



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

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

**WEDNESDAY, JANUARY 4, 2017
10:00 A.M.**

DIRECTORS PRESENT:

Steven J. Elie, President
Michael Camacho, Vice President
Jasmin A. Hall, Secretary/Treasurer
Paul Hofer (via remote teleconference per posting)
Kati Parker

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Chief Financial Officer/AGM
Kathleen Besser, Manager of External Affairs
Sharmeen Bhojani, Manager of Human Resources
Andrea Carruthers, Senior External Affairs Specialist
Tina Cheng, Budget Officer
Richard Mykitta, Manager of Operations & Maintenance
Craig Proctor, Source Control/Environmental Resources Supervisor
Stephanie Riley, External Affairs Analyst
Shaun Stone, Manager of Engineering
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager
Sally Lee, Acting Executive Assistant

OTHERS PRESENT:

None

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 10:00 a.m., and Director Elie led 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/deletions to the agenda.

ACTION ITEMS

ELECTION OF OFFICERS

General Counsel Jean Cihigoyenette stated that pursuant to the Water Code and Bylaws of the Agency, in the first meeting in January of every odd numbered year, the Agency elects officers of the Board of Directors. He stated that the positions to fill are the President, Vice President and Secretary/Treasurer. General Counsel Jean Cihigoyenette stated that candidates are nominated by members of the Board of Directors. He said that nominations do not require a second motion, and the nominees will be voted in the order in which they are nominated.

General Counsel Jean Cihigoyenette opened the nominations for the position of President of the Board.

Vice President Camacho nominated Director Elie, for the position of President of the Board.

General Counsel Jean Cihigoyenette asked if there were any other nominations for President. There were no other nominations for President. General Counsel Jean Cihigoyenette said that hearing no other nominations, he called the nomination. General Counsel Jean Cihigoyenette stated that due to Director Hofer participating in the Board meeting via teleconference, all actions by the Board require roll call pursuant to the Brown Act.

Upon nomination by: Director Camacho; and unanimously carried (5/0):

M2017-1-1

MOVED, to elect Director Steven J. Elie, for President of the Board.

With the following roll call vote:

- Ayes: Hall, Elie, Camacho, Parker, Hofer
- Noes: None
- Absent: None
- Abstain: None

General Counsel Jean Cihigoyenette opened the nominations for the position of Vice President of the Board.

President Elie nominated Director Camacho, for the position of the Vice President.

General Counsel Jean Cihigoyenette asked if there were any other nominations for Vice President. There were no other nominations for Vice-President. General Counsel Jean Cihigoyenette said that hearing no other nominations, he called the nomination.

Upon nomination by: President Elie; and unanimously carried (5/0):

M2017-1-2

MOVED, to elect Director Michael Camacho, for Vice President of the Board.

With the following roll call vote:

- Ayes: Hall, Elie, Camacho, Parker, Hofer
- Noes: None
- Absent: None
- Abstain: None

General Counsel Jean Cihigoyenette opened the nominations for the position of Secretary/Treasurer.

Director Parker nominated Director Hall, for the position of the Secretary/Treasurer.

General Counsel Jean Cihigoyenette asked if there were any other nominations for Secretary/Treasurer. There were no other nominations for Secretary/Treasurer. General Counsel Jean Cihigoyenette said that hearing no other nominations, he called the nomination.

Upon nomination by: Director Parker; and unanimously carried (5/0):

M2017-1-3
MOVED, to elect Director Jasmin A. Hall, for Secretary/Treasurer of the Board.

With the following roll call vote:

Ayes: Hall, Elie, Camacho, Parker, Hofer
Noes: None
Absent: None
Abstain: None

Vice President Camacho ceremoniously passed the gavel to President Elie.

APPOINTMENT OF A DIRECTOR TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

General Counsel Jean Cihigoyenette stated that under the Metropolitan Water District Act, the Board of Directors are required to approve or to elect a Director/Member to the Board of the Metropolitan Water District in either two ways – The President of the Board appoints a MWD Director/Member, subject to the approval of the Board; or the Board of Directors nominates and elects a MWD Director/Member at large. He stated that if the President of the Board has an appointee to name, typically, that is how the Agency proceeded in the past, with the Board of Directors approval. It is up to the discretion of the Board.

President Elie nominated Director Camacho as the Agency’s MWD representative. He further stated that Director Camacho has honorably served in this capacity for the Agency for the last six years building strong credible reputation at MWD.

Upon nomination by: Director Elie; and unanimously carried (5/0):

M2017-1-4
MOVED, to appoint Director Michael Camacho to serve as Director on the Metropolitan Water District of Southern California Board.

With the following roll call vote:

Ayes: Hall, Elie, Camacho, Parker, Hofer
Noes: None
Absent: None
Abstain: None

ADOPTION OF RESOLUTION NO. 2017-1-2, APPOINTING/REAPPOINTING AGENCY REPRESENTATIVES TO THE SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) COMMISSION

President Elie stated that the SAWPA Commission requires a resolution, but technically it is an appointment of the Board President. General Counsel Jean Cihigoyenette stated that this is

correct; however, the Board of Directors adopts the resolution. President Elie appointed Director Hall as the Agency's SAWPA representative, and Director Parker as the alternate.

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

M2017-1-5

MOVED, to adopt by roll call vote Resolution No. 2017-1-2 appointing/re-appointing the Agency representatives to the Santa Ana Watershed Project Authority (SAWPA) Commission.

RESOLUTION NO. 2017-1-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPOINTING/RE-APPOINTING COMMISSIONERS TO THE SANTA ANA WATERSHED PROJECT AUTHORITY COMMISSION (For full text, see Resolution Book)

With the following roll call vote:

Ayes: Hall, Elie, Camacho, Parker, Hofer
Noes: None
Absent: None
Abstain: None

ADOPTION OF RESOLUTION NO. 2017-1-1, FOR THE INTERIM APPOINTMENT OF A RETIRED ANNUITANT

Manager of Human Resources Sharmeen Bhojani stated that she is asking for the adoption of a resolution which allows the Agency to appoint Ms. Martha Davis, on an interim basis, to the position of Executive Manager of External Affairs and Policy Development/Assistant General Manager. She stated that Ms. Davis retired from the Agency last month, and CalPERS requires that a retired member wait 180 days before coming back to work for a CalPERS covered employer without reinstatement from retirement. She stated that the Government Code allows for the hiring of a retiree before the 180 days have passed, if the Agency's Governing Board deems the position to be a critically needed position and adopts a certification resolution to make the appointment. Ms. Bhojani said that the adoption of this resolution will allow the Agency to appoint Ms. Davis to interim position during the recruitment process, which is currently ongoing. She further stated that under this appointment, Ms. Davis will receive the hourly rate for this position and will not receive any other benefits.

President Elie noted that Ms. Davis is significantly involved in many policies that the Agency is working on in Sacramento, and that have been going on for years. He stated that until the Agency fills her position, he would like to continue to allow staff to use her services.

Director Parker asked why it is critical.

General Manager Grindstaff responded that it is the beginning of a legislative year, and it is important that the Agency have someone stepping up immediately and being able to respond at a high level, particularly in Sacramento. He stated that Ms. Davis is heavily engaged in dealing with these issues and meeting with people. He noted that no one has better connections or contacts than Ms. Davis, as this legislative year begins.

Director Hall asked what is the difference in Ms. Davis' role and that of a lobbyist.

General Manager Grindstaff responded that as an employee she is able to participate - for example; the Governor's Executive Order on conservation was propagated last September and the Governor's office appointed an advisory committee. He said in Southern California there were two appointments, and one of the appointments was Ms. Davis. He noted that a lobbyist could not perform in this capacity. Ms. Davis can represent the Agency in a way that a lobbyist can not.

Upon motion by Director Camacho, seconded by Director Parker, with motion carried (4/1)

M2017-1-6

MOVED, to adopt by roll call vote Resolution No. 2017-1-1, for exception to the 180-day wait period Government Code Sections 7522.56 and 21221(h); and for the interim appointment of Martha Davis, as a retired annuitant, to the position of Executive Manager of External Affairs and Policy Development/Assistant General Manager.

With the following roll call vote:

Ayes: Elie, Camacho, Parker, Hofer
Noes: Hall
Absent: None
Abstain: None

2. INFORMATION ITEM

IEUA BOARD OF DIRECTORS STANDING COMMITTEES

External Affairs Analyst Stephanie Riley reviewed the proposed restructure and changes to the IEUA Board of Director Standing Committees.

President Elie stated that on the proposed Finance, Audit, and Administration Committee, he is undecided if this is best to have Audit as a separate committee. He asked staff what is the purpose for the restructure of the Audit Committee.

Mr. Grindstaff responded that there have been conflicts in meeting times, as the Audit Committee meets concurrently with Public, Legislative Affairs and Water Resources Committee and staff who may want to attend both meetings cannot. He also stated that the members of the Finance, Legal and Administration Committee have been different from the members of the Audit Committee, although the Best Practices requirements are the same.

Chief Financial Officer Christina Valencia stated that for the most part, with the restructure that is being proposed, a lot of the items that were being presented to multiple committees will be eliminated, which will lessen the activity through the different committees. She stated that the GOFA practices identifies the same internal controls and financial reporting skill sets for the Audit Committee and the Finance Committee.

Discussions ensued regarding the Audit Committee. There were suggestions by the Board to have the Audit Committee remain as a separate Committee and perhaps meet separately on a different time or day. They agreed there is a benefit of having different Committee members serve on the Finance and Administration Committee and Audit Committee.

Director Hofer commented that with the amount of monies that the Agency handles, it is critical that the Audit Committee be a stand-alone committee.

Director Hall commented that there are too many action items that are included on the Board agenda as consent items. She stated that if each of the committee submits a consent item, the Board should look at how many are going to be placed on consent. If there are too many items,

the Board should consider rolling it over to the next meeting, if it is not a critical issue. She stated that if the action item is presented in committee, and placed on consent at the Board level, the other Board members would have to take the time to review the Board packet, and that takes a lot of time. She asked staff to review the number of consent items and place less critical items on consent. Director Hall suggested that staff provide an executive summary highlighting the important issues for actions.

President Elie suggested that he will ask each of the committee chairs to be mindful of what they are placing on consent. He will also suggest to staff that in the interim between committee and Board meetings, a moniker that states "Recommended by the Committee who saw the presentation." President Elie further stated that he will exercise some discretion as Chair, of looking at what is on the agenda and reviewing it with the Board Secretary/Office Manager and the General Manager. He noted that it has to be balanced over time, and it won't happen overnight. President Elie encouraged all Board members if they have a question on a Board item, even if it is the night before the Board meeting, to call the General Manager.

(Director Hofer signed off from the meeting at 10:35 a.m.)

4. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

5. BOARD OF DIRECTORS' COMMENTS

President Elie commented that in the next couple of weeks he is going to be looking at all the Agency representative appointments, as well as committee appointments. He stated that he will provide the Board the current slate of appointments, and he asked that the Board provide feedback on what they are interested in for both Agency representation and committees. President Elie requested comments back to him by next Wednesday (January 11).

Executive Manager of Operations Randy Lee introduced the new Manager of Operations and Maintenance, Mr. Richard Mykitta, hired on January 3, 2017.

6. CLOSED SESSION

The Board went into Closed Session at 10:45 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: Two (2) Cases; D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION: (1) Manager of Internal Audit; (2) Board Secretary/Office Manager

The meeting resumed at 11:25 a.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

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board did not discuss.

Regarding Conference with Legal Counsel – Existing Litigation:

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

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; Initiation of Litigation:

Two (2) cases

The Board did not discuss.

Regarding Personnel Matters – Pubic Employee Performance Evaluation

Manager of Internal Audit

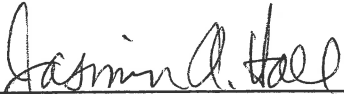
The Board took no reportable action.

Regarding Personnel Matters – Pubic Employee Performance Evaluation

Board Secretary/Office Manager

The Board did not discuss.

With no further business, Vice President Camacho adjourned the meeting at 11:26 a.m.



Jasmin A. Hall, Secretary/Treasurer

APPROVED: FEBRUARY 15, 2017