



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

**WEDNESDAY, DECEMBER 20, 2017
10:00 A.M.**

DIRECTORS PRESENT:

Steven J. Elie, President
Michael Camacho, Vice President
Paul Hofer
Kati Parker

DIRECTORS ABSENT:

Jasmin A. Hall, Secretary/Treasurer

STAFF PRESENT:

Halla Razak, General Manager
P. Joseph Grindstaff, General Manager Emeritus
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs and Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance and Administration/AGM
Blanca Arambula, Deputy Manager of Human Resources
Sharmeen Bhojani, Manager of Human Resources
Eva Brown, Records Specialist
Jerry Burke, Deputy Manager of Engineering
Tina Cheng, Budget Officer
Martha Davis, Executive Manager of External Affairs & Policy Development/AGM
Emeritus
Nel Groenveld, Manager of Laboratories
Abel Hernandez, Electrical & Instrument Technician I
Liz Hurst, Water Resources Planner
Sally Lee, Executive Assistant
Sylvie Lee, Manager of Planning and Environmental Resources
Laura Mantilla, Executive Assistant
Jason Marseilles, Senior Engineer
Liza Munoz, Senior Engineer
Jason Pivovarov, Senior Engineer
Matt Poeske, Construction Project Manager
Craig Proctor, Source Control/Environmental Resources Supervisor
Shaun Stone, Manager of Engineering
Krystle Suetani, Laboratory Scientist
Ken Tam, Senior Associate Engineer
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager
Jeff Ziegenbein, Manager of Regional Compost Operations

OTHERS PRESENT:

Jean Cihigoyenette, General Counsel
Mark Kinsey, Monte Vista Water District

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 Elie called the meeting to order at 10:00 a.m. and General Manager Emeritus P. Joseph Grindstaff led the Pledge of Allegiance to the flag. A quorum was present.

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

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

NEW EMPLOYEE INTRODUCTION

The following new employees were introduced:

- Eva Brown, Records Specialist, hired 12/04/17, Records Management (Kathy Besser)
- Krystle Suetani, Laboratory Scientist I, hired 12/04/17, Laboratory Department (Chris Berch)
- Abel Hernandez, Electrical & Instrument Technician I, hired 12/18/17, Organics Management (Randy Lee)

The Board of Directors welcomed Eva Brown, Krystle Suetani and Abel Hernandez to the IEUA team.

CONSENT ITEMS

President Elie 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 Camacho, seconded by Director Parker, and unanimously carried:

M2017-12-2

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the November 15, 2017 Board meeting.
- B. Adopted Resolution No. 2017-12-1, commending General Manager P. Joseph Grindstaff for his 5 years of service with the Inland Empire Utilities Agency.

RESOLUTION 2017-12-1
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, COMMENDING GENERAL MANAGER P. JOSEPH GRINDSTAFF FOR 5 YEARS OF PUBLIC SERVICE WITH THE INLAND EMPIRE UTILITIES AGENCY (for full text, see Resolution Book)

Continued...

M2017-12-2 continued.

- C. Approved the total disbursements for the month of October 2017, in the amount of \$15,532,023.67.
- D. The Board:
 - 1. Awarded Contract No. 4600002440 to PFM Asset Management LLC for an initial three-year period with two, one-year options to extend for the investment advisory and management services;
 - 2. Pursuant the Agency's Risk Management Ordinance, Section 8, approved PFM's Self-Insured Retention (SIR) for Professional Liability Insurance in the amount of \$1,000,000; and
 - 3. Authorized the General Manager to execute the consultant contract subject to non-substantive changes.
- E. The Board adopted the updated Policy for Disclosure Procedures effective December 21, 2016.
- F. The Board adopted Resolution No. 2017-12-4, amending the salary schedule/matrix for Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association, and Professional Unit employees.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AMENDING THE SALARY SCHEDULE/MATRIX FOR UNREPRESENTED, EXECUTIVE, GENERAL UNIT, LABORATORY UNIT, OPERATORS' ASSOCIATION, AND PROFESSIONAL UNIT AND GENERAL UNIT EMPLOYEES (for full text, see Resolution Book)

- G. The Board:
 - 1. Approved the Single Audit Report for FY 2016/17; and
 - 2. Directed staff to distribute the report, as appropriate, to the State Controller's Office, the Federal Audit Clearing House, and other interested parties.
- H. The Board reconfirmed the Audit Committee Charter and the Internal Audit Department Charter and directed staff to implement the charters.
- I. The Board adopted Resolution No. 2017-12-2, requesting LAFCO to initiate a sphere adjustment and reorganization of the area to detach the 4.81 acres from IEUA and annex into SBVMWD.

Continued...

M2017-12-2 continued.

RESOLUTION 2017-12-2
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR SPHERE AMENDMENT (EXPANSION/REDUCTION) AND REORGANIZATION (ANNEXATION/DETACHMENT) OF TERRITORY BETWEEN THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA *(for full text, see Resolution Book)*

J. The Board:

1. Approved the Regional Pretreatment Agreement (Agreement) between IEUA and the City of Fontana; and
2. Authorized the General Manager to execute the Agreement, subject to non-substantial changes.

K. The Board:

1. Awarded a construction contract change order to J.F. Shea for the RP-1 Aeration Basin Panel Repairs, Project Nos. EN17040/PA17006.01, for the not-to-exceed amount of \$115,218; and
2. Authorized the General Manager to execute the construction contract change order.

L. The Board:

1. Approved a two-year On-Call Design and Construction Surveying Master Services Contract to WestLAND Group, Inc., for a not-to-exceed amount of \$750,000;
2. Approved a two-year On-Call Design and Construction Surveying Master Services Contract to CASC Engineering and Consulting, Inc., for a not-to-exceed amount of \$750,000; and
3. Authorized the General Manager to execute the Master Services Contracts subject to non-substantive changes.

M. The Board:

1. Awarded a construction contract for the Headquarters Buildings Roofing Replacement, Project No. CP16003, to Best Contracting Services Inc., in the amount of \$1,024,070;

Continued...

M2017-12-2 continued.

2. Approved a project budget reclassification in the amount of \$1,311,000 in the Administration Services (GG) Fund from O&M to Capital Project;
3. Authorized the General Manager to execute the contract and budget reclassification.

N. The Board:

1. Awarded a construction contract for the RP-5 Aeration Diffuser Replacement, Project No. PA17006.02, to Genesis Construction in the amount of \$2,987,654; and
2. Authorized the General Manager to execute the contract.

O. The Board:

1. Approved the Inland Empire Utilities Agency Comprehensive Annual Financial Report for fiscal year ended June 30, 2017; and
2. Directed staff to distribute the report as appropriate, to the various federal, state and local agencies, financial institutions, bond rating agencies, and other interest parties.

PRESENTATION

Monte Vista Water District's General Manager Mark Kinsey presented General Manager Emeritus P. Joseph Grindstaff with a commendation resolution on behalf of the Monte Vista Water District with words of appreciation.

Executive Manager of External Affairs & Policy Development/AGM Emeritus Martha Davis gave a short word of recognition and highlighted some of Mr. Grindstaff's achievements in honor of Mr. Grindstaff's retirement.

President Elie presented former General Manager P. Joseph Grindstaff with a commendation Resolution for his 5 years of service at the Inland Empire Utilities Agency, as well as, Mr. Grindstaff's 35 years of experience in management and planning in the field of water, wastewater and resource management. President Elie extended Mr. Grindstaff best wishes on his retirement.

Mr. Grindstaff stated that it has been an honor serving the Agency, and the work of the IEUA Board of Directors and employees play an important role for the region. He stated that the work may not always be fun and recognized but it is important.

ACTION ITEM

RP-1 CAPACITY RECOVERY PROJECT CONSULTANT CONTRACT AWARD

Manager of Engineering Shaun Stone gave a presentation providing the Board an overview of the RP-1 Capacity Recovery project's location, background, scope, consultant selection, and the project's budget and schedule. He stated that this project was identified in the 2015 Wastewater Facilities Master Plan. In the various subsequent documents, including the RP-1 & RP-5 PDR, it

was determined that RP-1 needed to be brought back to its full needed treatment capacity in both the liquids and solids capacities.

He stated that the three major tasks are the site master plan, liquids capacity recovery, and the solids capacity recovery. A Request for Proposal (RFP) was issued on August 15, 2017, and four proposals were received on October 12, 2017. Proposals were evaluated and selected by a committee which included staff from the Engineering and Construction Management Department, Operations and Maintenance Department, Contracts and Procurement Department, Cucamonga Valley Water District, the City of Montclair, and the City of Ontario. Two consultants were invited for an interview and Carollo was unanimously selected for the following reasons: clear vision for RP-1 site master plan, comprehensive scope of work, project plan, and detailed deliverable schedule, project approach, and project team experience with MBR and construction management at risk. He stated that the current plan is to end the project at 30 percent design and wait for funding opportunities. The Agency has been advised that there may be infrastructure funding available. The scope of work was put together for the final design in its entirety with the intention to only award through the to 30 percent today. This item has gone through and unanimously supported by both the Regional Sewerage Program Technical and Policy Committees.

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

M2017-12-3

MOVED, to:

1. Award a consultant contract for the RP-1 Capacity Recovery, Project Nos. EN24001 and EN24002, to Carollo Engineers Inc., for the not-to-exceed amount of \$13,637,633; and
2. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

BASELINE RECYCLED WATER PIPELINE EXTENSION CONSULTANT CONTRACT AWARD

Manager of Engineering Shaun Stone gave a presentation providing the Board an overview of the Baseline Recycled Water Pipeline Extension project's location, background, scope, consultant selection, and the project's budget and schedule. He stated this baseline recycled water pipeline extension is located north of the Village of Heritage within the City of Fontana. The Village of Heritage is located in Fontana but served by the Cucamonga Valley Water District, making it a unique location within the service area. This project was originally conceived in 2010. The Agency spent time with the Cucamonga Valley Water District and the City of Fontana to ensure the project will have long-term benefits. The project expanded from 6800 linear feet to 8200 linear feet of recycled water line in the Village of Heritage. The goal is to provide 105 acre-feet of new recycled water use in the City of Fontana. A State Revolving Fund application has been submitted to finance project costs. He stated that seven proposals were received in early November. The evaluation and selection committee included the Engineering and Construction Management staff and the staff from Cucamonga Valley Water District. The City of Fontana stated that they were confident that IEUA and CVWD will pick a quality consultant to deliver the project. Proposals were evaluated with the criteria of qualification and experience, project scope understanding, ability to meet project schedule, and SWRCB Disadvantage Business Enterprise Good Faith Effort completion. Carollo was unanimously selected by the committee. Mr. Stone gave a brief overview of the project budget and schedule.

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

M2017-12-4

MOVED, to:

1. Award a consultant contract for the Baseline Recycled Water Pipeline Extension, Project No. EN17049, to Carollo Engineers, Inc., for the not-to-exceed amount of \$394,766; and
2. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

ADOPTION OF RESOLUTION NO. 2017-12-3, ESTABLISHING A POLICY FOR ROTATION OF BOARD OFFICERS

President Elie stated that per Director Hofer's request, this item will be moved for determination to a later date. President Elie stated that there was a clarification from counsel that there was an error in the agenda and packet, he stated staff is not recommending anything and takes a neutral position on the item.

INFORMATION ITEMS

ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATE

Deputy Manager of Engineering Jerry Burke gave a PowerPoint presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: EN13048 – RP-1 Power System Upgrades; EN14018 – RP-4 Disinfection Facility Improvements; EN15008 – Water Quality Laboratory; EN17039 – 8th St. Basin RW Turnout Discharge Retrofit; and WR15021 – Napa Lateral.

MWD UPDATE

Senior Engineer Jason Pivovarovoff highlighted the state water allocation. A few weeks ago, Department of Water Resources (DWR) announced the initial allocation at 15 percent. In comparison to the past 10 years, it is on the lower end of the spectrum. This allocation is very dependent on hydrogeologic conditions and operations. The two main reasons for this low allocation is Lake Oroville's main spillway and emergency spillway situation and the ongoing biological opinions throughout the Delta. This is the initial allocation and it can change. Last year, the initial allocation was set at 20 percent and ended at 85 percent.

Discussion ensued regarding water loss from the situation at Lake Oroville.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

FISCAL YEAR 2017/18 FIRST QUARTER BUDGET VARIANCE, PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS

PUBLIC OUTREACH AND COMMUNICATION

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES

LEGISLATIVE REPORT FROM WEST COAST ADVISORS

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

FEDERAL LEGISLATIVE TRACKING MATRIX

PAYROLL OPERATIONS AUDIT & COMPARABLE AGENCIES' SURVEY

SOUTHERN CALIFORNIA EDISON UTILITY PAYMENTS FOLLOW-UP AUDIT

AUDIT COMMITTEE FINANCIAL ADVISOR CONTRACT EXTENSION

INTERNAL AUDIT DEPARTMENT STANDARD OPERATING PROCEDURES (SOP)

INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT

SEPTIC TO SEWER FEASIBILITY STUDY UPDATE

UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN AND INTEGRATED RIVER MODEL UPDATE

SARCCUP UPDATE

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Parker stated that she attended the SAWPA Commission meeting on December 19, in place of Director Hall. One good thing that took place was that the Commissioners directed staff to file a Notice of Completion for the Inland Empire Brine Line Reach V Rehabilitation and Improvement Project. It was completed and constructed as designed. Mr. P. Joseph Grindstaff also presented at this meeting regarding the Chino Basin Water Storage Program, which was also presented to the California Water Commission on December 13, 2017.

MWD REPORT

Director Camacho had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker reported that she attended the Policy Committee meeting on December 7. The only action item that staff presented was the RP-5 Aeration Diffuser Replacement Construction Contract. The Policy Committee approved this item.

CHINO BASIN WATERMASTER REPORT

President Elie reported that there is still discussion on resolving the appeal that is outstanding related to the Safe Yield. He stated that there was a reception held for Ms. Halla Razak to introduce her to the Chino Basin Watermaster members at the Galleano Winery. The Three Valleys Municipal Water District Directors and Western Municipal Water District Directors were in attendance.

GENERAL MANAGER'S REPORT

General Manager Halla Razak stated that in addition to the written report included in the Board packet, the Agency received three notices of violation from South Coast Air Quality Management District for infractions that happened as early as February 2016. The three violations were for RP-1 Flare Flow Rate exceedance, RP-2 Engine Emissions exceedance, and RP-5 the IBE Flare and Engine exceedances. Staff will be further looking into these items and she will provide more information in the future.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

Director Parker stated that she attended the reception for General Manager Halla Razak by CBWM at Galleano Winery on December 7, 2017 and she stated it was very well done.

Director Camacho stated that he also attended the reception for Ms. Razak at Galleano Winery on December 7, 2017 and he attended the ACWA Fall Conference in Anaheim on November 29 to December 1, 2017.

Director Elie stated that he attended a meeting called by Congresswoman Norma Torres on November 17, 2017. He also attended the ACWA Fall Conference on November 29 to December 1, 2017. He assisted staff on a tour for Assemblymember Phillip Chen, attended the Chino Valley Tree lighting ceremony, and reception for Ms. Razak on December 7, 2017.

CLOSED SESSION

The Board went into Closed Session at 10:42 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; B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: one case; C. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer Negotiations – All Bargaining Units, Negotiating Parties: General Manager Halla Razak.

The meeting resumed at 11:03 a.m., and General Counsel Martin 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:

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

The Board did not discuss.

Regarding Conference Anticipated Litigation:

One case

The Board did not discuss.

Regarding Conference with Labor Negotiator:

Meet and Confer Negotiations – All Bargaining Units

Negotiating Parties: General Manager Halla Razak

The Board took no reportable action.

With no further business, President Elie adjourned the meeting at 11:04 a.m. in honor of General Manager Emeritus P. Joseph Grindstaff and his retirement.



Jasmin A. Hall, Secretary/Treasurer

APPROVED: JANUARY 17, 2018