



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

**WEDNESDAY, JULY 18, 2018
10:00 A.M.**

DIRECTORS PRESENT:

Michael Camacho, Vice President
Jasmin A. Hall, Secretary/Treasurer
Paul Hofer
Kati Parker

DIRECTORS ABSENT:

Steven J. Elie, President

STAFF PRESENT:

Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Niki Becker, Laboratory Scientist II
Jerry Burke, Deputy Manager of Engineering
Edward Chavez, Collection System Operator III
Ivan Cheng, Assistant Engineer
Michael Dias, Associate Engineer
Lucia Diaz, Facilities Program Supervisor
Warren Green, Manager of Contract & Procurement
Sylvie Lee, Manager of Planning & Environmental Resources
Chander Letulle, Manager of Operations & Maintenance
Jason Pivovaroff, Senior Engineer
Craig Proctor, Source Control/Environmental Resources Supervisor
John Scherck, Senior Project Manager
Travis Sprague, Senior Associate Engineer
Shaun Stone, Manager of Engineering
Ian Tillery, Deputy Manager of Operations
Teresa Velarde, Manager of Internal Audit
Ryan Ward, Collection System Operator I
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenetché, JC Law Firm
Mike Rood, Kiewit

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 Kati Parker 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 address the Board.

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

NEW HIRE INTRODUCTIONS

- Ivan Cheng, Assistant Engineer, hired June 3, 2018, Engineering & Construction Management
- Ryan Ward, Collection System Operator I, hired July 1, 2018, Operations & Maintenance

The Board of Directors welcomed Mr. Cheng and Mr. Ward to the IEUA team.

PROMOTIONS

- Niki Becker, Laboratory Scientist I to Laboratory Scientist II, effective May 20, 2018, Laboratory
- Edward Chavez, Collection System Operator II to Collection Systems Operator III, effective June 17, 2018, Operations & Maintenance
- Ian Tillery, Operations Supervisor to Deputy Manager of Operations, effective July 1, 2018, Operation & Maintenance

The Board congratulated Ms. Becker, Mr. Chavez, and Mr. Tillery on their promotion.

CONSENT ITEMS

Vice President Camacho asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. Director Hall stated that she would like to pull Item 3J – Engineering Services Master Contracts Award for discussion and action under, “Action Items.”

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

M2018-7-1

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the June 6, 2018 Board Workshop and the June 20, 2018 Board Meeting.
- B. The Board approved the total disbursements for the month of May 2018, in the amount of \$15,994,042.13.
- C. The Board ratified the purchase of Agency-wide insurance policies providing coverage through Fiscal Year 2018/19, for the following:
 - Excess General Liability insurance in the amount of \$398,556;
 - Property, Boiler & Machinery insurance in the amount of \$266,000; and
 - Excess Workers’ Compensation insurance in the amount of \$67,865.

Continued...

M2018-7-1 continued.

D. The Board:

1. Adopted Resolution Nos. 2018-7-1 and 2018-7-2, authorizing the Agency to enter into financial assistance agreements with the U.S. Department of Interior – Bureau of Reclamation (USBR) WaterSMART: Title XVI Water Reclamation and Reuse Program Funding for Fiscal Year 2018; and
2. Authorized the General Manager to execute the financial assistance agreements, any amendments, and any grant-related documents thereto.

RESOLUTION 2018-7-1

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: 2018 WATER RECLAMATION AND REUSE PROGRAM FUNDING FOR FISCAL YEAR 2018 WITH THE U.S. DEPARTMENT OF INTERIOR - BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE JOINT IEUA-JURUPA COMMUNITY SERVICES DISTRICT (JCSD) RECYCLED WATER INTERTIE PROJECT (for full text, see Resolution Book)

RESOLUTION 2018-7-2

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: 2018 WATER RECLAMATION AND REUSE PROGRAM FUNDING FOR FISCAL YEAR 2018 WITH THE U.S. DEPARTMENT OF INTERIOR - BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE IEUA-POMONA-MONTE VISTA WATER DISTRICT (MVWD) RECYCLED WATER INTERTIE PROJECT (for full text, see Resolution Book)

E. The Board:

1. Adopted a Notice of Determination (NOD), approving and adopting Addendum No. 2 to the Mitigated Negative Declaration for Jurupa Community Services District Recycled Water Expansion as a CEQA-responsible agency; and

Continued...

M2018-7-1 continued.

2. Authorized the General Manager to file the NOD with the San Bernardino County and Riverside County Clerks of the Board.

F. The Board:

1. Awarded a service contract for the RP-4 Process Painting to Tony Painting, for a not-to-exceed amount of \$268,450; and
2. Authorize the General Manager to execute the service contract.

G. The Board:

1. Awarded a construction contract for the 8th Street Basin Recycled Water Retrofit, Project No. EN17039, to Schuler Constructors in the amount of \$250,367; and
2. Authorized the General Manager to execute the construction contract subject to non-substantive changes.

H. The Board:

1. Awarded a construction contract for the Agency-wide Light Pole Replacement and Upgrades, Project No. EN18039, to Southern Contracting Company in the amount of \$236,700; and
2. Authorized the General Manager to execute the construction contract subject to non-substantive changes.

I. The Board:

1. Awarded a consulting engineering services contract for the SCADA Enterprise System, RP-1 Migration, Project No. EN13016.05, to Arcadis U.S., Inc. for a not-to-exceed amount of \$246,300; and
2. Authorized the General Manager to execute the consulting engineering services contract subject to non-substantive changes.

J. *PULLED*

K. The Board:

1. Approved the budget amendment of \$450,000 for the Chino Basin Water Bank Program, Project No. WR18028 and corresponding reimbursements;
2. Approved a contract amendment for professional consulting services related to Arcadis U.S., Inc. for the not-to-exceed amount of \$484,584; and
3. Authorized the General Manager to execute the contract amendment subject to non-substantive changes.

ACTION ITEM

ENGINEERING SERVICES MASTER CONTRACTS AWARD

Manager of Engineering Shaun Stone stated that the master contracts will provide a flexible option for proposals from consultants. This provides flexibility for project managers and a resource for timely engineering assistance. The contracts will also provide emergency support on occasions where the Agency is in need of engineering assistance, structural calculations, or review of items for emergency plant repair. He gave a review of consultant selection and staff recommendation. Discussion ensued regarding the financial aspects of the contracts.

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

M2018-7-2

MOVED, to:

1. Award a three-year master service contract for Task Order/On-Call Engineering Services to GHD, Kennedy-Jenks Consulting, Stantec, Arcadis, Michael Baker International, and WSC with options for up to four one-year extensions;
2. Contracts shall be limited to a single shared aggregate not-to-exceed amount of \$15,000,000; and
3. Authorize the General Manager to execute the contract amendment subject to non-substantive changes.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) CALL FOR ELECTION FOR SEAT A, SOUTHERN NETWORK

Executive Manager of Finance & Administration/AGM Christina Valencia stated the Agency is a regular member of the California Special District Association (CSDA), who holds annual elections. As a regular member, the Agency receives one vote. CSDA has six networks, each of which is comprised of three seats. There are two candidates for an open seat in the Southern Network. She stated that the backgrounds for both candidates are attached to the Board letter. Ms. Jo MacKenzie is the incumbent and has been affiliated with CSDA for 26 years and held various positions. Mr. Joseph Kelly has been with CSDA for three and a half years. They are both elected officials in their respective districts. She stated that both candidates are being brought before the Board for consideration and recommendation. Director Hofer stated that he would vote for Ms. MacKenzie as she brings vast experience to the Board and is in the field of water. Director Parker stated that she agreed with Director Hofer.

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

M2018-7-3

MOVED, to cast a vote on behalf of Inland Empire Utilities Agency for CSDA's 2018 Board of Directors' election for Seat A, Southern Network for Ms. Jo MacKenzie, Vista Irrigation District.

RP-1 PRIMARY EFFLUENT CONVEYANCE CONSTRUCTION CONTRACT AWARD

Manager of Engineering Shaun Stone gave a brief overview of the location and background of the project, contractor selection process, project budget and schedule, and staff recommendations.

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

M2018-7-4

MOVED, to:

1. Award a construction contract for the RP-1 Primary Effluent Conveyance Improvements, Project No. EN15012, Kiewit Infrastructure West Co., in the amount of \$4,519,000;
2. Approve a contract amendment to Stantec Consulting Service Inc., for engineering services during construction for the not-to-exceed amount of \$302,500; and
3. Authorize the General Manager to execute the contract and contract amendment subject to non-substantive changes.

MASTER SERVICE CONTRACT FOR THE REPAIR, REBUILD, OR REFURBISHMENT OF ROTATING MACHINERY

Manager of Operations & Maintenance Chander Letulle stated that the Agency has numerous complex rotating machinery, including compressors, blowers, and large pumps and motors. All this equipment requires repair or refurbishment, which requires large workshops, specialized equipment, and experienced staff. Historically, the Agency has contracted with companies such as Vaughan's Industrial Repair for this type of work. He gave an overview of the process of making repairs. He stated that this contract will provide a turn-key service and Vaughan's Industrial Repair will be responsible to remove, repair, and reinstall the equipment. It also will allow Vaughan's to perform some on-site repair services. He stated that this new contract will allow staff to spend more time on preventative and predictive maintenance and support of its reliability centered maintenance program.

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

M2018-7-5

MOVED, to:

1. Approve the award of Contract No. 4600002562 to Vaughan's Industrial Repair, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$1,500,000 over a three-year period, with two, one-year options to extend; and
2. Authorize the General Manager to execute the contract.

FORCE MAIN IMPROVEMENTS CONSULTANT CONTRACT AWARD

Manager of Engineering Shaun Stone stated that in February 2018, a contractor broke the Philadelphia Force Main. The Agency mitigated the flow at that time and the event highlighted the need to prioritize this project, which was originally planned to take place in a couple years. It also caused the Agency to take a closer look at the other force mains. He presented a brief overview of the scope of work for the projects, consultant selection process, project budget and schedule, and staff recommendations.

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

M2018-7-6

MOVED, to:

1. Award a consulting engineering services contract for the Force Main Improvements, Project Nos. EN23002 and EN19025, to GHD for a not-to-exceed amount of \$873,696; and
2. Authorize the General Manager to execute the consulting engineering services contract subject to non-substantive changes.

RP-1 & RP-5 EXPANSION OFFICE ENGINEER SUPPORT SERVICES CONTRACT AWARD

Manager of Engineering Shaun Stone stated that the RP-1 Capacity Recover Project's 30 percent design will generate about 5,000 pieces of information and RP-5 Liquids Treatment Expansion Project will generate about 10,000 pieces of information. The Agency's standard review time for all documents is about three weeks. Staff feels that they will not be able to conduct a meaningful and thorough review of all documents in this time frame. This contract award will allow the Agency to access experts, who are experienced in completing these projects. He gave a brief overview of the consultant selection, budget and schedule for the RP-1 and RP-5 projects, and staff recommendations.

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

M2018-7-7

MOVED, to:

1. Award a consultant contract for the RP-5 Liquids Treatment Expansion, RP-5 Solids Treatment Facility, and RP-1 Capacity Recovery, Project Nos. EN19001, EN19006, EN24001, and EN24002 for office engineer support services to CDM Smith, Inc. for the not-to-exceed amount of \$1,250,000; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

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: EN18036-CCWRF Asset Management and Improvements-III; EN18037-CCWRF Asset Management and Improvements-II; RW15003.03-Montclair Basin Improvements; WR15021-

Napa Lateral; PA17006.02-RP-5 Aeration Panel Replacement; EN14019.00-RP-1 Headworks; and EN18055-Headquarters Roofing.

Discussion ensued regarding the regulations given by the South Coast Air Quality Management District.

MWD UPDATE

Senior Engineer Jason Pivovarovff gave an update on the California Water Fix. This item was brought to the Board in April 2018 for the project's participation and funding for the full project. Since that time, there has been two organizations that have alleged Brown Act violations. MWD responded disagreeing with these allegations and in full public transparency brought the item back to the Board in July. The motion passed again with a majority vote. A Joint Powers Authority (JPA) was approved by the State Water Contractors for the design and construction and has an arrangement with Department of Water Resources (DWR) to progress the project to the next stages.

CBWM UPDATE

Executive Manager of Engineering/AGM Chris Berch gave an update on the June 28, 2018 CBWM Meeting. He stated that there was a task order that was approved with Wildermuth to support the groundwater integrated model and the Habitat Conservation Plan (HCP) effort along the Santa Ana River, a joint initiative between IEUA and CBWM. They received and filed the 2017 Habitat Sustainability Adaptive Management Plan Report and there was an advisory committee request for CBWM's assistance.

Under the General Manager's report, Mr. Peter Kavounas made a special recognition of IEUA's success, specifically in the recharge master plan process. Mr. Kavounas recognized that the Agency had received a \$750,000 grant from United States Bureau of Reclamation (USBR) for its Project 23. To date, the Agency has received \$1.1 million in agreements for grants from the federal government and \$9.8 in grants from the state, placing the Agency at about 50 to 60 percent grant funded on a project that was approved to move forward without any grant funding.

SAWPA UPDATE

Source Control/Environmental Resources Supervisor Craig Proctor stated that he had provided copies of some brochures that were provided at the July 17, 2018, SAWPA Commission Meeting regarding roundtables and task forces. He stated that the Commission approved additional grant funding to the Cities of Chino, Chino Hills, and Hemet for the conservation-based water rates projects. This program was initially set up to incentivize retail water agencies to transfer to budget-based rates. Both the City of Chino and Chino Hills are eligible to receive up to \$450,000 in grant funding.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

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

STATE LEGISLATIVE TRACKING MATRIX

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

2017 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE

4TH QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall had nothing additional to report.

MWD REPORT

Director Camacho stated that the California Water Fix vote was retaken and passed unanimously.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

The July 5, 2018 Regional Sewerage Program Policy Committee meeting was cancelled. The next meeting is scheduled for Thursday, August 2, 2018.

CHINO BASIN WATERMASTER REPORT

There was nothing additional to report.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Hall had nothing additional to report.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

The next meeting dates are as follows:

August 6, 2018

November 5, 2018

GENERAL MANAGER'S REPORT

Acting General Manager Christina Valencia stated that General Manager Halla Razak asked her to recognize Executive Manager of Engineering/AGM Chris Berch and Manager of Engineering Shaun Stone for their leadership of the engineering department. The Agency did not have a good reputation amongst contractors in the industry for a long period of time. Under Mr. Berch and Mr. Stone's leadership, the Agency's reputation has improved. This has helped the Agency gain outreach and participation in the Agency's bids and have also reduced the Agency's costs in contingency rates.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

Director Hall asked a question regarding the Agency's solar panels. She stated that she had read an article about inverters and she inquired about how the Agency knows if the inverters are performing at 100 percent and if the Agency is losing any marginal performance. She requested a workshop to review the Agency's energy performance and how the Agency is ensuring maximum performance and maximizing savings.

DIRECTORS' COMMENTS

Director Hall stated that she appreciated the Agency's public outreach and communication newsletter including all the associations the Agency is a part of, staff's participation, and information of how the Agency is interacting with the member agencies. Director Hall stated that she attended the Association of San Bernardino County Special District meeting on July 16.

CLOSED SESSION

The Board decided to forego the closed session items until General Manager Halla Razak's return.

With no further business, Vice President Camacho adjourned the meeting at 10:56 a.m.



Jasmin A. Hall, Secretary/Treasurer

APPROVED: AUGUST 15, 2018