
212460	2200072165	01/21/2016	USD		NEVENS WAVE OAKLAND CA	01/26/2016	

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212463	2200072159	01/21/2016	USD	8,403.53	MIKE BURALO CONSTRUCTION CO INEALDWIN PARK CA	01/26/2016
212464	2200072153	01/21/2016	USD	56,653.30	OLAN CORP MIAMI FL	01/25/2016
212465	2200072184	01/21/2016	USD	4,025.86	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	01/25/2016
212466	2200072196	01/21/2016	USD	70.98	PENG WONG TERM CARE PROGRAM PASADENA CA	01/27/2016
212467	2200072195	01/21/2016	USD	13,892.90	PREFERRED BENEFIT INSURANCE PLEASANTON CA	01/27/2016
212468	2200072156	01/21/2016	USD	8,488.00	RIVEWAY ROOF CORPORATION FONTANA CA	01/28/2016
212469	2200072167	01/21/2016	USD	366.00	SCFPA-HR WHITTIER CA	01/26/2016
212470	2200072187	01/21/2016	USD	255,379.09	SO CALIF EDISON ROSEMEAD CA	02/03/2016
212471	2200072188	01/21/2016	USD	6,789.85	SO CALIF GAS MONTEREY PARK CA	01/26/2016
212472	2200072139	01/21/2016	USD	4,091.67	SOUTH COAST APOD-DIMOND BAY CA	01/26/2016
212473	2200072137	01/21/2016	USD	9.00	SPARLING INSTRUMENTS LLC PHOENIX AZ	02/04/2016
212474	2200072134	01/21/2016	USD	75.03	STATE BOARD OF EQUALIZATION SACRAMENTO CA	01/28/2016
212475	2200072210	01/21/2016	USD	86,268.88	STONE, SHAIN CHINO	01/28/2016
212476	2200072179	01/21/2016	USD	4,980.00	TECHNICAL SYSTEMS INC LAKWOOD WA	01/28/2016
212477	2200072168	01/21/2016	USD	987.50	TERRA PAVE INC WHITTIER CA	01/28/2016
212478	2200072172	01/21/2016	USD	1,175.96	THE BEICKMAN GROUP INC LEO CHICAGO IL	01/28/2016
212479	2200072183	01/21/2016	USD	18.00	TONY SEPULVEDA MIRA LOMA CA	01/27/2016
212480	2200072209	01/21/2016	USD	2,716.94	TULIAN, KENNETH CHINO HILLS CA	01/27/2016
212481	2200072186	01/21/2016	USD	114.93	VERIZON CALIFORNIA DALLAS TX	01/29/2016
212482	2200072189	01/21/2016	USD	1,089.95	VERIZON COMMUNICATIONS DALLAS TX	01/29/2016
212483	2200072145	01/21/2016	USD	2,705.60	WASTE MANAGEMENT OF LOS ANGELES CA	01/29/2016
212484	2200072194	01/21/2016	USD	225.00	WESTERN DENTAL PLAN GREENH CA	01/29/2016
212485	2200072140	01/21/2016	USD	402.16	WRPAC LOS ANGELES CA	01/29/2016
212486	2200072165	01/21/2016	USD	663.78	YRC PASADENA CA	02/04/2016
212487	2200072385	01/28/2016	USD	832.68	ACQUASTANDA INC NEW HAVEN CT	02/04/2016
212488	2200072384	01/28/2016	USD	231.45	AGILENT TECHNOLOGIES INC LOS ANGELES CA	02/04/2016
212489	2200072376	01/28/2016	USD	305.34	AIRGAS WEST INC PASADENA CA	02/04/2016
212490	2200072409	01/28/2016	USD	681.72	BENTON NEVADA LLC LOS ANGELES CA	02/04/2016
212491	2200072390	01/28/2016	USD	2,800.00	BERLIN PACKAGING LLC CHICAGO IL	02/03/2016
212492	2200072422	01/28/2016	USD	172.23	BEEF BEST & KEEBGER LLP RIVERSIDE CA	02/10/2016
212493	2200072416	01/28/2016	USD	51,526.00	BREIG, ANNA VICTORVILLE CA	02/04/2016
212494	2200072381	01/28/2016	USD	2,310.00	BROWN BEAR CORPORATION CORNING IA	02/09/2016
212495	2200072370	01/28/2016	USD	9,481.16	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	02/09/2016
212496	2200072430	01/28/2016	USD	5,545.82	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	02/01/2016
212497	2200072411	01/28/2016	USD	1,125.00	CALTRON INC LOS ANGELES CA	02/08/2016
212498	2200072430	01/28/2016	USD	58.32	CAMET RESEARCH, INC SOLETA CA	02/11/2016
212499	2200072430	01/28/2016	USD	987.00	CAMPOS, JESSE CHINO HILLS CA	02/03/2016
212500	2200072392	01/28/2016	USD	3,606.32	CASE ENGINEERING AND CONSULTING CONITON CA	02/05/2016
212501	2200072400	01/28/2016	USD	2,404.64	CINTAS CORPORATION LOC#150 PHOENIX AZ	02/03/2016
212502	2200072320	01/28/2016	USD	879.66	CITY OF CHINO CHINO CA	02/03/2016
212503	2200072371	01/28/2016	USD	41.04	CITY RENTALS INC ONTARIO CA	02/03/2016
212504	2200072328	01/28/2016	USD		CUNNINGHAM, RICHARD CHINO HILLS CA	

CITIZENS BUSINESS BANK  
 231167641

CBB  
 122234149  
 CHECK

ONTARIO CA 917610000

Check	Check number from to	Payment	Trans date	Crcy	Amount paid (AC)	Recipient/void reason code	Trans./void
212505	2200072401	500.00	01/28/2016	USD	500.00	DAVE'S PLUMBING CHINO HILLS CA	02/02/2016
212506	2200072405	150.00	01/28/2016	USD	150.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	02/03/2016
212507	2200072417	6,000.00	01/28/2016	USD	6,000.00	DESIGN FOR SCIENCE LLC CARLSBAD CA	02/01/2016
212508	2200072407	863.56	01/28/2016	USD	863.56	DOWNS ENERGY CORONA CA	02/02/2016
212509	2200072414	2,880.47	01/28/2016	USD	2,880.47	EMA, INC. MINNEAPOLIS MN	02/02/2016
212510	2200072409	3,004.00	01/28/2016	USD	3,004.00	EVY-USA AMERICA INC ATLANTA GA	02/03/2016
212511	2200072413	99.29	01/28/2016	USD	99.29	EVOQDA WATER TECHNOLOGIES LLC PITTSBURGH PA	02/03/2016
212512	2200072372	142.87	01/28/2016	USD	142.87	FASHER SCIENTIFIC LOS ANGELES CA	02/03/2016
212513	2200072379	145.75	01/28/2016	USD	145.75	FONTANA HERALD NEWS FONTANA CA	02/03/2016
212514	2200072395	578.00	01/28/2016	USD	578.00	GOLDEN STATE LABOR COMPLIANCE PALMDALE CA	02/02/2016
212515	2200072378	3,375.09	01/28/2016	USD	3,375.09	GRAINER PALATINE IL	02/03/2016
212516	2200072394	5,755.79	01/28/2016	USD	5,755.79	HACH COMPANY CHICAGO IL	02/03/2016
212517	2200072373	82.30	01/28/2016	USD	82.30	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	02/02/2016
212518	2200072425	463.46	01/28/2016	USD	463.46	HOMER, DIANA APRIL VALLEY CA	02/02/2016
212519	2200072374	743.57	01/28/2016	USD	743.57	HOMES DEPOT CREDIT SERVICES DES MOINES IA	02/02/2016
212520	2200072423	459.46	01/28/2016	USD	459.46	HORNER, WILLIAM YUCA VALLEY CA	02/02/2016
212521	2200072383	195.00	01/28/2016	USD	195.00	IAPMA-ER RIVERSIDE CA	02/03/2016
212522	2200072396	6,580.00	01/28/2016	USD	6,580.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	02/03/2016
212523	2200072399	11,375.00	01/28/2016	USD	11,375.00	INTEGRATED DESIGN SERVICES INCLIVINE CA	02/02/2016
212524	2200072409	1,150.00	01/28/2016	USD	1,150.00	JR'S SCOLS & POWDS INC OUREAND CA	02/02/2016
212525	2200072415	30,150.00	01/28/2016	USD	30,150.00	JCE EQUIPMENT, INC. UPLAND CA	02/02/2016
212526	2200072431	18.88	01/28/2016	USD	18.88	JONES, KYLA CHINO HILLS CA	02/01/2016
212527	2200072416	37,587.90	01/28/2016	USD	37,587.90	KWS MANUFACTURING COMPANY LTD BURLERSON TX	02/01/2016
212528	2200072404	8,008.08	01/28/2016	USD	8,008.08	LANEER ADVERTISING LOMA LINDA CA	02/03/2016
212529	2200072427	18.00	01/28/2016	USD	18.00	LEE, RANDY CHINO HILLS CA	02/03/2016
212530	2200072389	349.68	01/28/2016	USD	349.68	LOCKMASTERS USA INC PANAMA CITY FL	02/02/2016
212531	2200072386	1,190.30	01/28/2016	USD	1,190.30	MCMASTER-CARR SUPPLY CO CHICAGO IL	02/02/2016
212532	2200072424	716.06	01/28/2016	USD	716.06	MILNER, ELMER J BLUE MOUNTAIN CA	02/03/2016
212533	2200072375	553.34	01/28/2016	USD	553.34	MINE SAFETY APPLIANCES CO PITTSBURGH PA	02/01/2016
212534	2200072398	2,722.00	01/28/2016	USD	2,722.00	NATIONAL CINEMEDIA LLC DENVER CO	02/03/2016
212535	2200072402	995.10	01/28/2016	USD	995.10	NATIONAL CONSTRUCTION RENTALS PACOYMA CA	02/02/2016
212536	2200072402	636.50	01/28/2016	USD	636.50	NESTLE-WATERS NORTH AMERICA LOUISVILLE KY	02/02/2016
212537	2200072377	499.72	01/28/2016	USD	499.72	PETTY CASH EXPENDITURES CHINO CA	02/03/2016
212538	2200072419	3,510.10	01/28/2016	USD	3,510.10	POSITIVE PROMOTIONS INC MAFFEEVILLE NJ	02/03/2016
212539	2200072426	70.00	01/28/2016	USD	70.00	REED, RANDALL J CHINO HILLS CA	02/03/2016
212540	2200072398	14,423.42	01/28/2016	USD	14,423.42	SAN BERNARDINO COUNTY SAN BERNARDINO CA	02/01/2016
212541	2200072421	102,744.98	01/28/2016	USD	102,744.98	SO CALIF EDISON ROSEMEAD CA	02/05/2016
212542	2200072432	21.74	01/28/2016	USD	21.74	SOMMER, PETER CHINO HILLS CA	02/01/2016
212543	2200072387	440.00	01/28/2016	USD	440.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	02/01/2016
212544	2200072388	80.00	01/28/2016	USD	80.00	THREE VALLEYS WMD CLAREMONT CA	02/02/2016
212545	2200072391	824.00	01/28/2016	USD	824.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	02/02/2016
212546	2200072412	1,543.00	01/28/2016	USD	1,543.00	VAIT CONSULTING INC WAREVILLE IL	02/02/2016
212547	2200072393	58,638.57	01/28/2016	USD	58,638.57	W A BASIC CONSTRUCTION CO INC LONG BEACH CA	02/02/2016
212548	2200072429	247.35	01/28/2016	USD	247.35	ZINGORGIN, JEFF CHINO HILLS CA	02/04/2016

Check Register

Total of all entries

Check number from to	Payment	Print date	Cur	Amount paid (FC)	Recipient/Void reason code	Incs./void
* Payment method	Check		USD	2,420,561.75		

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000	
Bank Key	122234149	Bank Key	122234149	Bank Key	122234149
Acct number	CHECK	Acct number	231167641	Acct number	231167641
Separate Check					
Check number from to	Payment	Payment date	Crcy	Amount paid (P)	Recipient / void reason code
212549	2200072382	01/28/2016	USD	187.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA
* Payment method Separate Check				187.00	
					02/09/2016

Check number	From to	Payment	Print date	Cncy	Amount paid (FC)	Recipient/void reason code	Enca /void
**				USD	2,420,748.75		



Check Register

Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

CITIZENS BUSINESS BANK  
 231159290

Bank CBB  
 Bank Key 122234149  
 Acct number WCOMP

Check number from to	Payment	Emt date	Crcy	Amount paid (PC)	Recipient/void reason code	enca /void
04401	2200072228	01/06/2016	USD	133.35	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/07/2016
04402	2200072229	01/06/2016	USD	128.91	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/07/2016
04403	2200072230	01/06/2016	USD	128.91	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/07/2016
04404	2200072231	01/06/2016	USD	127.30	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/07/2016
04405	2200072232	01/06/2016	USD	127.19	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/07/2016
04406	2200072233	01/06/2016	USD	127.19	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/07/2016
04407	2200072234	01/06/2016	USD	55.20	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/14/2016
04408	2200072235	01/06/2016	USD	585.02	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/14/2016
04409	2200072236	01/06/2016	USD	122.30	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/09/2016
04410	2200072237	01/13/2016	USD	122.73	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/13/2016
04411	2200072238	01/13/2016	USD	127.19	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/13/2016
04412	2200072239	01/13/2016	USD	122.30	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/13/2016
04413	2200072240	01/13/2016	USD	64.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04414	2200072241	01/13/2016	USD	94.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04415	2200072242	01/13/2016	USD	1,221.75	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04416	2200072243	01/13/2016	USD	244.20	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04417	2200072244	01/13/2016	USD	90.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04418	2200072245	01/13/2016	USD	395.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04419	2200072246	01/13/2016	USD	112.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04420	2200072247	01/13/2016	USD	132.93	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04421	2200072248	01/13/2016	USD	556.82	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04422	2200072249	01/13/2016	USD	377.62	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04423	2200072250	01/13/2016	USD	65.88	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04424	2200072251	01/13/2016	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/19/2016
04425	2200072252	01/20/2016	USD	128.91	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/20/2016
04426	2200072253	01/20/2016	USD	127.19	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/21/2016
04427	2200072447	01/27/2016	USD	133.35	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/27/2016
04428	2200072448	01/27/2016	USD	127.19	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/27/2016

\* Payment method Checks created manually

5,790.52

ONTARIO CA 917610000



Check Register

Total of all entries

Check number from to	Payment	Post date	Ccy	Amount paid (Fu)	Recipient/Void reason code	Encr./void
			USD	5,790.52		
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Check	Payee / Description		Amount
Wire	BANK OF AMERICA NT&SA		
	P/R 1 DIR 1/8/16 EFT Direct Deposit	010816 DIR	1,454.81
	P/R 1 1/8/16 EFT Direct Deposit	010816	727,553.35
	BANK OF AMERICA NT&SA	\$	729,008.16
Wire	EMPLOYMENT DEVELOPMENT DEPARTM		
	P/R DIR 001 1/8 Taxes	HR 0039700	348.73
	P/R 1 1/8 Taxes	HR 0039600	10,605.91
	P/R 1 1/8 Taxes	HR 0039600	59,587.36
	EMPLOYMENT DEVELOPMENT DEPARTMS		70,542.00
Wire	INTERNAL REVENUE SERVICE		
	P/R DIR 001 1/8 Taxes	HR 0039700	2,053.32
	P/R 1 1/8 Taxes	HR 0039600	332,152.35
	INTERNAL REVENUE SERVICE	\$	334,205.67
Wire	BANK OF AMERICA NT&SA		
	P/R 2 1/22/16 EFT Direct Deposit	012216	668,928.19
	BANK OF AMERICA NT&SA	\$	668,928.19
Wire	EMPLOYMENT DEVELOPMENT DEPARTM		
	P/R 2 1/22 Taxes	HR 0040100	55,225.81
	P/R 2 1/22 Taxes	HR 0040100	9,851.75
	EMPLOYMENT DEVELOPMENT DEPARTMS		65,077.56
Wire	INTERNAL REVENUE SERVICE		
	P/R 2 1/22 Taxes	HR 0040100	318,470.75
	INTERNAL REVENUE SERVICE	\$	318,470.75
ACH	ICMA RETIREMENT TRUST 457		
	P/R 1 1/8 Deferred Comp Ded	HR 0039600	14,211.58
	ICMA RETIREMENT TRUST 457	\$	14,211.58
ACH	LINCOLN NATIONAL LIFE INS CO		
	P/R 1 1/8 Deferred Comp Ded	HR 0039600	24,551.24
	LINCOLN NATIONAL LIFE INS CO	\$	24,551.24
ACH	ICMA RETIREMENT TRUST 401		
	P/R 1 1/8 Exec Deferred Comp	HR 0039600	11,579.85
	ICMA RETIREMENT TRUST 401	\$	11,579.85
ACH	AQUA BEN CORPORATION		
	RP1-13,800 Lbs Polymer 750A	34002	18,343.84
	DAFT-6,900 Lbs Polymer 748E	34001	7,489.26
	AQUA BEN CORPORATION	\$	25,833.10
ACH	HASCO OIL COMPANY, INC.		
	RP5-1 Keg Mobilux EP-2	0197773-IN	799.89

Check	Payee / Description		Amount
	HASCO OIL COMPANY, INC.	\$	799.89
ACH	LASER LINE EclyMgt-Service Sharp FO DC 500	28399	109.95
	LASER LINE	\$	109.95
ACH	NAPA GENUINE PARTS COMPANY Gloves	732910	25.37
	Purple Power,Gauge	732909	378.15
	NAPA GENUINE PARTS COMPANY	\$	403.52
ACH	SANTA ANA WATERSHED November 2015 Truck Discharge	8756	879.41
	SANTA ANA WATERSHED	\$	879.41
ACH	CHINO BASIN DESALTER AUTHORITY CDA-Wellfield Development-Wells 1,2,3-In 211		56,782.25
	CDA-Wellfield Development-Wells 1,2,3-In 210		21,581.66
	CHINO BASIN DESALTER AUTHORITY\$		78,363.91
ACH	GK & ASSOCIATES INC 46-1141-11/15 Prof Svcs	15-270	12,160.00
	46-1141-11/15 Prof Svcs	15-268	19,320.00
	46-1141-11/15 Prof Svcs	15-267	9,840.00
	46-1141-11/15 Prof Svcs	15-266	25,559.00
	46-1141-11/15 Prof Svcs	15-265	23,912.00
	GK & ASSOCIATES INC	\$	90,791.00
ACH	SHELL ENERGY NORTH AMERICA LP 11/15 Gas Commodity-Non Core	2721166	15,541.02
	11/15 Gas Cmmnty-Core,9/15 Adj	1100002880311	7,848.18
	SHELL ENERGY NORTH AMERICA LP \$		23,389.20
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 1 1/8 Employee Ded	HR 0039600	405.00
	IEUA SUPERVISORS UNION ASSOCIA\$		405.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 1 1/8 Employee Ded	HR 0039600	1,069.10
	IEUA GENERAL EMPLOYEES ASSOCIA\$		1,069.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 1 1/8 Employee Ded	HR 0039600	420.00
	IEUA PROFESSIONAL EMPLOYEES ASS\$		420.00
ACH	DISCOVERY BENEFITS INC P/R 1 1/8 Cafeteria Plan	HR 0039600	2,957.58
	DISCOVERY BENEFITS INC	\$	2,957.58

Check	Payee / Description		Amount
ACH	AQUA BEN CORPORATION		
	RP1-18,400 Lbs Polymer 750A	34049	24,458.46
	DAFT-2,300 Lbs Polymer 748E	34048	2,496.42
	AQUA BEN CORPORATION	\$	26,954.88
ACH	NAPA GENUINE PARTS COMPANY		
	3 Napa Gold Air Filters	177877	57.54
	Napagold Air Filter	177503	57.54
	NAPA GENUINE PARTS COMPANY	\$	115.08
ACH	SANTA ANA WATERSHED		
	November 2015 Service	8762	141,990.33
	SANTA ANA WATERSHED	\$	141,990.33
ACH	GK & ASSOCIATES INC		
	46-1141-11/15 Prof Svcs	15-269	11,072.00
	GK & ASSOCIATES INC	\$	11,072.00
ACH	SHELL ENERGY NORTH AMERICA LP		
	RP1-11/1-11/30 2450 Phila St 8/1-8/31 Ad 2042 11/15		59,772.45
	RP2/RP5-11/1-11/30 16400 El Prado Rd 8/1 2044 11/15		5,900.79
	CCWRP-11/1-11/30 14950 Tlphn Ave 8/1-8/3 2046 11/15		25,960.13
	SHELL ENERGY NORTH AMERICA LP	\$	91,633.37
ACH	SOLAR STAR CALIFORNIA V LLC		
	11/15 Solar Energy	IEUA0085	40,035.25
	SOLAR STAR CALIFORNIA V LLC	\$	40,035.25
ACH	RP1 FUEL CELL LLC		
	RP1FuelCell-10/30-11/30 2450 Phila	IEUA_15-11	93,071.25
	RP1 FUEL CELL LLC	\$	93,071.25
ACH	Inland Empire Reg. Composting		
		9701149886	32.95
	Inland Empire Reg. Composting	\$	32.95
ACH	ICMA RETIREMENT TRUST 457		
	P/R 2 1/22 Deferred Comp Ded	HR 0040100	13,468.67
	ICMA RETIREMENT TRUST 457	\$	13,468.67
ACH	LINCOLN NATIONAL LIFE INS CO		
	P/R 2 1/22 Deferred Comp Ded	HR 0040100	24,337.05
	LINCOLN NATIONAL LIFE INS CO	\$	24,337.05
ACH	ICMA RETIREMENT TRUST 401		
	P/R 2 1/22	HR 0040100	9,907.57
	ICMA RETIREMENT TRUST 401	\$	9,907.57

Check Payee / Description Amount

ACH	AQUA BEN CORPORATION		
	DAFT-9,200 Lbs Polymer 748E	34065	9,985.68
	RPI-23,000 Lbs Polymer 750A	34066	30,573.07
	AQUA BEN CORPORATION	\$	40,558.75
ACH	CIHIGOYENETCHE GROSSBERG & CLO		
	11/15 RCA Legal	50407	625.00
	11/15 IEUA vs Martin	50408	350.00
	11/15 IEUA vs PM	50409	125.00
	11/15 IEUA vs SCE	50410	609.00
	11/15 IEUA vs Starlite Reclamation	50411	42.00
	11/15 Watermaster	50412	11,088.00
	11/15 General Legal	50406	11,658.00
	CIHIGOYENETCHE GROSSBERG & CLOS		24,497.00
ACH	AGRICULTURAL RESOURCES		
	2/16 Wtr Quality Consult	2/16 WTR QLTY	6,000.00
	AGRICULTURAL RESOURCES	\$	6,000.00
ACH	CHINO BASIN DESALTER AUTHORITY		
	7/14-6/15-MWD Rebate Pass Through	221	667,225.60
	CHINO BASIN DESALTER AUTHORITY\$		667,225.60
ACH	CHINO BASIN DESALTER AUTHORITY		
	CDA-Pilot Testing-Biological Trmnt Procss 190		38,910.17
	CHINO BASIN DESALTER AUTHORITY\$		38,910.17
ACH	INLAND EMPIRE REGIONAL		
	12/15 Biosolids	90017429	295,860.06
	INLAND EMPIRE REGIONAL	\$	295,860.06
ACH	KAMBRIAN CORPORATION		
	ISS-SQL2014 ServerSoftware-Archive Upgra 9225		4,841.84
	KAMBRIAN CORPORATION	\$	4,841.84
ACH	RPI FUEL CELL LLC		
	RPIFuelCell-11/30-1/1 2450 Phila	IEUA 15-12	43,721.75
	RPI FUEL CELL LLC	\$	43,721.75
ACH	IEUA SUPERVISORS UNION ASSOCIA		
	P/R 2 1/22 Employee Ded	HR 0040100	405.00
	IEUA SUPERVISORS UNION ASSOCIA\$		405.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA		
	P/R 2 1/22 Employee Ded	HR 0040100	1,069.10
	IEUA GENERAL EMPLOYEES ASSOCIA\$		1,069.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS		

Check	Payee / Description		Amount
	P/R 2 1/22 Employee Ded	HR 0040100	420.00
	IEUA PROFESSIONAL EMPLOYEES AS\$		420.00
ACH	DISCOVERY BENEFITS INC P/R 2 1/22 Cafeteria Plan	HR 0040100	2,957.57
	DISCOVERY BENEFITS INC	\$	2,957.57
ACH	DISCOVERY BENEFITS INC P/R 25 & P/R 26 Admin Fees	0000604198-IN	156.75
	DISCOVERY BENEFITS INC	\$	156.75
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem	HEALTH PREM	469.46
	ESTRADA, JIMMIE J	\$	469.46
ACH	LICHTI, ALICE Reim Monthly Health Prem	HEALTH PREM	172.23
	LICHTI, ALICE	\$	172.23
ACH	MORASSE, EDNA Reim Monthly Health Prem	HEALTH PREM	172.23
	MORASSE, EDNA	\$	172.23
ACH	NOWAK, THEO T Reim Monthly Health Prem	HEALTH PREM	469.46
	NOWAK, THEO T	\$	469.46
ACH	SONNENBURG, ILSE Reim Monthly Health Prem	HEALTH PREM	172.23
	SONNENBURG, ILSE	\$	172.23
ACH	DYKSTRA, BETTY Reim Monthly Health Prem	HEALTH PREM	172.23
	DYKSTRA, BETTY	\$	172.23
ACH	TORRES, ROBERT G Reim Monthly Health Prem	HEALTH PREM	469.46
	TORRES, ROBERT G	\$	469.46
ACH	MUELLER, CAROLYN Reim Monthly Health Prem	HEALTH PREM	172.23
	MUELLER, CAROLYN	\$	172.23
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	HEALTH PREM	172.23
	GRIFFIN, GEORGE	\$	172.23

Check	Payee / Description		Amount
ACH	CANADA, ANGELA Reim Monthly Health Prem	HEALTH PREM	172.23
	CANADA, ANGELA	\$	172.23
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM	172.23
	CUPERSMITH, LEIZAR	\$	172.23
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM	297.23
	DELGADO-ORAMAS JR, JOSE	\$	297.23
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM	148.62
	GRANGER, BRANDON	\$	148.62
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM	148.62
	GADDY, CHARLES L	\$	148.62
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM	23.62
	BAKER, CHRIS	\$	23.62
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM	125.00
	WEBB, DANNY C	\$	125.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM	148.62
	HUMPHREYS, DEBORAH E	\$	148.62
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM	148.62
	MOUAT, FREDERICK W	\$	148.62
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM	125.00
	MORGAN, GARTH W	\$	125.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM	23.62
	ALLINGHAM, JACK	\$	23.62
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM	451.14
	MAZUR, JOHN	\$	451.14



Check	Payee / Description	Amount
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 23.62
	RUDDER, LARRY	\$ 23.62
ACH	INTERLICCHIA, RANDY Reim Monthly Health Prem	HEALTH PREM 125.00
	INTERLICCHIA, RANDY	\$ 125.00
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 125.00
	HAMILTON, MARIA	\$ 125.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM 172.23
	PICENO, TONY	\$ 172.23
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 23.62
	RAMOS, CAROL	\$ 23.62
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 125.00
	FISHER, JAY	\$ 125.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 23.62
	KING, PATRICK	\$ 23.62
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 470.32
	HOWARD, ROBERT JAMES	\$ 470.32
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM 125.00
	DIETZ, JUDY	\$ 125.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM 148.62
	DAVIS, GEORGE	\$ 148.62
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM 23.62
	MONZAVI, TAGHI	\$ 23.62
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 172.23



Check	Payee / Description	Amount
	PETERSEN, KENNETH	\$ 172.23
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 172.23
	TRAUTERMAN, HELEN	\$ 172.23
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 1,087.66
	TIEGS, KATHLEEN	\$ 1,087.66
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 777.28
	DIGGS, GEORGE	\$ 777.28
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 832.49
	HAYES, KENNETH	\$ 832.49
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 148.62
	HUNTON, STEVE	\$ 148.62
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 148.62
	RODRIGUEZ, LOUIS	\$ 148.62
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 480.05
	VARBEL, VAN	\$ 480.05
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 418.83
	CLIFTON, NEIL	\$ 418.83
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 125.00
	DELGADO, FRANCOIS	\$ 125.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 543.83
	WELLMAN, JOHN THOMAS	\$ 543.83
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 23.62
	SPEARS, SUSAN	\$ 23.62
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 172.23

Check	Payee / Description	Amount
	TROXEL, WYATT	\$ 172.23
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 451.14
	CORLEY, WILLIAM	\$ 451.14
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 340.15
	CALLAHAN, CHARLES	\$ 340.15
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 172.23
	LESNIAKOWSKI, NORBERT	\$ 172.23
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 658.38
	VER STEEG, ALLEN J	\$ 658.38
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 420.53
	HACKNEY, GARY	\$ 420.53
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 23.62
	CAREL, LARRY	\$ 23.62
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 326.14
	TOL, HAROLD	\$ 326.14
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 480.05
	BANKSTON, GARY	\$ 480.05
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 125.00
	ATWATER, RICHARD	\$ 125.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 451.14
	FIESTA, PATRICIA	\$ 451.14
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 902.28
	DIGGS, JANET	\$ 902.28
ACH	CARAZA, TERESA	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	146.92
	CARAZA, TERESA	\$ 146.92
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM 469.46
	ANDERSON, JOHN	\$ 469.46
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM 706.98
	SANTA CRUZ, JACQUELYN	\$ 706.98
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM 23.62
	HECK, ROSELYN	\$ 23.62
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM 297.23
	SOPICKI, LEO	\$ 297.23
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	HEALTH PREM 418.83
	HERNANDEZ, BENJAMIN	\$ 418.83
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 125.00
	GOSE, ROSEMARY	\$ 125.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM 125.00
	KEHL, BARRETT	\$ 125.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM 125.00
	RITCHIE, JANN	\$ 125.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM 418.83
	LONG, ROCKWELL DEE	\$ 418.83
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM 125.00
	FATTAHI, MIR	\$ 125.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM 297.23
	VERGARA, FLORENTINO	\$ 297.23

Check	Payee / Description	Amount
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM 172.23
	WARMAN, RALPH	\$ 172.23
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 172.23
	ROGERS, SHIRLEY	\$ 172.23
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 271.92
	WALL, DAVID	\$ 271.92
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 148.62
	CHUNG, MICHAEL	\$ 148.62
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 172.23
	ADAMS, PAMELA	\$ 172.23
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 962.66
	BLASINGAME, MARY	\$ 962.66
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 23.62
	ANDERSON, KENNETH	\$ 23.62
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 23.62
	MOE, JAMES	\$ 23.62
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 706.98
	POLACEK, KEVIN	\$ 706.98
ACH	ELROD, SONDR Reim Monthly Health Prem	HEALTH PREM 283.25
	ELROD, SONDR	\$ 283.25
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 177.53
	FRAZIER, JACK	\$ 177.53
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 125.00
	HOAK, JAMES	\$ 125.00

Check Payee / Description Amount

ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM	146.92
	DEZHAM, PARIVASH	\$	146.92
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM	146.92
	FOLEY III, DANIEL J.	\$	146.92
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM	125.00
	CLEVELAND, JAMES	\$	125.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM	845.41
	LANGNER, CAMERON	\$	845.41
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM	146.92
	HAMILTON, LEANNE	\$	146.92
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM	128.00
	HOOSHMAND, RAY	\$	128.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM	125.00
	SCHLAPKOHL, JACK	\$	125.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM	177.53
	POOLE, PHILLIP	\$	177.53
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM	148.62
	ADAMS, BARBARA	\$	148.62
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM	458.68
	RUESCH, GENECE	\$	458.68
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM	543.83
	VANDERPOOL, LARRY	\$	543.83
ACH	DECOITE, JOANN Reim Monthly Health Prem	HEALTH PREM	125.00

Check	Payee / Description	Amount
	DECOITE, JOANN	\$ 125.00
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 543.83
	AMBROSE, JEFFREY	\$ 543.83
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 283.25
	MERRILL, DIANE	\$ 283.25
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 613.76
	HOUSER, ROD	\$ 613.76
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 146.92
	RUSSO, VICKI	\$ 146.92
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 418.83
	HUSS, KERRY	\$ 418.83
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 581.98
	BINGHAM, GREGG	\$ 581.98
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 125.00
	CHARLES, DAVID	\$ 125.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 125.00
	YEBOAH, ERNEST	\$ 125.00
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Polymer 748E	34021 4,992.84
	RP2-18,400 Lbs Polymer 748E	34072 19,971.36
	RP1-13,800 Lbs Polymer 750A	34022 18,343.84
	AQUA BEN CORPORATION	\$ 43,308.04
ACH	HASCO OIL COMPANY, INC. RP5-Mobil SHC 626	0198077-IN 3,673.54
	HASCO OIL COMPANY, INC.	\$ 3,673.54
ACH	SANTA ANA WATERSHED December 2015 Truck Discharge	8768 244.50
	SANTA ANA WATERSHED	\$ 244.50



Check	Payee / Description	Amount
ACH	STANDARD & POOR'S 08B Bnds- Analytical Svcs-LOC Sub-Sumito 11301273	7,500.00
	STANDARD & POOR'S \$	7,500.00
ACH	DANRAE, INC EN15052-12/2015 Professional Services 141115	525.00
	EN13016-12/2015 Professional Services 141116-R	1,137.50
	EN13018-12/2015 Professional Services 141117-R	1,050.00
	DANRAE, INC \$	2,712.50
ACH	DANRAE, INC EN15032-12/2015 Professional Services 141118	612.50
	DANRAE, INC \$	612.50
ACH	OMNIEARTH INC WR15022-10/1-11/11 Prof Svcs 2542	32,041.75
	OMNIEARTH INC \$	32,041.75
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 26 12/24 PERS HR 0039500	240,492.05
	PUBLIC EMPLOYEES RETIREMENT SY\$	240,492.05
Wire	STATE BOARD OF EQUALIZATION 12/15 Sales Tax Deposit 23784561 12/1	9,065.00
	STATE BOARD OF EQUALIZATION \$	9,065.00
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 1 1/8 Deferred Comp Ded HR 0039600	13,370.00
	PUBLIC EMPLOYEE'S RETIREMENT S\$	13,370.00
Wire	STATE DISBURSEMENT UNIT P/R 1 1/8 HR 0039600	1,135.25
	STATE DISBURSEMENT UNIT \$	1,135.25
Wire	PUBLIC EMPLOYEES' RETIREMENT S 1/16 Health Ins-Retirees, Board, Employees 1918 1/16	224,705.34
	PUBLIC EMPLOYEES' RETIREMENT S\$	224,705.34
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 2 1/22 Deferred Comp Ded HR 0040100	13,281.57
	PUBLIC EMPLOYEE'S RETIREMENT S\$	13,281.57
Wire	STATE DISBURSEMENT UNIT P/R 2 1/22 HR 0040100	1,135.25
	STATE DISBURSEMENT UNIT \$	1,135.25
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 2 1/22 PERS HR 0040100	243,614.16

Check	Payee / Description	Amount
	PUBLIC EMPLOYEES RETIREMENT SY\$	243,614.16
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 1 1/8 PERS	
	HR 0039600	290,803.99
	PUBLIC EMPLOYEES RETIREMENT SY\$	290,803.99
Wire	METROPOLITAN WATER DISTRICT November 2015 Water Purchase	
	8530	1,121,153.80
	METROPOLITAN WATER DISTRICT \$	1,121,153.80
Wire	UNION BANK OF CALIFORNIA 08B 10/1/15-1/15/16 LOC Fees	
	S322655M 1/16	58,698.17
	UNION BANK OF CALIFORNIA \$	58,698.17
Wire	SUMITOMO MITSUI BANKING CORP 08B LOC COI Legal Fees	
	LG/MIS/NY-091	1,952.13
	SUMITOMO MITSUI BANKING CORP \$	1,952.13

Grand Total Payment Amount: \$ 6,378,478.89



# INLAND EMPIRE UTILITIES AGENCY

**PAYROLL FOR JANUARY 8, 2016**

**PRESENTED AT BOARD MEETING ON MARCH 16, 2016**

GROSS PAYROLL COSTS			\$1,298,938.68
DEDUCTIONS			(\$571,385.33)
NET PAYROLL			<u>\$727,553.35</u>
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED	-		
TRANSACTION PROCESSED	0	330	330
AMOUNT	\$0.00	\$727,553.35	<u>\$727,553.35</u>

# INLAND EMPIRE UTILITIES AGENCY

## RATIFICATION OF BOARD OF DIRECTORS

### PAYROLL FOR JANUARY 8, 2016 PRESENTED AT BOARD MEETING ON MARCH 16, 2016

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$3,178.39	\$748.51
TERRY L. CATLIN	\$2,965.25	\$872.27
STEVEN J. ELIE	\$3,190.25	\$607.65
JASMIN HALL	\$2,394.86	\$1,454.81
GENE T. KOOPMAN	\$1,752.99	\$415.39
<b>TOTALS</b>	<b>\$13,481.74</b>	<b>\$4,098.63</b>

TOTAL EFTS PROCESSED	1
BEGINNING CHECK NO.	105645
ENDING CHECK NO.	105648
TOTAL CHECKS PROCESSED	4

**IEUA DIRECTOR PAYSHEET**

**MICHAEL CAMACHO**

**EMPLOYEE NO. 1140**

**ACCOUNT NO. 10200 110100 100000 501010**

**DECEMBER 2015**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
12-02-15	IEUA Board Workshop	Cancelled	\$-0-
12-01-15	ACWA Fall Conference	Yes	\$225.00
12-02-15	ACWA Fall Conference	Yes	\$225.00
12-09-15	Public, Legislative Affairs, & Water Resources Committee Meeting	Yes	\$225.00
12-09-15	Engineering & Operations Committee	Yes (same day)	\$-0-
12-16-15	IEUA Board Meeting	Yes	\$225.00
12-16-15	IEUA Holiday Luncheon & STAR Awards	Yes (same day)	\$-0-
12-18-15	Breakfast mtg. w/J. Hanula from MWH	Yes	\$225.00
12-22-15	West Valley Telecon Mtg. W/ Director Elie, GM Grindstaff & C. Berch	Yes (staff)	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83, including MWD meetings)			\$1,125.00
<b>Total No. of Meetings Attended</b>			8
<b>Total No. of Meetings Paid</b>			5

**DIRECTOR SIGNATURE**

*Michael Camacho*

**Approved by:**

*Terry Catlin*  
Terry Catlin, President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON MWD BOARD**

**MICHAEL CAMACHO  
EMPLOYEE NO. 1140  
ACCOUNT NO. 10200 110100 100000 501010**

**DECEMBER 2015**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
12-01-15	OP & T Committee Telecon update	No	\$-0-
12-07-15	MWD Standing Committee Meetings	Yes	\$225.00
12-08-15	MWD Standing Committee and Board Meetings	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			<b>\$450.00</b>
<b>Total No. of Meetings Attended</b>			<b>2</b>
<b>Total No. of Meetings Paid</b>			<b>2</b>

**DIRECTOR SIGNATURE** 

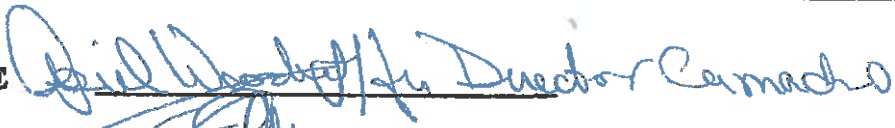
**Approved by:**   
Terry Catlin  
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

**MICHAEL CAMACHO**  
**EMPLOYEE NO. 1140**  
**ACCOUNT NO. 10200 110100 100000 501010**

**DECEMBER 2015**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
12-03-15	Regional Policy Committee Mtg.	Cancelled	\$-0-
<b>TOTAL REIMBURSEMENT</b>			<b>\$-0-</b>
Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings			
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR SIGNATURE** 

**Approved by:**   
**Terry Catlin**  
**President, Board of Directors**


**IEUA DIRECTOR PAYSHEET**

TERRY CATLIN  
 EMPLOYEE NO. 615  
 ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-02-15	IEUA Board Workshop	Cancelled	\$-0-
12-01-15	ACWA Fall Conference	Yes (Decline Pmt)	\$-0-
12-02-15	ACWA Fall Conference	Yes (Decline Pmt)	\$-0-
12-03-15	ACWA Fall Conference	Yes (Decline Pmt)	\$-0-
12-03-15	BIA 2015 Holiday Charity Gala to accept IEUA Award	Yes	\$225.00
12-09-15	Audit Committee	Yes	\$225.00
12-09-15	Engineering & Operations Committee	Yes (same day)	\$-0-
12-16-15	Board Meeting	Yes	\$225.00
12-16-15	IEUA Holiday Luncheon and STAR Awards	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			<b>\$675.00</b>
Total No. of Meetings Attended			8
Total No. of Meetings Paid			3 ✓

**DIRECTOR  
 SIGNATURE**



**Approved by:**



Steven J. Elie  
 Secretary/Treasurer, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON SAWPA COMMISSION**

TERRY CATLIN  
EMPLOYEE NO. 615  
ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-15	SAWPA Commission Workshop	Cancelled	\$-0-
12-15-15	SAWPA Commission Meeting	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) including Agency meetings* (SAWPA \$188.40(2015))			\$225.00
Total No. of SAWPA Meetings Attended			1
Total No. of SAWPA Meetings Paid			1

DIRECTOR  
SIGNATURE \_\_\_\_\_

Approved by: \_\_\_\_\_

*for*   
Steven J. Elie  
Secretary/Treasurer, Board of Directors

\*SAWPA will pay \$188.40 (2015) per meeting directly to the Agency.

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON CHINO DESALTER AUTHORITY**

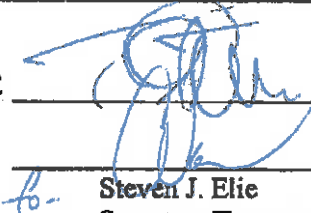
TERRY CATLIN  
EMPLOYEE NO. 615  
ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-10-15	CDA Board Meeting	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b>			\$225.00
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$75.00 – difference between CDA (\$150.00 And Agency meetings \$225.00) including Agency meetings			
Total No. of CDA Meetings Attended			1
Total No. of CDA Meetings Paid			\$225.00

DIRECTOR SIGNATURE \_\_\_\_\_

Approved by: \_\_\_\_\_



Steven J. Elie  
Secretary/Treasurer, Board of Directors

\*Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency.



**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON REGIONAL POLICY COMMITTEE**

TERRY CATLIN  
EMPLOYEE NO. 615  
ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-15	Regional Policy Committee Mtg.	Cancelled	\$-0-

<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings	\$-0-
Total No. of Meetings Attended	0
Total No. of Meetings Paid	0

**DIRECTOR  
SIGNATURE**



**Approved by:**

*for*   
Steven J. Elie  
Secretary/Treasurer, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON WATERMASTER BOARD (ALTERNATE)**

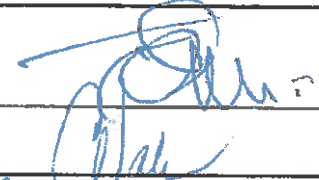
TERRY CATLIN  
EMPLOYEE NO. 615  
ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-24-15	CBWM Advisory Cmte. Meeting	Cancelled	\$-0-
12-24-15	CBWM Board Meeting	Cancelled	\$-0-
<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$100.00 – difference between Watermaster \$125.00 and District meetings \$225.00), including District meetings			\$-0-
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

DIRECTOR SIGNATURE \_\_\_\_\_

Approved by: \_\_\_\_\_

*fe*   
Steven J. Elie  
Secretary/Treasurer, Board of Directors

**IEUA DIRECTOR PAYSHEET**

STEVEN J. ELIE  
 EMPLOYEE NO. 1175  
 ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-02-15	IEUA Board Workshop	Cancelled	\$-0-
12-01-15	ACWA Fall Conference	Yes	\$225.00
12-02-15	ACWA Fall Conference	Yes	\$225.00
12-03-15	ACWA Fall Conference	Yes	\$225.00
12-09-15	Audit Committee (alternate)	Yes	\$225.00
12-09-15	Public, Legislative Affairs and Water Resources Committee	Yes (same day)	\$-0-
12-09-15	Finance, Legal & Administration Committee	Yes (same day)	\$-0-
12-16-15	IEUA Board Meeting	Yes	\$225.00
12-16-15	IEUA Holiday Luncheon & STAR Awards	Yes (same day)	\$-0-
12-18-15	Vila Borba Dog Park Grand Opening in Chino Hills	Yes	\$225.00
12-22-15	West Valley Telecon Mtg. W/ Director Elie, GM Grindstaff & C. Berch	Yes (staff)	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$1,350.00
Total No. of Meetings Attended			10
Total No. of Meetings Paid			6

DIRECTOR SIGNATURE 

Approved By:   
 Terry Catlin  
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA  
ON WATERMASTER BOARD**

STEVEN J. ELIE  
EMPLOYEE NO. 1175  
ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-24-15	CBWM Board Meeting	Cancelled	\$-0-

<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$100.00 – difference between Watermaster \$125.00 and District meetings \$225.00), including District meetings	<b>\$-0-</b>
Total No. of Watermaster Meetings Attended	0
Total No. of Watermaster Meetings Paid	0

\*Decline IEUA portion

DIRECTOR SIGNATURE 

Approved by:   
Terry Catlin  
President, Board of Directors

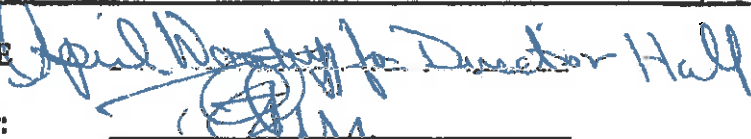
**IEUA DIRECTOR PAYSHEET**

JASMIN A. HALL  
 EMPLOYEE NO. 1256  
 ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
11-16-15	Association of Special Districts Dinner Meeting (omitted from November paysheet)	Yes	\$225.00
12-02-15	IEUA Board Workshop	Cancelled	\$-0-
12-01-15	ACWA Fall Conference	Yes	\$225.00
12-02-15	ACWA Fall Conference	Yes	\$225.00
12-03-15	ACWA Fall Conference	Yes	\$225.00
12-09-15	Audit Committee	No	\$-0-
12-14-15	Association of Special District Dinner Meeting	Yes	\$225.00
12-15-15	Meeting with GM Grindstaff to discuss Agency business	Yes (staff)	\$-0-
12-15-15	AABE Year-end telecom mtg.	Yes	\$225.00
12-16-15	IEUA Board Meeting	Yes	\$225.00
12-16-15	IEUA Holiday Luncheon & STAR Award Presentation	Yes (same day)	\$-0-
12-18-15	Supervisor Curt Hagman Open House	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$1,800.00
Total No. of Meetings Attended			10 (1 mtg. fr. Nov.)
Total No. of Meetings Paid			8 (1 mtg. fr. Nov.)

DIRECTOR SIGNATURE



Approved by:

Terry Catlin, President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA  
ON SAWPA COMMISSION (ALTERNATE)**

**JASMIN A. HALL  
EMPLOYEE NO. 1256  
ACCOUNT NO. 10200 110100 100000 501010**

**DECEMBER 2015**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-15	SAWPA Commission Workshop	Cancelled	\$0-
12-15-15	SAWPA Commission Meeting	Yes	\$0-
<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$36.60 – difference between SAWPA (\$188.40 (2015) And Agency meetings \$225.00) including Agency meetings			\$36.60
Total No. of SAWPA Meetings Attended			1
Total No. of SAWPA Meetings Paid			1

**DIRECTOR  
SIGNATURE**

*Jasmin A. Hall for Director Hall*

Approved by:

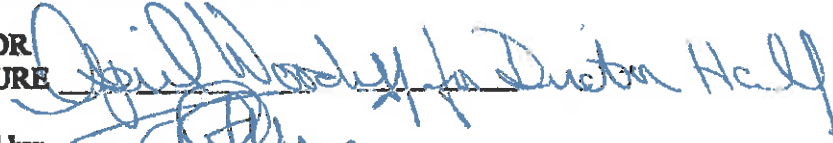
**Terry Catlin  
President, Board of Directors**

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON CHINO DESALTER AUTHORITY (ALTERNATE)**

**JASMIN A. HALL  
EMPLOYEE NO. 1256  
ACCOUNT NO. 10200 110100 100000 501010**

**DECEMBER 2015**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
12-10-15	CDA Board Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b>			<b>\$-0-</b>
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$45.00 – difference between CDA (\$150.00 And Agency meetings \$195.00 excludes alternate) including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

**DIRECTOR SIGNATURE** 

**Approved by:**   
Terry Catlin  
President, Board of Directors

**IEUA DIRECTOR PAYSHEET**

**GENE KOOPMAN**  
**EMPLOYEE NO. 642**  
**ACCOUNT NO. 10200 110100 100000 501010**

**DECEMBER 2015**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
12-02-15	IEUA Board Workshop	Cancelled	\$-0-
12-09-15	Finance, Legal, & Administration Committee	Yes	\$225.00
12-16-15	IEUA Holiday Luncheon & STAR Awards Presentation	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			<b>\$450.00</b>
<b>Total No. of Meetings Attended</b>			<b>2</b>
<b>Total No. of Meetings Paid</b>			<b>2</b>

**REPRESENTATIVE'S SIGNATURE**

*Gene Koopman*  
 \_\_\_\_\_  
*Terry Catlin*

**Approved by:**

\_\_\_\_\_  
**Terry Catlin**  
**President, Board of Directors**



# INLAND EMPIRE UTILITIES AGENCY

**PAYROLL FOR JANUARY 22, 2016**

**PRESENTED AT BOARD MEETING ON MARCH 16, 2016**

GROSS PAYROLL COSTS			\$1,212,861.56
DEDUCTIONS			(\$543,933.37)
NET PAYROLL			<u>\$668,928.19</u>
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED	-	0	0
TRANSACTION PROCESSED	0	331	331
AMOUNT	\$0.00	\$668,928.19	<u>\$668,928.19</u>


**CONSENT  
CALENDAR  
ITEM**


**2C**

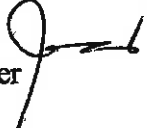
Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (3/9/16)  
Finance, Legal, and Administration Committee (3/9/16)

From: P. Joseph Grindstaff   
General Manager

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

Jason Gu   
Grants Officer

Subject: Adoption of Resolutions for a Small Community Grant Application

---

### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2016-3-1, authorizing the General Manager to sign a Financial Assistance Agreement with the State Water Resources Control Board (SWRCB) for a Planning Grant application through the Small Community Wastewater Grant Program; and
2. Adopt Resolution No. 2016-3-2, dedicating certain revenues in connection with the Small Community Wastewater Grant Program and associated State Revolving Fund (SRF) loan financing.

### **BACKGROUND**

Groundwater represents a significant source of drinking water supply in the Chino Basin. Nitrate contamination in Chino Basin groundwater drives local water agencies to operate expensive treatment processes to protect the public health and meet drinking water standards.

In 1989, the SWRCB conducted a survey on nitrate contamination and the legacy use of septic tanks. The study found that there was a link between the nitrate contamination in groundwater and septic tank use. The SWRCB created the Small Community Wastewater Grant Program offering

## Adoption of Resolutions for a Small Community Grant Application

March 16, 2016

Page 2 of 2

\$500,000 per project, without local match, to help small and disadvantaged communities in correcting public health and water quality problems.

In 2015, IEUA's Planning Department conducted a preliminary study on septic tank users within the Agency's service area. The study found that many of the septic tanks users are also in financially disadvantaged communities. The Agency issued a request for proposals for a feasibility study to further evaluate the overall economic benefit of converting the septic tank users to sewer service. The study has an estimated cost of \$300,000 to \$500,000.

In February 2016, IEUA applied for the Small Community Wastewater Planning Grant to support the study in areas that will qualify as small financially disadvantaged communities. The grant program requires the adoption of resolutions authorizing the Agency to apply for the planning grant, and to dedicate certain revenues in case a SRF loan is needed.

This grant application supports the Agency's mission to promote sustainable use of groundwater and development of local water supplies. This grant application is consistent with the Agency's mission of pursuing state and federal grant and low interest loan funding.

### **PRIOR BOARD ACTION**

None.

### **IMPACT ON BUDGET**

The grant for Project No. PL16015, Feasibility Study for Providing Sewer Service to Septic Users is seeking \$500,000 for the project, with no matching fund requirement. Upon approval by the SWRCB, the project budget will be revised to align with the grant funding. For community blocks that do not qualify for the Small Community Wastewater Planning Grant, a low interest SRF loan will be negotiated under the same application, if the Agency determines that it is necessary.

#### **Attachments:**

Resolution No. 2016-3-1

Resolution No. 2016-3-2

**RESOLUTION NO. 2016-3-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO APPLY FOR A FINANCIAL ASSISTANCE GRANT FOR THE SMALL COMMUNITY FEASIBILITY STUDY TO EVALUATE PROVIDING SEWER SERVICES TO SEPTIC USERS IN THE IEUA SERVICE AREA**

**BE IT RESOLVED**, by the Board of Directors of the Inland Empire Utilities Agency (IEUA) that the General Manager, or in his absence, his designees, is hereby authorized and directed to sign and file, on behalf of the Inland Empire Utilities Agency (IEUA), a Financial Assistance Application for a grant agreement from the State Water Resources Control Board for the Feasibility Study providing an evaluation of the septic parcels within the Agency service area to target and maximize benefit to the Agency and the Chino Groundwater Basin to provide sewer service;

**BE IT RESOLVED**, that the IEUA hereby agrees and further does authorize the General Manager, or in his absence, his designees, to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto; and

**BE IT FURTHER RESOLVED**, that the General Manager, or in his absence, his designees, is authorized to represent the IEUA in carrying out the IEUA's responsibilities under the grant agreement, including certifying disbursement requests on behalf of the IEUA and compliance with applicable state and federal laws.

**ADOPTED** this 16<sup>th</sup> day of March, 2016.

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

ATTEST:

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

STATE OF CALIFORNIA                            )  
  ) SS  
COUNTY OF SAN BERNARDINO                )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO  
HEREBY CERTIFY that the foregoing Resolution No. 2016-3-1 was adopted at a regular meeting  
on March 16, 2016 of said Agency\* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer

(SEAL)

\* A Municipal Water District

**RESOLUTION NO. 2016-3-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, SAN BERNARDINO, CALIFORNIA, DEDICATING CERTAIN REVENUES IN CONNECTION WITH THE SMALL COMMUNITY GRANT FUNDING PROGRAM AND ASSOCIATED STATE REVOLVING FUND (SRF) FINANCING FROM THE STATE WATER RESOURCES CONTROL BOARD**

**WHEREAS**, The State Water Resources Control Board (SWRCB) offers funding to assist local agencies to provide funding for the planning, design, and construction of water recycling projects that offset or augment state fresh water supplies;

**WHEREAS**, The Board of Directors of the Inland Empire Utilities Agency (IEUA) has authorized the General Manager, or in his absence, his designees, to apply for and execute the Small Community Grant and associated State Revolving Fund (SRF) loan with the SWRCB;

**WHEREAS**, IEUA has applied for the Small Community Grant and associated SRF loan from SWRCB for the Sewer Service to IEUA Septic Users Project (Project); and

**WHEREAS**, the SWRCB's SRF loan program requires each recipient to establish one or more dedicated sources of revenue for repayment of the SRF loan.

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Directors, that IEUA hereby dedicates and pledges the property tax revenue and the wastewater capital connection fees from Regional Wastewater Fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Sewer Service to IEUA Septic Users Study, CWSRF Project No. 8212-110. IEUA commits to collecting such revenues and maintaining such funds(s) throughout the term of such financing and until IEUA has satisfied its repayment obligation thereunder, unless modification or change is approved in writing by the SWRCB. So long as the financing agreements are outstanding, IEUA's pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreements are outstanding, IEUA commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreements.

**ADOPTED** this 16th day of March, 2016.

---

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

ATTEST:

---

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





# Small Community Wastewater Grant Application



## Feasibility Study - Septic Tanks to Sewer Service



Jason H. Gu  
Grants Officer

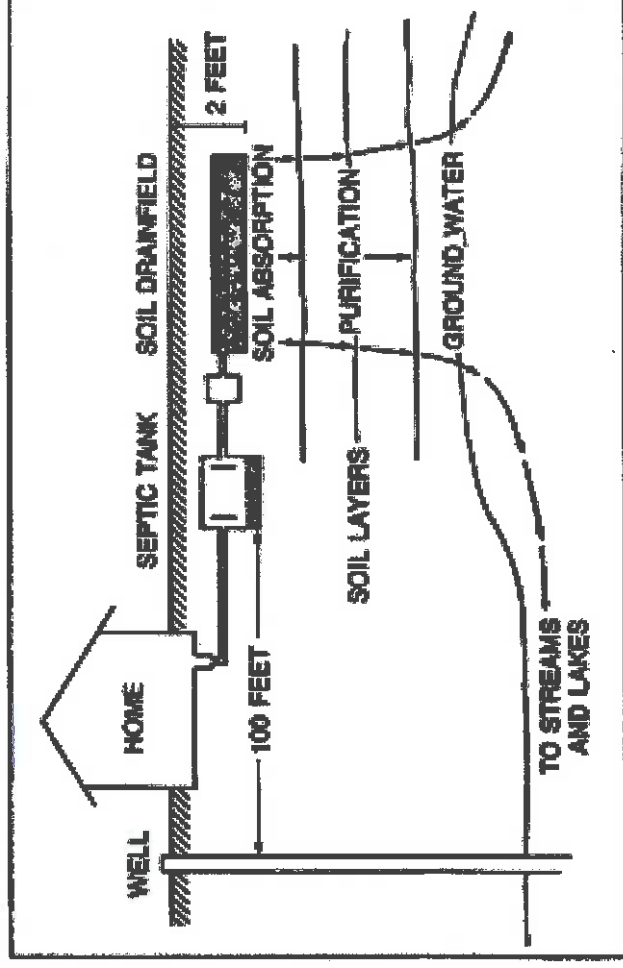
# Septic Tanks use in Service Area

- \* **Regional Water Board**

Septic tank use causes nitrate contamination in Chino Basin groundwater.

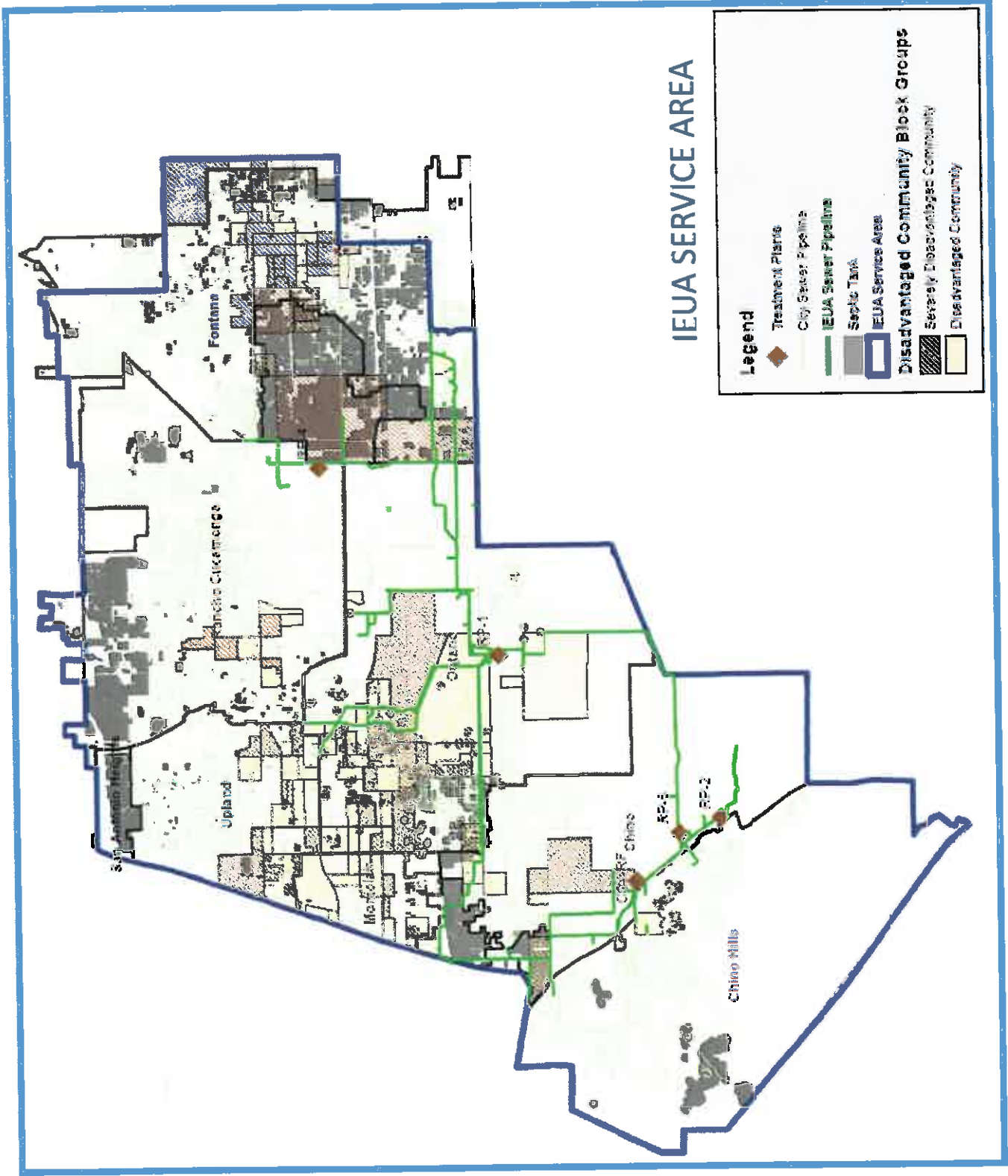
- \* **Local Agencies**

Build expensive treatment plants to protect public health and meet drinking water standards (CDA: \$300M capital, \$21M O&M)



# Feasibility Studies

- \* **2015 Planning Department Preliminary Study**
  - \* Septic tank users are in seven cities and unincorporated areas.
  - \* Many of the areas are financially disadvantaged communities.
- \* **2016 RFP for Feasibility Study**
  - \* Convert septic tank users to sewer service (connect to IEUA).
  - \* Technical feasibility and cost effectiveness to all stakeholders.
  - \* Overall economical and environmental benefits.
  - \* \$500,000 estimated feasibility study cost included in current budget.



# IEUA SERVICE AREA

**Legend**

- Treatment Plant
- City Sewer Pipeline
- IEUA Sewer Pipeline
- Septic Tank
- IEUA Service Area
- Disadvantaged Community Block Groups**
  - Severely Disadvantaged Community
  - Disadvantaged Community



# FONTANA

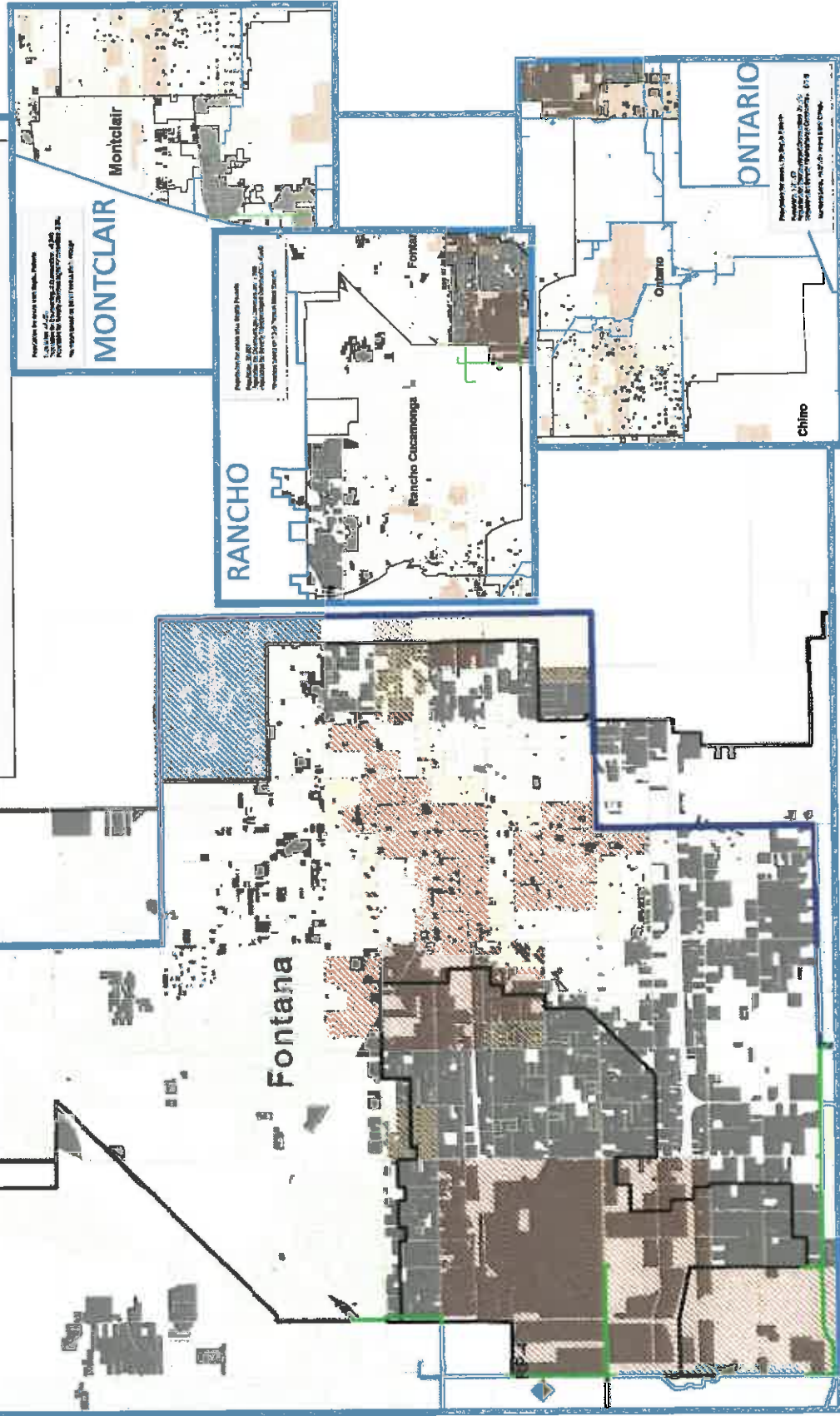
## Population for areas with Septic Parcels

Population: 200,658

Population for Disadvantaged Communities: 21,870

Population for Severely Disadvantaged Communities: 31,546

\*Numbers based on 2010 Census Block Groups\*



# Small Community Wastewater Grant (SCWG)

- \* **Grant Program**
  - \* Public health and water quality problems.
  - \* Financially disadvantaged communities.
  - \* Populations < 20,000 and Median Household Income < 80%.
  - \* \$500,000 planning grant to DAC without local match.
  - \* Planning grant can be rolled into construction SRF loan.
- \* **Planning Grant Application**
  - \* Submitted in February 2016, seeking \$500,000.
  - \* The SCWG grant requires two resolutions by IEUA Board.

# Recommendation

- \* Adopt Resolution No. 2016-3-1, authorizing the General Manager to execute the Financial Assistance Agreement & Related Documents
- \* Adopt Resolution No. 2016-3-2, dedicating certain revenues in connection with the grant application

*This action supports Agency's mission of promoting sustainable use of groundwater and increase local water supply. It is consistent with the Agency's mission of pursuing grants and loan interest financing.*

**CONSENT  
CALENDAR  
ITEM**

**2D**





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Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/09/16)

From: P. Joseph Grindstaff  
General Manager 

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

Sylvie Lee   
Manager of Planning and Environmental Resources

Subject: Resolution No. 2016-3-3, for SGMA Basin Boundary Modification

---

### **RECOMMENDATION**

It is recommended that the Board of Directors adopt Resolution No. 2016-3-3, for the Agency to initiate a SGMA boundary change request to the California Department of Water Resources recommending that the Bulletin 118 Basin Boundary of the Chino Basin be conformed to the adjudicated Chino Basin boundary throughout the majority of the Chino Basin.

### **BACKGROUND**

The California Legislature passed the Sustainable Groundwater Management Act (SGMA), which was signed into law by the Governor and went into effect on January 1, 2015. The goals of SGMA are to provide for the sustainable management of California's groundwater basins through the actions of local government agencies while minimizing state intervention. The SGMA exempts adjudicated groundwater basins from certain requirements. Within its adjudicated basin boundaries, the Chino Basin is exempt from certain requirements of the SGMA. However, the Chino Basin boundary as defined by the State Department of Water Resources (DWR) in Bulletin 118 does not precisely align with the Chino Basin adjudicated boundary. These differences have the potential to create vacancies and/or overlaps in the groundwater management responsibilities required by the SGMA.

DWR allows local agencies (with a portion of their service area within or adjacent to a groundwater basin) to request a modification of their Bulletin 118 basin boundaries. Because a portion of the Agency's service area overlies the Chino Basin, the Agency may submit a request to the DWR for modification of the Chino Basin Bulletin 118 Boundary (Chino Basin Boundary

Resolution for SGMA Basin Boundary Modification

March 16, 2016

Page 2 of 2

Modification). The Chino Basin Watermaster (CBWM), which is charged with the implementation of the Chino Basin Judgment's Physical Solution, is not defined by DWR as a local agency and is thus not eligible to request a basin boundary modification. CBWM has requested that IEUA, Three Valleys Municipal Water District and the Western Municipal Water District, each request, as the local agencies, the Chino Basin Boundary Modification. A requirement of the change request is that each of the local agency pass and submit a resolution in support of the boundary change request.

IEUA has prepared a resolution to formally initiate a request with DWR for the Bulletin 118 Chino Basin Boundary to be modified to conform to the adjudicated basin boundary throughout the majority of the Chino Basin, with some minor variations. The Basin Boundary Modification Request submitted to DWR will be supported by data and technical analysis provided by CBWM and Wildermuth Environmental, Inc.

On February 17, 2016, the Chino Basin Boundary Modification was presented as an informational item to the IEUA Board of Directors. Following the presentation, a notice of intent was submitted to DWR stating that IEUA would file a request for the Chino Basin Boundary Modification. The notice of intent allows notification by DWR to stakeholders of the intended boundary change. Boundary change requests are due to DWR by March 31, 2016.

The Chino Basin Boundary Modification Request is consistent with the IEUA business goal of *Water Reliability* by providing for sustainable groundwater management in the Chino Basin and enhancing local management of groundwater in the Chino Basin and surrounding basins.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

Attachment: Resolution No. 2016-3-3

# Resolution for Sustainable Groundwater Management Act (SGMA) Basin Boundary Modification Request for Chino Basin

State of California  
The Resources Agency  
Department of Water Resources

## CALIFORNIA'S GROUNDWATER

BULLETIN 118 Update 2003

October 2003



*Inland Empire Utilities Agency*

**A MUNICIPAL WATER DISTRICT**

Andy Campbell

IEUA Board of Directors Meeting

March 2016

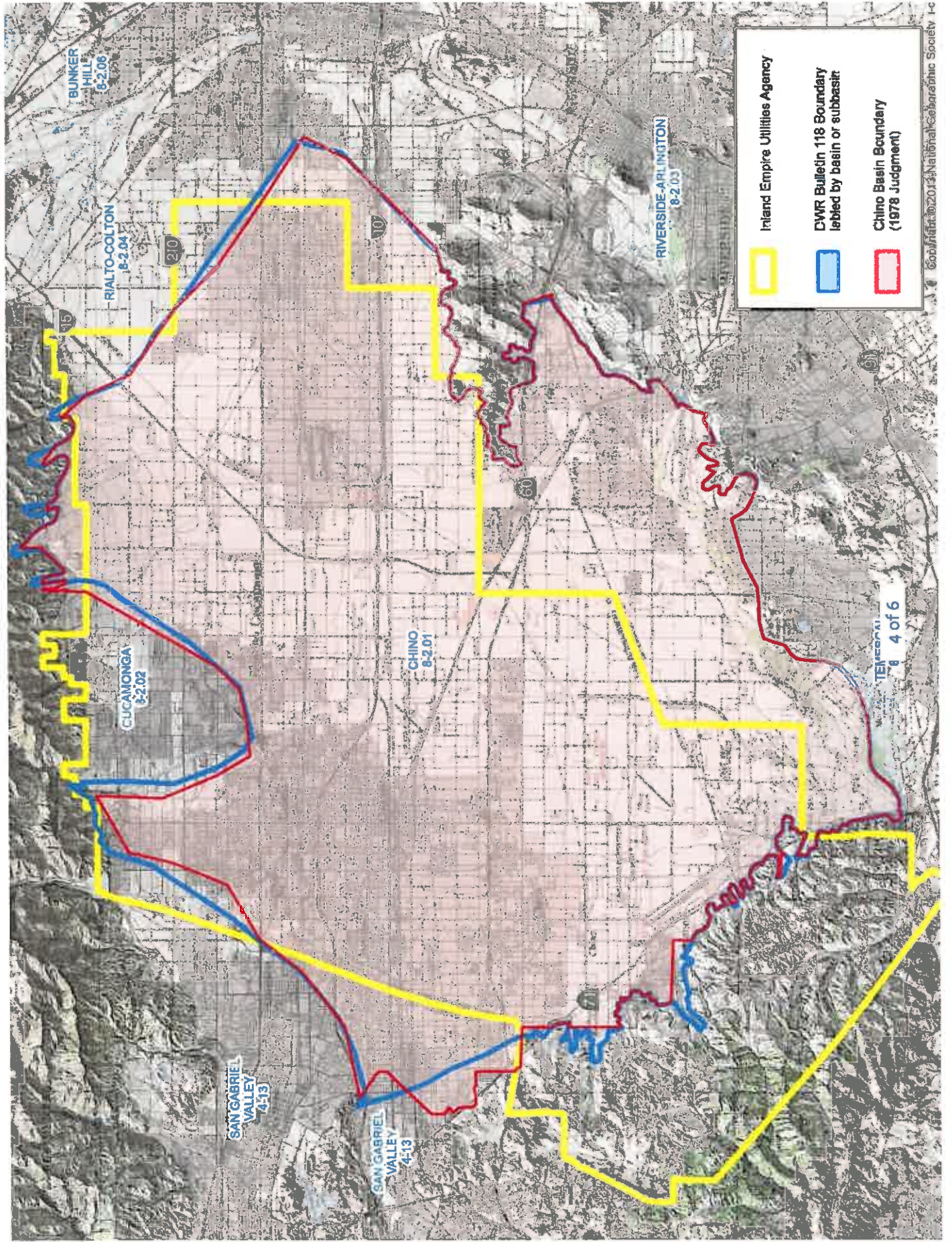
# 2014 SGMA

- SGMA contains laws to protect groundwater basins providing water for CA in dry years.
- Groundwater resources are to be managed sustainably for long-term reliability.
- SGM is best achieved locally through the development, implementation, and updating of plans and programs.

# Basin Boundary Emergency Regulations

- Discrepancy between the adjudicated and DWR Bulletin 118 basin boundaries creates uncertainty.
- Regulations provide a mechanism through which internal basin boundaries may be revised to conform with jurisdictional boundaries.







# Chino Basin Watermaster (CBWM) Request

- Update Bulletin 118 Chino Basin boundaries to match adjudicated boundaries.
- CBWM cannot request a change as it is not a local agency.
- CBWM to provide technical and supporting documentation.
- IEUA, WMWD, TVMWD to submit Basin Boundary Modification Requests by March 31, 2016.





# Recommendation

Adopt Resolution 2016-3-3 for the Agency to initiate a SGMA boundary change request to DWR recommending that the Bulletin 118 Basin Boundary of the Chino Basin be conformed to the adjudicated Chino Basin boundary.

The Chino Basin Boundary Modification Request is consistent with the Agency's **Business Goal of Water Reliability** by providing for sustainable groundwater management in the Chino Basin and enhancing local management of groundwater in the Chino Basin and surrounding basins.



**RESOLUTION NO. 2016-3-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
INLAND EMPIRE UTILITIES AGENCY\*, SAN  
BERNARDINO COUNTY, CALIFORNIA, REQUESTING  
BOUNDARY MODIFICATION FOR THE CHINO  
GROUNDWATER BASIN UNDER THE SUSTAINABLE  
GROUNDWATER MANAGEMENT ACT**

**WHEREAS**, the Inland Empire Utilities Agency (“Agency”) is a California Special District, created to serve as the water wholesale agency for seven cities, serving approximately 830,000 people, in southwestern San Bernardino County; and

**WHEREAS**, the Agency’s service area overlies a portion of the Chino Subbasin (8-02.01) (“Chino Basin”) of the Upper Santa Ana Valley Basin (8-02); and

**WHEREAS**, the judgment in *Chino Basin Municipal Water District v. City of Chino*, et al., (“Chino Basin Judgment”) in 1978 established a Physical Solution for the management of the Chino Basin and defined the boundaries of the Chino Basin (the “Adjudicated Basin Boundary”) for the purpose of allocation and management of the groundwater supplies therein; and

**WHEREAS**, the California Legislature passed the Sustainable Groundwater Management Act (SGMA), which was signed into law by the Governor and went into effect on January 1, 2015, with the goals of providing for the sustainable management of California’s groundwater basins and managing groundwater basins through the actions of local government agencies to the greatest extent feasible while minimizing state intervention; and

**WHEREAS**, the SGMA exempts adjudicated groundwater basins from certain requirements relating to establishment of groundwater sustainability agencies and promulgation of groundwater sustainability plans; and, as an adjudicated basin, the Chino Basin is exempt from those certain requirements of the SGMA to the extent of the Adjudicated Basin Boundaries; and

**WHEREAS**, the California Department of Water Resources (DWR) has issued Bulletin 118, which delineates boundaries for California’s 515 alluvial groundwater basins and sub-basins, and was last updated in 2003; and for the purpose of implementation of the SGMA, the initial boundaries of the groundwater basins and sub-basins subject to the SGMA’s management provisions are those delineated by Bulletin 118; and

**WHEREAS**, the Chino Basin as defined in Bulletin 118 (“Bulletin 118 Basin Boundary”) does not precisely align with the Adjudicated Basin Boundary, which has the potential to create confusion and conflicting groundwater management schemes in different areas of the Chino Basin, as well as areas not subject to sustainable groundwater management required by the SGMA; and

**WHEREAS**, the DWR has promulgated regulations that allow local agencies with a service area or portion of a service area within or adjacent to a groundwater basin or sub-basin to request a modification of the boundaries of the basin or sub-basin; and because a portion of the Agency’s service area overlies the Chino Basin, the Agency is eligible to submit a request to the DWR for modification of the Bulletin 118 Boundary; and

**WHEREAS**, requesting a modification to basin boundaries is exempt from the California Environmental Quality Act (CEQA) because adoption of these regulations is not a project under CEQA, and, assuming requesting a modification to basin boundaries did constitute a project, it would nonetheless be exempt from CEQA because there is no possibility that the adoption of the proposed modifications to a the Basin Boundary will have a significant effect on the environment, the activity is taken in protection of natural resources, and the activity is taken in protection of the environment. (Pub. Res. Code §21065, 14 CCR §§ 15060, 15061, 15307, 15308, 15378.) Further, SGMA exempts preparation and adoption of Groundwater Sustainability Plans from CEQA review, and the existence of an alternative compliance mechanism would not require CEQA review, for the purposes of both of which (as applicable) this basin boundary modification request is a necessary initial step. (Wat. Code § 10728.6); and

**WHEREAS**, the entity charged with the implementation of the Chino Basin Judgment's Physical Solution, the Chino Basin Watermaster ("Watermaster") is not a local agency eligible to request a basin boundary modification, and has requested that the Agency serve as a requesting agency, along with the Three Valleys Municipal Water District and the Western Municipal Water District, in order to request a modification of the Bulletin 118 Basin Boundary.

**NOW, THEREFORE BE IT RESOLVED BY** the Board of Directors that:

- 1) In furtherance of the interest of safe, sustainable, consistent management of the groundwater resources of the Chino Basin, the Agency will serve as a requesting agency, along with the Three Valleys Municipal Water District and Western Municipal Water District, to formally initiate a request to modify the Bulletin 118 Basin Boundary of the Chino Basin ("Basin Boundary Modification Request"); and
- 2) The Basin Boundary Modification Request will request that the DWR, for the purpose of implementation and enforcement of the SGMA, recommend that the Bulletin 118 Basin Boundary be conformed to the Adjudicated Basin Boundary throughout the majority of the Chino Basin, with certain variations; and
- 3) The Basin Boundary Modification Request will be supported by data and technical analysis provided by Wildermuth Environmental, Inc. ("WEI"), and will be requested in conjunction with Watermaster. The Basin Boundary Modification Request will include all supporting information required by Article 5 of Subchapter 1, Chapter 1.5, Division 2 of Title 23 of the California Code of Regulations, and will include both Jurisdictional Modifications and Scientific Modifications, as those terms are defined in the California Code of Regulations; and
- 4) The Jurisdictional Modifications will define the borders between the Chino Basin and the adjacent adjudicated basins, conforming the Bulletin 118 boundaries to those decreed by the adjudications; the exemption of adjudicated basins in SGMA reflects the fact that effective groundwater management in adjudicated basins is expected to be maintained through the adjudication courts; the conformity created by the Jurisdictional Modifications will eliminate confusion relating to the court responsible for basin management and clearly delineate boundaries between adjudicated basins; the resulting predictability and consistency will ensure effective groundwater management in the Chino Basin and in adjacent adjudicated basins; and

- 5) The Scientific Modifications address small portions of the Bulletin 118 Basin Boundary that lie along the perimeter of the Chino Basin but are not within the Adjudicated Basin Boundary; available science indicates that those areas do not fit within the definition of an aquifer included in the Code of Regulations, at section 341(f); as such, designation of a Groundwater Sustainability Agency and creation of a Groundwater Sustainability Plan for these areas would not benefit sustainable groundwater management in the Chino Basin; conformance to the Adjudicated Basin Boundaries will ensure consistent and effective groundwater management and protect the investments of entities using groundwater within the Chino Basin; and
- 6) The Basin Boundary Modification Request is consistent with the goals of the SGMA, will better provide for sustainable groundwater management in the Chino Basin and enhance local management of groundwater in the Chino Basin and surrounding basins.

**ADOPTED** this 16<sup>th</sup> day of March, 2016.

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

ATTEST:

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

\*A Municipal Water District

STATE OF CALIFORNIA                    )  
  ) SS  
COUNTY OF SAN BERNARDINO        )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO  
HEREBY CERTIFY that the foregoing Resolution being No. 2016-3-3, was adopted at a regular  
Board Meeting on March 16, 2016, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Steven J. Elie  
Secretary/Treasurer

\*A Municipal Water District


**CONSENT  
CALENDAR  
ITEM**


**2E**


Date: March 16, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (3/9/16)

From: P. Joseph Grindstaff   
General Manager

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

 Warren Green  
Manager of Contracts and Facility Services

Subject: Adoption of Resolutions for Design-Build Projects and Conflict of Interest Policy

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### **RECOMMENDATION**

It is recommended that the Board of Directors adopt, pursuant to California Senate Bill 785:

1. Resolution No. 2016-3-4, approving use of the design-build method for project delivery; and
2. Resolution No. 2016-3-5, approving a Conflict of Interest Policy for design-build projects.

### **BACKGROUND**

With the enactment of Senate Bill 785, the State of California has taken a major step forward in authorizing state and local agencies to use design-build method for project delivery. Although many California agencies have the ability to use design-build without the need for specific enabling legislation, other agencies require specific design-build legislation to utilize design-build effectively; either because they are precluded by law from using a best value selection process for design-build, or do not have the ability to bundle design and construction into a single contract.

Senate Bill 785 revises and recasts those statutes to allow additional agencies, including special districts, to utilize design-build for their public works contracts in excess of \$1 million based a low bid or best value. The bill provides several definitions that supports the Agency's participation in the design-build process including but not limited to:

## Adoption of Resolutions for Design-Build Projects and Conflict of Interest Policy

March 16, 2016

Page 2 of 3

- “Design-build” to mean a project delivery process in which both the design and construction of a project are procured from a single entity.
- “Local Agency” to mean a special district that operates wastewater facilities, solid waste management facilities, water recycling facilities, or fire protection facilities.
- “Best value” to mean the value determined by evaluation of objective criteria that may include, but not limited to, price, features, functions, life cycle costs, experience and past performance. A best value determination may involve the selection of the lowest cost proposal meeting the interests of the local agency and meeting the objectives of the project, selection of the best proposal for a stipulated sum established by the procuring agency, or a tradeoff between price and other specified factors.

If the design-build resolution is adopted by the Board, the Agency will utilize design-build for projects in accordance with the statutory requirements and procedures established by the Agency, such as, pre-qualification of potential bidders with specified elements.

Additionally, the Agency must have in place an adopted Conflict of Interest Policy (Policy) and resolution for design-build projects, in accordance with Public Contract Code 22162, the purpose of the Policy is to clarify the Agency’s organization conflict of interest guidelines applicable to design-build projects procured pursuant to Public Contract Code 22160, et seq.

Contractors and consultants participating as proposers on design-build projects or joining a design-build team may not have organizational conflicts of interest. Organizational conflicts or interests are identified as existing or past activities, business or financial interests, familial relationships, contractual relationships, etc., that result in impairment or potential impairment to render impartial assistance or advice to the Agency; offer an unfair competitive advantage for any bidder or proposer; or have the perception or appearance of impropriety with respect to the Agency’s procurements or contracts, or unfair competitive advantage.

The Policy identifies specific obligations for the proposer to make immediate and full written disclosure to the Agency. In addition, they must identify, or propose measures to avoid, neutralize or mitigate all potential conflicts. The Agency, at its sole discretion, shall determine if the proposed measures are sufficient to overcome the conflict or potential conflict. This requirement and process applies whenever a conflict is initially identified and continues as an obligation after the contract award. If a conflict of interest is discovered after the contract award is made, the contractor is obligated to immediately notify the Agency in writing. The Agency reserves the right to terminate the contract. This policy will be incorporated by reference into all design-build contracts executed by the Agency.

The implementation of the design-build process is consistent with the Agency’s Business Goal of On-Time Construction under the Wastewater Management section by ensuring that capital projects are designed and implemented in a timely and economically responsible manner.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.



# Senate Bill 785 Design-Build Process Changes



*Inland Empire Utilities Agency*

**A MUNICIPAL WATER DISTRICT**

Warren T. Green

IEUA Board of Directors Meeting  
March 2016

# SB 785 Revisions to Design-Build Process

- Allows state and local agencies to utilize the “design-build” process for infrastructure projects.
- Applies to Public Works contracts valued in excess of \$1,000,000.
- Agency may prepare a list of qualified or short-listed entities based on specific criteria.
- Allows the Agency to utilize either a “**Low Bid**” or “**Best Value**” evaluation process.
  - **Low Bid Process:** Requires competitive bids utilizing lump sum bids by prequalified design-build entities. Awards must be made to the lowest responsible bidder.
  - **Best Value Process:** A value determined by evaluation of objective criteria that may include but not limited to, price, features, functions, life-cycle costs, experience, past performance. Identified criteria must be utilized and the awarding agency reserves the right to request revisions, negotiate in good faith with responsive bidders.

# Conflict of Interest Policy-Design Build

- Policy and Resolution required pursuant to Public Contract Code 22160 and 22162.
- Declares and clarifies the Agency's organization conflict of interest guidelines for design-build projects.
  - Pre-Proposal
    - All participating contractors must not have organizational conflict of interest.
    - If conflict or potential conflict exists, participant must disclose to the Agency in writing for determination.
  - Post-Award
    - If conflict of interest is discovered, immediate disclosure to Agency is required.
    - Agency reserves the right to terminate the contract.

# Recommendations

- It is recommended that the Board of Directors adopt;
  - Resolution No. 2016-3-4, Use of California Bill 785, Wolk Design-Build, and;
  - Resolution No. 2016-3-5, Approving Organization Conflict of Interest Policy for Design-Build Projects.

The Senate Bill 785 Design-Build and Conflict of Interest policy-Design-Build is consistent with the **Agency's Business Goal of Wastewater Management** by ensuring that capital projects are designed and implemented in a timely and economically responsible manner

**RESOLUTION NO. 2016-3-4**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
INLAND EMPIRE UTILITIES AGENCY\*, SAN  
BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING  
ITS INTENTION TO INITIATE THE USE OF CALIFORNIA  
SENATE BILL 785, WOLK DESIGN-BUILD (“SB785”)**

**WHEREAS**, the Inland Empire Utilities Agency (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Projects"); and

**WHEREAS**, the Agency intends to finance the construction and/or reconstruction of the Projects or portions of the Projects with monies budgeted (Project Funds) toward the Agency’s Ten-Year Capital Improvement Plan (TYCIP); and

**WHEREAS**, the Legislature finds and declares that the design-build method of project delivery, using a “best value” procurement methodology, has been authorized for various agencies that have reported benefits from such projects including reduced project costs, expedited project completion and design features that are not achievable through the traditional design-bid-build method; and

**WHEREAS**, the new statute consolidates and amends existing laws allowing state and local agencies to use design-build, amending prior legislation, allowing infrastructure to be built using the more efficient design-build project delivery method for Projects valued over \$1,000,000.00; and

**WHEREAS**, the Agency promotes the assurance that Agency systems will be master planned, managed and constructed to ensure that when expansion and improvement planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner; and

**WHEREAS**, the Agency promotes that it will ensure that all capital projects are designed and implemented in a timely and economically responsible manner;

**NOW, THEREFORE**, the Board of Directors of the Inland Empire Utilities Agency\* does hereby **RESOLVE, ORDER AND DETERMINE AS FOLLOWS**:

**SECTION 1.** “Best Value” construction means a value determined by evaluation of objective criteria that may include, but not limited, to price, features, functions, life-cycle costs, experience, and past performance. A best value determination may involve the selection of the lowest cost proposal meeting the interests of the department and meeting the objectives of the project, selection of the best proposal for a stipulated sum established by the procuring agency, or a tradeoff between price and other specified factors.

**SECTION 2.** The Agency hereby establishes its intention to utilize California Senate Bill SB 785, Wolk Design-build (“SB785”) in concert with Public Contract Code 22162 (a) for

the overall fiscal benefit of the Agency in achieving the TYCIP and other capital improvement projects.

**SECTION 3.** This resolution shall be utilized in order to streamline contractor selections for Agency Projects within the TYCIP as well as other capital improvement projects.

**SECTION 4.** This resolution is being adopted no later than 60 days after the date on which the Agency will expend monies for the construction portions of numerous project costs to be reimbursed with Project Funds.

**SECTION 5.** Each Agency expenditure will be of a type properly chargeable to a capital account under general GAAP principles.

**SECTION 6.** To the best of our knowledge, this Agency is not aware of previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of utilizing SB785.

**SECTION 7.** This Resolution is adopted as official intent of the Agency in order to comply with all portions of the California Public Contract Code.

**SECTION 8.** All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

**ADOPTED** this 16<sup>th</sup> day of March, 2016.

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

ATTEST:

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

STATE OF CALIFORNIA                    )  
  )SS  
COUNTY OF SAN BERNARDINO        )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO  
HEREBY CERTIFY that the foregoing Resolution No. 2016-3-4 was adopted at a regular meeting  
on March 16, 2016, of said Agency\* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Steven J. Elie  
Secretary/Treasurer

(Seal)

\*A Municipal Water District



**RESOLUTION NUMBER 2016-3-5**

**RESOLUTION OF THE INLAND EMPIRE UTILITIES  
AGENCY, A MUNICIPAL WATER DISTRICT, SAN  
BERNARDINO COUNTY, CALIFORNIA APPROVING THE  
ORGANIZATIONAL CONFLICT OF INTEREST POLICY  
FOR DESIGN-BUILD PROJECTS**

**WHEREAS**, Public Contract Code section 22160, et seq, establishes the statutory guidelines applicable to design-build contracts for Public Works; and

**WHEREAS**, Public Contract Code section 22162 requires that a public agency establish Organizational Conflict of Interest guidelines applicable to design-build projects; and

**WHEREAS**, the Inland Empire Utilities Agency (Agency) desires to construct Public Works projects through utilization of the Design-Build process;

**NOW, THEREFORE**, the Board of Directors of the Agency does hereby **RESOLVE, DETERMINE, AND ORDER** as follows:

**SECTION 1.** The Agency hereby adopts the organizational Conflict of Interest Policy for Design-Build Projects, which is attached to this Resolution as Exhibit "A";

**SECTION 2.** The Organizational Conflict of Interest Policy for Design-Build Projects shall become effective upon approval of this resolution.

**ADOPTED** this 16th day of March, 2016.

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Terry L. Catlin  
President of the Inland Empire Utilities Agency\*  
and of the Board of Directors thereof

ATTEST:

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



STATE OF CALIFORNIA            )  
  )  
COUNTY OF SAN BERNARDINO )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO  
HEREBY CERTIFY that the foregoing Resolution being No. 2016-3-5, was adopted at a regular  
meeting on March 16, 2016, of said Agency by the following vote:

AYES:

NOYES:


ABSTAIN:

ABSENT:

\_\_\_\_\_  
Steven J. Elie  
Secretary/Treasurer

(SEAL)

\*A Municipal Water District

<b>Doc Number: A-90</b>		
<b>Doc Name: Conflict of Interest for Design-Build Projects</b>		
<b>Revision No: 0</b>	<b>Owner: CFS</b>	<b>Page 1 of 5</b>
<b>Effective: 2/23/2016</b>		

**EXECUTIVE SUMMARY**


The Agency is committed to efficient and effective business practices and processes ensuring transparency with our efforts. It is the Policy of the Agency to provide equal opportunities to all potential contractors and consultants participating in a design-build project. The Agency requires full disclosure from any and all participants of a design-build project where a potential or actual conflict of interest is identified, and reserves the right to determine the outcome. This policy is put in place to establish procedures regarding the implementation and enforcement of the Agency's Conflict of Interest Policy for Design-Build projects.

This policy is in line with the Agency's Wastewater Management commitment of On-Time Construction ensuring that capital projects are designed and implemented in a timely and economically responsible manners.

**REVISION AND APPROVAL HISTORY**

<b>REVIEWER</b>	<b>REVISED SECTION / PARAGRAPH / PAGE</b>	<b>REVISION</b>	<b>REVIEW DATE</b>	<b>RELEASED DATE</b>	<b>APPROVED</b>
<i>[First Last Name]</i>	<i>Entire Policy</i>	<i>XX</i>	<i>MM/DD/YYYY</i>	<i>MM/DD/YYYY</i>	<i>[First Last Name]</i>
Stephanie Riley	Entire Policy	01			Christina Valencia

***Draft and Archived/Obsolete revisions are not to be used.  
Access AIM system to view current version.***

<b>Doc Number: A-90</b> <b>Doc Name: Conflict of Interest for Design-Build Projects</b>		
<b>Revision No: 0</b> <b>Effective: 2/23/2016</b>	<b>Owner: CFS</b> <b>Page 2 of 5</b>	

**1. POLICY**

The Agency is committed to ensuring that capital projects are designed and implemented in a timely and economically responsible manner; and in accordance with fair and transparent business practices.

**2. PURPOSE**

In accordance with Public Contract Code section 22162, the purpose of this policy is to clarify the Agency’s organizational conflict of interest guidelines applicable to design-build projects procured pursuant to Public Contract Code section 22160, et seq.

**3. SCOPE**

This policy applies to all Agency employees.

**4. DEFINITIONS**

- 4.1 Design-Build Projects – Projects that include a delivery process in which both the design and construction of a project are procured from a single entity.
- 4.2 Organizational Conflicts of Interest - are circumstances arising out of a consultant’s or contractor’s existing or past activities, business or financial interests, familial relationships, contractual relationships, and/or organizational structure (e.g., parent entities, subsidiaries, affiliates) that results in (i) impairment or potential impairment of a consultant’s or contractor’s ability to render impartial assistance or advice to the Agency or of its objectivity in performing work for the Agency, (ii) an unfair competitive advantage for any bidder or proposer with respect to an Agency procurement; or iii) a perception or appearance of impropriety with respect to any of the Agency’s procurements or contracts or a perception or appearance of unfair competitive advantage with respect to a procurement by the Agency (regardless of whether any such perception is accurate).
- 4.3 Proposers - contractors and consultants participating as proposers on a design-build project or joining a design-build team.

## 5. PROCEDURES

### 5.1 Process Flow –




5.2 Contractors and consultants participating as proposers on a design-build project or joining a design-build team (“Proposers”) may not have organizational conflicts of interest.

5.3 Organizational conflicts of interest are circumstances arising out of a consultant’s or contractor’s existing or past activities, business or financial interests, familial relationships, contractual relationships, and/or organizational structure (e.g., parent entities, subsidiaries, affiliates) that results in:

- A. Impairment or potential impairment of a consultant’s or contractor’s ability to render impartial assistance or advice to the Agency or of its objectivity in performing work for the Agency;
- B. An unfair competitive advantage for any bidder or proposer with respect to an Agency procurement; or
- C. A perception or appearance of impropriety with respect to any of the Agency’s procurements or contracts or a perception or appearance of unfair competitive advantage with respect to a procurement by the Agency (regardless of whether any such perception is accurate).

5.4 An organizational conflict of interest exists in the following instances:

- A. A Proposer is the Agency’s general engineering or architectural consultant to the design-build project, except that a sub-consultant to the general engineering or architectural consultant that has not yet performed work on the contract to provide services for the design-build team project may participate as a proposer or join a design-build team if it terminates the agreement to provide work and provides no work for the Agency’s general engineering or architectural consultant on the design-build project.
- B. A Proposer has assisted or is assisting the Agency in the management of the design-build project, including the preparation of the request for proposals, evaluation criteria, or any other aspect of the procurement.
- C. A Proposer has conducted development and preparation of procurement documents including requests for qualifications, requests for proposals, invitations for bids,

<b>Doc Number: A-90</b> <b>Doc Name: Conflict of Interest for Design-Build Projects</b>		
<b>Revision No: 0</b> <b>Effective: 2/23/2016</b>	<b>Owner: CFS</b>	

contract documents and technical specifications, but excluding development and preparation of preliminary design, reports or similar “low level” documents for incorporation by others into a procurement package.


- D. A Proposer performed design work on a previous contract that specifically excludes it from participating as a proposer or joining a design-build team for the design-build project.
- E. A Proposer is under contract with any other entity or stakeholder to perform oversight of the design-build project.
- F. A Proposer has obtained advice from, or discussed any aspect relating to the design-build project or procurement of the design-build project with, any person or entity with an organizational conflict of interest, including, but not limited to, the consultants of any entity that have provided technical support on the design-build project.
- G. Any circumstances that would violate California Government Code 1090, et seq.

#### 5.5 Proposers’ Obligations

- A. Proposers must immediately make an immediate and full written disclosure to the Director, Purchasing and Contracting and shall have a continuing obligation to do so until they are no longer Proposers.
- B. If a Proposer determines that a conflict of interest or potential conflict of interest exists, it must disclose the conflict or potential conflict of interest to the Agency.
  1. Such disclosure will not necessarily disqualify a Proposer from being awarded a contract, however.
  2. The Proposer shall propose measures to avoid, neutralize, or mitigate all potential or actual conflicts.
  3. The Agency, at its sole discretion, shall determine whether the proposed measures are sufficient to overcome the conflict or potential conflict and whether the Proposer may continue with the procurement process.

#### 5.6 Contractors’ Obligations

- A. The successful Proposer to whom a contract is awarded (“Contractor”) has an ongoing obligation to monitor and disclose its conflicts or potential conflicts of interest.
- B. The Agency has a right to ongoing enforcement of this Policy.
- C. If an organizational conflict of interest is discovered after contract award, the Contractor must make an immediate and full written disclosure to the Agency that includes a description of the action that the Contractor has taken or proposes to take to avoid or mitigate such conflicts.
- D. If an organizational conflict of interest is determined to exist and the Contractor was aware of an organizational conflict of interest prior to award of the contract and did not disclose the conflict, the Agency may terminate the contract.

<b>Doc Number: A-90</b> <b>Doc Name: Conflict of Interest for Design-Build Projects</b>		
<b>Revision No: 0</b> <b>Effective: 2/23/2016</b>	<b>Owner: CFS</b>	

- E. If a new conflict of interest arises after contract award, and Contractor's proposed measures to avoid or mitigate the conflict are determined by the Agency to be inadequate to protect the Agency, the Agency may terminate the contract.
- F. If the contract is terminated, the Agency assumes no obligations, responsibilities and liabilities to reimburse all or part of the costs incurred or alleged to have been incurred by Contractor and is entitled to pursue any available legal remedies.

5.7 This policy shall be incorporated by reference into all design-build contracts executed by the Agency.

## 6. RESPONSIBILITIES

- 6.1 Proposer: disclose any conflict or potential conflict of interest to the Agency.
- 6.2 Contractor: monitor and disclose its conflicts or potential conflicts of interest.
- 6.3 Manager of CFS: Responsible for enforcement and maintenance of the policy.

## 7. REFERENCES

- 7.1 Public Contract Code section 22162
- 7.2 Public Contract Code section 22160, et seq.
- 7.3 California Government Code 1090, et seq.

**CONSENT  
CALENDAR  
ITEM**

**2F**

Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (2/10/16)  
Engineering, Operations, and Biosolids Management Committee (2/10/16)  
Finance, Legal and Administration Committee (2/10/16)

From: P. Joseph Grindstaff  
General Manager

Submitted by: Kathy Besser  
Manager of External Affairs

Subject: Resolution No. 2016-3-8, Authorizing Agency Organizational Memberships and Affiliations

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the Agency-wide memberships and affiliations for FY 2016/17, in the amount of \$238,250 (includes 5% contingency); and
2. Adopt Resolution No. 2016-3-8, authorizing Agency organizational memberships and affiliations.

### **BACKGROUND**

Each year in preparation for IEUA's fiscal year budget, the Board of Directors, by four-fifths vote, approves a resolution authorizing memberships and affiliations with certain organizations (California Water Code – Section 71597).

A listing of the proposed Agency-wide memberships greater than \$5,000, along with a brief summary of the benefits associated, is attached for the Board's review. The attached membership dues are estimates provided by the organizations. Agency-wide memberships are due throughout the fiscal year and can fluctuate from the provided estimates. Due to unknown fluctuations in renewal costs, staff proposes that a 5% contingency be included in the Board's approval. Any individual membership renewal with an increase greater than 5% will be brought back to the Board for approval.



**PRIOR BOARD ACTION**

On February 18, 2015, the Board of Directors approved the Agency-wide memberships and affiliations for FY 2015/16 in the amount of \$178,718 through adoption of Resolution No. 2015-2-2.

**IMPACT ON BUDGET**

The proposed membership fees in the amount of \$238,250 (which includes the 5% contingency) will be appropriated in the Agency's FY 2016/17 Administrative Services Fund Budget spread between multiple cost centers, under account number 10200-100000-514010, Agency-wide Membership.

Attachments: Agency-wide membership benefit summary and details

**AGENCY-WIDE MEMBERSHIP BENEFIT SUMMARY  
 (Greater than \$5,000)  
 FY 2016/2017**

<b>Membership</b>	<b>Representation</b>	<b>Estimated Dues</b>
<b>Association of California Water Agencies</b>	Martha Davis	\$29,920 Approx. 2% decrease due to removal of Delta assessment
<b>Bioenergy Association of California</b>	Martha Davis, Pietro Cambiaso	\$5,500
<b>California Association of Sanitation Agencies (CASA)</b>	Director Hall, Martha Davis	\$19,845 3-5% increase from last year
<b>California Special Districts Association (CSDA)</b>	Director Hall, Christina Valencia	\$6,515
<b>California Wastewater Climate Change Group</b>	Pietro Cambiaso, Martha Davis	\$0 CASA will absorb CWCCG
<b>Isle Utilities</b>	Jeff Noelte	\$12,000
<b>National Association of Clean Water Agencies (NACWA)</b>	General Manager Joe Grindstaff	\$30,560
<b>National Water Research Institute (NWRI)</b>	Director Elie, Jeff Noelte, Andy Campbell	\$50,000
<b>Southern Cal. Alliance of Publicly Owned Treatment Works (SCAP)</b>	General Manager Joe Grindstaff, Pietro Cambiaso	\$15,001
<b>Southern California Salinity Management Coalition</b>	Chris Berch, Craig Proctor	\$10,000
<b>WaterReuse Association</b>	Director Hall, General Manager Joe Grindstaff, Martha Davis	\$8,624
<b>WaterReuse Foundation</b>	General Manager Joe Grindstaff, Martha Davis	\$12,000 + \$26,940 = \$38,940 Merger w/ Water Environment Research Foundation (WERF)
	<b>Total:</b>	<b>\$226,905</b>

**AGENCY-WIDE MEMBERSHIP BENEFIT DETAILS  
FY 2016/2017**

**Association of California Water Agencies (ACWA):**

ACWA is the lead water policy advocacy organization in California and provides members with cost savings through an additional voice in state and federal legislative and regulatory arenas.

ACWA's federal affairs, legislative and regulatory activities advance bills and issues of concern to members, while halting potentially damaging measures. Initiatives include determining components of newly-passed water bond legislation, Bay Delta Conservation Plan and Delta Plan advocacy, long term water infrastructure financing, and renewable energy policy.

**Representation:** Martha Davis (committee member)

**Dues:** \$29,920 (*Approximately 2% decrease due to removal of Delta assessment*)

**Bioenergy Association of California (BAC):**

BAC was established to promote sustainable bioenergy production, which includes electricity, biogas, renewable liquid fuels, thermal energy and heat and power generated from organic waste.

BAC is focused on promoting community-scale bioenergy generation from a wide range of sustainably available organic waste sources, including dairy and agricultural waste, food and food processing waste, water treatment waste and other organic urban waste.

BAC's work is focused primarily on policy advocacy, communication, public education and outreach, research, and industry best practices.

**Representation:** Martha Davis, Pietro Cambiaso

**Dues:** \$5,500

**California Association of Sanitation Agencies (CASA):**

CASA serves as the lead advocacy group for wastewater agencies in California on legislative and regulatory issues. Since CASA employs legal representation, it is extremely effective on regulatory issues, particularly before the State Water Resources Control Board (SWRCB) and California Department of Health Services (CDPH), and has, in recent years, saved association members costs of individually having to address such issues as the proposed Whole Effluent Toxicity policy (WET) and draft SWRCB monitoring policy for Constituents of Emerging Concern in recycled water.

CASA maintains lobbyists in Sacramento and Washington, D.C., in addition to a Director of Regulatory Affairs. Priorities include adoption by SWRCB of acceptable WET policy, development with SWRCB of alternative approaches to nutrient issues to cost-effectively reduce impairments, and promotion of biosolids as a renewable energy resource.

**Representation:** Director Jasmin A. Hall (committee member), Martha Davis (committee member)

**Dues:** \$19,845

**California Special Districts Association (CSDA):**

CSDA is a statewide association of various independent special districts whose primary function is legislative advocacy. In the past year, CSDA played a vital role in coordinating responses to major legislative initiatives that impacted special districts, including redevelopment agency reform, proposed property tax shifts, and pension reform, successfully pushing back on changes that would have been harmful or increased costs to special districts.

The Agency was awarded the Transparency Certificate in 2015. The organization is very active on the legislative front working closely with our lobbyist on critical legislation that impacts the Agency. In 2015, CSDA continued to track and engage Agency staff on property tax and rate related issues. CSDA provides timely and essential training, including, but not limited to: Ethics, Board Secretary, Brown Act, and Proposition 26 and 218 requirements. CSDA also acts as a great resource for the Agency's self-insured programs.

**Representation:** Director Jasmin A. Hall, Christina Valencia

**Dues:** \$6,515

**California Wastewater Climate Change Group:**

CASA to absorb CWCCG.

**Representation:** Pietro Cambiaso, Martha Davis

**Dues:** \$0

**Isle Utilities:**

A Technology Approval Group (TAG) membership will serve as a valuable tool for IEUA staff to learn about new wastewater technologies that have the potential to provide significant benefits to the Agency. TAG gives its members access to a portfolio of new technologies while allowing its members to stay focused on their core businesses. TAG searches out technologies which are innovative and ready for potential trials, and then presents these technologies to its members. Members then have a vote on the top prospects, allowing those that align best with the members needs to take precedence.

The TAG membership also provides a forum for IEUA to request technology searches that relate to the Agency's specific needs and challenges. TAG members also have access to global industry trials, online support, and interactive workshops. Some of the southern California wastewater agencies that are members of TAG include Orange County Sanitation District, Irvine Ranch Water District, and the city of Escondido. IEUA's participation in TAG has provided value to staff in identifying technologies that can benefit future Agency projects and initiatives.

Quarterly TAG meetings were attended by Agency staff at Orange County Sanitation District. These all-day meetings provided valuable information relating to wastewater treatment (e.g., process optimization, reducing energy use, and resource recovery), and provided a forum to initiate further discussions with technology providers. The Technical Services Department's investigations on aeration performance and on-line nutrient analyzers have benefited significantly from the TAG membership.

**Representation:** Jeff Noelte  
**Dues:** \$12,000

**National Association of Clean Water Agencies (NACWA):**

NACWA's active membership and close working relationship with Congress and the U.S. Environmental Protection Agency (EPA) allow members to interact with national policy makers and shape the course of America's environmental protection legislation.

Today's increasingly complex threats to water quality present many legislative and regulatory challenges to the wastewater treatment community. NACWA is responding to these challenges through heightened involvement in a broadening array of clean water concerns, such as advocating increased funding, developing enforceable controls on nonpoint sources, and working to improve the total maximum daily load (TMDL) program, in addition to a host of other clean water priorities.

Since its founding in 1970, NACWA has emerged as a nationally recognized leader in both the legislative and regulatory arenas and as a sought-after technical resource on water quality and ecosystem protection.

**Representation:** General Manager Joe Grindstaff  
**Dues:** \$30,560

**National Water Research Institute (NWRI):**

NWRI provides valuable research and policy guidance to the industry on important issues affecting the usage of water, wastewater and recycled water. NWRI is highly regarded by the environmental regulatory community and often collaborates with regulators such as the California Division of Drinking Water and the Regional Water Quality Control Board at their request to provide expert panel support on water quality related issues. Through

strategic partnerships with leading organizations in the water and wastewater industries, NWRI sponsors projects and programs focused on ensuring safe, reliable, sources of water for current and future generations. Notable areas of focus are treatment technology and regulatory aspects of recycled water use.

IEUA Board Member Steven J. Elie currently serves on NWRI's Board of Directors (Jeff Noelte is designated as the alternate). NWRI is active in research in the field of water reuse and has produced guidelines for such projects as development of direct and indirect potable reuse projects. NWRI provides technical expertise and is a respected venue for development of technical review panels, both of which assist the Agency to advance its programs. Specifically, IEUA will utilize an NWRI expert panel for its recycled water injection effort and has previously used an expert panel to further its recycled water recharge program. NWRI includes IEUA staff in its formation of technical panels, as appropriate, giving IEUA an opportunity to provide leadership in selected fields.

**Representation:** Director Steven J. Elie, Jeff Noelte, Andy Campbell  
**Dues:** \$50,000

**Southern California Alliance of Publicly Owned Treatment Works (SCAP):**

SCAP is organized under the "strength-in-numbers" concept in order to ensure that environmental regulations applied in southern California are appropriate, reasonable and cost-effective. Through the committee efforts information is gathered and disseminated to all members using the SCAP Monthly Update, published committee reports and periodic SCAP Alerts. SCAP provides specific leadership on key regulatory focus areas, such as air, water, energy, biosolids and collection systems, and works closely with CASA to communicate these issues at the state and federal level. Specialized committees have played an integral part in proactively affecting the outcome of proposed regulations that would have had significant economic impacts to the Agency.

Joe Grindstaff has served on the SCAP Board of Directors in previous years, and Chris Berch and Jesse Pompa have both served as the vice chair and/or chair of the energy committee.

**Representation:** General Manager Joe Grindstaff (Board member), Pietro Cambiaso  
**Dues:** \$15,001

**Southern California Salinity Management Coalition:**

Formed in 2000, IEUA is a founding member of the Coalition, which addresses the complex problems of salt management in southern California. The Southern California Salinity Coalition has financially assisted IEUA on the water softener reduction project and regional board regulatory issues and continues to sponsor new research that will support the Chino Basin in addressing long term salt management issues.

Agency staff actively participates and serves on the Board of Directors for this organization. The meetings are very productive and cover a lot of ground in the area of salinity management within the southern California region. The coalition does not hold conferences, but periodically holds workshops for various stakeholders in which the Agency participates. The coalition membership includes agencies such as LACSD, OCWD, MWD, EMWD, and SDCWA to name a few. Some of the past efforts of this organization included assistance in the development of public outreach materials on salt management and water softeners and contributing funding to help with IEUA's water softener study. The main focus of this group is to coordinate salinity management strategies for water and wastewater agencies throughout southern California.

**Representation:** Chris Berch, Craig Proctor  
**Dues:** \$10,000

**WateReuse Association:**

WateReuse Association is the lead advocate for water recycling in the nation. Membership in WateReuse includes state section membership. Regarding the use of recycled water, WateReuse Association has proactive programs, legislation, government relations, regulatory agency oversight, technology transfer and public education/outreach. At the national level, WateReuse Association is an advocate for Title XVI funding, and works closely with IEUA to ensure continued federal support for recycled water programs. The California section is active in legislative and regulatory affairs, and played a pivotal role in securing passage of IEUA's historic water softener legislation (AB1366). Ongoing priorities include protection of Title XVI funding, support of programs at the federal level and promoting legislation that advances potable reuse along with indirect potable reuse.

IEUA benefits from membership in the WateReuse Association. Martha Davis serves on the Board of Trustees for WateReuse California. The WateReuse Inland Empire chapter, the State and regional associations provide opportunities for IEUA participation in conferences and regional meetings. Many IEUA staff and board members have attended WateReuse conferences over the past few years. IEUA staff have presented at regional chapter meetings and State conferences, providing staff with invaluable leadership, networking and training opportunities. At various times, IEUA staff have made presentations for WateReuse regarding the IEUA recycled water distribution and recharge programs. WateReuse is an advocate of IEUA's goal of increased use of recycled water.

**Representation:** General Manager Joseph Grindstaff, Martha Davis (board member, committee member)  
**Dues:** \$8,624

**WateReuse Foundation:**

WateReuse Foundation is an educational, nonprofit, public benefit corporation that serves as a centralized organization for the water and wastewater community to advance the science of water reuse, recycling, reclamation, and desalination. The Foundation's research covers a broad spectrum of issues, including chemical contaminants, microbiological agents, treatment technologies, salinity management, public perception, economics, and marketing.

The WateReuse Research Foundation has undertaken more than 150 research projects, applying more than \$46 million in federal, state and private funding to date, to create leading-edge programming that stimulates new knowledge, information programs and products to advance water recycling and desalination for the benefit of the nation's water supply.

**Representation:** General Manager Joe Grindstaff, Martha Davis

**Dues:** \$12,000 + \$26,940 – WERF = \$38,940 (*Merger with the Water Environment Research Foundation (WERF), so dues were increased*)



**RESOLUTION NO. 2016-3-8**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
INLAND EMPIRE UTILITIES AGENCY\*, SAN  
BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING  
AGENCY-WIDE ORGANIZATIONAL MEMBERSHIPS  
AND AFFILIATIONS**

**WHEREAS**, the Board of Directors of Inland Empire Utilities Agency\* authorized Agency-wide memberships in and affiliations with various organizations which benefit the Agency; and

**WHEREAS**, Section 71597 of the California Water Code requires that Agency-wide memberships must be approved by at least four-fifths (4/5) majority of its Directors.

**NOW, THEREFORE**, the Board of Directors of Inland Empire Utilities Agency\* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

**Section 1.** That this Board of Directors does hereby approve and authorize the fiscal year Agency-wide annual memberships in and affiliation with, and authorize the General Manager to execute payment of membership fees to these organizations (see attachment).

**Section 2.** That this Board of Directors does hereby approve and authorize the General Manager, or in his absence, his designee, to approve all Agency-wide annual memberships in and affiliation with, and payment of membership fees to these organizations less than \$5,000.00.

**Section 3.** That the appropriation of funds necessary for the dues and/or fees associated with the Agency-wide memberships is hereby authorized.

**Section 4.** That the appropriation of funds necessary for the dues and/or fees associated with the Agency-wide memberships and employee professional memberships be authorized by the Board of Directors in the budget each fiscal year.

**Section 5.** Upon adoption of this resolution, Resolution No. 2015-2-2 is hereby rescinded in its entirety.

**ADOPTED** this 16<sup>th</sup> day of March, 2016.

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

ATTEST:

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

\*A Municipal Water District

STATE OF CALIFORNIA                )  
  )SS  
COUNTY OF SAN BERNARDINO        )

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO  
HEREBY CERTIFY that the foregoing Resolution being No. 2016-3-8, was adopted at a regular  
meeting on March 16, 2016, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Steven J. Elie  
Secretary/Treasurer

(SEAL)


\* A Municipal Water District

**AGENCY-WIDE MEMBERSHIP BENEFIT SUMMARY**  
**(Greater than \$5,000)**  
**FY 2016/2017**

<b>Membership</b>	<b>Representation</b>	<b>Estimated Dues</b>
<b>Association of California Water Agencies</b>	Martha Davis	\$29,920 Approx. 2% decrease due to removal of Delta assessment
<b>Bioenergy Association of California</b>	Martha Davis, Pietro Cambiaso	\$5,500
<b>California Association of Sanitation Agencies (CASA)</b>	Director Hall, Martha Davis	\$19,845 3-5% increase from last year
<b>California Special Districts Association (CSDA)</b>	Director Hall, Christina Valencia	\$6,515
<b>California Wastewater Climate Change Group</b>	Pietro Cambiaso, Martha Davis	\$0 CASA will absorb CWCCG
<b>Isle Utilities</b>	Jeff Noelte	\$12,000
<b>National Association of Clean Water Agencies (NACWA)</b>	General Manager Joe Grindstaff	\$30,560
<b>National Water Research Institute (NWRI)</b>	Director Elie, Jeff Noelte, Andy Campbell	\$50,000
<b>Southern Cal. Alliance of Publicly Owned Treatment Works (SCAP)</b>	General Manager Joe Grindstaff, Pietro Cambiaso	\$15,001
<b>Southern California Salinity Management Coalition</b>	Chris Berch, Craig Proctor	\$10,000
<b>WaterReuse Association</b>	Director Hall, General Manager Joe Grindstaff, Martha Davis	\$8,624
<b>WaterReuse Foundation</b>	General Manager Joe Grindstaff, Martha Davis	\$12,000 + \$26,940 = \$38,940 Merger w/ Water Environment Research Foundation (WERF)
	<b>Total:</b>	<b>\$226,905</b>

**CONSENT  
CALENDAR  
ITEM**

**2G**

Date: March 16, 2016  
To: The Honorable Board of Directors  
From: Teresa V. Velarde   
Manager of Internal Audit  
Subject: External Audit Services

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve Contract No: 46000002079, in the amount of \$172,160 with Lance, Soll & Lunghard, LLP, Certified Public Accountants (LSL), to provide annual financial audit and single audit services for the Inland Empire Utilities Agency (IEUA or Agency) for an initial 3-year term and two single-year options to extend, beginning in Fiscal Year (FY) 2015/16;
2. Approve Contract No. 46000002081, in the amount of \$21,160, with LSL, to provide financial statement preparation services for the Chino Basin Regional Financing Authority (CBRFA) for an initial 3-year term and two single-year options to extend, beginning in FY 2015/16; and
3. Authorize the General Manager or his designee to execute the contracts.

### **BACKGROUND**

State Law and the Agency's Fiscal Ordinance No. 90, require an annual audit be performed by an independent auditor to ensure the accountability of the annual financial statements to assess the adequacy of the internal controls, and to determine compliance with governmental reporting requirements. The audit is to be performed in accordance with generally accepted auditing standards. The standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (2007 edition, with all subsequent amendments) issued by the Comptroller General of the United States, the provisions of the federal Single Audit Act of 1984, as amended in 1996, and U.S Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, including additional requirements under the American Recovery Reinvestment Act (ARRA).

White Nelson Diehl Evans, LLP have been the Agency's external auditors for the five previous years. The current contract expired December 31, 2015, completing its 5 year term. Government Code Section 12410.6(b) requires that the external auditor be rotated after six consecutive years of service.

Complying with the requirement, the request for proposal for external financial audit services was issued in January. Eleven accounting firms submitted proposals. An evaluation committee comprised of six evaluators, three internal employees and three external financial professionals took on the responsibilities for evaluating the proposals. Based on the committee's evaluation, the six most responsive firms were invited to an interview. On February 9, 2016, oral interviews were conducted. The oral interview process provided each firm an opportunity to make a brief presentation about their firm and answer questions from the evaluation committee.

Based on the review of proposals and results of the interviews, Lance, Soll & Lunghard, LLP, Certified Public Accountants (LSL), was selected as the qualified firm to provide the best value to the Agency. A summary of the three most responsive proposals shows below:

Proposed FY 2015/16 Audit Fees for the Highest Rated Firms

FIRM	FIRST YEAR AUDIT FEES (FOR ALL SERVICES)
Lance, Soll & Lunghard, LLP*	\$41,170
Davis Farr, LLP	\$40,000
White Nelson Diehl Evans, LLP	\$44,745

*\*LSL fees increase by 2% annually in FYs 2016/17 and 2017/18.*

LSL is a regional public accounting firm that has been providing auditing services to governmental entities throughout California for over 87 years. The firm is headquartered in Brea, California and has two other offices in Temecula Valley and Silicon Valley. The firm has approximately 65 employees including ten partners, one senior manager, three managers, three supervisors, five seniors and fourteen staff auditors. The firm's representatives are also involved in the accounting profession providing presentations and updates to other organizations and have served on various professional boards/committees. In addition to financial auditing services, LSL also provides consulting and tax services. The firm is familiar with the "Certificate of Achievement in Financial Reporting" issued by the Government Finance Officers Association (GFOA), which the Agency applies for and has received for the past seventeen years.

The Engagement Partner and the Concurring Partner have over 14 years and 20 years, respectively, in public sector financial auditing. The Audit Manager and Senior Audit leading the onsite field work also have over three years of experience.

The firm will be providing the following audit team:

Deborah A. Harper, CPA, Engagement Partner  
Richard K. Kikuchi, CPA, Concurring Partner  
Brandon T. Young, CPA, Audit Manager  
Ryan Domino, Audit Senior

LSL is committed to providing high-quality services and meeting all deadlines. The firm's audit approach to satisfy the Agency's requirements for a Financial and Single Audit is acceptable and rated the best of all proposals received.

The external financial audit services contract with LSL is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by following recommended practices for the procurement of such services to provide independent evaluations and oversight of Agency financial statements.

**PRIOR BOARD ACTION**

On June 10, 2014, the Agency approved Amendment Number 46000000883-005 with White Nelson Diehl Evans LLP to extend contract services for an additional year through June 30, 2015.

On May 9, 2013, the Agency approved Amendment Number 46000000883-004 with White Nelson Diehl Evans LLP to extend contract services for an additional year through June 27, 2014.

On March 16, 2011, the Board of Directors approved the contract for external audit services and single audit services with Diehl, Evans, LLP (subsequently the merged firm of White Nelson Diehl Evans, LLP) through FY 2012/13 with two options of one year each through FY 2014/15.

**IMPACT ON BUDGET**

The cost for this three-year contract with the option to extend two additional years (in single year increments); are within the level of funding approved in the FY 2015/16 Budget for Financial Audit services and Single Audit services and will have the following impact:

<b>FISCAL YEAR ENDING</b>	<b>IEUA FINANCIAL AUDIT</b>	<b>IEUA SINGLE AUDIT</b>	<b>CBRFA FINANCIALS</b>
June 30, 2016	\$28,320	\$4,710	\$4,070
June 30, 2017	\$28,890	\$4,710	\$4,150
June 30, 2018	\$29,470	\$4,710	\$4,230
June 30, 2019*	\$30,660	\$4,710	\$4,310
June 30, 2020*	\$31,270	\$4,710	\$4,400

*\*optional years to extend*





**CONTRACT NUMBER: 4600002079**

**FOR**

**EXTERNAL FINANCIAL AND SINGLE AUDITING SERVICES**

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 "IEUA" and/or "Agency"), and Lance, Soll & Lunghard, LLP, of Brea, California (hereinafter referred to as "Consultant"), to provide external financial and single auditing services to the IEUA.

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 IEUA's assignment are listed below:

Project Manager: Teresa Velarde, Manager of Internal Audit  
Inland Empire Utilities Agency  
Address: 6075 Kimball Avenue, Building "A"  
Chino, California 91708  
Telephone: (909) 993-1521  
Facsimile: (909) 993-1986  
Email: [tvelarde@ieua.org](mailto:tvelarde@ieua.org)

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

Contractor: Deborah A. Harper, CPA  
Lance, Soll & Lunghard, LLP  
Address: 203 N. Brea Blvd., Suite 203  
Brea, California 92821  
Telephone: (714) 672-0022  
Facsimile: (714) 672-0331  
E-Mail: [Deborah.Harper@lslpas.com](mailto:Deborah.Harper@lslpas.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:
  1. Amendments to Contract Number 4600002079;
  2. Contract Number 4600002079 General Terms and Conditions;
  3. Consultant's Proposal dated January 26, 2016, specific to the work for the IEUA's external financial and single auditing services; and,
  4. Agency's Request for Proposal RFP-KB-16-001 dated January 4, 2016.
  
4. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include the audit work identified in Consultant's Proposal dated January 26, 2016, and the Agency's Request for Proposal RFP-KB-16-001, which are both incorporated herein by this reference.
  
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed and terminate on December 31, 2018, unless agreed to by both parties, reduced to writing, and amended to this Contract. Consultant shall be entitled to two (2) one-year contract options, as outlined in the referenced RFP above, if negotiated within ninety (90) days of Contract expiration.
  
6. **COMPENSATION:** IEUA shall pay Contractor's properly-executed invoice approved by the Project Manager within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet or exceed IEUA requirements or have proven unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager. All invoices shall include the Contract Number 4600002079 for payment. In order to expedite payment, email the invoice to [APGroup@ieua.org](mailto:APGroup@ieua.org) with a copy to the Project Manager.

In compensation for the scope of work represented by this Contract, IEUA shall pay Consultant a total NOT-TO-EXCEED amount of \$172,160.00 for all services provided according to the following fee schedule below:

<u>FISCAL YEAR ENDING</u>	<u>EXTERNAL FINANCIAL AUDIT</u>	<u>SINGLE AUDIT</u>
June 30, 2016	\$28,320.00	\$4,710.00
June 30, 2017	\$28,890.00	\$4,710.00
June 30, 2018	\$29,470.00	\$4,710.00
June 30, 2019*	\$30,660.00	\$4,710.00
June 30, 2020*	\$31,270.00	\$4,710.00

Asterisk (\*) indicates optional years.

Any additional work requested shall be paid on a time and material basis in accordance with the following hourly rates which shall be held fixed for the first three years of the contract.

<u>Classification</u>	<u>Hourly Billing Rate</u>
Principal	\$269.00
Audit Manager	\$178.00
Senior Auditor	\$134.00
Auditor	\$120.00
Associate	\$120.00
Clerical Staff	Included – no additional fee
Travel Charges	Included – no additional fee

7. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Contractor'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 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 IEUA. At the option of the IEUA, either: the insurer shall reduce or eliminate such deductibles or self-insured retention (as respects the IEUA), its officers, officials, employees, volunteers, property owners and engineers under contract to the IEUA.

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 IEUA, its officers, officials, employees, volunteers, property owners and any engineers under contract to the IEUA are to be covered as insureds, endorsement CG2010 1185, or its equivalent, e.g., CG2010 0704 with CG2037 0704 as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA.
- b. The Contractor's insurance coverage shall be primary insurance as respects the IEUA, its officer, officials, employees, volunteers, property owners or engineers under contract to the IEUA. Any insurance or self-insurance maintained by the IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA shall be excess of the Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The 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 IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA for losses arising from work performed by the Consultant for the IEUA.

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 IEUA.

D. Acceptability of Insurers: 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 IEUA with certificates of insurance and with original endorsements effecting coverage required by the IEUA for themselves and all sub-Contractors prior to commencing work or allowing any sub-Consultant 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 IEUA before work commences. The IEUA reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency  
Attention: Angela Witte, Risk Representative  
P.O. Box 9020  
Chino Hills, California 91709

8. Grant-Funded Projects: This is not a grant-funded contract. For grant-funded (e.g., State Revolving Funds) projects, the Consultant shall be responsible to comply with all grant requirements related to the project. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Record Retention and Public Access to Records, and Compliance Review. Federally-funded (ARRA) projects will have separate, additional reporting accountability on the use of funds.

9. 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 Contractor: 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 IEUA.

- C. **Observing Laws and Ordinances:** The Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the IEUA, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.
- D. **Subcontract Services:** No subcontracts for the performance of any services under this Contract shall be permitted under any circumstances.
- E. **Verification of Coverage:** Consultant shall furnish the IEUA with certificates of insurance and with original endorsements effecting coverage required by the IEUA for themselves and all sub-Contractors prior to commencing work or allowing any sub- 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 certificate and endorsements are to be approved by the IEUA before work commences. The IEUA reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. **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.
- G. **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 IEUA. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. **Indemnification:** Consultant shall indemnify IEUA, its directors, employees, agents, and assigns, and shall defend and hold them harmless from all liability, demands, actions, claims, losses, and expenses, including reasonable attorney's fees, which arise out of or are related to the negligence, recklessness or willful misconduct of Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.
- I. **Conflict of Interest:** No official of the IEUA who is authorized in such capacity and on behalf of the IEUA 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.

J. Equal Opportunity: During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.

K. 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 IEUA'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 IEUA Project Manager and the Consultant shall comply, pursuant to the IEUA Project Manager instructions. If the Consultant is not satisfied with any such resolution by the IEUA Project Manager, they may file a written protest with the IEUA Project Manager within seven (7) calendar days after receiving written notice of the IEUA's decision. Failure by Consultant to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the IEUA Project Manager's resolution. The IEUA's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the IEUA 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 IEUA 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 IEUA

shall determine if any of the names submitted by Consultant are acceptable and, if so, such person will be designated as Arbitrator.

- b. In the event that none of the names submitted by Consultant are acceptable to IEUA, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the IEUA shall submit to Consultant a list of five names of persons acceptable to IEUA 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 IEUA may join the Consultant in mediation or arbitration commenced by a Consultant on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the IEUA's representative to the Contractor.

10. FITNESS FOR DUTY:

A. Fitness: Consultant and its sub-Consultant 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 IEUA.

B. Compliance: Consultant shall advise all Consultant and sub-Consultant 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 sub-Contractors. IEUA may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The IEUA 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 Contractor's sub-Contractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the IEUA from the moment of their preparation, and the Consultant shall deliver same to the IEUA whenever requested to do so by the Project Manager and/or IEUA. 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 IEUA.
12. PUBLIC RECORDS POLICY: Information made available to the IEUA may be subject to the California Public Records Act (Government Code Section 6250 et seq.). The IEUA's use and disclosure of its records are governed by this Act. The IEUA shall use its best efforts to notify Consultant of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) IEUA shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If IEUA 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 IEUA from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. NON-CONFORMING WORK AND WARRANTY: Consultant represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to IEUA, correct any and all errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Consultant by IEUA, or any other person or entity.
14. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green  
Manager of Contracts and Facilities Services  
Inland Empire Utilities Agency  
6075 Kimball Avenue, Building A  
Chino, California 91708

Consultant: Deborah A. Harper  
Partner  
Lance, Soll & Lunghard, LLP.  
203 N. Brea Blvd., Suite 203  
Brea, California 92821

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.

15. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the IEUA, the Contractor, 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 IEUA; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the IEUA shall be null, void and of no legal effect whatsoever.
16. **INTEGRATION:** The Contract Documents represent the entire Contract of the IEUA 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 IEUA and the Contractor.
17. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
18. **TERMINATION FOR CONVENIENCE:** The IEUA reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the IEUA shall pay Consultant for all authorized and Contractor-invoiced services up to the date of such termination.
19. **RIGHT TO AUDIT:** The IEUA reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the IEUA.
20. **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.

21. **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 Contractor.

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:

LANCE, SOLL & LUNGHARD, LLP:

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

(Date)

  
\_\_\_\_\_  
Deborah A. Harper  
Partner

3/1/16  
(Date)



**CONTRACT NUMBER: 4600002081**  
**FOR**  
**CHINO BASIN REGIONAL FINANCING AUTHORITY**  
**FINANCIAL AUDITING SERVICES**

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 "IEUA" and/or "Agency"), and Lance, Soll & Lunghard, LLP, of Brea, California (hereinafter referred to as "Consultant"), to provide external financial auditing services.

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 IEUA's assignment are listed below:

Project Manager: Teresa Velarde, Manager of Internal Audit  
Inland Empire Utilities Agency  
Address: 6075 Kimball Avenue, Building "A"  
Chino, California 91708  
Telephone: (909) 993-1521  
Facsimile: (909) 993-1986  
Email: [tvelarde@ieua.org](mailto:tvelarde@ieua.org)

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

Contractor: Deborah A. Harper, CPA  
Lance, Soll & Lunghard, LLP  
Address: 203 N. Brea Blvd., Suite 203  
Brea, California 92821  
Telephone: (714) 672-0022  
Facsimile: (714) 672-0331  
E-Mail: [Deborah.Harper@lslpas.com](mailto:Deborah.Harper@lslpas.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:
  1. Amendments to Contract Number 4600002081;
  2. Contract Number 4600002081 General Terms and Conditions;
  3. Consultant's Proposal dated January 26, 2016, specific to the work for the CBRFA auditing services; and,
  4. Agency's Request for Proposal RFP-KB-16-001 dated January 4, 2016.
  
4. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include the audit work for the Chino Basin Regional Financing Authority identified in Consultant's Proposal dated January 26, 2016, and the Agency's Request for Proposal RFP-KB-16-001, which are both incorporated herein by this reference.
  
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed and terminate on December 31, 2018, unless agreed to by both parties, reduced to writing, and amended to this Contract. Consultant shall be entitled to two (2) one-year contract options, as outlined in the referenced RFP above, if negotiated within ninety (90) days of Contract expiration.
  
6. **COMPENSATION:** IEUA shall pay Contractor's properly-executed invoice approved by the Project Manager within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet or exceed IEUA requirements or have proven unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager. All invoices shall include the Contract Number **4600002081** for payment. In order to expedite payment, email the invoice to [APGroup@ieua.org](mailto:APGroup@ieua.org) with a copy to the Project Manager.

In compensation for the scope of work represented by this Contract, IEUA shall pay Consultant a total NOT-TO-EXCEED amount of **\$21,160.00** for all services provided according to the following fee schedule below:

<u>FISCAL YEAR ENDING</u>	<u>CBRFA FINANCIAL AUDIT</u>
June 30, 2016	\$4,070.00
June 30, 2017	\$4,150.00
June 30, 2018	\$4,230.00
June 30, 2019*	\$4,310.00
June 30, 2020*	\$4,400.00

Asterisk (\*) indicates optional years.

Any additional work requested shall be paid on a time and material basis in accordance with the following hourly rates which shall be held fixed for the first three years of the contract.

<u>Classification</u>	<u>Hourly Billing Rate</u>
Principal	\$269.00
Audit Manager	\$178.00
Senior Auditor	\$134.00
Auditor	\$120.00
Associate	\$120.00
Clerical Staff	Included – no additional fee
Travel Charges	Included – no additional fee

7. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Contractor'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 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 IEUA. At the option of the IEUA, either: the insurer shall reduce or eliminate such deductibles or self-insured retention (as respects the IEUA), its officers, officials, employees, volunteers, property owners and engineers under contract to the IEUA.

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 IEUA, its officers, officials, employees, volunteers, property owners and any engineers under contract to the IEUA are to be covered as insureds, endorsement CG2010 1185, or its equivalent, e.g., CG2010 0704 with CG2037 0704 as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA.
- b. The Contractor's insurance coverage shall be primary insurance as respects the IEUA, its officer, officials, employees, volunteers, property owners or engineers under contract to the IEUA. Any insurance or self-insurance maintained by the IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA shall be excess of the Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The 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 IEUA, its officers, officials, employees, volunteers, property owners or engineers under contract to the IEUA for losses arising from work performed by the Consultant for the IEUA.

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 IEUA.

- D. Acceptability of Insurers: 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 IEUA with certificates of insurance and with original endorsements effecting coverage required by the IEUA for themselves and all sub-Contractors prior to commencing work or allowing any sub-Consultant 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 IEUA before work commences. The IEUA reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency  
Attention: Angela Witte, Risk Representative  
P.O. Box 9020  
Chino Hills, California 91709

8. Grant-Funded Projects: This is not a grant-funded contract. For grant-funded (e.g., State Revolving Funds) projects, the Consultant shall be responsible to comply with all grant requirements related to the project. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Record Retention and Public Access to Records, and Compliance Review. Federally-funded (ARRA) projects will have separate, additional reporting accountability on the use of funds.

9. 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 Contractor: 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 IEUA.



- C. Observing Laws and Ordinances: The Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the IEUA, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.
- D. Subcontract Services: No subcontracts for the performance of any services under this Contract shall be permitted under any circumstances.
- E. Verification of Coverage: Consultant shall furnish the IEUA with certificates of insurance and with original endorsements effecting coverage required by the IEUA for themselves and all sub-Contractors prior to commencing work or allowing any sub- 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 IEUA before work commences. The IEUA reserves the right to require complete, certified copies of all required insurance policies, at any time.
- F. 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.
- G. 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 IEUA. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. Indemnification: Consultant shall indemnify IEUA, its directors, employees, agents, and assigns, and shall defend and hold them harmless from all liability, demands, actions, claims, losses, and expenses, including reasonable attorney's fees, which arise out of or are related to the negligence, recklessness or willful misconduct of Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.
- I. Conflict of Interest: No official of the IEUA who is authorized in such capacity and on behalf of the IEUA 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.

- J. Equal Opportunity: During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
- K. 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 IEUA'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.
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  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 IEUA

shall determine if any of the names submitted by Consultant are acceptable and, if so, such person will be designated as Arbitrator.

- b. In the event that none of the names submitted by Consultant are acceptable to IEUA, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the IEUA shall submit to Consultant a list of five names of persons acceptable to IEUA 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.
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A. Fitness: Consultant and its sub-Consultant 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 IEUA.

B. Compliance: Consultant shall advise all Consultant and sub-Consultant 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 sub-Contractors. IEUA may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

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13. **NON-CONFORMING WORK AND WARRANTY:** Consultant represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to IEUA, correct any and all errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Consultant by IEUA, or any other person or entity.
14. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green  
Manager of Contracts and Facilities Services  
Inland Empire Utilities Agency  
6075 Kimball Avenue, Building A  
Chino, California 91708

Consultant: Deborah A. Harper  
Partner  
Lance, Soll & Lunghard, LLP.  
203 N. Brea Blvd., Suite 203  
Brea, California 92821

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.

15. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the IEUA, the Contractor, 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 IEUA; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the IEUA shall be null, void and of no legal effect whatsoever.
16. **INTEGRATION:** The Contract Documents represent the entire Contract of the IEUA 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 IEUA and the Contractor.
17. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
18. **TERMINATION FOR CONVENIENCE:** The IEUA reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the IEUA shall pay Consultant for all authorized and Contractor-invoiced services up to the date of such termination.
19. **RIGHT TO AUDIT:** The IEUA reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the IEUA.
20. **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, etceteras.

21. **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 Contractor.

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:

LANCE, SOLL & LUNGHARD, LLP:

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

(Date)

  
Deborah A. Harper  
Partner

3/7/16  
(Date)


**CONSENT  
CALENDAR  
ITEM**


**2H**


Date: March 16, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (03/09/16)  
Finance, Legal, and Administration Committee (03/09/16)

From: P. Joseph Grindstaff   
General Manager

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

Sylvie Lee   
Manager of Planning and Environmental Resources

Subject: Residential Education, Survey, and Controller Upgrade Program

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Award a 15-month contract to ConServ Construction, Inc., for a not-to-exceed amount of \$300,000 to implement the Program; and
2. Authorize the General Manager to execute the contract.

### **BACKGROUND**

The Agency currently offers the “Residential Landscape Retrofit Program” (RLRP) which saves water through residential landscape evaluations and retrofits of landscape irrigation control devices for large residential landscape customers (lot sizes of one-quarter acre or larger). The program has been administered by ConServ Construction, Inc. (ConServ) on behalf of the Agency since 2012. The new Residential Education, Survey, and Controller Upgrade Program (program) would be an expansion of the existing program offering educational training, landscape surveys, and controller upgrades to weather-based systems for homeowners who reside on lot sizes smaller than 10,000 square feet. The program is anticipated to reach a minimum of 300 residential customers region-wide over the next year. The program is projected to save 400 acre-feet over the life of the devices.

Since the RLRP originally began in 2011, the Agency has received overwhelmingly positive responses from both the member agencies and its customers. As the State moves into its fifth



possible year of drought and with turf removal rebate programs winding down or becoming obsolete, staff and the member agencies have collaborated on other programming options that will continue to support regional demand reduction while increasing water efficiency. This program will focus on the high water user demographic within the small residential landscape sector, where a rebate alone would not persuade the customer to make a change. The program will promote an improved understanding of landscape irrigation control technologies while ensuring more efficient scheduling and operation of automated irrigation systems through education, landscape surveys, and smart controller technology upgrades.

High water use customers will be identified through their participating retail member agency and will be required to attend an in-person irrigation technology training session as Step 1 in the process. Customers who attend the training session will then be pre-qualified for program participation. Step 2 in the process will be to schedule appointments with pre-qualified participants and provide a landscape survey that will identify any deficiencies within the existing irrigation system, develop improved efficiency recommendations, and employ any corrections required to maximize water efficiency with the new upgraded model. Once the survey has been completed and reviewed with the participant, the new smart technology will be installed as Step 3. Participants will receive a one-year warranty on installation as well as customer support services.

The Agency currently offers a comprehensive portfolio of water efficiency programs that includes landscape audits, regional education, rebates and direct installation programs for residential and commercial customers.

ConServ has provided exceptional program management, customer service, and value-added services that significantly benefit our member agencies, their customers, and the Agency. From the beginning, ConServ has gone above and beyond their contractual obligations by never charging the Agency for a participant site visit where an evaluation was performed but a retrofit was not completed. The Agency's prior contractor charged for this service and the Agency did not receive full site reimbursements. Additionally, ConServ continues to provide service calls and follow-up visits until participants are satisfied with their new products and service without any additional charges to the Agency. ConServ stores the used controllers from the participants, cleans and refurbishes them and then donates working controllers to Habitat for Humanity.

Agency staff competitively solicited proposals for services to administer the RLRP for large landscape customers and awarded the contract to ConServ on July 18, 2012, for a not-to-exceed amount of \$400,000, which was funded 100% by the Bureau of Reclamation and MWD. On July 16, 2014, the Board approved a one-year contract with ConServ, and two-optional one-year contracts for a not-to-exceed amount of \$1,000,000 to continue the grant funded RLRP for large landscape customers. If this new contract is awarded, ConServ's proposed fee schedule will be aligned with their existing rate schedule for the large landscape program and minimal rate adjustments submitted on equipment only with no labor increases for the one-year contract term, a best value approach for the Agency and its program customers.

Agency staff believes this program will bring significant and measurable benefit to the region by targeting outdoor water use through the installation of high efficiency irrigation system

components. The Agency's eight member agencies have evaluated the program and support staff's recommendation.

With the extension of the State mandated Emergency Water Conservation Regulation and to provide continued support to the Agency's members in meeting their water reduction targets, Staff recommends awarding a single source contract to ConServ in the amount of \$300,000. If approved, the proposed project would be funded by revenue collected through the Agency's Drought Charge approved by the Board in FY 2014/15.

This program is consistent with the *Agency's Business Goal* of increasing *Water Reliability* by promoting water use efficiency and education to enhance water supplies within the region and meeting the region's need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.

### **PRIOR BOARD ACTION**

On July 16, 2014, the Board approved a one-year contract for the Regional Residential Landscape Surveys and Retrofit Program to ConServ Construction, Inc., for \$400,000 with two optional one-year extensions for a not-to-exceed amount of \$1,000,000.

On July 18, 2012, the Board approved a two-year contract for the Regional Residential Landscape Surveys and Retrofit Program to ConServ Construction Inc., for a not-to-exceed amount of \$400,000.

### **IMPACT ON BUDGET**

The budget for the contract amount is included in the FY 2015/16 Water Conservation Program within the Water Resources Fund.

Attachments: Contract with ConServ Construction, Inc.

# Residential Education, Surveys, & Controller Upgrade Program



***Inland Empire Utilities Agency***  
**A MUNICIPAL WATER DISTRICT**

**Lisa Morgan-Perales**

IEUA Board of Directors Meeting  
March 2016

# Existing Large Landscape Program Residential Landscape Retrofit Program

- FY 12/13 – December 2015
  - Upgrades Completed: 1,099
  - Smart Controllers Installed: 1,030
  - HE Sprinkler Nozzles Installed: 19,447
  - Annual/Lifetime Water Savings: 684 AFY/5,096 AF
- Expand Existing Program to Small Landscape Customers





# Residential Controller Upgrade

- 300 Residential Small Landscape Controller Upgrades  
(Less than 10,000 Sq. Ft.)

1. Mandatory Training Class Required
2. Landscape Survey – Improve Water Efficiency
3. Controller Upgrade – Weather-Based System

- Program Budget \$300,000
- Lifetime Est. Water Savings: 400 Acre-Feet



# Residential Controller Upgrade (Historical Actions)

- Competitive solicitation for large landscape retrofit services - 2012
- Board awarded contract to ConServ Construction – July 2012 (\$400,000)
- Board awarded contract to ConServ Construction – July 2014 (\$1,000,000)



# Residential Controller Upgrade (New Proposed Program)

- ConServ Construction provides similar program services
- Provides exceptional program services
- Provides value-added program benefits at no additional cost
- Provides a best value approach for the Agency and its program customers
- Member Agencies Support Program and Contractor
- New fee schedule aligned with existing rates for large landscape program - minimal rate adjustments (Equipment Only)





# Recommendation

Award a 15-month contract to ConSery Construction, Inc. to implement the new Program for a “not to exceed” amount of \$300,000.

Consistent with the Agency’s *business goal of increasing Water Reliability* by promoting water use efficiency and education to enhance water supplies within the region, and meeting the region’s need to develop reliable and diverse local water resources in order to reduce dependence on imported water supplies.





**CONTRACT NUMBER 4600002050  
FOR  
RESIDENTIAL EDUCATION, SURVEY, AND CONTROLLER UPGRADE  
PROGRAM SERVICES**

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 ConServ Construction, Inc., of Murrieta, California, (hereinafter referred to as "Contractor"), for Residential Education, Survey, and Controller Upgrade Program Services; providing landscape survey services, property-owner education services, weather-based irrigation controller (WBIC) installation services, on-site customer training services, the distribution of program-related materials, and all of the customer service, as needed, for the success of the Residential Education, Survey, and Controller Upgrade Program.

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: Lisa Morgan-Perales  
Address: 6075 Kimball Avenue, Building A  
Chino, California 91708  
Telephone: (909) 993-1520  
Facsimile: (909) 993-9000  
Email: [Lperales@ieua.org](mailto:Lperales@ieua.org)

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

Contractor: Don Holder  
Address: 37204 Sunnygrove Lane  
Murrieta, California 92563  
Telephone: (951) 813-2110  
Facsimile: (877) 493-7954  
Cell: (951) 813-2110  
Email: [dholder@conservinc.net](mailto:dholder@conservinc.net)

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 Number 4600002050.
  - B. Contract Number (4600002050) General Terms and Conditions.
  - C. Contractor's Proposal, dated January 11, 2016, (Attachment A)
4. **SCOPE OF WORK AND SERVICES:** Contractor's services and responsibilities shall include, but shall not be limited to:
  - A. Contractor shall coordinate with IEUA staff and member-agency staff to develop an action plan and the schedule for the completion of the scope identified in the Contractor's Proposal (see Attachment A). Project Manager, and member agency staff will review and approve an initial written schedule of work and services. The schedule of work and services (the first deliverable) will be reviewed and amended from time to time during the term of this contract. With this reference, the Contractor's Proposal is incorporated into and made a part of this contract.
  - B. Contractor shall carefully adhere to the following directives for the work, tasks, and services being provided under this contract:
    1. For each site assigned to the Contractor, there will be a firm initial limit, for all expenses at a participating site (services and equipment), of \$1000 without a written request from the Contractor and subsequent written approval from the Project Manager, to allow additional activities and associated expenses. If cost for a given site exceeds the initial \$1000, then the Contractor will be responsible for such cost overruns, unless receiving written approval prior to incurring the additional cost.
    2. A site survey shall be determined/defined to be "complete" (except for follow-up activities) when:
      - a. The landscape surveys and irrigation system audits are complete; and the property owner is not eligible for or does not want/approve any equipment retrofit.
      - b. The landscape surveys and irrigation system audits are complete; and the property is eligible for equipment; controller(s) retrofit; and the installation of equipment has been completed.
      - c. The landscape surveys and irrigation system audits are complete; and the property is eligible for equipment, but a new controller(s) is not needed or not wanted; then the survey is complete when the audits are complete. In such cases, the justification for not installing a new controller should be reported.
      - e. In all cases, an assigned site will be completed in a straightforward, workmanlike manner; such that all work, services, and equipment installations are completed during a single visit to the site. Multiple visits to an assigned site, or more precisely, leaving

a site while planning to return another day to complete a task at the site is to be avoided. (Don't start a site unless it can be finished is a single visit.)

- f. Invoices for partially completed sites will not be submitted for payment, and will be rejected if submitted.
  - C. Contractor shall function as the landscape surveyor, the WBIC installer, a nozzle adjuster, a WBIC programmer, and the customer service contact for each site assigned to Contractor.
  - D. When assigned to a given site, Contractor will provide all contract services, at that site, needed to successfully implement the goals of the Residential Education, Survey, and Controller Upgrade Program, in accordance with the Scope of Work within the Contractor's proposal (Attachment A).
  - E. Notwithstanding Paragraph "D" above, Contractor may encounter sites that when initially found to be below the standard for participation in the Residential Education, Survey, and Controller Upgrade Program; could, with a small amount of repair, replacement, or adjustment be made compliant with the minimum standards for the Program. At such sites, the Contractor may, at the Property Owner's request, make such repairs, replacements, or adjustments; provided the Contractor submits a site-specific report that details the additional work, parts and prices thereof, labor and the rates for such labor, thus providing the Project Manager the information to verify that the Contractor provided the needed services at rates consistent with the labor cost in the Contractor's proposal.
  - F. For any residential landscape, initially considered to be a candidate for the Residential Education, Survey, and Controller Upgrade Program, but then does not qualify, or is determined not eligible for a new WBIC or other Residential Education, Survey, and Controller Upgrade Program elements, the Contractor will assist that site owner with a recommended watering schedule for the site; by irrigation system valve, reflecting all of the audit data gathered for each valve zone.
  - G. Through the duration of this contract, the Agency and Contractor may identify additional tasks, which, when identified, shall be reduced to writing, signed by both parties, and amended to this contract.
5. TERM: The term of this Contract shall extend from the date of the Notice-to-Proceed until June 30, 2017, unless agreed to by both parties, reduced to writing, and amended to this Contract.
  6. COMPENSATION: Agency shall pay Contractor's properly executed invoices, which have been approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service that does not reasonably meet the Agency requirements or has proven to be unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:
    - A. The Contract Number – 4600002050, and;
    - B. The Contract Release Purchase Order Number – 45000 \_\_\_\_\_

Contractor's invoices shall be submitted, if by mail, as follows:

Inland Empire Utilities Agency  
Re: Contract Number: 4600002050  
P.O. Box 9020  
Chino Hills, CA 91709

Contractor's invoices shall be submitted, if by e-mail, as follows:

To: [APGroup@ieua.org](mailto:APGroup@ieua.org)

1. Scan the invoice as a PDF file.
2. Attach the scanned file to an email.
3. IEUA staff will acknowledge receipt of the invoice.

Contractor shall provide, with their invoice, certified payroll documentation to verify that Contractor has paid prevailing wage in accordance with the California Department of Industrial Relations requirements.

Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of said invoice to the designated Project Manager, identified on Page 1 of this Contract.

As compensation for the satisfactory performance of the work represented by this Contract, Agency shall pay Contractor's invoices, for the first twelve (12) months, in accordance with the rates proposed in the Contractor's Proposal, Attachment A, dated January 11, 2016. In the event of an optional one-year extension is effected, Contractor's rates may be increased by 2% for the optional one-year extension.

Agency shall pay Contractor's invoices up to a NOT-TO-EXCEED total authorized amount of **\$300,000** for all services provided throughout the initial twelve (12) month term of this Contract. The Contractor shall not be paid for any amount exceeding the NOT-TO-EXCEED amount, or for work completed beyond the expiration date without an Amendment to the Contract.

Total compensation will be determined by the number of sites assigned to the Contractor and completed during the term of the Contract.

Agency may, at any time, make changes to the Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing by the Agency's Project Manager. Such changes shall be made by an Amendment to the Contract. The Total Authorized Amount and Term shall be equitably adjusted, if required, to account for such changes, and shall be set forth in the written Amendment, agreed to and signed by both parties, prior to becoming effective.

7. **CONTROL OF THE WORK:** The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.

8. FITNESS FOR DUTY:

Contractor 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.

9. INSURANCE: During the term of this Contract, the Contractor shall maintain at its 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 00 01 10 01, 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 occurrence limit.
2. **Automobile Liability:** Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto."
3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident.

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.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage
  - a. The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsement GL 2010 11 85, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired,

or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85, then it is also necessary to issue a Form CG2037 10 01 in addition to Form CG 2010 10 93 or CG 2010 03 97.

- b. The Contractor'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 Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any 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 Contractor 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 has been given to the Agency.

- D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall furnish the Agency with certificates of insurance, 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.

10. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency  
Attn: Manager of Safety and Risk Management  
P.O. Box 9020  
Chino Hills, California 91709

11. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of existing and future state and federal laws and county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with such existing, at the time services are rendered, 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, in effect at the time the services are performed, whether by the Contractor or its employees.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- E. 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.
- F. Equal Opportunity and Unlawful Discrimination: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status,

ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. Please be assured that any possible infraction will be thoroughly investigated by the Agency.

G. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision
3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
  - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
  - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.



- c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration 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, which shall be recoverable by the prevailing party.
  4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.
12. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless for all liabilities, demands, actions, claims, losses, and expenses which arise out of or are related to the negligence, recklessness, or willful misconduct of the Contractor, its directors, employees, agents, and assigns in the performance of the work under this contract.

In turn, to the fullest extent permitted by law, Agency shall indemnify Contractor, its directors, employees, and assigns, and shall defend and hold them harmless for all liabilities, demands, actions, claims, losses, and expenses which arise out of or are related to the negligence, recklessness, or willful misconduct of the Agency, its directors, employees, agents, and assigns in the performance of the work under this contract.

13. **OWNERSHIP OF WORK MATERIALS:** The Work materials (drawings, specifications, field notes, exhibits, site surveys, site-specific information, and other documents) related to this scope of work shall remain the property of the Agency. The Agency acknowledges that the Contractor's project reports, field data, notes, calculations, estimates, and other similar work materials; are instruments that support the services provided under this Contract, and are not "work products." The Agency understands that the Contractor may retain a copy of all work materials for the purpose of documenting the Contractor's participation in this project. The Agency recognizes that there shall be no unauthorized re-use of any project documents unless authorization of such re-use is reduced to writing and signed by both parties. Ownership of all work materials shall remain the property of the Agency.
14. **TITLE AND RISK OF LOSS:**
  - A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Scope of Work described herein.

- 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. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which Agency has title as directed in writing by the Project Manager and/or a designated Agency representative.

15. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
  - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
  - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
  - 3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
- B. No Additional Compensation: Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

16. LIENS: Contractor represents 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.

Contractor shall pay all sums of money that become due for any labor, services, materials, or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

17. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

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

Contractor: Don Holder, Owner  
ConServ Construction, Inc.  
37204 Sunnygrove Lane  
Murrieta, California 92563

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.
19. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.

20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.
22. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, County of San Bernardino.
23. **TERMINATION FOR CONVENIENCE:** The Agency and/or Contractor each reserve and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the other party. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
24. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
25. **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 Contractor.

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:**

**CONSERV CONSTRUCTION, INC.:**

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

(Date)

  
\_\_\_\_\_  
Don Holder  
Owner

2-10-16  
(Date)

# Attachment A



Jan. 11, 2015

**Small Residential Landscape Surveys and Controller Retrofit Program**

**Proposal submitted to:**

Lisa Morgan-Perales  
6075 Kimball Ave. Building A  
Chino, California 91708

Dear Lisa Morgan-Perales:

Thank you for giving ConServ Construction, Inc. the opportunity to submit our proposal for your Small Landscape Service Program. This proposal will be valid for 90 days from submittal date.

**Submitted by:**

**Don Holder**  
**President**  
ConServ Construction, Inc.  
37204 Sunnygrove Ln.  
Murrieta, Ca. 92563  
Office. 951.813.2110  
Fax. 877.493.7954

**Date** 1-11-16

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## **About ConServ Construction Inc.**

ConServ Construction, Inc. is established as a Conservation Company to help implement current and future conservation projects with the utmost importance on customer service, professional installation and thorough administration of customer reports. ConServ Construction, Inc. is licensed (#927834) and bonded through the California State Licensing Board with a 'B' General Contractor License and a 'C-27' Landscaping License.

ConServ Construction, Inc. carries Worker's Compensation Insurance with 2 million/1 million through Preferred American Insurance and Commercial Auto with limits at 1 million.

We enjoy a strong working relationship with your Water District staff, conservation professionals, suppliers and subcontractors that allows us to operate a high volume, efficient business.

As a result of our successful history as a vendor IEUA, and other Water Districts, our staff, ConServ, Inc. is uniquely qualified to implement this program.

ConServ, Inc. offers full-service Irrigation Conservation services to Water Agencies and Private Sector customers. Our Irrigation Program Services include:

- Program administration and web-based reporting
  - Material procurement and management
  - Program implementation and installation
  - Irrigation evaluations (recommendations)
  - All vehicles are equipped with product and equipment for immediate response to service calls and training. ConServ Inc. has an experienced team of irrigation professionals that include CIA Certified Auditor and installers certified by all major irrigation manufacturers.
- All Labor is performed by professional trained employees.



## Experience and Qualifications

ConServ Inc. team offers a combination of experience that will serve your project well.

We have an exceptional track record with implementation of water conservation programs addressing customer issues, evaluating difficulties in irrigation systems, recognition of a default site; along with following up on customer education.

ConServ, Inc. has extensive experience with Smart Controller DI programs including management of programs, installation, customer service, customer logistics and follow-up customer service. We have earned the respect of manufacturers for our competency and customer service.

Conserv, Inc. is a highly experienced landscape auditor and our installers have many years of field experience installing and programming ET weather based controllers.

Our financial strength with unlimited credit from our local irrigation suppliers, to our LOC makes no project too small or too large.

As well, our team and approach will help insure the maximum success for your agency and its customers with:

- The best product.
- A quality site audit and review, as required
- Accurate programming
- Responsive Follow-up's for Service Calls

## **Value Added Services**

In addition to our problematic services, ConServ Inc. provides additional customer services at a **NO COST** to IEUA or its customers:

1. Continued service calls and follow-ups to customers until they are satisfied with the product and service.
2. A toll free 800 phone number label is included on each controller for the convenience of each IEUA customer for service and follow-up's.

3. ConServ, Inc. **does not** charge for completed services for audits, scheduling or travel time to customers that are not interested in participating or qualifying in this program.
4. On time responses to follow ups that includes same day visits or scheduling.
5. ConServ Inc. also stores existing used controllers from the program, cleans and refurbishes them, and then donates good controllers and nozzles to **Habitat for Humanity**. To date, we have provided them with over 800 controllers and 20,000 used nozzles including misc. irrigation products.
6. ConServ, Inc. also offers additional phone support and on line video tutorials of installed product and equipment. (access available at [www.conservinc.net](http://www.conservinc.net))
7. ConServ, Inc. offers discount rates for irrigation upgrades and repairs to IEUA's customers.
8. If customer request their old controller to be reinstalled, ConServ, Inc. to reinstall at **no charge** to participating customer.

## Key Personnel

### ConServ Construction Inc. - Principals:

#### **Don Holder**— Principal, ConServ Construction, Inc. (President)

Don Holder oversees the overall business growth of ConServ Inc. He comes from a service oriented Trade Show background that included the management of 75 full time employees. In the past 7 years he has secured projects with several water agencies. Some of his strengths and qualifications are:

- Certified in RainBird, Toro Intelli-Sense, Irritrol, Weathermatic and Hydropoint/WeatherTRAK Controllers.
- Certified Irrigation Auditor (CIA) for ConServ Inc.
- 10 years as Evaluator, Installer and Service Advisor for local Agencies with Installation of 3,000+ WBIC's for residential and Commercial Accounts
- Five years in the Construction Industry as Foreman running a 30 man crew at multiple locations
- Twenty one years as Senior Production Manager overseeing 75 full-time employees with gross annual receipts of \$21 million

#### **Cynthia Campbell** - CFO

Cindy Campbell is a seasoned executive that helps in operations and compliance efforts within ConServ, Inc. Mrs. Campbell handles reporting requirements, payroll entries and billing. Cindy's 20 years plus of experience include Payroll and Corporate Tax Preparation.

#### **Bonnie Holder**- Administrative Manager

Bonnie has 20+ years of administrative office experience. With her background in graphic design, she has a sense for detail. Her responsibilities include: Supervising and scheduling of all audits and installations. Her organizational strengths include FTP site data entrees and excellent details to Personnel Customer Service.

#### **Shalis Ortega and Lauren Labrousse**- Administrative Assistant

Shalis and Lauren joined ConServ, Inc. in 2015 and brings several years of accounting and Web Based Data entry experience to our team. They support ConServ's team from project launch, to data entrees and finally completes our customer satisfaction approach.

#### **Michelle Evans**

Michelle's years of customer service and scheduling has made her an important part of ConServ's customer service and customer satisfaction with scheduling.

#### **Steve Campbell / Lead for installations**

Steve has 20+ years of interfacing with clients and completing projects with quality and has excellent on time performance. He also holds a current general contracting license # 927834 and a C-27 landscaping license.



<b>Don Holder</b>	Communication and Interfacing with IEUA
<b>Cindy Campbell</b>	Accounting, payroll and invoicing
<b>Bonnie Holder</b>	Appointment support with schedules and FTP site data entering
<b>Michelle Evans</b>	Senior scheduler and phone support
<b>Lauren Labrousse</b>	Data entry with customer service follow-up's
<b>Shalis Ortega</b>	Scheduling, data entry, customer service and follow-up's
<b>Steve Campbell</b>	Lead installer and auditor
<b>Kurt Scorza</b>	Installation and service follow-ups
<b>Tyler Harvard</b>	Installation and service follow-ups

## Technical Approach and Methodology

ConServ, Inc. proposes the following approach to effectively manage the installation of 1000 sites within IEUA Service Area.

### Step 1.

#### Signed Agreement with Agency

Donald Holder-President

This includes responses to all questions, presentations and contractual details.

### Step 2.

#### Administration and Communication

ConServ, Inc. team provides a toll free phone number and includes development and implementation of processes that best fit these programs requirements.

With this team, ConServ, Inc. would provide the following services:

- Development of site audits forms.
- Database development (tracking all contacts, site data, equipment data, rebate date, follow-up, etc.).
- Conducting customer calling, tracking scheduled and confirming site visits.
- Supply electronic forms back to the agency and the customer.
- Database reports to the agency.
- Scheduling format for follow-up service calls and future calls as necessary.

### Step 3.

#### Regional Educational Training Sessions

ConServ, Inc. to coordinate educational classes between the water agencies and the manufacturer's representative that will be overseeing the informational classes. Potential customers attend an educational class that will qualify them for participation in the program and to receive a landscape evaluation.

#### Step 4.

##### On Site Evaluations

ConServ, Inc. will provide one general evaluation per site. The evaluation will be approx. 30-45 minutes. Evaluation includes:

Staff Responsible: Don Holder

- Personnel who are competent and professional and are uniformed with Conserv Inc.'s logo.
- A booklet, cover letter and summary of the benefits to program
- On time arrival of appointments  
(Appointments to have no more than a 30 minute window)
- Accurate data collection
- Ensure participants clearly understand program and value of audit
- Recommendations provide for irrigation efficiency upgrades and repairs

#### Step 5.

##### Procurement of Equipment

Staff Responsible: Don Holder

- Scheduling local vendor of project and inventory
- Establishing required material for program
- Establishing procedures for inventory, storage, labeling and adjustments for returns/defects

## **Step 6.**

### **Installation of Equipment**

Staff Responsible: Steve Campbell, Tyler Harvard, and Kurt Scorza

- Electronic data entrees
- Presentable and courteous
- Clean and safe worksite conditions
- One (1) year warranty of installation
- All forms and waivers to be completed before installation
- Service vehicle to carry all necessary fittings and parts as required
- Thorough on-site training of equipment per installation
- Equipped service vehicle with all necessary equipment
- Phone support and service calls as needed

## **Step 7.**

### **Customer Service and Reporting**

ConServ Inc.'s Team (All Staff):

Bonnie Holder, Michelle Evans, Shalis Ortega and Lauren Labrousse

- Continually polite and respectful
- Immediately responsive to problems or concerns (within 48 hours)
- Continued training and details to programs processes
- Prompt and accurate reporting.
- Post all data to dedicated FTP site.
- Prompt and accurate invoicing and tracking.

## Fee Proposal

All proposed fees are stated as NET-Price. This represents the total and final cost to the Agency for providing professional quality service for this program. This NET-Price includes all costs associated with all materials. Labor, equipment, transportation, overhead, profit, insurance, taxes, fees, incidentals and any other related costs necessary to supply the services required.

Fee Proposal includes the following services per site:

- Program administration
- Participating educational training and management
- On site evaluation
- Customer service

Sites sizes range from 500 to 10,000 sq. ft. \$225.00 per site

Controller upgrade. \*

- See detailed pricing sheets

Maximum per site Cost \$1000.00 per site

\*Controller upgrade of existing irrigation equipment will include the removal of their existing equipment and professionally install a new weather-based controller with weather station/ rain sensor.

This includes documentation of the old run times and zone locations as well as programming new run time to function efficiently.

### Terms:

Net 30 Days

Discount: 2 % net 15 days



ID	Overall Pricing (ID Controllers)	1st Unit		
		Material w/tax	Labor	Sub Total
4	Toro Evo Controller, Smart link and Weather Station	275	110	385
8	Toro Evo Controller, Smart link and Weather Station	300	120	420
12	Toro Evo Controller, Smart link and Weather Station	320	120	440
16	Toro Evo Controller, Smart link and Weather Station	360	140	500
24	Toro TMC 424 (ID)	495	175	670

2nd Unit		Sub Total
Material w/tax	Labor	
200	100	300
225	110	335
245	110	355
285	140	425
475	165	640

Audit		per site
1 unit	2 unit	
Complete	per site	
610	300	
645	335	
665	355	
725	425	
895	640	

OD	Overall Pricing (OD Controllers)	1st Unit		
		Material w/tax	Labor	Sub Total
4	Toro Evo Controller, Smart link and Weather Station	295	110	405
8	Toro Evo Controller, Smart link and Weather Station	310	120	430
12	Toro Evo Controller, Smart link and Weather Station	340	120	460
16	Toro Evo Controller, Smart link and Weather Station	385	140	525
24	Toro TMC 424 (OD)	495	175	670

2nd Unit		Sub Total
Material	Labor	
205	100	305
235	110	345
265	110	375
305	140	445
475	165	640

Audit		per site
1 unit	2 unit	
complete	per site	
630	310	
655	345	
685	375	
750	445	
895	640	

### Additional Pricing - Irritrol Rain Dial Controllers

ID	Overall Pricing (ID Controllers)	1st Unit		
		Material	Labor	Sub Total
Stations		w/tax		
4	Rain Dial, Climate Logic with rain sensor	275	110	385
8	Rain Dial, Climate Logic with rain sensor	300	120	420
12	Rain Dial, Climate Logic with rain sensor	320	120	440
16	Toro TMC 424 (ID)	485	140	625
24	Toro TMC 424 (ID)	495	175	670

2nd Unit		Sub Total
Material	Labor	
w/tax		
275	100	300
300	110	335
320	110	355
485	140	625
475	165	640

1 unit	2 unit
Complete	per site
610	300
645	335
665	355
850	625
895	640

Audit
per site
225
225
225
225
225

OD	Overall Pricing (OD Controllers)	1st Unit		
		Material	Labor	Sub Total
Stations		w/tax		
4	Rain Dial, Climate Logic with rain sensor	295	110	405
8	Rain Dial, Climate Logic with rain sensor	310	120	430
12	Rain Dial, Climate Logic with rain sensor	340	120	460
16	Toro TMC 424 (OD)	485	140	625
24	Toro TMC 424 (OD)	495	175	670

2nd Unit		Sub Total
Material	Labor	
295	100	395
310	110	420
340	110	450
485	140	625
475	165	640

1 unit	2 unit
complete	per site
630	395
655	420
685	450
850	625
895	640

Audit
per site
225
225
225
225
225

## Sample Forms

### Web-Enabled Database

Client ID#	Account Number	Last Name	First Name	Name	Street Address	City	Zip	Phone Number
CVWD								
1	39211-5976	Wilkins	Terry		10996 Hillside Road	Rancho Cucamonga	91737	909 376-3786
2	216719-6448	Lewis	Robert		10534 Ridge Canyon Rd	Rancho Cucamonga	91737	702 262-7314
3	198265-80518	Troutman	Jeff & Tina		12609 Cambria Dr	Rancho Cucamonga	91737	951 733-6217
4	4737-4040	Sharfi	Ben		9685 Whirlaway	Rancho Cucamonga	91737	(?) 948-1401
5	2733-2342	Blucker	John		9236 Golden Street	Rancho Cucamonga	91737	909 921-4841
6	2733-2344	Blucker	John		9254 Golden Street	Rancho Cucamonga	91737	909 921-4841
7	255379-102190	Vegas/Tran	Jason/Jessica		13575 Wild Maple	Rancho Cucamonga	91739	951 454-8522
10	173143-6232	Allen	Sam		5468 Northwind Place	Rancho Cucamonga	91737	909 948-1401
11	241467-81474	Castaneda	Oscar/Marissa		6368 Show Horse Way	Rancho Cucamonga	91739	209 404-7467
12	123823-79874	Hafez	Mohammed		11145 Martingale Way	Rancho Cucamonga	91701	909 425-7107
13	143795-3722	Spencer	Tammy		9390 Rancho Street	Rancho Cucamonga	91737	909 851-5738
14	222937-88308	Buchanan	Robert/Briana		5320 Windsor Place	Rancho Cucamonga	91739	909 456-5927
15	251759-5770	Johnson	Amber		5523 Deer Creek Lane	Rancho Cucamonga	91737	909 278-3125
16	5223-4432	Simmons	JoAnn		10068 Copper Mt Court	Rancho Cucamonga	91737	951 204-7124
17	16347985534	Nakai	Kulwinder		5034 Morgan Place	Rancho Cucamonga	91737	909 730-5031
18	222937-88308	Buchanan	Robert		5320 Windsor Place	Rancho Cucamonga	91739	909 456-5927
19	120171-85390	Miller	Rick		6309 Countrywood Pl	Rancho Cucamonga	91739	909 379-8580

## Sample of System-Generated Email Confirming Client Application

From: customer@cs@cc.com  
 To: michael@coyoteengineers.net  
 Cc:  
 Subject: Call Message 8662511544

Sent: Wednesday, 01/26/2011 11:07 AM



**Account** 8662511544  
**Message Taken** 01/26/2011 11:07 AM PST  
**Message Sent** 01/26/2011 11:07 AM PST

**Call Types** (MOST CALLS) Applying for the Toilet Replacement Program  
**Name** Karen  
**Phone Number** 951676 575  
**Was the form submitted successfully?** Yes

### Online Voice Mail and Call Logging

Play	<a href="#">(951) 123-4567</a>	Contact	<a href="#">Lake El...</a>	Today	1:21 PM	5 sec		
Play	<a href="#">(951) 123-4567</a>	Contact	<a href="#">La Vern...</a>	Today	1:15 PM	28 sec		
Play	<a href="#">(951) 123-4567</a>	Contact	<a href="#">Lake El...</a>	Today	12:43 PM	57 sec		
Play	<a href="#">(951) 123-4567</a>	Contact	<a href="#">Nuevo, CA</a>	Today	12:20 PM	91 sec		
Play	<a href="#">(951) 123-4567</a>	Contact	<a href="#">Murret...</a>	Today	11:48 AM	24 sec		
Play	<a href="#">(951) 123-4567</a>	Contact	<a href="#">Sun Cit...</a>	Today	11:45 AM	22 sec		



### **Confirmation of Insurance**

**\$1,000,000 Each Occurrence**  
**\$2,000,000 General Aggregate**  
**\$1,000,000 Product-Completed Operations Aggregate**  
**\$2,000,000 Personal & Advertising injury limit**  
**\$1,000,000 Automotive Liability Insurance**

### **Time Line**

With this ConServ, Inc. team, we are accustomed to delivering a rapid implementation to your project. We offer our services six (6) days a week from scheduling, audits, installations and follow-up service calls.

With our answering and on-line services, we can retrieve, call back and schedule from same day to 24-48 hours.

**The Toro Company**

5825 Jasmine Street, Riverside, California 92504-1163 • Phone 951/688-9221  
P.O. Box 489, Riverside, California 92502-0489

December 16, 2015

Mr. Don Holder  
ConServ Construction Inc.  
30190 Via Del Fierro  
Menifee, CA 92584



**SUBJECT: Toro EVOLUTION® Controller for Inland Empire Utilities Agency (IEUA)**

The Toro Company extends its greatest appreciation on being a part of the Inland Empire Utilities Agency's irrigation controller installation program. The EVOLUTION® controller series is an exciting choice for residential and light-commercial irrigation systems, as this state-of-the-art platform provides a multitude of user-friendly features that include:

- Revolutionary user interface making it easier to operate for home owners, end users, and installation contractors
- Modular design makes it easy to expand the 4 station base model up to 8, 12, and even 16 station capacity
- Easy upgrade to Smart Control with the optional Smart Connect™ allowing wireless connectivity to weather sensors, soil moisture sensors, wireless relays, and even a hand held remote
- Built for the future with a USB port to allow updates for newly added features eliminating the need to replace the controller
- Compatible with the SMRT Logic™ to allow both end users and contractors to interface with the EVOLUTION® via the internet and smartphone app
- Computer-programmable via a USB flash drive with the free EVOLUTION® Scheduling-Advisor™ software

The Toro Company wishes to extend pricing protection on EVOLUTION® controller and the available add-on devices for the IEUA 2015-2016 program year.

Qualifying products are:

<b>Inland Empire Utility Agency (IEUA) Small Residence Smart Controller Install Program</b>		
Part #	Description	List Price
EVO-4ID	Evolution 4-Station Indoor Controller	\$155.00
EVO-4OD	Evolution 4-Station Outdoor Controller	\$185.00
EMOD-4	Evolution 4-Station Expansion Module	\$49.00
EMOD-12	Evolution 12-Station Expansion Module	\$165.00
EVO-SC	Smart Connect® Plug-In Receiver	\$120.00
EVO-WS	Wireless Weather Sensor	\$99.00
PSS-SEN	Wireless Precision™ Soil Sensor (Probe Only)	\$99.00

\*Toro distributes all finished goods through an authorized distributor; please secure pricing through a participating distributor

Thank you for this opportunity. We are excited to continue working with ConServ and the Inland Empire Utilities Agency (IEUA) in providing the necessary product training and support.

  
Dave Armentrout  
Area Business Manager

## References

1. IEUA  
6075 Kimbal Ave  
Chino, Ca. 91708  
Large Landscape irrigation program with nozzle retrofit.

ConServ, Inc is currently contracted to service approx. 500 customers per year with an audit, controller upgrade and high efficient nozzles if qualified.

2. MVWD  
Justin Scott-Coe

ConServ Inc. is currently contracted to implement MVWD Residential Nozzle Program. We handled all scheduling, audits, installations and rebate for this program.

- 3 Eastern Municipal Water District  
2270 Trumble Rd.  
Perris, Ca. 92570  
Stacy Rodriguez  
951.928.3777  
DI Residential Controller Program

ConServ, Inc. is currently contracted to implement their DI Controller Program with also includes the residential and commercial nozzle retrofit programs.

STATE OF CALIFORNIA

Contractors State License Board

Pursuant to Chapter 9 of Division 3 of the Business and Professions Code and the Rules and Regulations of the Contractors State License Board, the Registrar of Contractors does hereby issue this license to:

**CONSERV CONSTRUCTION INC**

License Number 927834

to engage in the business or act in the capacity of a contractor in the following classification(s):

**B - GENERAL BUILDING CONTRACTOR  
C27 - LANDSCAPING**

Witness my hand and seal this day,

January 26, 2009

**Issued January 23, 2009**

*James Miller*  
James Miller  
Board Chair

*Stephen P. Sands*

Stephen P. Sands  
Registrar of Contractors

This license is the property of the Registrar of Contractors, is not transferable, and shall be returned to the Registrar upon demand when suspended, revoked, or invalidated for any reason. It becomes void if not renewed.





## **Cal OSHA IIPP Policy and Procedures 2016**

### **RESPONSIBILITY**

The Injury and Illness Prevention Program (IIP Program) administrator, Donald Holder- President has the authority and the responsibility for implementing and maintaining this IIP Program for ConServ, Inc.

Managers and supervisors are responsible for implementing and maintaining the IIP Program in their work areas and for answering worker questions about the IIP Program. A copy of this IIP Program is available from each manager and supervisor.

### **COMPLIANCE**

All permanent and intermittent workers, including managers and supervisors, are responsible for complying with safe and healthful work practices. Our system of ensuring that all workers comply with these practices include the following practices:

- Informing workers of the provisions of our IIP Program.
- Evaluating the safety performance of all workers.
- Recognizing employees who perform safe and healthful work practices.
- Providing training to workers whose safety performance is deficient.
- Disciplining workers for failure to comply with safe and healthful work practices.

### **COMMUNICATION**

All managers and supervisors are responsible for communicating with all permanent and intermittent workers about occupational safety and health in a form readily understandable by all workers. Our communication system encourages all workers to inform their managers and supervisors about workplace hazards without fear of reprisal.

Upon hiring, management will identify any intermittent workers with special communication needs. Management will ensure that such a worker understands the safety and health requirements before being assigned to duties exposing them to workplace hazards.

Our communication system includes the following items:

- New worker orientation including a discussion of safety and health policies and procedures.
- Review of our IIP Program.
- Workplace safety and health training programs.
- Regularly scheduled safety meetings.
- Effective communication of safety and health concerns between workers and
- Supervisors, including translation where appropriate. Posted or distributed safety information.

- A system for workers to anonymously inform management about workplace hazards.

Our establishment has less than ten employees and communicates with and instructs employees orally about general safe work practices and with respect to hazards unique to each employee's job assignment.

### **HAZARD ASSESSMENT**

Periodic inspections to identify and evaluate workplace hazards shall be performed by a competent observer in the following areas of our workplace:

Periodic inspections are performed according to the following schedule:

1. When we initially established our IIP Program;
2. When new substances, processes, procedures or equipment which present potential new hazards are introduced into our workplace;
3. When new, previously unidentified hazards are recognized;
4. When occupational injuries and illnesses occur;
5. When we hire and/or reassign permanent or intermittent workers to processes, operations, or tasks for which a hazard evaluation has not been previously conducted; and
6. Whenever workplace conditions warrant an inspection.

Periodic inspections consist of identification and evaluation of workplace hazards utilizing applicable sections of the attached Hazard Assessment Checklist and any other effective methods to identify and evaluate workplace hazards.

### **ACCIDENT/EXPOSURE INVESTIGATIONS**

Procedures for investigating workplace accidents and hazardous substance exposures include:

1. Interviewing injured workers and witnesses;
2. Examining the workplace for factors associated with the accident/exposure;
3. Determining the cause of the accident/exposure;
4. Taking corrective action to prevent the accident/exposure from reoccurring; and
5. Recording the findings and corrective actions taken.

### **HAZARD CORRECTION**

Unsafe or unhealthy work conditions, practices or procedures shall be corrected in a timely manner based on the severity of the hazards. Hazards shall be corrected according to the following procedures:

1. When observed or discovered.
2. When an imminent hazard exists, which can not be immediately abated without endangering employee(s) and/or property, we will remove all exposed workers from the area except those necessary to correct the existing condition. Workers necessary to correct the hazardous condition shall be provided with the necessary protection.

## **TRAINING AND INSTRUCTION**

All permanent and intermittent workers, including managers and supervisors, shall have training and instruction on general and job-specific safety and health practices. Training and instruction can be provided through a brief on-site safety meeting. Any training and instruction shall be provided as follows:

1. When the IIP Program is first established;
2. To all new workers, except for construction workers who are provided training through a construction industry occupational safety and health training program approved by Cal/OSHA;
3. To all workers given new job assignments for which training has not previously provided;
4. Whenever new substances, processes, procedures or equipment are introduced to the workplace and represent a new hazard;
5. Whenever the employer is made aware of a new or previously unrecognized hazard;
6. To supervisors to familiarize them with the safety and health hazards to which workers under their immediate direction and control may be exposed; and
7. To all workers with respect to hazards specific to each employee's job assignment.

Workplace safety and health practices for all industries using intermittent workers include, but are not limited to, the following:

1. Explanation of the employer's IIP Program, emergency action plan and fire prevention plan, and measures for reporting any unsafe conditions, work practices, injuries and when additional instruction is needed.
2. Use of appropriate clothing, including gloves, footwear, and personal protective equipment.
3. Prevention of muscular skeletal disorders including proper lifting techniques.
4. Information about chemical hazards to which employees could be exposed and other hazard communication program information.
5. Availability of toilet, hand-washing and drinking water facilities.
6. Provisions for medical services and first aid including emergency procedures.

## **RECORDKEEPING**

Since we have less than ten workers, including managers and supervisors, we maintain inspection records only until the hazard is corrected and only maintain a log of instructions to workers with respect to worker job assignments when they re first hired or assigned new duties.

## **LIST OF TRAINING SUBJECTS**

We train our workers on the following training subjects:

HEAVY CONSTRUCTION AND SPECIAL TRADES CONTRACTORS  
(SIC Codes: 1611, 1721, 1751-1755, 1761, 1771)

- The employer's Code of Safe Practices.
- Good housekeeping, fire prevention, safe practices for operating any construction equipment, including procedures for cleaning, repairing, servicing and adjusting.
- Safe access to working areas.
- Protection from falls.
- Electrical hazards, including working around high voltage lines.
- Proper use of powered tools.
- Ergonomic hazards, including proper lifting techniques.
- All Current best Practices for Water Conservation

**Code of Safe Practices**

**2016**

1. All persons shall follow these safe practices rules, render every possible aid to safe operations and report all unsafe conditions or practices to managers or supervisors.
2. Managers and supervisors shall insist on employee's observing and obeying every rule, regulation, and order as is necessary to the safe conduct of the work, and shall take such action as is necessary to obtain observance.
3. All employees shall be given frequent injury and illness prevention instructions.
4. Anyone known to be under the influence of drugs or intoxicating substance which impairs the employee's ability to safely perform the assigned duties shall not be allowed on the job while in that condition.
5. Running, jumping horseplay, scuffling and other acts which tend to have an adverse influence on the safety or well being of the employee's shall be prohibited.
6. Work shall be well planned and supervised to prevent injuries in the handling of materials and in working together with equipment.
7. Employees shall be instructed to ensure that all guards and other protective devices are in proper places and adjusted and shall report deficiencies promptly to the manager or supervisor.
8. Employee's shall not enter underground vaults, chambers, tanks, manholes. Silos or other similar confined places that receive little ventilation, unless it has been determined that it is safe to enter.
9. **Electrical.**  
Employees shall not handle or tamper with any electrical equipment, machinery, air or water lines in a manner not within the scope of their duties unless they have received instructions from their supervisor or manager. Respect electricity under all circumstances. Never use electrical equipment in areas of excessive moisture unless all safeguards have been taken. Electric power cords are grounded thru approved cords, including extension, for your safety. Never remove or alter polarized cords or plugs.

#### **10. Heavy Lifting.**

When lifting heavy objects, use the large muscles of the leg instead of the back muscles. Learn and practice the proper way to lift or carry material or any object. Do not operate any type of powered material handling or hoisting equipment unless authorized. Get help in handling heavy or bulky loads.

#### **11. Heavy Equipment**

Stay clear of heavy equipment. Remain aware of warning devices such as bells, horns or whistles. Use protective gear as recommended when exposed to unusual hazards. Never attempt an operation with which you are not familiar, ask first for specific instructions. Wear suitable work cloths at all times, heavy soled shoes protect against puncture injury.

#### **12. Basic First**

First aid is of value in the event of injury. Never attempt to move a person who may possibly suffer from a injured spine or other internal injury unless proper methods are completely understood. All injuries shall be reported promptly to the supervisor or manager so that arrangements can be made for medical or first aid treatment.

#### **13. Accident Prevention**

All persons must abide by Construction Safety Orders, General Industry Safety Orders and Company rules. Posters and other safety material are displayed for the benefit of employees, read and abide by these suggestions. Give every possible aid in the event of injury.

#### **14. Accident Reporting**

Report all personal injuries to a supervisor immediately. Obtain authorization for any medical attention off the job. Medical release is necessary before returning to work.

#### **15. Job Site**

Keep work areas free of debris, good housekeeping is essential. Remove or correct any hazards. Never work or pass under suspended loads or equipment.

#### **16. Work Habits**

Assist other trades when necessary to maintain safe operation. Never place yourself, or allow others to work in a dangerous position. Use the right tool or equipment for all work. Use of any alcoholic beverage is strictly prohibited on the job. Don't be party to horseplay; pranks can be fatal. Construction sites offer unusual hazards, walk and work all due respect for them.

#### **17. Hand Tools**

Always use the proper tools and maintain them in good condition at all times. Loose or broken handles, mushroom heads, dull blades, improper size or type of tool should never be used.

#### **18. Power Tools**

Power activated tools must only be used by licensed personnel. Know the proper method of using a skill saw; never block back the retractable guard. It is for your protection. Never use a tool with which you are not fully experienced.

#### **19. Protective Devices**

Hand or guardrails, protective covers, toe-boards, ramps and safety devices installed on various tools are for your safety. Do not tamper with, remove or damage these protective measures. Replace, correct or report any unsafe guard or device.

#### **20. Transportation**

Do not stand on the bed of the truck. Never ride with arms or legs over the sides, do not sit on the tailgate. It must be closed during transportation of passengers. Be careful of any tools, material or equipment as it may shift or slide.

**21. Flammables, Solvents**

Never use gasoline or other highly volatile liquids for cleaning purposes. Oxygen and acetylene cylinders can be dangerous, secure against rolling or tipping. Do not expose tanks or containers that may contain explosive vapor or liquid to open flame or spark.

**22. Employees Timecards**

All employees are to report any injury at the time of the injury. Employees are to sign their own timecard at the end of each week stating if any injury occurred.

**Note: Non-compliance with these regulations will result in disciplinary action.**

1<sup>st</sup> offense- Verbal warning

2<sup>nd</sup> offense- Written warning (signed by both parties)

3<sup>rd</sup> offense- Final written warning (signed by both parties)

4<sup>th</sup> offense- Disciplinary time off

5<sup>th</sup> offense- Termination

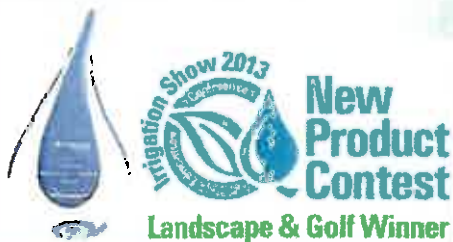
Donald G. Holder  
ConServ Construction Inc.

**TORO.**

Count on it.

# EVOLUTION® Series

## Controllers



### *Introducing the next generation in controllers!*

With an intuitive interface and exclusive features for “smart” control, the new Toro® EVOLUTION® is an easy choice for residential and light-commercial applications.

### Features & Benefits

#### Revolutionary Interface

The EVOLUTION controller’s user interface was designed with the customer in mind. Shortcut buttons provide quick access to basic functions while the advanced menu leverages the experience and knowledge of the irrigation professional, all shown on a graphics display that navigates similar to many modern consumer electronic devices.

#### Easy Upgrade to Integrated Smart Control

An optional Smart Connect™ device plugs into the timing mechanism, enabling it to wirelessly communicate directly with a number of add-on devices—including a weather sensor, handheld remote, multiple soil sensors, and up to two wireless relays.

#### Computer-programmable with USB Drive

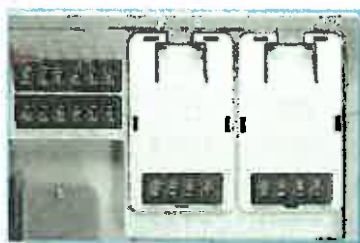
Simple-to-use software allows you to program everything at a computer. Use a standard USB drive to transfer programming to one or more controllers in a matter of seconds. Create your own schedules or utilize the easy to use wizard to generate a schedule based on the historical requirements of your location.



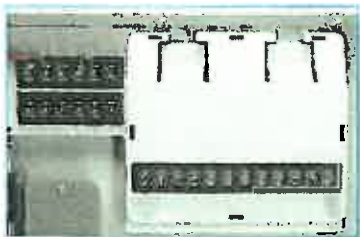
EPA WaterSense® Certified when used with Smart Connect™ Wireless Weather Sensor



Modular configurations from 4 to 16 stations



12-station configuration with (2) 4-station modules



16-station configuration with (1) 12-station module



## Controller Interface

The EVOLUTION controller's interface is a system of informative yet easy-to-understand screens that are quickly accessible using the controller's shortcut buttons.

*Dedicated Water OFF*

*Homeowner Basic Operations*



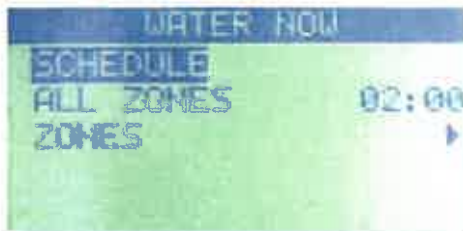
*Help/Info*

*Contractor Advanced Operations*

## Standard Functions



The **Standard** menu gives the homeowner access to the most fundamental functions of the controller, such as manual watering, setting watering days and start times for a *single* schedule, and adjusting the amount of irrigation, all directly accessible through dedicated shortcut buttons.



For example, the **Water Now Screen** allows the user to begin watering with as few as just two button presses, with the option of starting a specific schedule, specific zone, or watering all zones in series.



Another example is the **Review Screen**, which is an at-a-glance summary showing which days the controller is going to water in the next seven days for the schedule you select.

## Advanced Functions



The **Advanced** menu gives the contractor access to the full power of the EVOLUTION® controller, including the ability to set up *multiple* irrigation and auxiliary schedules, create custom grow-in schedules, and configure any "smart" add-on devices - all operations that may otherwise overwhelm a homeowner.



For example, the **Apply Sensors** screen allows the user to easily view and configure all the sensors available to the controller, including rain, ET, and soil.

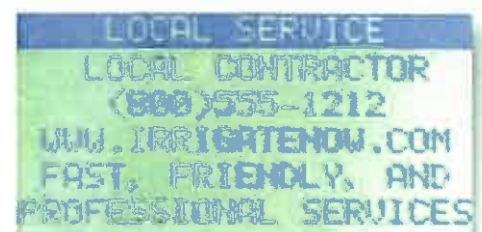


The **Grow In Screen** allows the user to set up a grow-in schedule for a user-defined period of time (up to 90 days), after which the controller will default back to its normal irrigation schedule(s).

## Other Examples



The **Home Screen** displays the current time and date, what zones are scheduled to water next, or if currently watering, what zone(s) are currently watering and how much time is remaining, as well as any alerts - in the absence of any alerts, the screen will display "SYSTEM OK."



The **Contractor Message Screen** allows the contractor to input a custom message with their name and contact information into the controller from the software via a USB drive so it is visible to the homeowner when they press the "Help" button.



## Smart Connect™ Add-On Devices

Simply plugging the Smart Connect device into the EVOLUTION® controller allows it to communicate wirelessly with a number of add-on devices, providing a great opportunity to upgrade with a number of different water-saving and time-saving options.



### Wireless ET Sensor

Uses live temperature and solar measurements as well as historical weather data for your location to calculate the amount of water needed from the irrigation system.



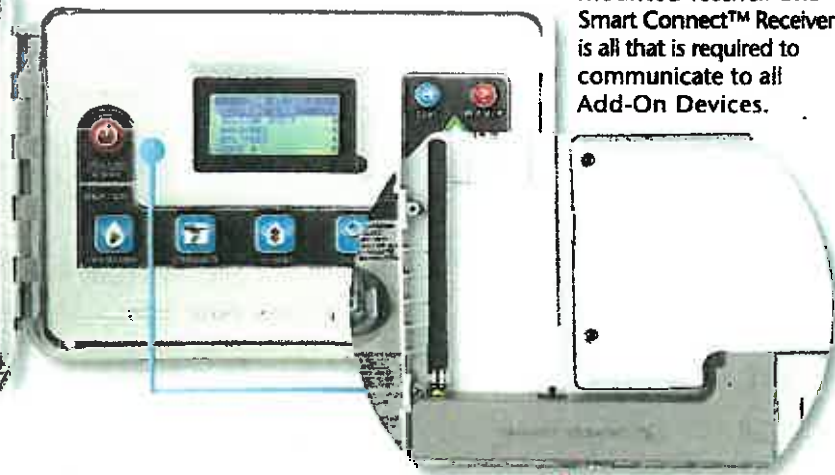
### Handheld Remote

Makes maintenance checks a snap, allowing you to run sprinklers or schedules from up to 1000 feet (305 m) away.

### Toro® Smart Connect™ Plug-In Receiver

Installs easily on the backside of the EVOLUTION® controller's front panel. No wires, No externally

mounted receiver. One Smart Connect™ Receiver is all that is required to communicate to all Add-On Devices.



### Toro® Precision™ Soil Sensor

Up to three soil sensors can be used (one per schedule) to monitor the moisture level in the soil and prevent over- and underwatering. With up to a 500 feet (152,4 m) wireless range, there's no digging required to install.



### EVOLUTION® Scheduling-Advisor™ Software\*

Programming can be transferred from your computer to the controller in seconds using a standard USB drive.

\*Smart Connect device not required for software programming capability.



### Wireless Auxiliary Relay

Up to two wireless relays can be used to turn on lighting, pumps, or fountains, just to name a few possibilities.

### Dimensions

- 11.25" W x 7.75" H x 4.5" D (286 x 197 x 114 mm)
- Weight: 4.5 lbs. (2 kg)

### Electrical Specifications

- Electrical input power:
  - 120 VAC
  - 30 VA maximum
  - UL, CUL Listed
- Station output power:
  - 24 VAC
  - 0.75 amps per station maximum
  - 0.75 amps pump/master valve
  - 1.0 amps total load
- Surge Protection:
  - 6.0 KV common mode; 1.0 KV normal mode
- Operation of two solenoids per station (up to 0.75 amps per station max)

### Programming

- One schedule in the default "standard" mode
- Up to six schedules in "advanced" mode:
  - Three irrigation schedules, four start times per schedule
  - One fixed auxiliary schedule, plus two wireless (optional Add-on)
- Three scheduling choices:
  - Seven-day calendar
  - 1- to 30-day interval with up to seven day restrictions
  - Odd/even days with up to seven day restrictions
- Monthly season adjust by schedule
- Schedule stacking, with automatic split cycle when season adjust is greater than 100%
- Grow-in schedule settable up to 90 days automatically reverts to regular irrigation schedule
- Station runtimes from one minute to twelve hours
- Allows 30, 60, or 90 second manual runtimes for things such as winterization/blowouts
- Programmable well-recovery/station-delay from 10 seconds to 30 minutes
- Pump start delay from 10 seconds to 30 minutes
- Master valve on/off by zone
- Timed water off from one to fourteen days
- Compatible with normally-closed rain sensors
- Automatic short detection for circuit protection and faster troubleshooting
- Non-volatile memory doesn't require batteries and holds programming for up to five years
- Zone Diagnostic Test which displays current values, short, over current or open zones

### Hardware

- 4 to 16 stations with 4- and 12-station hot-swappable modules
- Cabinet easily mounts to the wall through two easily-accessible screw holes on the upper left-hand and right-hand sides of the controller
- Red LED next to display lights in the event of an alert
- 128 x 64 pixel graphical display
- Battery on the timing mechanism for "armchair" programming
- Outdoor key-lock cabinet manufactured out of durable UV-resistant plastic and includes standardized key used on many of the most popular controllers
- Indoor cabinet includes internal transformer with pre-attached pigtail

### Optional Add-ons and Accessories

- EVO-SC – Smart Connect™ Device
- PSS-SEN – Precision™ Soil Sensor Probe
- EVO-WS – ET/Weather Sensor
- EVO-HH – Maintenance Remote
- EVO-AR – Auxiliary Relay

### Warranty

- Five years

### EVOLUTION® Series Model List

Model	Description
• EVO-4ID	4-station Indoor Controller
• EVO-4OD	4-station Outdoor Controller

### Add-ons and Accessories

Model	Description
• EMOD-4	4-station Expansion Module
• EMOD-12	12-station Expansion Module
• EVO-SC	Smart Connect™ Plug-In Receiver
• PSS-SEN	Wireless Precision™ Soil Sensor Probe Only
• EVO-WS	Wireless Weather Sensor
• EVO-HH	Wireless Handheld Maintenance Remote
• EVO-AR	Wireless Auxiliary Relay

### Specifying Information

#### EVO-4-XX-XX-SC

Description	Cabinet Type	Module	Connector Options
EVO-4	XX	XX	SC
EVO-4 – EVOLUTION Controller	ID – Indoor OD – Outdoor	4 – 4-station 12 – 12-station	SC – Smart Connect Device

Example: A 16-station EVOLUTION controller in an indoor cabinet with the Smart Connect device would be specified as EVO-4ID-12-SC



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Specifications subject to change without notice. For more information, contact your local Toro distributor.

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**CONSENT  
CALENDAR  
ITEM**


**21**

Date: March 16, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (3/9/16)  
Finance, Legal, and Administration Committee (3/9/16)

From: P. Joseph Grindstaff   
General Manager

Submitted by: Jeff Noelte   
Manager of Technical Services

Subject: Contract Award for Midge Fly Sampling and Control Investigation

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve Contract No. 4600002068 to West Valley Mosquito and Vector Control District (WVMVCD) establishing a two-year contract for midge fly sampling and control investigation services at various groundwater recharge sites for a not-to-exceed amount of \$280,000; and
2. Authorize the General Manager, or his designee, to execute the contract.

### **BACKGROUND**

Midge flies are aquatic insects that spend most of their lives as larvae in the sediments of water bodies (e.g., lakes, streams, and ponds) before emerging as adults to reproduce. While midge flies do not bite or transmit disease like mosquitoes, they can become a nuisance in populated areas as swarming and resting adults come into contact with people and buildings. Groundwater recharge efforts create standing bodies of water that provide habitat for midge flies that can lead to nuisance levels of adult midges in the surrounding areas.

In order to develop a long-term, integrated control strategy that utilizes chemical and engineering controls in the most appropriate fashion, an extensive set of sampling data is needed to thoroughly understand where and when midge flies occur. The West Valley Mosquito and Vector Control District is uniquely positioned to perform the required sampling because of their specialized skill and local knowledge due to their service area covering much of IEUA's service area. The consulting services of an aquatic entomologist with expertise in midge fly control is being used to

guide the midge fly sampling efforts, evaluate the data, and to provide recommendations for an integrated midge fly control strategy.

The midge fly sampling and control investigation supports the Agency's objective to be a "Good Neighbor" under the business goal of Environmental Stewardship, as well as the objective of "maximizing the recharge of recycled water" under the business goal of Water Reliability.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

If approved, the anticipated expenditures of \$50,000 for Fiscal Year (FY) 2015/16 will be funded from the Maintenance Department's Recycled Water (WC) fund's professional fees and services budget. The anticipated expenditures of \$150,000 for FY2016/17 and \$80,000 for FY 2017/18 will be funded from the Technical Services Department's Recycled Water (WC) fund's professional fees and services budget.

# Midge Fly Sampling and Control Investigation

March 2016



**Inland Empire Utilities Agency**  
A MUNICIPAL WATER DISTRICT

Jeff Noelte

Manager of Technical Services



# Background

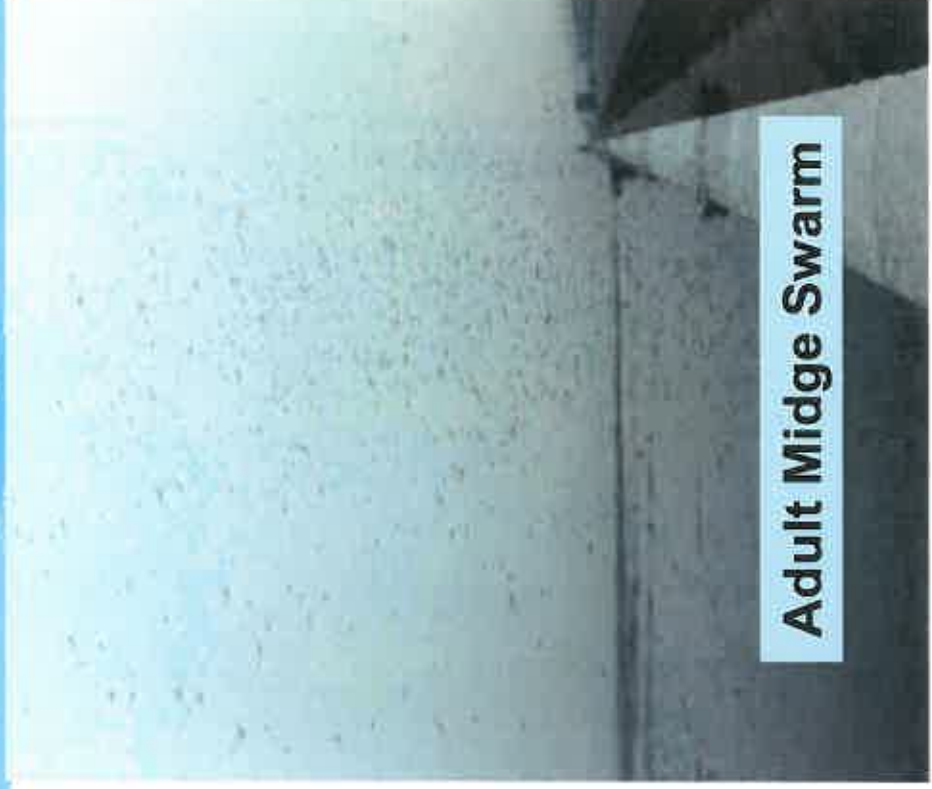
- \* Midge flies resemble mosquitoes but do not bite or transmit disease
- \* Found wherever moist sediment/soil is present
- \* Swarming adults can be a nuisance



# Adult Midge Flies



**Resting Adults**



**Adult Midge Swarm**



# Sampling for Midge Larvae

**Ekman Dredge Sampler (Benthos)**



# Emerging and Adult Sampling



**Emergence Trap**



**Electric Powered New Jersey  
Light Trap (Light/Fan Mechanism)**

# Recommendation

Approve a two-year contract with West Valley Mosquito and Vector Control District for midge fly sampling and control investigation services for a not-to-exceed amount of \$280,000.

Supports the Agency's objective to be a "Good Neighbor" under the business goal of Environmental Stewardship, as well as the objective of "maximizing the recharge of recycled water" under the business goal of Water Reliability



# Questions?





**CONTRACT NO. 4600002068**

**MIDGE FLY SAMPLING AND CONTROL INVESTIGATION SERVICES**

This Contract is entered into as of this 16<sup>th</sup> day of March, 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 "IEUA"), and, the West Valley Mosquito and Vector Control District, a Special District, (hereinafter referred to as "WVMVCD") who shall be known collectively as ("the Parties") and singularly as ("the Party") for Midge Fly sampling and control investigation services.

**RECITALS**

WHEREAS, Midge Flies have become a nuisance at IEUA's Groundwater Recharge Basins and IEUA is developing an integrated control strategy which includes sampling to mitigate the nuisance; and,

WHEREAS, the WVMVCD is uniquely qualified to perform the sampling due to their knowledge and expertise of the basins within the service area; and,

WHEREAS, IEUA has hired, under separate contract, an aquatic entomologist with expertise in midge fly control to guide WVMVCD sampling efforts, in order to assist the Agency to develop the integrated control strategy; and

WHEREAS, both Parties desire to have the vector population controlled within and around the recharge basins to prevent and mitigate complaints from nearby residents.

**COVENANTS**

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: Jeff Noelte  
Manager of Technical Services  
Inland Empire Utilities Agency  
Address: 6075 Kimball Avenue  
Chino, California 91708

Telephone: (909) 993-1912  
Facsimile: (909) 993-1982  
Email: jnoelte@ieua.org

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

WVMVCD: Mr. Min-Lee Cheng, Ph.D.  
District Manager  
West Valley Mosquito and Vector Control District  
Address: 1295 East Locust Street  
Ontario, California 91761  
Telephone: (909) 635-0307  
Email: mcheng@wvmvcd.org

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

- A. Amendments to Contract Number 4600002068.
- B. Contract Number 4600002068 General Terms and Conditions.
- C. WVMVCD's Proposal dated February 18, 2016.

4. **SCOPE OF WORK AND SERVICES:** WVMVCD services shall be in accordance with WVMVCD's proposal dated February 18, 2016, which is attached hereto as Exhibit A, incorporated herein and made a part hereof. Deliverables include, but shall not be limited to the following:

- After written approval from the Agency's Project Manager, procure necessary equipment for midge sampling;
- As directed by the Agency's Project Manager, perform larval, emerging, and adult midge sampling at groundwater recharge sites, which are anticipated to be the following recharge basins; Turner, San Sevaine, Victoria, Ely and Hickory.
- Provide monthly reports to present the sampling data, and review the data with IEUA's Project Manager and midge fly consultant, Mr. Richard Lobinske.
- Prepare and send midge specimens to the midge fly consultant as requested by the Agency.
- As directed by the Agency's Project Manager, perform bioassays to assess the effectiveness of larvicides.

5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate on March 31, 2018, unless agreed to by both parties, reduced to writing, and amended to this Contract.
6. **COMPENSATION:** Agency shall pay WVMVCD's properly executed monthly invoice approved by the Project Manager within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet or exceed Agency requirements or have proven unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Invoices shall include **Contract Number 4600002068**.

Mail one original invoice to the Agency's Accounts Payable Department, with a copy to the Project Manager. To expedite payment, invoices may be sent electronically to IEUA's Accounts Payable at [apgroup@ieua.org](mailto:apgroup@ieua.org) with a copy to the Agency's Project Manager.

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 Agency's shall pay WVMVCD's staff an hourly rate of **\$80.00** per hour, plus reimburse WVMVCD for IEUA pre-approved materials and equipment, which shall only be reimbursed with receipts for a total, NOT-TO-EXCEED Amount of **\$280,000** over the two-year period of the services.

7. **CONTROL OF THE WORK:** WVMVCD shall perform the Work in compliance with the work schedule. If performance of the Work falls behind schedule, the WVMVCD 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 WVMVCD is unable to accelerate the Work, WVMVCD 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:** WVMVCD 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. Inspection: Searches by Agency authorized personnel may be made of lockers, storage areas, vehicles, persons or personal effects on Agency-owned, or leased property at various times without prior announcement. Such facility inspections may be conducted using detection dog teams to search work areas and other common areas in order to detect evidence of unlawful drug use or the presence of pyrotechnics, explosives, firearms, weapons, or facsimiles thereof, alcoholic beverages and illegal drugs ("Prohibited Items"). Prohibited Items must not be brought onto, or kept on, Agency property.
- C. Compliance: WVMVCD shall advise all personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. WVMVCD shall impose these requirements on its Subconsultants. Agency may cancel the Contract if WVMVCD violates these Fitness for Duty Requirements.
9. INSURANCE: During the term of this Contract, the WVMVCD shall maintain at WVMVCD'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 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.
- 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 WVMVCD shall procure a bond guaranteeing payment of losses and related investigations, claims 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 additional insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), as respects: liability arising out of negligent activities performed by or on behalf of the WVMVCD, products and completed operations of the WVMVCD, premises owned, occupied or used by the WVMVCD, or automobiles owned, leased, hired or borrowed by the WVMVCD. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
- b. The WVMVCD'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 WVMVCD'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 WVMVCD'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 WVMVCD 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 WVMVCD for the Agency.

3. All Coverages

Prior to cancellation of any policy required herein, the policies shall be endorsed to state, 30 days advanced cancellation notice will be mailed to the Agency, except if policies cancelled for non-payment of premium, then 10 days advance notice will be mailed.

- D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California. Professional Liability

Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: WVMVCD 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 require complete, certified copies of all required insurance policies, at any time.

F. Submittal of Certificates: WVMVCD shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency  
Attn: Angela Witte  
Risk Representative  
P.O. Box 9020  
Chino Hills, California 91709

#### 10. LEGAL RELATIONS AND RESPONSIBILITIES

A. Professional Responsibility: The WVMVCD 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 WVMVCD: The WVMVCD is retained as an independent WVMVCD only, for the sole purpose of rendering the sampling services described herein, and is not an employee of the Agency.

C. Observing Laws and Ordinances: Consistent with the standard of skill and care set forth in 10.A, Professional Responsibility, the WVMVCD shall keep itself fully informed of all relevant existing state and federal laws and all relevant county and city ordinances and regulations which pertain to structural engineering 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 WVMVCD shall at all times observe and comply with all such existing laws, ordinances, regulations, orders and decrees, including prevailing wage and shall to the extent of WVMVCD's negligence, indemnify, but not defend, as required herein, the Agency, its officers, employees against any liability for damages to the extent caused by the violation of any such law, ordinance, regulation, order or decree, whether by the WVMVCD or its employees.

D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

- E. Grant/Loan Funded Projects: This is a not a grant funded project. For grant/loan-funded projects, the WVMVCD shall be responsible to comply with all grant requirements related to the Project. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Disadvantaged Business Enterprise (DBE) Requirements, Competitive Solicitation, Record Retention and Public Access to Records, and Labor Compliance and Compliance Review.
- 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 WVMVCD shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency's Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency's Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency's Human Resources Administrator. Please be assured that any possible infraction will be thoroughly investigated by the Agency.
- H. Non-Conforming Work: Consistent with the standard of skill and care set forth in Section 10.A, Professional Responsibility, WVMVCD represents that the Work and Documentation shall be adequate to serve the purposes described in the Contract. 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, WVMVCD shall notify the Project Manager, in writing, detailing the dispute and reason for WVMVCD's position. Any dispute that cannot be resolved between the Project Manager and the WVMVCD shall be resolved in accordance with the Dispute Section 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 WVMVCD 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 WVMVCD shall comply, pursuant to the Agency Project Manager instructions. If the WVMVCD 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 WVMVCD 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 WVMVCD'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 WVMVCD 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 WVMVCD to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by WVMVCD are acceptable and, if so, such person will be designated as Arbitrator.
  - b. In the event that none of the names submitted by WVMVCD are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to WVMVCD a list of five names of persons acceptable to Agency for appointment as Arbitrator. The WVMVCD 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 WVMVCD in mediation or arbitration commenced by a WVMVCD 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 WVMVCD.

11. INDEMNIFICATION: WVMVCD 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 actually caused by the negligence, recklessness or willful misconduct of the WVMVCD, its directors, employees, agents and assigns, in the performance of work under this contract.

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

Said materials, equipment and documents shall not be changed or used for purposes other than those set forth in the Contract without the prior written approval of the Agency. If WVMVCD reuses the materials and documents without the Agency's prior written consent, changes or uses the materials and documents other than as intended hereunder, WVMVCD shall do so at its sole risk and discretion, and the Agency shall not be liable for any claims and/or damages resulting from use or connected with the release of or any third party's use of the reused materials or documents. WVMVCD shall sign a waiver releasing the Agency from all liability from WVMVCD's use of Agency-owned equipment.

13. TITLE AND RISK OF LOSS:

A. Documentation: Title to the Documentation shall pass, subject to payment therefore, to Agency when prepared; however, a copy may be retained by WVMVCD for its records and internal use. WVMVCD 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, subject to payment therefore, 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. WVMVCD shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: WVMVCD 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 WVMVCD in the performance of the Work, shall be governed by the following provisions:
  - 1. Proprietary Rights conceived, developed, or reduced to practice by WVMVCD in the performance of the Work shall be the property of Agency, and WVMVCD shall cooperate with all appropriate requests to assign and transfer same to Agency.
  - 2. If Proprietary Rights conceived, developed, or reduced to practice by WVMVCD 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, WVMVCD shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
  - 3. If the Work or Documentation includes the Proprietary Rights of others, WVMVCD 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.

4. Notwithstanding anything to the contrary herein, WVMVCD's Work and Documentation shall not be changed or used for purposes other than those set forth in the Contract, without the prior written approval of the WVMVCD. If the Agency reuses the Work or Documentation without WVMVCD's prior written consent, changes or uses the Work or Documentation other than as intended hereunder, Agency shall do so at its sole risk and discretion, and WVMVCD shall not be liable for any claims and or damages resulting from use or connected with the release of or any third party's use of the reused materials or documents.

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

15. INFRINGEMENT: WVMVCD 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.

WVMVCD 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 to the extent of WVMVCD's negligence for any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

WVMVCD 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  
6075 Kimball Avenue, Building A  
Chino, California 91708

WVMVCD: Mr. Min-Lee Cheng, Ph.D.  
District Manager  
West Valley Mosquito and Vector Control District  
1295 East Locust Street  
Ontario, CA 91761

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 WVMVCD, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the WVMVCD 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 WVMVCD of any requests for disclosure of any documents pertaining to WVMVCD.

In the event of litigation concerning disclosure of information WVMVCD 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 WVMVCD has marked "Confidential," "Proprietary," or "Trade Secret," WVMVCD 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 WVMVCDs' 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 WVMVCD. The WVMVCD 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 WVMVCD 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 WVMVCD.
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 WVMVCD. In the event of such termination, the Agency shall pay WVMVCD for all authorized and WVMVCD-invoiced services up to the date of such termination.

23. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work, including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via a written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth with the Contract Amendment.
24. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
25. **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 WVMVCD.

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:

WEST VALLEY MOSQUITO AND  
VECTOR CONTROL DISTRICT:

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P. Joseph Grindstaff  
General Manager

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Dr. Min-Lee Cheng


**CONSENT  
CALENDAR  
ITEM**


**2J**


**Date:** March 16, 2016

**To:** The Honorable Board of Directors

**Through:** Finance, Legal and Administrative Committee (3/9/16)

**From:** P. Joseph Grindstaff  
General Manager 

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

 Warren T. Green  
Manager of Contracts and Facilities Services

**Subject:** Master Contract Awards for Asphalt Services

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the contract award of four 5-year Master Contracts for asphalt Services, for all of the Agency's structures and facilities in the not-to-exceed amount of \$100,000 each, to the following:
  - EBS General Engineering, Inc. (Contract No. 4600002077)
  - G. M. Sager Construction Company, Inc. (Contract No. 4600002075)
  - Medina Construction (Contract No. 4600002076)
  - Terra Pave, Inc. (Contract No. 4600002067); and
2. Authorize the General Manager to execute the contracts.

### **BACKGROUND**

The Agency owns numerous facilities and process structures that require functional asphalt surfaces to protect all-weather access to the buildings and the equipment within the buildings. On a routine basis, these asphalt surfaces (both roadways and operational areas that get routinely washed-down) require asphalt maintenance and repair services to preserve the integrity of the surfaces and the operational access. Implementing a series of Master Asphalt Contracts with highly qualified asphalt companies ensures that the contract terms and conditions (e.g., rates, insurance, indemnification, Department of Industrial Relations (DIR) registration, etc.) are

Master Asphalt Contractors

March 16, 2016

Page 2 of 2

established and documented, which will expedite services, when needed. On an as-needed basis, staff will prepare Master Contract solicitations, evaluate Master Contract proposals, and award Task Orders for specific jobs, typically to the lowest bidder.

Staff issued a Request for Proposal (RFP-HD-16-004) offering a five-year contract to qualifying companies through Planet Bids, the Agency's on-line solicitation system. Additionally, staff ensured the solicitation was sent to small businesses within the IEUA service area.

A review of the responsive proposals focused on the proposed labor categories, as well as individual company qualifications. Additionally, references were called, contractor licenses were checked, and DIR registration was verified. Staff determined that the four contractors, listed on Page 1 were qualified, competent, and all capable of handling the task order assignments currently anticipated by the Agency's Maintenance Department.

### **PRIOR BOARD ACTION**

In 2012, The Board approved four Master Asphalt Contractors; Terra Pave, Inc. - 4600001200, Vance Corporation - 4600001201, Laird Construction - 4600001202, and Golden Arrow Engineering, Inc. - 4600001203. The four contracts were to these contractors for on-call/as-needed services. The Agency received good service and competitive pricing due to the individual Master Contract solicitation process.

### **IMPACT ON BUDGET**

If approved, sufficient funds are available in Fiscal Year (FY) 2015/16 and FY 2016/17 under Regional Operations and Maintenance (RO) fund, Professional Fees and Services Budget, to safeguard the Agency's buildings, structures, and facilities by engaging the services of the recommended contractors.



**DRAFT**



**CONTRACT NUMBER: 4600002067  
FOR  
MASTER ASPHALT CONTRACTOR SERVICES**

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 Terra Pave, Inc., of Whittier, California (hereinafter referred to as "Contractor"), for the procurement and installation of various asphalt-related materials and products; related to providing roadway installations (where needed) and maintaining existing asphalt surfaces for both efficient and safe transportation and an improved appearance for facilities and structures Agency-wide.

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: Harlan Delzer  
Address: 6075 Kimball Avenue, Building A  
Chino, California, 91708  
Telephone: (909) 993-1707  
Facsimile: (909) 947-1987  
Email: hdelzer@ieua.org

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

Contractor: Aaron Terry  
Address: 12115 Rivera Road  
Whittier, California 90606  
Telephone: (562) 693-7283  
Facsimile: (562) 945-0686  
Cell: (562) 756-1212  
Email: aaron@terrapave.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 Number 4600002067.
  - B. Contract Number 4600002067 General Terms and Conditions.
  - C. Agency's RFP-HD-16-004, dated January 28, 2016, Attachment A
  - D. Contractor's proposal, dated February 11, 2016, Attachment B
  
4. SCOPE OF WORK AND SERVICES: Contractor's services and responsibilities shall include, but shall not be limited to:
  - A. Contractor will provide all manpower, equipment, vehicles, and supplies needed to complete the work, in accordance with the Agency's RFP-HD-16-004, dated January 28, 2016 (Attachment A) and Contractor's proposal dated February 11, 2016, (Attachment B); which are both incorporated herein and made a part hereof with this reference.
  - B. Contractor shall, when awarded a task order, prepare a Schedule of Work and Services for review and approval by the Project Manager. The mutually agreed Schedule of Work and Services shall be the basis of coordination between the Contractor and the Agency.
  - C. More specifically, the work for this contract shall include the procurement and application or installation various asphalt materials at Agency structures and/or facilities, as directed by the Project Manager.
  - D. Through the duration of this contract, the Agency will offer opportunities for the Contractor to bid on Task Orders and; should the Contractor be awarded the Task Order will be authorized to complete the work of that specific Task Order.
  
5. TERM: The term of this Contract shall extend from the date of the Notice-to-Proceed until June 30, 2021, unless agreed to by both parties, reduced to writing, and amended to this Contract.
  
6. COMPENSATION: Agency shall pay Contractor's properly executed invoices, which have been approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service that does not meet the Agency requirements or has proven to be unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:
  - A. The Contract Number – 4600002067, and
  - B. The Contract Release Purchase Order Number – 45000

Contractor shall provide, with their invoice, certified payroll documentation to verify that Contractor has paid prevailing wage in accordance with the California Department of Industrial Relations requirements, as stipulated in SB-854. See: (<http://www.dir.ca.gov/DIRNews/2014/2014-55.pdf>)

Contractor's invoices shall be submitted, if by mail, as follows:

Inland Empire Utilities Agency  
Re: Contract Number: 4600002067  
P.O. Box 9020  
Chino Hills, CA 91709

Contractor's invoices shall be submitted, if by e-mail, as follows:

To: [APGroup@ieua.org](mailto:APGroup@ieua.org)

1. Scan the invoice as a PDF file
2. Attach the scanned file to an email
3. A/P staff will acknowledge receipt of the invoice.

Concurrent with the submittal of the original invoice to the Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of said invoice to the designated Project Manager, identified on Page 1 of this Contract; referencing Contract Number 4600002067. The Project Manager will review the submitted invoice in a timely manner.

As compensation for the completion of the work represented by this Contract, the Agency shall pay Contractor's invoices up to the NOT-TO-EXCEED total authorized amount of **each Task Order** for all services provided throughout the term of this Contract. The Contractor shall not be paid for any amount exceeding the NOT-TO-EXCEED amount, or for work completed beyond the expiration date of the Task Order, without an Amendment to the Task Order or this Contract.

Compensation for the satisfactory completion of the work represented by this Contract, Agency shall pay Contractor's invoices up to a NOT-TO-EXCEED total authorized amount of **\$100,000** for all services provided throughout the term of this Contract. The Contractor shall not be paid for any amount exceeding the NOT-TO-EXCEED amount, nor for work completed beyond the expiration date without an Amendment to the Contract.

Agency may, at any time, make changes to the Scope of Work within an assigned Task Order, including additions, reductions, and/or 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 Task Order and incorporated into this Contract. The Total Authorized Amount and Term of the Task Order shall be equitably adjusted, if required, to account for such changes, and shall be set forth in the written Amendment, agreed to and signed by both parties, prior to becoming effective.

7. CONTROL OF THE WORK: The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.

8. FITNESS FOR DUTY:

A. Fitness: Contractor on the Jobsite:

1. Shall report for work in a manner fit to do their job; and
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.

9. INSURANCE: During the term of this Contract, the Contractor shall maintain at its sole expense, the following insurance.

A. Minimum Scope of Insurance:

1. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CG 00 01 10 01, covering 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 occurrence limit.
2. Automobile Liability: Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto."
3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident. Contractor shall submit a Waiver of Subrogation associated with the Contractor's Workers Compensation Policy.



- 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.
- C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

- a. The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsement GL 2010 11 85, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired, or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85, then it is also necessary to issue a Form CG 2037 10 01 in addition to Form CG 2010 10 93 or CG 2010 03 97.
- b. The Contractor'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 Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any 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 Contractor 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 has been given to the Agency.

D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Contractor 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.

10. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency  
Attn: Manager of Safety and Risk Management  
P.O. Box 9020  
Chino Hills, California 91709

11. LEGAL RELATIONS AND RESPONSIBILITIES

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

B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of existing and future state and federal laws and county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with such

existing, at the time services are rendered, 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, in effect at the time the services are performed, whether by the Contractor or its employees. **Effective July 1, 2014, all Contractors must be registered with the California Department of Industrial Relation, as required by (law) SB-854 for public works projects.**

- D. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.
- E. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- 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 Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. Please be assured that any possible infraction will be thoroughly investigated by the Agency.
- H. Disputes:
  - 1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated,

and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision
  
3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
  - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
  
  - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

- c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration 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, which shall be recoverable by the prevailing party.
  4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.
12. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless for all liabilities, demands, actions, claims, losses, and expenses, which arise out of or are related to the negligence, recklessness, or willful misconduct of the Contractor, its directors, employees, agents and assigns in the performance of the work under this contract.
13. **OWNERSHIP OF WORK MATERIALS:** The Work materials (drawings, specifications, field notes, exhibits, site surveys, site-specific information, and other documents) related to this scope of work shall remain the property of the Agency. The Agency acknowledge that the Contractor's project reports, field data, notes, calculations, estimates, and other similar work materials; are instruments that support the services provided under this Contract, and are not "work products." The Agency understands that the Contractor may retain a copy of all work materials for the purpose of documenting the Contractor's participation in this project. The Agency recognizes that there shall be no unauthorized re-use of any project documents unless authorization of such re-use is reduced to writing and signed by both parties. Ownership of all work materials shall remain the property of the Agency.
14. **TITLE AND RISK OF LOSS:**
  - A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Scope of Work described herein.

- 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. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which Agency has title as directed in writing by the Project Manager and/or a designated Agency representative.

15. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
  - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
  - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
  - 3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
- B. No Additional Compensation: Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

16. **LIENS:** Contractor represents 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. Contractor shall pay all sums of money that become due for any labor, services, materials, or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

17. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

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

Contractor: Adam Schuman, Operations Manager  
U.S. National Corp.  
14416 Chase Street #4929  
Panorama City, California 91412

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

19. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and

indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.

20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.
22. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, County of San Bernardino.
23. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
24. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
25. **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 Contractor.

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:**  
*(A MUNICIPAL WATER DISTRICT)*

**TERRA PAVE, INC.:**

\_\_\_\_\_  
P. Joseph Grindstaff (Date)  
General Manager

\_\_\_\_\_  
Aaron Terry (Date)  
Project Manager



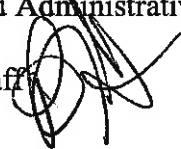
**CONSENT  
CALENDAR  
ITEM**


**2K**


**Date:** March 16, 2016

**To:** The Honorable Board of Directors

**Through:** Finance, Legal and Administrative Committee (3/9/16)

**From:** P. Joseph Grindstaff   
General Manager

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

 Warren T. Green  
Manager of Contracts and Facilities Services

**Subject:** Master Contract Awards for Roofing Services

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the contract award of four 5-year Master Contracts for roofing services, for all of the Agency's structures and facilities in the not-to-exceed amount of \$100,000 each, to the following:
  - Best Contracting Services, Inc. (Contract No. 4600002074)
  - Exbon Development, Inc. (Contract No. 4600002078)
  - Rite-Way Roof Corporation (Contract No. 4600002065)
  - Tecta America Southern California, Inc. (Contract No. 4600002073); and
2. Authorize the General Manager to execute the contracts.

### **BACKGROUND**

The Agency owns numerous facilities and process structures that require functional roofs to protect the equipment within the buildings. On a routine basis, these facilities and structures require roofing maintenance and repair services to preserve the integrity of the buildings, the value of the investment, and the operational reliability of the equipment. Implementing a series of Master Roofing Contracts with highly qualified roofing companies ensures that the contract terms and conditions (e.g., rates, insurance, indemnification, Department of Industrial Relations (DIR) registration, etc.) are established and documented, which will expedite services, when

needed. On an as-needed basis, staff will prepare Master Contract solicitations, evaluate Master Contract proposals, and award Task Orders for specific jobs, typically to the lowest bidder.

Staff issued a Request for Proposal (RFP-HD-16-002) offering a five-year contract to qualifying companies through Planet Bids, the Agency's on-line solicitation system. Additionally, staff ensured the solicitation was sent to small businesses within the IEUA service area.

A review of the responsive proposals focused on the proposed labor categories, as well as individual company qualifications. Additionally, references were called, contractor licenses were checked, and DIR registration was verified. Staff determined that the four contractors, listed on Page 1 were qualified, competent, and all capable of handling the task order assignments currently anticipated by the Agency's Maintenance Department.

The use of master contracts to expedite recurring maintenance requirements supports the IEUA Business Goals and Objectives to promote efficiency and effectiveness in all Agency business practices and processes.

#### **PRIOR BOARD ACTION**

In 2011, The Board approved two Master Roofing Contractors; All Weather Roofing – 4600000929 and Rite-Way Roof Corporation - 4600000930. The two contracts were issued to these contractors implementing an on-call/as-needed basis. The Agency received good service and competitive pricing due to the individual Master Contract solicitation process.

#### **IMPACT ON BUDGET**

If approved, sufficient funds are available in Fiscal Year 2015/16 and FY 2016/17 under Regional Operations and Maintenance (RO) fund, Professional Fees and Services Budget, to safeguard the Agency's buildings, structures, and facilities by engaging the services of the recommended contractors.



**DRAFT**



**CONTRACT NUMBER: 4600002065  
FOR  
MASTER ROOFING CONTRACTOR SERVICES**

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 U.S. National Corp., of Panorama City, California (hereinafter referred to as "Contractor"), for the procurement and application of various interior and exterior painting and coating products; related to providing protection and an improved appearance for structures and equipment Agency-wide.

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: Harlan Delzer  
Address: 6075 Kimball Avenue, Building A  
Chino, California, 91708  
Telephone: (909) 993-1707  
Facsimile: (909) 947-1987  
Email: hdelzer@ieua.org

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

Contractor: Jeff Hughes  
Address: 15425 Arrow Route  
Fontana, California 92867  
Telephone: (909) 350-8490  
Facsimile: (909) 350-8477  
Cell: (951) 203-7149  
Email: jeff@ritewayroofing.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 Number 4600002065.
  - B. Contract Number 4600002065 General Terms and Conditions.
  - C. Agency's RFP-HD-16-002, dated January 28, 2016, Attachment A
  - D. Contractor's proposal, dated February 11, 2016, Attachment B
  
4. **SCOPE OF WORK AND SERVICES:** Contractor's services and responsibilities shall include, but shall not be limited to:
  - A. Contractor will provide all manpower, equipment, vehicles, and supplies needed to complete the work, in accordance with the Agency's RFP-HD-16-002, dated January 28, 2016 (Attachment A) and Contractor's proposal dated February 11, 2016, (Attachment B); which are both incorporated herein and made a part hereof with this reference.
  - B. Contractor shall, when awarded a task order, prepare a Schedule of Work and Services for review and approval by the Project Manager. The mutually agreed Schedule of Work and Services shall be the basis of coordination between the Contractor and the Agency.
  - C. More specifically, the work for this contract shall include the procurement and application of various roofing materials to Agency structures and/or facilities, as directed by the Project Manager.
  - D. Through the duration of this contract, the Agency will offer opportunities for the Contractor to bid on Task Orders and; should the Contractor be awarded the Task Order will be authorized to complete the work of that specific Task Order.
  
5. **TERM:** The term of this Contract shall extend from the date of the Notice-to-Proceed until June 30, 2021, unless agreed to by both parties, reduced to writing, and amended to this Contract.
  
6. **COMPENSATION:** Agency shall pay Contractor's properly executed invoices, which have been approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service that does not meet the Agency requirements or has proven to be unacceptable until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:
  - A. The Contract Number – 4600002065, and
  - B. The Contract Release Purchase Order Number – 45000

Contractor shall provide, with their invoice, certified payroll documentation to verify that Contractor has paid prevailing wage in accordance with the California Department of Industrial Relations requirements, as stipulated in SB-854. See: (<http://www.dir.ca.gov/DIRNews/2014/2014-55.pdf>)

Contractor's invoices shall be submitted, if by mail, as follows:

Inland Empire Utilities Agency  
Re: Contract Number: 4600002065  
P.O. Box 9020  
Chino Hills, CA 91709

Contractor's invoices shall be submitted, if by e-mail, as follows:

To: [APGroup@ieua.org](mailto:APGroup@ieua.org)

1. Scan the invoice as a PDF file
2. Attach the scanned file to an email
3. A/P staff will acknowledge receipt of the invoice.

Concurrent with the submittal of the original invoice to the Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of said invoice to the designated Project Manager, identified on Page 1 of this Contract; referencing Contract Number 4600002065. The Project Manager will review the submitted invoice in a timely manner.

As compensation for the completion of the work represented by this Contract, the Agency shall pay Contractor's invoices up to the NOT-TO-EXCEED total authorized amount of **each Task Order** for all services provided throughout the term of this Contract. The Contractor shall not be paid for any amount exceeding the NOT-TO-EXCEED amount, or for work completed beyond the expiration date of the Task Order, without an Amendment to the Task Order or this Contract.

Compensation for the satisfactory completion of the work represented by this Contract, Agency shall pay Contractor's invoices up to a NOT-TO-EXCEED total authorized amount of **\$100,000** for all services provided throughout the term of this Contract. The Contractor shall not be paid for any amount exceeding the NOT-TO-EXCEED amount, nor for work completed beyond the expiration date without an Amendment to the Contract.

Agency may, at any time, make changes to the Scope of Work within an assigned Task Order, including additions, reductions, and/or 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 Task Order and incorporated into this Contract. The Total Authorized Amount and Term of the Task Order shall be equitably adjusted, if required, to account for such changes, and shall be set forth in the written Amendment, agreed to and signed by both parties, prior to becoming effective.

7. **CONTROL OF THE WORK:** The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.
8. **FITNESS FOR DUTY:**
- A. **Fitness:** Contractor on the Jobsite:
1. Shall report for work in a manner fit to do their job; and
  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.
9. **INSURANCE:** During the term of this Contract, the Contractor shall maintain at its sole expense, the following insurance.
- A. **Minimum Scope of Insurance:**
1. **General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CG 00 01 10 01, covering 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 occurrence limit.
  2. **Automobile Liability:** Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto."
  3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of \$1,000,000 per accident. Contractor shall submit a Waiver of Subrogation associated with the Contractor's Workers Compensation Policy.

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.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1. **General Liability and Automobile Liability Coverage**

a. The Agency, its officers, officials, employees and volunteers are to be covered as insureds, endorsement GL 2010 11 85, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired, or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees, or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85, then it is also necessary to issue a Form CG 2037 10 01 in addition to Form CG 2010 10 93 or CG 2010 03 97.

b. The Contractor'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 Contractor's insurance and shall not contribute with it.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.

d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any 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 Contractor 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 has been given to the Agency.

- D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor 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.
10. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:
- Inland Empire Utilities Agency  
Attn: Manager of Safety and Risk Management  
P.O. Box 9020  
Chino Hills, California 91709

### 11. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of existing and future state and federal laws and county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with such

existing, at the time services are rendered, 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, in effect at the time the services are performed, whether by the Contractor or its employees. **Effective July 1, 2014, all Contractors must be registered with the California Department of Industrial Relation, as required by (law) SB-854 for public works projects.**

- D. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.
- E. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- 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 Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. Please be assured that any possible infraction will be thoroughly investigated by the Agency.
- H. Disputes:
1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated,

and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision
3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
  - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
  - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

- c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration 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, which shall be recoverable by the prevailing party.
  4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.
12. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless for all liabilities, demands, actions, claims, losses, and expenses, which arise out of or are related to the negligence, recklessness, or willful misconduct of the Contractor, its directors, employees, agents and assigns in the performance of the work under this contract.
13. **OWNERSHIP OF WORK MATERIALS:** The Work materials (drawings, specifications, field notes, exhibits, site surveys, site-specific information, and other documents) related to this scope of work shall remain the property of the Agency. The Agency acknowledge that the Contractor's project reports, field data, notes, calculations, estimates, and other similar work materials; are instruments that support the services provided under this Contract, and are not "work products." The Agency understands that the Contractor may retain a copy of all work materials for the purpose of documenting the Contractor's participation in this project. The Agency recognizes that there shall be no unauthorized re-use of any project documents unless authorization of such re-use is reduced to writing and signed by both parties. Ownership of all work materials shall remain the property of the Agency.
14. **TITLE AND RISK OF LOSS:**
  - A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Scope of Work described herein.

- 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. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which Agency has title as directed in writing by the Project Manager and/or a designated Agency representative.

15. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
  - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
  - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
  - 3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
- B. No Additional Compensation: Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

16. **LIENS:** Contractor represents 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. Contractor shall pay all sums of money that become due for any labor, services, materials, or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

17. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

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

Contractor: Adam Schuman, Operations Manager  
U.S. National Corp.  
14416 Chase Street #4929  
Panorama City, California 91412

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

19. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and

indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.

20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.
22. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, County of San Bernardino.
23. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
24. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
25. **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 Contractor.

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:**  
*(A MUNICIPAL WATER DISTRICT)*

**RITE-WAY ROOF CORPORATION:**

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Jeff Hughes  
President

\_\_\_\_\_  
(Date)