



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

**WEDNESDAY, AUGUST 17, 2016  
10:00 A.M.**

**DIRECTORS PRESENT:**

Terry Catlin, President  
Michael Camacho, Vice President  
Steven J. Elie, Secretary/Treasurer  
Jasmin A. Hall  
Paul Hofer

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/AGM  
Martha Davis, Executive Manager of Policy Development/AGM  
Randy Lee, Executive Manager of Operations/AGM  
Christina Valencia, Chief Financial Officer/AGM  
Joshua Aguilar, Senior Engineer  
Blanca Arambula, Deputy Manager of Human Resources  
Kathy Besser, Manager of External Affairs  
Sharmeen Bhojani, Manager of Human Resources  
Pietro Cambiaso, Supervisor of Environmental Compliance & Energy  
Andy Campbell, Deputy Manager of Planning and Environmental Compliance  
Andrea Carruthers, Senior External Affairs Specialist  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
Warren Green, Manager of Contracts and Facility Services  
Jason Gu, Grants Officer  
Lisa Morgan-Perales, Senior Water Resources Analyst  
Jason Pivovaroff, Senior Engineer  
Peter Soelter, Senior Internal Auditor LT  
Shaun Stone, Manager of Engineering  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Scott Burton, City of Ontario  
Matt Chesney, Webb  
Jean Cihigoyenette, JC Law Firm  
Oscar Gonzalez, CVWD  
Margaret Hamilton, CBWCD Board Member  
Terry King, CBWCD Board Member  
Ron LaBucherie  
Kirstyn Lee, A.A. Webb Assoc.  
Jessica May, A.A. Webb Assoc.  
Melissa Perez, A.A. Webb Assoc.

Heidi Schoupe, A.A. Webb Assoc.  
Eunice Ulloa, CBWCD Executive Director  
Matt Webb, A.A. Webb Assoc.

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.

President Catlin introduced new Board member, Director Hofer. Director Hofer thanked President Catlin.

President Catlin called the meeting to order at 10:00 a.m., and he led the pledge of allegiance to the flag. A quorum was present.

President Catlin stated that members of the public may address the Board.

Terence King requested that the following statement be entered into record:

“Good Morning Honorable Directors and General Manager Grindstaff. I sincerely appreciate the opportunity to speak to you on behalf of the Chino Basin Water Conservation District. On February 8, 2016, Mr. Joe Grindstaff, General Manager for the Inland Empire Utilities Agency spoke to CBWCD board. In that meeting we were notified of an upcoming cost study of the Conservation District by Webb and Associates. He stated that the study will look at whether there are benefits to consolidation and whether those benefits are large enough that he would recommend consolidation to the IEUA Board and further to make a recommendation to LAFCO. On March 21, 2016, The CBWCD offered in writing to directly and cooperatively participate in the preparation of the consolidation study with IEUA and share in the funding of that effort. If that had been accepted, CBWCD would have been able to work through that data in the report jointly and stipulate to its accuracy. The report by Webb and Associates was made available this last Saturday evening – providing only two business days for the reading of the report. Our board members, general manager and staff are not in a position today to adequately comment on; or accept the conclusions and recommendations in the report. The CBWCD is requesting that the IEUA Board of Directors continue for a 60 day period any action on agenda item 2A Resolution No. 2016-8-1, Initiating Proceedings for the Consolidation of the CBWCD and IEUA. We also request that Webb and Associates be available to the CBWCD’s staff during the 60 day continuance so we can discuss, clarify, and resolve any questions pertaining to the data used in the consolidation study.”

Ron LaBucherie stated that he is a farmer in the valley, and he concurs with the previous public comments by Mr. Terence King.

City of Ontario Public Utilities General Manager Scott Burton stated that they have the privilege of enjoying the services on conservation from both IEUA and CBWCD. Mr. Burton requested that they would like the time to review the study and ask questions. Mr. Burton stated that, if appropriate, would like to provide his governing body the chance to weigh in on the study.

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

1. **CONSENT CALENDAR**

President Catlin asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion.

Director Hofer requested that Consent Calendar Item 1C, Award of Contract with California Strategies, be pulled for discussion.

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

**M2016-8-2**

**MOVED**, to approve the Consent Calendar.

- A. Approved the minutes from the July 20, 2016, Board meeting.
- B. Approved the total disbursements for the month of June 2016, in the amount of \$17,390,309.12.
- C. PULLED.
- D. The Board opposed Proposition 53, "California Vote on Public Bonds Initiative" that will appear as an initiated constitutional amendment on the November 8, 2016 ballot.
- E. The Board:
  - 1. Adopted a position of "watch" for the following Bills; and
    - a. SB 32 (Pavley)
    - b. SB 1298 (Hertzberg)
  - 2. Adopted a position of "oppose" for AB 2835 (Cooper)
- F. The Board:
  - 1. Approved Contract No. 4600002168 for a five-year contract (two year firm-fixed price with three, one-year options to extend) for the not-to-exceed amount of \$750,000 to Royal Wholesale Electric for the purchase of electrical parts and supplies; and
  - 2. Authorized the General Manager to execute the contract.
- G. The Board:
  - 1. Approved the construction contract for the RP-2 Drying Bed Rehabilitation Project No. EN14012, to Ferreira Construction Co., Inc. in the amount of \$193,961; and
  - 2. Authorized the General Manager to execute the construction contract.
- H. The Board:
  - 1. Approved the construction contract award for the Magnolia Spillway Repair Project No. EN16132, to Genesis Construction Co. Inc., in the amount of \$280,891; and
  - 2. Authorized the General Manager to execute the contract construction contract.

*Continued....*

**M2016-8-2, continued.**

**I. The Board:**

1. Approved the construction contract award for the RP-1 Utility Flow Meter Project No. EN16051, to Ferreira Construction Co., Inc. for \$127,584; and
2. Authorized the General Manager to execute the construction contract.

**J. The Board:**

1. Approved the construction contract for the Agency-wide Sewage Pump Efficiency Improvements Project No. EN16070, to PAMCO Industries, for a not-to-exceed amount of \$142,060;
2. Approved the construction contract for the Agency-wide Recycled Water Pump Efficiency Improvements Project No. EN17053, to PAMCO Industries, for a not-to-exceed amount of \$466,319;
3. Approved a budget transfer from capital to non-capital (O&M) with Project Nos. EN16070 and EN17053 for \$35,000 each, to support non-capital expenses; and
4. Authorized the General Manager to execute the contracts and budget amendments.

**K. The Board:**

1. Awarded the construction contract award for the Headquarters Building Backup Generator Project No. EN16055, to Davis Electric, Inc. I the amount \$178,777; and
2. Authorized the General Manager to execute the construction contract.

**AWARD OF CONTRACT WITH CALIFORNIA STRATEGIES**

Director Hofer stated that he had a concern with the five-year contract term with the monthly retainer of \$8,000. He stated that five years is a long term for a non-technical contract. Staff explained that this is a three-year contract with two one-year contract extensions, and it is an at-will contract that can be terminated at any point.

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

**M2016-8-3**

MOVED, to:

1. Approve a five-year contract with California Strategies, LLC to provide state legislative consulting services, for a monthly retainer fee of

*Continued...*

**M2016-8-3, continued.**

\$8,000, plus approved expenses; and

2. Authorize the General Manager to finalize and execute the contract.

## 2. ACTION ITEM

### A. ADOPTION OF RESOLUTION NO. 2016-8-1, INITIATING PROCEEDINGS FOR THE CONSOLIDATION OF THE CBWCD AND IEUA

Manager of External Affairs Kathy Besser stated staff is recommending the Board to adopt Resolution No. 2016-8-1, initiating proceedings for the consolidation of the CBWCD and IEUA. In November 2013, the Local Agency Formation Commission of San Bernardino County (LAFCO) initiated the Service Review for Water Conservation within the Valley Region (Service Review). The purpose of this review was to evaluate groundwater recharge and water conservation education. On May 20, 2015, LAFCO staff presented the completed service review to its commission. Included within the report LAFCO staff stated "The best option for continuing the level of service offered for the entire West Valley would be for the CBWCD to consolidate with the IEUA." Based on LAFCO staff's recommendation, IEUA's staff brought in an outside consultant, Albert A. Webb Associates, to conduct an evaluation to determine if a consolidation would be cost effective, enhance services, and create a more effective government structure. Ms. Besser stated that Webb is a respected engineering and planning firm in the Inland Empire with over seventy years of experience. They have built an impeccable reputation for the quality of their work and they are well known and respected for their dedicated public service. Ms. Besser, introduced President and CEO of Webb, Matt Webb.

Mr. Webb thanked the Board and staff for allowing Webb to participate in the process and the preparation of the Plan of Service. He stated that the CBWCD boundaries of approximately 133 square miles are contained within the IEUA's service area of 244 square miles. Under the power authorized by LAFCO, the CBWCD duplicates the majority of IEUA's programs. IEUA currently runs the operations of the eight groundwater recharge basins owned by CBWCD. The Plan of Service completed by Webb evaluates the efficiencies and cost savings with proposed consolidation. The Plan of Service identifies significant organization and resource management efficiencies that would be achieved through the proposed consolidation. The consolidation would result in enhanced programs and services for the residents of western San Bernardino County, with significant cost savings. He stated that the Plan of Service outlines a transition plan whereby all current employees of the CBWCD would become employees of IEUA, retaining their current benefits or IEUA benefits, whichever is greater. The proposed consolidation would result in an estimated annual savings of slightly over one million dollars per year. This is primarily due to the elimination of duplicate programs.

General Manager Joseph Grindstaff stated that this report starts the process with LAFCO. He acknowledges that there may be other alternatives that LAFCO would look at. He stated that once submitted, this report will become an application and LAFCO then has a process where they will ask other government entities to weigh in and make recommendations, comments, and suggestions. He stated that he believes, as Mr. Burton pointed out, it is important that other agencies weigh in. Mr. Grindstaff stated that the Board's only decision is to send the report, it is LAFCO's ultimate decision to consolidate or not consolidate.

Besser gave a brief overview of the cost savings and stated that upon approval to send the report, LAFCO would then begin their process.

General Manager Joseph Grindstaff stated that consolidation has been an issue for some time and has been brought to his attention in the past, while he worked at other agencies. Mr. Grindstaff stated that this is one of the hardest things to do in government, eliminating an organization; however, this is something that should be looked at by LAFCO.

Ms. Besser noted that the resolution included within the original packet has been revised, by the removal of Appendix F. She explained Appendix F of the Plan for Service was an Environmental Report from Tom Dodson that was done for LAFCO when CBWCD's sphere of influence was expanded. The Tom Dodson report stated that since the increase of sphere wouldn't have a significant effect on the environment they could file a statutory exemption to CEQA requirements. LAFCO asked that we remove it because it wasn't germane to our Plan for Service.

Director Elie stated that he had gone back and reviewed the May 20, 2015, LAFCO meeting that lasted three hours. Taking that into consideration and understanding the LAFCO process, himself as a Board member and lawyer, the Agency is looking at this as what is right for the taxpayers, and what should happen. He stated that this is the beginning, not the end, and that this is the first step of the process. He stated that Webb's analysis is clear and concise. Director Elie stated that he sees no reason to delay. He further stated that process of the consolidation is ultimately LAFCO's decision. Director Elie stated that the taxpayers deserve a decision by the Board today. He moved staff's recommendation. Director Camacho seconded the motion.

Director Hofer offered a substitute motion stating that because of the comments heard today and that he has not had enough time to review, he would like to substitute the motion that this be delayed for 60 days to give the CBWCD and the City of Ontario a chance to study it. He stated that he is sure the City of Ontario doesn't take taxpayers dollars lightly either.

Director Hall stated that she did not have adequate time to review the report. She stated if LAFCO is going to continue the process, and the Agency's responsibility at this point is to take what the study reports, based on the cost savings and the enhanced programs, she could identify the programs and associations that are very similar to IEUA. She questions if there is more information that can be considered. If not, she doesn't see the time delay being an issue, when LAFCO is going to take just as much time to in their process. She stated that she would like more time to understand the report and have an opportunity to meet with staff for clarification. She stated that she is seconding the substitute motion.

General Counsel Cihigoyenette explain that the first motion to adopt the "revised" Resolution No. 2016-8-1, initiating proceeding for the consolidation for the CWCD and the IEUA, motioned by Director Elie, and seconded by Director Camacho, was on the floor and would take priority

General Manager Joseph Grindstaff stated that this is the first step in the process and that LAFCO would take it from this point forward and will evaluate the data and other options.

Director Hofer stated that he understands that Webb has probably completed a good report; however, he stated that the City of Ontario has shown up today and asked for a 60-day extension, they are a huge part of this basin. He stated that if this has been ongoing for "forty years" then he does not believe that 60 days will add to the "forty years".

Upon motion by Director Elie, seconded by Director Camacho, the motion carried (4-1):

**M2016-8-3**

MOVED, to adopt the "revised" Resolution No. 2016-8-1, initiating proceedings for the consolidation of the Chino Basin Water Conservation District (CBWCD) and the Inland Empire Utilities Agency (IEUA).

**RESOLUTION NO. 2016-8-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, SAN BERNARDINO COUNTY, CALIFORNIA, REQUESTING THE LOCAL AGENCY FORMATION COMMISSION OF SAN BERNARDINO COUNTY TO INITIATE PROCEEDINGS FOR THE CONSOLIDATION OF THE CHINO BASIN WATER CONSERVATION DISTRICT AND THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT (for full text, see Resolution Book)**

with the following roll call vote:

Ayes: Hall, Elie, Camacho, Catlin  
Noes: Hofer  
Absent: None  
Absent: None

**3. INFORMATION ITEMS**

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

- A. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)**
- B. MWD UPDATE AND DROUGHT UPDATE (POWERPOINT)**
- C. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/ POWERPOINT)**
- D. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**
- E. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**
- F. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)**
- G. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)**
- H. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)**
- I. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)**
- J. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)**
- K. PLANNING & ENVIRONMENTAL SALINITY UPDATE (POWERPOINT)**
- L. CHINO BASIN WATER STORAGE AND RECOVERY (WRITTEN)**
- M. RP-1/RP-5 EXPANSION PRELIMINARY DESIGN REPORT (PDR) UPDATE (WRITTEN)**
- N. LABORATORY SEMI-ANNUAL UPDATE (POWERPOINT)**

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

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

President Catlin reported that a meeting was held on August 16, 2016. An ongoing situation was discussed regarding Brine Line improvements. He stated that the project has been stalled and is currently under emergency conditions, conditions in which they are working to find another contractor to finish the work.

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

Director Camacho had nothing to report.

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

August meeting was cancelled. The next meeting is scheduled for September 1, 2016.

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

Director Elie reported that the court hearing regarding safe yield is scheduled for September. A workshop/seminar is going to be conducted on rules/responsibilities to respond to appropriate pools questions and comments on how to move forward in management.

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

General Manager Joseph Grindstaff reported the Colorado River is low stating that it is very close to triggering a shortage on the river. He also stated the IEUA held a tour for the Manager of the Grants section of the State Water Resources Control Board. Mr. Grindstaff thanked all staff that participated in the tour.

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

Director Hofer requested a report on the total Colorado River water that comes into California. General Manager Grindstaff stated that roughly 700,000 acre-feet comes into Southern California. Although no river water comes directly into the Chino Basin, it does offset State Water Project water.

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

Director Hall reported that she attended the Pyrite Canyon Treatment Facility Dedication on July 21, 2016; as well as, the AWWEE conference on July 28, 2016. Director Hall attended the CASA Conference in Monterey in August. Director Hall also attended the JCSD celebration breakfast, and presented a certificate

Director Elie reported that he attended Southern California Water Conference quarterly meeting in Long Beach. He also attended the San Bernardino Water Conference where he accepted an award on behalf of the Agency for IEUA's Kick the Habit campaign.

Director Camacho and President Catlin reported that they also attended the Southern California Water Conference. Both thought it was a well-attended, great conference. President Catlin stated that during this conference, he heard developers' comments regarding conservation within new homes. He stated that we still need to do a lot to educate the public about conservation.

#### **8. CLOSED SESSION**

The Board went into Closed Session at 10:50 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, Under Negotiation: Price and Terms of Purchase;



C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Three (3) Cases

The meeting resumed at 12:15 p.m., and General Counsel Jean Cihigoyenetché 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:

First Case

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Second Case

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Third Case

The Board did not discuss.

With no further business, President Catlin adjourned the meeting at 12:15 p.m.

  
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Steven J. Elie, Secretary/Treasurer

**APPROVED: SEPTEMBER 21, 2016**