AGENDA

COMMISSION MEETING OF THE
CHINO BASIN REGIONAL FINANCING AUTHORITY
AND
MEETING OF THE
BOARD OF DIRECTORS

WEDNESDAY, JULY 20, 2016
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708

CALL TO ORDER OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Commission 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.

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 can be the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS
A. MINUTES
The Commission will be asked to approve the minutes of the May 18, 2016, Chino Basin Regional Financing Authority Commission meeting.
B. ELECTION OF OFFICERS
It is recommended that the Commissioners elect a President, Vice President, and Secretary for the Chino Basin Regional Financing Authority.

C. APPOINTMENT OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY TREASURER
It is recommended that the Commissioners approve the appointment of Chief Financial Officer Christina Valencia to serve as Treasurer for 2016, and appoint Manager of Finance and Accounting Javier Chagoyen-Lazaro, as the alternate Treasurer.

2. ADJOURN

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. NEW HIRE INTRODUCTIONS
   • Mr. Richard Selio, Mechanic I, hired 4/25/16 (Randy Lee)

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 June 15, 2016, Board meeting.
B. **REPORT ON GENERAL DISBURSEMENTS**  
It is recommended that the Board approve the total disbursements for the month of May 2016, in the amount of $11,749,719.63.

C. **AGENCY-WIDE INSURANCE POLICIES FOR FY 2016/17**  
It is recommended that the Board ratify the purchase of the following Agency-wide insurance policies with an effective date of July 1, 2016, providing coverage through July 1, 2017, for the amounts included in the FY 2016/17 Budget:

- **General Liability:** Provides third party liability coverage for bodily injury and property damage through the Insurance Company of the State of Pennsylvania (AIG/ICSP) and Allied World Assurance Company (AWAC) for up to $20,000,000 per policy year, with a Self-Insured Retention (SIR) of $1,000,000; and

- **Automobile Liability:** Covers losses to other parties for bodily injury and property damage caused by Agency vehicles. Limits of coverage are $20,000,000 per accident, with a SIR of $1,000,000; and

- **Public Entity Errors and Omissions:** Provides $20,000,000 per policy year of protection against claims for damages arising from the negligent acts, errors, and omissions of the Board of Directors and/or Agency staff acting within their professional capacity, with a SIR of $1,000,000; and

- **Property, and Boiler and Machinery:** Provides insurance protection resulting from damage and destruction of property through the California Sanitation Risk Management Authority (CSRMA) Property Program; with a deductible level of $25,000; and

- **Excess Workers’ Compensation and Employer’s Liability:** Provides coverage against bodily injury and illness to employees in the scope of their employment insurance from Midlands Insurance, with a Self-Insured Retention (SIR) of $1,000,000.

D. **RESOLUTIONS TO AMEND THE MOUS AND SALARY MATRIX/SCHEDULE FOR UNIT MODIFICATION**  
It is recommended that the Board adopt Resolution Nos. 2016-7-1 and 2016-7-2 to amend the Supervisors’ Unit, General Unit, and the Professional Unit Memoranda of Understanding (MOUs) and salary matrix/schedule to reflect a unit modification.

E. **AWARD OF CONTRACTS FOR FEDERAL LEGISLATIVE SERVICES**  
It is recommended that the Board:

1. Approve a three-year contract with two additional one-year extensions with Innovative Federal Strategies, LLC to provide
federal legislative consulting services for a monthly retainer fee of $8,000, plus approve expenses;

2. Approve a three-year contract with two additional one-year extensions to Agricultural Resources to provide federal legislative consulting services for a monthly retainer fee of $6,000 through December 31, 2016, and $3,500 thereafter, plus approved expenses; and

3. Authorize the General Manager to finalize and execute said contracts and potential one-year extensions.

F. AWARD OF CONTRACT FOR STATE LEGISLATIVE SERVICES
   It is recommended that the Board:

   1. Approve a three-year contract with two additional one-year extensions with West Coast Advisors to provide state legislative consulting services, for a monthly retainer fee of $9,800, plus approved expenses; and

   2. Authorize the General Manager to finalize and execute said contract and potential one-year extensions.

G. ADOPTION OF CEQA FOR THE IEUA-POMONA-MVWD INTERTIE PROJECT
   It is recommended that the Board:

   1. Adopt the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration and Mitigation Monitoring, and Reporting Program for the IEUA-Pomona-MVWD Intertie; and

   2. Authorize the General Manager to file the Notice of Determination (NOD) with the San Bernardino County and Los Angeles County Clerk of the Board.

H. CONTRACT AWARD FOR DISTRIBUTED CONTROL SYSTEM (DCS) SUPPORT SERVICES
   It is recommended that the Board:

   1. Approve Contract No. 4600002120 to award Schneider Electric a four-year support contract for Foxboro software and hardware; and

   2. Authorize the General Manager to execute the contract.
I. CONTRACT AWARD FOR ON-SITE STAFF TRAINING SERVICES
It is recommended that the Board:

1. Approve Contract No. 4600002162 to GP Strategies Corporation to provide on-site staff training services for the not-to-exceed amount of $138,418; and

2. Authorize the General Manager to execute the contract.

J. CONTRACT AWARD FOR VICTORIA BASIN INFILTRATION RESTORATION
It is recommended that the Board:

1. Approve Contract No. 4600002119 with Jeremy Harris Construction for the Victoria Basin Infiltration Restoration operation and maintenance activities for a not-to-exceed amount of $103,612; and

2. Authorize the General Manager to execute the contract.

3. ACTION ITEMS

A. FILLING VACANT SEAT ON THE BOARD OF DIRECTORS
It is recommended that the Board consider and act upon one of the following options:

1. Appoint an individual to fill the vacancy on the Board of Directors, based upon the applications filed with the District;

2. Establish a process to conduct further interviews of current applicants; or

3. Schedule a special meeting of the Board of Directors to conduct further discussion of the current slate of applicants.

4. INFORMATION ITEMS

A. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)

B. MWD UPDATE AND DROUGHT UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

C. TREASURER’S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT)

D. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

E. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)
5. **AGENCY REPRESENTATIVES’ REPORTS**

A. **SAWPA REPORT**

B. **MWD REPORT (WRITTEN)**

C. **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**  
(July meeting cancelled. Next meeting scheduled for August 4, 2016.)

D. **CHINO BASIN WATERMASTER REPORT**

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. Three (3) Cases

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.

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, July 14, 2016.

April Woodruff
CONSENT
CALENDAR
ITEM
2H
**Date:** July 20, 2016

**To:** The Honorable Board of Directors

**Through:** Engineering, Operations, and Biosolids Management Committee (7/13/16)
Finance, Legal, and Administration Committee (7/13/16)

**From:** P. Joseph Grindstaff
General Manager

Submitted by: Randy Lee
Executive Manager of Operations, Assistant General Manager

David Malm
Deputy Manager of Integrated System Services

**Subject:** Contract Award for Distributed Control System (DCS) Support Services

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**RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve Contract No. 4600002120 to award Schneider Electric a four-year support contract for Foxboro software and hardware; and

2. Authorize the General Manager to execute the contract.

**BACKGROUND**

The Agency utilizes Schneider Electric’s Foxboro software and hardware to automate and control processes at Regional Water Recycling Plant No. 1 (RP-1), Regional Water Recycling Plant No. 2 (RP-2), and Regional Water Recycling Plant No. 5 (RP-5). In an effort to stabilize software and hardware support costs, the Agency has negotiated a four-year contract with Schneider Electric, the sole source supplier of Foxboro system support. The Agency is currently embarking on a project to move from a Foxboro software and hardware to a Rockwell Automation. This contract will remain in effect until the next conversion to Rockwell Automation software and hardware is complete. The contract can be adjusted on the anniversary date of the agreement, and pricing will be adjusted based on any increase or decrease in support services. The annual cost of the contract has been reduced from $117,000 to $72,000 due to the upgrade of CCWRF to the new Rockwell Automation System.
This contract supports the Agency’s objective of “Regulatory Compliance” under the business goal of Environmental Stewardship.

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<th>Price</th>
<th>Increase</th>
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<td>3%</td>
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<tr>
<td>4</td>
<td>$78,588</td>
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**PRIOR BOARD ACTION**

On September 7, 2011, the Board approved a five-year SCADA Support Services Contract award to Invensys Foxboro. Invensys was purchased by Schneider Electric on January 17, 2014.

**IMPACT ON BUDGET**

If approved, sufficient funds are available in Fiscal Year (FY) 2016/17 through FY 2020/21 under Regional Operations and Maintenance (RO) fund, Computer Systems Maintenance Budget, for support services related to the Foxboro system.
Contract Award for DCS Support Services

July 2016

David Malm
Deputy Manager of Integrated Systems Services

Randy Lee
Executive Manager of Operations/AGM
Foxboro is the Distributed Control System (DCS) used to automate and control plant processes at Regional Water Recycling Plants No. 1, 2, and 5. The existing five-year contract will expire this year, which included support for CCWRF.

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<td>5</td>
<td>$117,251</td>
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Recommandation

Approve a four-year, sole source contract with Schneider Electric for Foxboro support services. The total contract amount not-to-exceed $300,884.

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<th>Year</th>
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Supports the Agency’s objective of “Regulatory Compliance” under the business goal of Environmental Stewardship
CONTRACT NUMBER 4600002120

FOR

CUSTOMER FIRST SERVICE AGREEMENT

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 Invensys Systems, Inc., a wholly-owned subsidiary of Schneider Electric (hereinafter referred to as "Contractor"), for a four-year Invensys “Customer FIRST” Support and Services Agreement.

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: Don Hamlett  
   Inland Empire Utilities Agency  
   Address: 6075 Kimball Avenue, Building B  
   Chino, California 91708  
   Telephone: (909) 993-1846  
   Facsimile: (909) 993-1982  
   E-mail: dhamlett@ieua.org

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

   Contractor Contact: Gene Bradford  
   Schneider Electric, dba Invensys Systems, Inc.  
   Address: 26561 Rancho Parkway South  
   Lake Forest, California 92630  
   Telephone: (714) 299-5679  
   Facsimile: (928) 222-9337  
   Email: gene.bradford@invensys.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 4600002120  
   B. Contract Number 4600002120 General Terms and Conditions.  

4. **SCOPE OF SERVICES**: Contractor services shall be in accordance with Invensys Process
5. **TERM:** The term of this Contract shall extend from August 14, 2016, and terminate on August 13, 2020, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. **COMPENSATION:** Agency shall pay Contractor’s properly-executed quarterly invoice approved by the Project Manager thirty (30) calendar days after receipt of invoice. Payment shall be in accordance with the schedule outlined in Contractor’s Proposal Section 10.4.

In compensation for the services represented by this Contract, the Agency shall pay Contractor’s quarterly invoicing in an firm-fixed amount of **NOT-TO-EXCEED $300,884.00** for all Contractor’s service support in accordance with Contractor’s Terms and Conditions attached hereto and made a part hereof (Exhibit A). Any additional work outside of the specific services within the service agreement and pricing above shall be approved in advance by the Project Manager and added by an amendment to this Contract.

7. **CONTROL OF WORK:** Contractor shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Contractor 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 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 Work Schedule.

8. **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 services.

   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 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 Contractor 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 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, 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. **Indemnification:** Contractor shall indemnify the Agency, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys’ fees, 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 work under this Contract.

   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:** 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.

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 service activities 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 service activities 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 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 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, 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 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.

9. OWNERSHIP OF MATERIALS AND DOCUMENT RELEASE: The Agency only retains ownership of any and all information related to Contract data information, pertaining to this Contract, to which it has title. Said materials and documents shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency in accordance with the Public Records Act.

10. INFRINGEMENT: Contractor represents and warrants that it has clear title to the Software. In receiving Work and Documentation, Agency shall make no claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person or entity.

Contractor 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 arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Contractor 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.

11. 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: Dave Coyle  
Sr. Channel Manager  
9928 Windisch Road  
West Chester, Ohio 45069

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.
12. **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.

13. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor’s records related to the Work under this Contract. 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.

14. **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.

15. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California and the jurisdiction of the Superior Court located in the County of San Bernardino.

16. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, acts of God, etcetera.

17. **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: INVENSYS SYSTEMS, INC.:

P. Joseph Grindstaff (Date)  Mauricio E. Hinojosa (Date)
General Manager  Finance Director – US Hub Process Automation
Exhibit A
Customer FIRST Support and Services Agreement

Standard Level

for

Inland Empire Utilities Agency

Chino Hills, California

RFQ: OP-160508-4852414

Proposal No.: QLK-1605-2585510-2

June 1, 2016

Contacts:
Name Dave Coyle
Title Sr. Channel Manager
Mobile 513-319-2611
E-mail dave.coyle@schneider-electric.com

This proposal contains technical and business information that is confidential and proprietary to Invensys. It is provided to Inland Empire Utilities Agency solely for internal review and evaluation. The information contained herein may not be shown or disclosed in any form to third parties without the express consent of Invensys.
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Invensys and Schneider Electric

Schneider Electric, a global specialist in energy management, completed its acquisition of Invensys PLC on 17th January, 2014. The Invensys Group is now part of the Schneider Electric group of companies. This change does not affect the terms or commitments of this proposal in any way and Schneider Electric will continue to support and invest in Invensys products and solutions.

Combining the strengths of Schneider Electric and Invensys will offer greater value to your business. Through this integration, we are building a global, innovative, technology company with a strong position in integrated industrial automation, software and energy management. Our ability to offer more comprehensive solutions – along with our global execution capabilities will enable Schneider Electric to help you increase business performance and improve operational efficiency.

**Note to Inland Empire Utilities Agency:** We are still operating under “Invensys Systems Inc.” and all our Contracts and Purchase Orders should be made out to “Invensys Systems Inc.”
2. EXECUTIVE SUMMARY

The Customer FIRST Support and Services Program offers a broad portfolio of resources designed to help ensure high levels of asset availability, utilization and reliability from Schneider Electric’s Foxboro and Triconex systems. It will help you manage your systems throughout their productive lifecycles, and protect your property and intellectual investments, maximize asset performance while helping you reduce total cost of ownership.

Customer FIRST membership facilitates fast, efficient response to requests for material, labor and technical expertise with flexible options designed to provide you with a wealth of resources through the largest partner ecosystem in the industry. From training and planning, to project implementation, operation and lifecycle support, Schneider Electric and its network of partners are uniquely qualified to help Customer FIRST members effectively utilize our applications, systems, services and solutions.

Schneider Electric’s globally-situated support and service teams are uniquely qualified to deliver the high quality support and services that you require. Our support experts can provide fast and reliable support assistance, recommend risk mitigation strategies such as remote connectivity, automated back documentation, backup and restore services, and assist with maintenance tasks to help protect your Schneider Electric systems from the potential of catastrophic loss.

The Customer FIRST Program offers an array of options such as cost-control incentives, access to technical information specific to your operation, inventory management support and training opportunities for your personnel.

As technology inevitably continues to evolve, we can assist you with planning and implementation of system upgrades to ensure that you are getting the most from the latest technology with minimum disruption to your business operations.

Schneider Electric has earned a global reputation for support excellence with continuously improving levels of service and performance.
3. PROPOSAL SCOPE

The Customer FIRST Support and Services Program offers a broad scope of support features encompassing technical support, onsite corrective support, product lifecycle assessment, and more. Discounts on value-add services are offered, and the opportunity to establish funded reserves to help cover any billable labor, material, and training requirements that you anticipate encountering during the coverage timeframe of your Agreement.

3.1 CUSTOMER FIRST PROGRAM – INTRODUCTION

The Customer FIRST Support and Services Program will help you accomplish your short- and long-range objectives at the lowest possible cost. Program enrollment gives you the support services and resources you need to help increase asset availability, utilization and performance.

3.2 CUSTOMER FIRST PROGRAM – STANDARD LEVEL

Keep your Schneider Electric system(s), applications and solutions working reliably and efficiently with the Customer FIRST Standard program level. Maximize your investment in Schneider Electric products with access to our technical support engineers during normal business hours, on route response commitment for hands-on corrective support, and the latest software versions and maintenance releases. If applicable to covered equipment, scheduled preventive maintenance visits will be arranged. Flexible payment options are available for purchase of labor-based services, training, and material-based services including the Advantage Upgrade Program for Foxboro Evo and I/A Series hardware upgrades.
4. CUSTOMER FIRST FEATURES SUMMARY

4.1  CUSTOMER FIRST PROGRAM – FOXBORO FEATURES SUMMARY

Customer FIRST Support and Services program features are summarized below.

<table>
<thead>
<tr>
<th>Included Services</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Support and Services</strong></td>
<td></td>
</tr>
<tr>
<td>Technical Support Phone Access</td>
<td>NBH</td>
</tr>
<tr>
<td>Web Support – Knowledgebase, Online Training*, Proactive Communications</td>
<td>Y</td>
</tr>
<tr>
<td>En route response commitment for Onsite Corrective Assistance</td>
<td>NBD*</td>
</tr>
<tr>
<td>Preventive Maintenance site visits per year</td>
<td>1</td>
</tr>
<tr>
<td>Software maintenance releases, service packs, patches and updates</td>
<td>Y</td>
</tr>
<tr>
<td>Software Version upgrades and Revisions**</td>
<td>Y</td>
</tr>
<tr>
<td>Module Exchange/Reserve Program</td>
<td>Reserve</td>
</tr>
<tr>
<td><strong>Access to Reports</strong></td>
<td></td>
</tr>
<tr>
<td>Annual Lifecycle Assessment Report</td>
<td>Y</td>
</tr>
<tr>
<td>Upgrade Planning Roadmap</td>
<td>Y</td>
</tr>
<tr>
<td><strong>Tools</strong></td>
<td></td>
</tr>
<tr>
<td>Autodiag - Lifecycle Assessment Tool for Schneider Electric Products</td>
<td>Y</td>
</tr>
<tr>
<td><strong>Services and Material Discounts</strong></td>
<td></td>
</tr>
<tr>
<td>Advantage Upgrade Program</td>
<td>50%</td>
</tr>
<tr>
<td>Site Support Services</td>
<td>10%</td>
</tr>
<tr>
<td>MEP/MRP Parts</td>
<td>43%</td>
</tr>
<tr>
<td>Consulting Services (when purchased with Service Agreement)</td>
<td>10%</td>
</tr>
<tr>
<td>Spares</td>
<td>10%</td>
</tr>
</tbody>
</table>

NBH = Normal Business Hours
NBD = Next Business Day
* where available
** exclude labor and hardware, additional conditions apply.
5. AGREEMENT CONTENT

5.1 CUSTOMER FIRST PROGRAM – FEATURE DESCRIPTIONS

Customer FIRST Support and Services program features are described below.

5.1.1 Standard Level – Included Services

5.1.1.1 Core Support and Services

Technical Support Phone Access
Schneider Electric provides expert technical assistance and application support during normal business hours via regional support centers and locally-based service engineers. Each request is processed through a defined multi-level response model that assures skilled and timely attention appropriate to the urgency and complexity of the reported situation. Reported situations are assessed by support analysts according to the impact on the customer’s production, safety or environment.

*Standard level: Normal business hours*

*Note: Emergency support rendered outside of normal business hours is billable; provision of a purchase order or credit card number is required within one business day of initiating your request.*

Web Support – Knowledgebase, Proactive Communications
Schneider Electric makes available its extensive knowledgebase of technical user documentation, issue solutions, and software via the Customer Support website. The registration profile allows the website user to refine their access to only the product content of interest.

Schneider Electric web tools provide online support case management. Customer personnel may submit service requests online; if qualified for handling as a support case, a tracking number will be issued. Submitted cases may be reviewed online by the submitter.

In addition, website-registrants will receive pro-actively issued communications of two types:
  1) Those that describe identified technical product problems and provide a solution
  2) Notifications pertaining to lifecycle management topics such as hardware and software release notifications, and service program changes.

En Route Response Commitment for Onsite Corrective Assistance
Many Schneider Electric solutions, including Foxboro Evo and I/A Series systems, can be reliably supported through a remote connection (VPN or web conference). This approach provides fast, effective support, particularly in emergency situations.
If our Technical Support Engineers/Consultants are unable to resolve your support case via remote methods, Schneider will provide hands-on corrective assistance. A skilled service engineer/consultant will travel to your site to perform necessary remedial actions with the objective of returning your system or application to normal operation. These activities may include system troubleshooting, defective hardware replacement, and software restoration or correction due to data corruption or necessity.

While this type of support is typically time sensitive in nature, actual en route response time commitment will be determined by the level of Customer FIRST support enrollment, situation urgency and availability of regional resources. Arrival time at site is dependent on transportation contingencies beyond Schneider Electric’s control.

Notes:

1) Activities that are not covered by Onsite Corrective Assistance include application work, block configuration, display creation, historian creation, software installation, manual installation activity associated with “Patch Deployment to RemoteWatch Server”, preventative maintenance work, startup support and upgrade labor.

2) Labor and materials, travel and living expenses are billable unless otherwise defined in the Agreement terms. Billable labor hours include travel time, time spent obtaining plant access, time spent onsite and offsite performing evaluations and preparing documentation necessary for the assigned tasks.

3) Software restoration may be accomplished using install discs or via download. If the customer’s data is corrupt, there may be no recourse, in some cases, to restore corrupted user data.

This Customer FIRST Support and Services Agreement includes:

**Standard level: Next Business Day (NBD) En Route Response Commitment for Corrective Assistance**

**Preventive Maintenance site visits per year**
The Customer FIRST Support and Services Agreement provides you with a number of Preventive Maintenance (PM) visits each year based on your selected program level. The general scope of work includes physical inspection of equipment, review of software maintenance releases and fixes, technical advisories, product alert notices (Triconex) and status of open cases. The service engineer will perform analysis of system conditions (counters, loading, etc.) to help ensure the system is operating within defined specifications. They will perform corrective actions that are within the scope of the PM visit, and schedule follow-up maintenance for additional issues if necessary. Schneider Electric will help you determine the appropriate length of the PM visit per site.

Once per year, or more frequently if RemoteWatch Services V4.0 (or higher) is enabled, Schneider Electric will collect system configuration data via use of a tool known as FERRET. This data will be used for the following purposes:
- It will be analyzed as a proactive aid in helping to identify any potential need for corrective or preventive activity.
- It will be used to develop your annual Lifecycle Assessment Report and Upgrade Planning Roadmap.
- It is available for System Asset Viewer application use.
- The data files will be stored in the Global Support Center’s (GCS) Installed Base Repository.
These Customer FIRST features are described in this proposal.

Notes:
The delivery schedule and timing of PM visits will be determined in consultation with the customer.
Customer should review the full scope of work with the Service Engineer prior to their arrival at site.
The Preventive Maintenance Site Visit includes (if installed) RemoteWatch Server maintenance support.
The Preventive Maintenance Site Visit does not include:
Installation of version licenses, revision releases and maintenance releases, or any startup activities.
These activities, and others that fall outside of PM scope of work, require the scheduling of a separate site visit for which the labor terms of this agreement will apply.

Standard level: One (1) Preventive Maintenance site visit per year

Software Maintenance Releases, Service Packs, Patches and Updates
With the Customer FIRST Support and Service program, Schneider Electric provides maintenance releases and fixes for covered software related to your application that is released during the contract period.

Maintenance releases provide corrections to software defects within a software revision level. Media will be made available upon release, in electronic or physical format as appropriate, during the program’s coverage timeframe. Schneider Electric makes no guarantee that maintenance releases will become available during the agreement period.

Installation labor for version licenses, revision releases, maintenance releases, service packs, patches and updates, and startup activities is not included in this program feature. These activities require the scheduling of a separate site visit for which the labor terms of this Agreement apply.

Software Version Upgrades and Revisions
Schneider Electric provides Software Version Upgrade and Revision releases with the Customer FIRST Support and Services program. This benefit provides you with the ability to upgrade and keep covered Foxboro and Triconex software continuously current at the Preferred (i.e., most current) lifecycle phase.

The Version release is the most significant software upgrade. It generally contains major new features and enhancements. The Revision release generally contains both software correction and minor enhancements.

License(s) and upgrade media will be made available upon release, in electronic or physical format as appropriate, during the program coverage timeframe. Schneider Electric makes no guarantee that version and revision releases will become available during the agreement period.
Installation labor for version licenses, revision releases, maintenance releases, service packs, patches and updates, and startup activities is not included in this program feature. These activities require the scheduling of a separate site visit for which the labor terms of this Agreement apply.

**Version Upgrade Eligibility:**

◊ Software must be at the current version (Preferred lifecycle phase) to be eligible for version upgrades. Software that was in the Preferred lifecycle phase when the client’s first Customer FIRST agreement was executed is eligible for version upgrade. When this criteria has been met, entitlement to software versions of Foxboro or Triconex software begins and will continue for as long as an active Customer FIRST agreement (Standard, Premium or Elite tier level) is maintained with no lapse in support coverage.

◊ The [Components and Software List](#) provided in this proposal will identify Schneider Electric software eligible for version upgrade.

**Revision Upgrade Eligibility:**

◊ For customers enrolled in the Customer FIRST Program, eligibility for revision upgrades will continue for as long as an active Customer FIRST agreement (Standard, Premium or Elite levels) is maintained with no lapse in support coverage.

**Notes:**

1) Upgrades to third-party operating system (OS) software, application software, and anti-virus software may be required to support new Schneider Electric system and application version and revision releases. These are not part of the Software Version Upgrades and Revisions element of the Customer FIRST program.

2) New hardware may be required to support new Foxboro or Triconex systems and application version and revision releases. An incentive program may be offered as appropriate to support such requirements. (Refer to Advantage Upgrade Program.)

3) System shutdown may be required to support hardware and software version and revision releases.

**Module Reserve Program (MRP)**

Schneider Electric provides customers with access to its materials inventory when rapid replacement of malfunctioning equipment is necessary. If you encounter an issue with a component on your Foxboro or Triconex system, you may arrange for exchange of the malfunctioning unit with another unit. The replacement material generally ships within one business day following receipt of the malfunctioning equipment at Schneider Electric’s designated address. Product provided under the Module Reserve Program is billable, and may be applied to the Module Reserve Program (MRP) - Material Cost-Inclusive feature or the Flexible Material Fund if appropriate. Pricing is contingent on Schneider Electric's subsequent determination that the returned unit meets Module Reserve Program Policy qualifications.

**5.1.1.2 Access to Reports**

**Annual Lifecycle Assessment Report**

Schneider Electric understands that you have a need and a responsibility to maintain system equipment and software applications as critical parts of your business. The Lifecycle Assessment Report provides a top level view of the current lifecycle status of the products in use at your site and outlines key business objectives related to their maintenance and supportability. The report will be reviewed with you during the annual Customer FIRST Program renewal process.
Schneider Electric will collect system configuration data either remotely or during a site visit. The data files are stored in the Global Customer Support (GCS) Installed Base Repository and used to develop the Annual Lifecycle Assessment Report.

Upgrade Planning Roadmap
Building on the Lifecycle Assessment Report, the components of your system and applications will be assessed, as appropriate, for potential upgrade to preferred (current) phase products. This collaborative activity between customer staff and Schneider Electric focuses on identifying a logical progression for the potential upgrade of your equipment, software and files, and potentially, third party products. The deliverable is a high-level upgrade roadmap that will help facilitate effective short and long term upgrade planning decisions. It will be updated annually, and may be used as the foundation for the optional Upgrade and Migration Planning service.

5.1.1.3 Tools

Autodiag – Lifecycle Assessment Tool for Schneider Electric Products
The Autodiag Lifecycle Assessment self-service tool provides an initial assessment of the existing installed base of Automation and Electrical Distribution equipment, highlighting key actions to be taken to upgrade or maintain these systems and to minimize any risks. There are four sections to the report:

1) Criticality assessment
2) Summary of the existing equipment
3) Recommendations
4) Information on Schneider Electric Automation Services that can help you upgrade your systems and minimize risks

5.1.1.4 Services and Material Discounts

Advantage Upgrade Program
The Advantage Upgrade Program provides cost-effective upgrade options that include substantial incentives for the exchange of existing Foxboro and Triconex systems equipment. A discount for Advantage upgrades is provided when the refurbishable decommissioned units are returned to Schneider Electric. The discount is applicable only to Preferred hardware and software products that qualify for Advantage Upgrade Program pricing.

The Advantage Upgrade Program Policy applies.

*Standard level: 50% discount on Advantage Upgrade Program orders*

Site Support Services
A discount on the current Schneider Electric labor rate at time of service is provided on labor hours dedicated to Site Support Services.

Site Support Services utilize the talents of Schneider Electric Service Engineers to supplement your site resources with simple day to day activities or to help solve more complex engineering issues. Site Support Services are generally applicable to smaller scale projects. Schneider Electric will help you define the scope of work to meet your specific requirements. If you are interested in having similar work performed on a larger scale, arrangements can be made with the appropriate resources within our organization.
For examples of applicable activities, refer to “Site Support Services” in the “Policies and Guidelines for Specific Customer FIRST Features” section of this document.

*Standard level: 10% discount on labor rate for Site Support Services*

**Module Reserve Program (MRP) Parts**
The price of unit supplied to the customer will qualify for a discount contingent on material returned to Schneider Electric meeting Module Reserve Program qualifications.

*Note: Not applicable to consumable products*

*MRP Parts: 43% discount on list price. Landed costs (duties, fees, etc.) may apply.*

**Consulting Services (when purchased with Service Agreement)**
Consulting Services allow you to leverage skilled Schneider Electric resources that can help optimize the performance of your existing assets, conduct routine performance assessments and assist with new product deployment. The Customer FIRST Program provides you with access to discounts on Consulting Services when purchased in conjunction with your support and services agreement.

Whether you are planning a new project and need help architecting a solution, or want recommendations to optimize the performance of your existing application for a single-site project or a global, enterprise-wide engagement, we will help you make arrangements with the appropriate resources within the Schneider Electric organization. Consulting Services combine best-in-class software technologies with in-depth process, plant and IT expertise.

*Standard level: 10% discount on list price*

**Spares**
The Customer FIRST Support and Services Agreement enables you to better manage and control the cost of equipment by providing a discount on the purchase of new material that will be stored as spare inventory at your site.

*Standard level: 10% discount on list price*
6. POLICIES AND GUIDELINES FOR SPECIFIC CUSTOMER FIRST FEATURES

The policies and guidelines described in this section apply to the specifically ascribed service deliverables and programs.

6.1 SUPPORT HOURS AND RATES

Customer FIRST Support and Services shall be performed during the normal workday as defined by local practice or labor law, or as defined in this Agreement. Support, services, and travel hours in excess of the normal workday may be billable, subject to the specified Customer FIRST Program level, labor terms and provisions of this Agreement.

<table>
<thead>
<tr>
<th>NO.</th>
<th>TITLE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NORMAL WORKDAY HOURS</td>
<td>Normal workday hours: 8:00 AM to 5:00 PM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Normal work week: Monday thru Friday</td>
</tr>
<tr>
<td></td>
<td></td>
<td>☑ Schneider-Electric-designated holidays will be observed.</td>
</tr>
<tr>
<td>2</td>
<td>TRAVEL HOURS</td>
<td>Travel hours shall accrue from the point of origin and cover time traveling to and returning from the job site.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The point of origin shall be:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>☑ Home base of the Schneider-Electric engineer performing the work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The following detail will apply as determined appropriate by Schneider-Electric and Customer. Travel hours will be billed for:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>☑ Actual time incurred</td>
</tr>
<tr>
<td>3</td>
<td>SERVICE RATES</td>
<td>☑ Service Rates are defined in local Service Rate Schedule</td>
</tr>
</tbody>
</table>

6.2 ON-SITE SERVICES

(a) Services or travel in excess of normal workday, and any Services or travel on Saturdays, Sunday or nationally observed holidays shall be invoiced by Schneider Electric as defined by local practice, or by labor law as applicable, or as defined in a written agreement between Schneider Electric and Customer. The normal work day shall be defined by local practice, or by labor law as applicable, or as defined in a written agreement between Schneider Electric and Customer.

(b) Unless otherwise agreed in writing by Schneider Electric and Customer, all on-site Services will be billed to Customer at the then current Schneider Electric service rates. There shall be a
minimum charge of four (4) hours where hourly rates are applicable, or one (1) day where daily rates are applicable for service and travel time.

(c) When shift work other than the normal workday is required, a premium rate shall be added for Services during the other shifts and an additional premium shall be added for work in excess of normal workday during these other shifts, in accordance with local practice, or labor law as applicable, or as defined in a written agreement between Schneider Electric and Customer.

(d) Service time committed in advance by Schneider Electric on the basis of pre-specified number of days shall not be deemed to include overtime or shift work. If overtime or shift work is required on such commitments, the pre-specified time so committed in advance shall be appropriately reduced.

(e) Unless the Schneider Electric representative has been released from the job site, or has completed his assignment, the Customer will pay Schneider Electric charges computed as if the Schneider Electric representative was working a normal work week, regardless of whether or not the representative is prevented from working due to delays beyond his control.

(f) Release from the job site shall entitle the representative to return to his point of origin, with travel time and expenses chargeable to Customer.

(g) Standby time is defined as that time during which a Schneider Electric representative is requested to remain in readiness and available for Services commencing at the convenience of the Customer. Such time shall be considered as time worked, whether or not the representative is at the job site, and Customer will be billed accordingly. If standby time is outside normal working hours, overtime rates will be applicable. Standby time will be added to time actually worked for the computation of overtime charges, etc.

(h) The Schneider Electric representatives reserve the right to refuse to work under hazardous conditions. All staging and rigging required for access to equipment to be serviced shall be erected by and at the expenses of Customer or third parties and shall comply with reasonable safety requirements. The Schneider Electric representative shall comply with all plant safety regulations given to such representative in writing. However, any protective clothing or equipment, except the standard safety hat, required by Customer regulations shall be provided by Customer at Customer's sole cost.

(i) Schneider Electric representatives are authorized to act only in a consulting capacity and are not authorized or licensed to operate equipment. All responsibility for operating equipment shall rest with Customer or third parties.

(j) Unless otherwise agreed in writing by Schneider Electric, all parts identified as requiring replacement during a non-warranty related service call shall be invoiced at Schneider Electric current list prices.

6.3 LIFECYCLE SUPPORT POLICY

Schneider Electric has established clear and predictable product support timelines to enable customers to plan product upgrades in advance of reaching obsolescence. This proactive approach provides a comprehensive view of product lifecycle phases, phase transition timing, and available support during each phase.
Information about the products currently supported in each lifecycle phase is posted on the respective Schneider Electric brand support websites, and we provide periodic notification of all product transitions from one lifecycle phase to the next: http://iom.invensys.com/EN/Pages/Support.aspx

The Lifecycle Support Policy provides consistent and predictable guidelines for product support, compatibility, availability and repair. The policy establishes clear and predictable product support timelines to assist customers with managing end of life issues related to their installed Electric system equipment. This proactive approach provides a comprehensive view of product lifecycle phases, phase transition timing, and available support during each phase. This information enables customers to plan product upgrades years in advance. Schneider Electric system products move through five phases during their lifecycles:

◊ Preferred Products (PREF): These products are the most recent sales-released products available in their functional area.
◊ Available Products (AVAL): Products are available for sale primarily for expansion projects. They are no longer the Preferred Product offering.
◊ Mature Phase (MATR): Products withdrawn from sale. Comprehensive support services are provided.
◊ LifeTime Phase (LIFE): Schneider Electric continues to support and maintain standard Schneider Electric products based on an annual review of support capability.
◊ Obsolete (OBSL): Schneider Electric will determine if a product is unrepairable due to age or obsolescence and will provide advance notice via email to client personnel that have registered on the Global Customer Support website http://support.ips.invensys.com. Once the product has entered the Obsolete Phase, Schneider Electric can no longer provide a quality repair nor provide a module exchange. Products that are identified as Obsolete shall be excluded from coverage under this Service Agreement. If that product fails, Schneider Electric will suggest purchase of an alternate replacement.

Note: Schneider Electric may adjust Product List Value (PLV) throughout product lifecycle.

6.4 SUPPORT EXCLUSIONS

(a) Unless otherwise agreed in writing by Schneider Electric, Schneider Electric does NOT provide Services under the CFP for Third Party Products, including but not limited to Crystal Reports. If Schneider Electric services Third Party Products at Customer’s written request, Schneider Electric’s services shall be rendered “AS-IS” and without warranty of any kind and such services shall be for an additional fee at Schneider Electric’s then current service rates.

(b) Customer shall be responsible for payment for Schneider Electric equipment and materials if Customer’s employees, agents, consultants or contractors working on Schneider Electric equipment or materials causes malfunction or failure of such equipment or materials. If such an event occurs, Schneider Electric equipment and materials will be billed to Customer at the then current rates for such equipment and materials and Customer shall also pay Schneider Electric for any associated services as a result of such malfunction or failure.

(c) Schneider Electric and non-Schneider Electric system goods and software not specifically listed in the Schneider Electric Proposal as covered under the support level purchased by Customer are NOT covered under the Agreement. Technical assistance rendered via any means
of personal communication (including but not limited to telephone, facsimile, postal mail, email, texting, and web-enabled chat), remote connection and diagnosis, material, labor or other support assistance provided by Schneider Electric to resolve an issue involving non-listed equipment is chargeable to Customer at the then-current Schneider Electric service rates.

(d) Schneider Electric will NOT provide Services on Schneider Electric software or goods from or repaired by a non-Schneider Electric-authorized agent, distributor, reseller or other third party. If any issues occur that are attributable to third-party procured material or services, all work performed by Schneider Electric will be subject to invoicing at the then-current Schneider Electric service rates.

(e) Unless specifically purchased as an option under the Agreement and described in the Schneider Electric Proposal, planning, installation, testing, and documentation of expansions, modifications and software upgrades of custom application or third party programs are NOT covered under the CFP.

(f) Unless otherwise agreed in writing by Schneider Electric, Goods identified as obsolete phase or due to become obsolete under the Schneider Electric lifecycle support policy during the Agreement term will be excluded and will NOT be supported.

(g) Goods identified as lifetime phase under the Schneider Electric lifecycle support policy will be supported for a maximum of one year. The product lifecycle categorization will be reviewed during the annual installed product assessment to determine whether it is anticipated that the product(s) will move to the obsolete phase during the next 12 months.

(h) All decisions made by Customer relating to the implementation of Schneider Electric’s advice and recommendations are the sole responsibility of Customer. To the extent Services are of an advisory nature, no specific business result is assured or guaranteed.

6.5 MODULE RESERVE PROGRAM (MRP) POLICY

If you encounter an issue with your Foxboro or Triconex system, Schneider Electric will help you return it to normal operation. When replacement of a malfunctioning component is determined to be the best solution, a unit may be shipped from Schneider Electric inventory in exchange for your malfunctioning unit. You must be covered by a Customer FIRST Support and Services Agreement to receive this benefit.

Product provided under the Module Reserve Program is billable, and may be applied to Module Reserve Program (MRP) - Material Cost-Inclusive feature or the Flexible Material Fund if appropriate.

Major system components are carefully selected for refurbishment and inclusion in Schneider Electric inventory. These components undergo a comprehensive refurbishment process including error detection and correction. Firmware is updated when appropriate and the hardware is put through Schneider Electric’s manufacturing product testing sequence. A 90-day warranty is provided on refurbished equipment.
1) CUSTOMER FIRST COVERAGE CONDITIONS

The Module Reserve Program (MRP) is available to Foxboro and Triconex non-Nuclear industry system customers that have Customer FIRST program Standard level coverage. The requested replacement unit will be shipped by Schneider Electric AFTER Schneider Electric has received your malfunctioning unit.

2) PRODUCT LIFECYCLE AND AVAILABILITY

Components are categorized in the Available, Preferred, Mature and LifeTime Phases defined in the Lifecycle Policy in the “Components and Software Covered” section of the Customer FIRST Support and Service Agreement. Product lifecycle status may affect availability, as described below.

◊ Products in Preferred, Available and Mature Phases are generally available for shipment within one business day, in accordance with Customer FIRST program level.

◊ Products in LifeTime Phase will be supplied on a reasonable effort basis, with shipment subject to availability, in accordance with Customer FIRST program level.

◊ Products in Obsolete Phase are not supported under this program. In situations in which it is determined that an Obsolete Phase product has failed, Schneider Electric may suggest that client purchase a new functionally equivalent Preferred Phase product if available.

3) ORDERING INSTRUCTIONS and PRICING

a) Equipment is provided at the price prevailing at the time of shipment, if the exchange transaction meets the conditions detailed below.

b) Equipment can be requested by the customer’s authorized personnel by contacting the Global Customer Support center in the United States of America (telephone 508-549-2424) or Schneider Electric representative in the customer’s geographical area. Refer to the Schneider Electric Contact \ Material Return section of the Customer FIRST Support and Service Agreement.

c) Shipping and handling costs may apply. This detail varies by country in accordance with local custom and regulations. Your Schneider Electric representative will advise you on this detail.

d) The requested replacement material will be shipped generally within one business day after Schneider Electric receives the unit that is being replaced, subject to availability. Refer to “Product Lifecycle and Availability” section above.
e) Delivery of critical equipment within 24 hours may be arranged if availability and transportation logistics allow it; a premium charge will apply.

f) A purchase order or credit card number will be requested at time of order placement if product is billable.

4) INSTRUCTIONS FOR PRODUCT RETURN TO SCHNEIDER ELECTRIC-DESIGNATED LOCATION

a) A Return Material Authorization (RMA) number will be provided at the time of order placement for use in returning the malfunctioning unit to an address designated by Schneider Electric. The RMA number must be clearly identified on the box in which the malfunctioning unit is being shipped.

b) Schneider Electric is not responsible for loss, or delay in processing, of returned material when packaging lacks clear identification (i.e., Return Material Authorization number, your company name, individual contact name and address) or is received at any Schneider Electric address other than the specific address provided with a Return Material Authorization number.

c) The malfunctioning equipment must be received at the Schneider Electric-designated location before the refurbished replacement unit will be shipped to the customer.

5) EVALUATION OF RETURNED PRODUCT

a) Schneider Electric will evaluate returned material to determine whether it is in acceptable condition for repair/refurbishment and subsequent inclusion in Schneider Electric inventory.

b) Schneider Electric reserves the right to disqualify returned units that do not qualify as visually presentable to our next client (i.e., scratched, written upon), or which have been damaged by misuse, incorrect installation, power surges, exposed to contaminants, force majeure, or subjected to non-Schneider Electric unauthorized repair. Such damage may prevent the modules from being repaired reliably and these modules must be removed from the pool of replacement modules.

6) NON-COMPLIANCE

a) Non-compliance with this policy will result in the issuance of an invoice for the full list price of product provided. Purchaser agrees to provide Schneider Electric with a funded purchase order for this purpose.
7) WARRANTY

a) The Module Reserve Program does not cover warranty replacement. For warranty replacement, the client can arrange for a return to the factory for repair or replacement in accordance with Schneider Electric warranty terms.

8) CONSUMABLE PRODUCTS

b) The Module Reserve Program supports consumable products at full value with the benefit of expedited shipment.

6.6 ADVANTAGE UPGRADE PROGRAM POLICY

The Advantage Upgrade Program allows Foxboro and Triconex system customers to keep their systems up-to-date in a sustainable way. Through this program, clients periodically upgrade hardware and software to the most recent components, while receiving significant incentives in exchange for the return of older components to Schneider Electric.

Advantage upgrades help you update aging equipment with new technologies. Foxboro and Triconex systems can be perpetually upgraded, ensuring that they have the latest productivity-enhancing software, the fastest, most capable control, the sharpest graphics, and the highest capacity, most powerful application processors at a fraction of the cost.

Advantage upgrades are cost effective, as the program provides customers with discounts that are applied to Preferred hardware and software product list prices. Our careful attention to backward compatibility and serviceability allows our customers to save significant downtime. Additionally, we make every effort to preserve engineering and control strategy design and other intellectual property, making upgrades that are much more cost-effective than if a system is removed and totally replaced.

The Advantage Upgrade Program offers a discount on select Preferred hardware and software in exchange for the return of the older equipment to an Schneider Electric-designated location within 3 months of shipment of the Advantage Upgrade Program sales order.

The returned equipment must be the functional equivalent of the equipment being upgraded, must have been purchased through Schneider Electric, and must be in refurbishable condition to qualify for the Advantage Upgrade Program discount. Obviously broken, damaged, contaminated or non-conforming components will not be accepted as trade-ins.

The returned equipment is repaired, tested and moved to Schneider Electric’s stock of refurbished inventory. These products will be used by the Module Exchange/Reserve Program.
6.7 SITE SUPPORT SERVICES

Site Support Services for Foxboro and Triconex systems customers may include, and is not limited to, the following opportunities:

Engineering Services
◊ Backup Services: Implementation / automation of backup & restore systems, disaster recovery and planning, offsite storage
◊ Data Management: Correction of data logging issues, creation of archiving scripts, develop interfaces with other systems, performance reporting, Microsoft™ Office integration
◊ Report Enhancement: Format and content restructuring, including additional data points, scheduling and report generation
◊ Display Revisions / Enhancements: Overlays for information drill downs, trend plots, operator control interfaces, remote access to displays
◊ Documentation: System architecture drawings, I/O cabinet loading documentation, input/output spreadsheets based on CP savealls, documentation necessary to meet quality or legislative requirements

Process Control
◊ Optimization and Tuning: Assessment of current control elements for proper operation and industry compatibility, and if applicable, boiler safety, air/fuel characterization for all fuels & operating loads
◊ Loop Management: Loop tuning and optimization, evaluation of nonlinearities and process gain and evaluation of valve or process problems
◊ Controls Revisions: Expansion (use of spare I/O capacity), process improvements and enhancements, automation of manual processes

Other Advanced Services
◊ Alarm Management: Assessment of spurious, redundant and unnecessary alarms, assessment of alarm limits and alarm priorities, assessment of alarm grouping, recommending and implementation of alarm improvements
◊ System Security and Networking Services: System hardening, password and permissive control
◊ Feasibility studies for system improvements
◊ SILWatch safety loop evaluations
◊ TUV Certified engineers to assist, test and verify compliance with IEC 61511
◊ Project Management: Scheduling, procurement, budget management and quality control
## 7. COMPONENTS AND SOFTWARE COVERED

The following system components and software are covered under the terms and conditions of this Customer FIRST Support and Services Agreement and the Lifecycle Support Policy. Components and software not listed are not covered by this Agreement.

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<td>840.00</td>
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<td>P0923MA P91-PE2900 Styles B,C &amp; D</td>
<td>Obsolete</td>
<td>6/1/2014</td>
</tr>
<tr>
<td>890.00</td>
<td>2</td>
<td>P0973BJ Fiber E’net Switch w/24 MT-RJ Ports &amp; Uplink Ports</td>
<td>Obsolete</td>
<td>4/1/2016</td>
</tr>
<tr>
<td>1110.00</td>
<td>2</td>
<td>P0923HX P91-PE2900 Gen III Workstation Styles E &amp; F</td>
<td>Obsolete</td>
<td>10/1/2015</td>
</tr>
<tr>
<td>1160.00</td>
<td>2</td>
<td>P0973BJ Fiber E’net Switch w/24 MT-RJ Ports &amp; Uplink Ports</td>
<td>Obsolete</td>
<td>4/1/2016</td>
</tr>
</tbody>
</table>
8. CONTACT INFORMATION

8.1 CUSTOMER CONTACT INFORMATION

Customer shall provide the following information to Schneider Electric.

8.1.1 Customer Addresses

Customer shall provide the following addresses to Schneider Electric.

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Inland Empire Utilities Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing Address</td>
<td>P.O. Box 9020, Chino Hills, California 91709</td>
</tr>
<tr>
<td>Shipping Address</td>
<td>2662 East Walnut, Ontario, California 91761</td>
</tr>
<tr>
<td>End User Address</td>
<td>6075 Kimball Avenue, Chino, California 91708</td>
</tr>
<tr>
<td>Sold To Address</td>
<td>6075 Kimball Avenue, Chino, California 91708</td>
</tr>
</tbody>
</table>

8.1.2 Purchasing & Accounts Payable Contacts

Customer shall provide contact information for purchasing and accounts payable to Schneider Electric.

<table>
<thead>
<tr>
<th>NO.</th>
<th>CONTACT NAME</th>
<th>RESPONSIBILITY</th>
<th>CONTACT INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Warren Green</td>
<td>Manager of Contracts and Procurement</td>
<td>Tel: 909-993-1600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fax: 909-993-1987</td>
</tr>
</tbody>
</table>
8.1.3 Site Identification

This Customer FIRST Support and Services Agreement covers the identified systems located at the following sites.

<table>
<thead>
<tr>
<th>NO.</th>
<th>Site Name and Location</th>
<th>Systems</th>
<th>Other identifying detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inland Empire Utilities Agency 2662 E. Walnut, Ontario, CA 91761</td>
<td>I/A System</td>
<td>Regional Plant #1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NO.</th>
<th>Site Name and Location</th>
<th>Systems</th>
<th>Other identifying detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inland Empire Utilities Agency 16400 S. El Prado Rd., Chino, CA 91710</td>
<td>I/A System</td>
<td>Regional Plant #2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NO.</th>
<th>Site Name and Location</th>
<th>Systems</th>
<th>Other identifying detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inland Empire Utilities Agency 6063 Kimball Avenue Bldg. &quot;C&quot;, Chino, CA 91710</td>
<td>I/A System</td>
<td>Regional Plant #5</td>
</tr>
</tbody>
</table>

8.1.4 Site Operations Contacts

Customer shall provide personnel names and contact information for the individuals that Schneider Electric may contact for support purposes.

<table>
<thead>
<tr>
<th>NO.</th>
<th>CONTACT NAME</th>
<th>RESPONSIBILITY</th>
<th>CONTACT INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Don Hamlett</td>
<td>Process Automation &amp; Control Supervisor</td>
<td>Tel: 909-993-1846 Mobile: 951-675-9879 Fax: 909-993-1982 Email:<a href="mailto:dhamlett@ieua.org">dhamlett@ieua.org</a></td>
</tr>
</tbody>
</table>

8.2 SCHNEIDER ELECTRIC CONTACT INFORMATION

Schneider Electric shall provide contact information to the customer.

8.2.1 Individual Schneider Electric Contacts

<table>
<thead>
<tr>
<th>NO.</th>
<th>CONTACT NAME</th>
<th>RESPONSIBILITY</th>
<th>CONTACT INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dave Coyle</td>
<td>Sr. Channel Manager</td>
<td>Tel: 513-247-9488 Mobile: 513-319-2611 Email: <a href="mailto:dave.coyle@schneider-electric.com">dave.coyle@schneider-electric.com</a></td>
</tr>
</tbody>
</table>
8.2.2 Schneider Electric Support Centers

The following authorized support centers are available to provide support to your site for the products covered by this Agreement:

**Worldwide contact points:**
Website: [http://iom.invensys.com/EN/Pages/Support.aspx](http://iom.invensys.com/EN/Pages/Support.aspx)
Email: systems.support@schneider-electric.com

**Canada, United States:**
Customer Support Center
Foxboro, MA, USA
Telephone: 1-866-746-6477 (toll-free Canada, USA)
Telephone: 1-508-549-2424
Facsimile: 1-508-549-4999
Email: systems.support@schneider-electric.com

8.2.3 Material Return Instructions and Contact Information

It is essential to confirm the correct address, instructions, and authorization for material return claims and Advantage upgrade claims prior to shipping a package to Schneider Electric.

For all material returns and exchanges, contact Schneider Electric via the contact points listed above or one of the Schneider Electric offices listed below to request a Return Material Authorization (RMA) number and the correct shipping address to which to return the material.

*Note: Check the Office Locator ([http://www.buyautomation.com/OfficeLocator/](http://www.buyautomation.com/OfficeLocator/)) for current contact information, as the information listed below will change over time.*

<table>
<thead>
<tr>
<th>CUSTOMER SITE LOCATION</th>
<th>SCHNEIDER ELECTRIC ADDRESS</th>
<th>CONTACT INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada and USA:</td>
<td>Invensys Systems, Inc.</td>
<td>Canada, USA toll free:</td>
</tr>
<tr>
<td></td>
<td>Dept. 910 Field Service Receiving</td>
<td>Telephone: +1 866 746 6477</td>
</tr>
<tr>
<td></td>
<td>15 Pond Street</td>
<td>Worldwide support:</td>
</tr>
<tr>
<td></td>
<td>Foxboro, MA 02035</td>
<td>Telephone: +1 508 549 2424</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>Fax: +1 508 549 4999</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Email: <a href="mailto:systems.support@schneider-electric.com">systems.support@schneider-electric.com</a></td>
</tr>
</tbody>
</table>

NOTE: Always contact the telephone numbers provided here to request Return Material Authorization Number (RMA#) and shipping instructions prior to shipping unit.
8.3 PURCHASE ORDER SUBMITTAL

To facilitate Purchase Order Processing and eliminate possible rework and review cycles, please ensure your Purchase Order includes the following information:

◊ The Purchase Order has an authorized signature and is dated.
◊ The Ship To Address is listed.
◊ The Invoice Address is listed.
◊ The Schneider Electric Proposal Number QLK-1605-2585510-2, terms and conditions – will govern and supersede – any terms provided by Purchaser.

Contracts and Purchase Orders should be made out to: Invensys Systems, Inc.

Send completed purchase orders to the Invensys entity as follows:

Email: processautomation.us@schneider-electric.com

Fax: 949-639-1508 Attn: Order Management

Mail: Invensys Systems, Inc.
Attn: Order Management
10900 Equity Drive
Houston, Texas 77041
9. COMMERCIAL SECTION

9.1 PROJECT TERMS AND CONDITIONS

<table>
<thead>
<tr>
<th>Proposal Acceptance:</th>
<th>This proposal is valid for 60 calendar days from the date of - proposal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Prices:</td>
<td>Prices are in USD and are firm for all Customer FIRST Program support and services.</td>
</tr>
<tr>
<td>Taxes/Duties:</td>
<td>Sales taxes, duties and other fees are not included in this proposal.</td>
</tr>
<tr>
<td>Payment/Schedule</td>
<td>Payment schedule is defined in this proposal.</td>
</tr>
<tr>
<td>Services:</td>
<td>Customer FIRST Program support and services shall be performed as defined in the proposal and by local practice or labor law.</td>
</tr>
<tr>
<td>Others:</td>
<td>Unless stated as included elsewhere in the Proposal, all travel and living expenses are extra and will be invoiced at cost + 10%. Unless stated as included elsewhere in the Proposal, all engineering estimates do not include travel time which will be charged at an agreed to rate. This quotation assumes standard work 8-hour days, Monday through Friday, Schneider Electric holidays excluded.</td>
</tr>
<tr>
<td>Commercial Terms</td>
<td>Customer FIRST Program Terms and Conditions apply to this proposal. Modifications and additional Invensys terms and conditions may be defined in this proposal.</td>
</tr>
</tbody>
</table>

9.2 CUSTOMER FIRST PROGRAM TERMS AND CONDITIONS

1. General. The Customer FIRST Program ("CFP") is a fee-based software and hardware maintenance and support program. By paying the CFP Fee and participating in the CFP, Customer agrees to all of the terms and conditions contained in the Proposal and these Customer FIRST Terms and Conditions (together, the "Agreement"). Any new Software or Goods will be provided per Invensys Systems, Inc., d/b/a Schneider Electric Systems USA, Inc. ("Schneider Electric") General Terms and Conditions of Sale of Goods and Services and License of Software.

1.1 Definitions.
(a) "Goods" shall mean all products, equipment, materials, spare parts, hardware, supplies, and accessories defined and supported under the Agreement.

(b) "CFP Fee" shall mean the fees described in the Proposal to be paid by Customer to Schneider Electric.

(c) The "Proposal" shall mean the document which may describe, among other things, the specific (i) support level chosen by the Customer, (ii) Services to be provided by Schneider Electric, (iii) CFP Fee, (iv) payment terms, and (v) Goods and/or Software covered under the Agreement.

(d) "Software" shall mean Schneider Electric computer software programs defined and supported under the Agreement in object code form including firmware and custom software, and instructions manuals, specifications and related documentation in written or electronic form, but excluding Third Party Products, their related instructions manuals and documentation, for which Schneider Electric grants Customer a license and which are supported under the Agreement. The terms and conditions of the Software license shall be set forth in Schneider Electric’s end-user license agreement.
applicable to the particular Software at the time of delivery or, if such Software does not include an end-user license agreement at the time of delivery, then in accordance with the Software license terms and conditions set forth in a written agreement between Schneider Electric and Customer.

(e) “Services” shall mean the support services described in the Schneider Electric Proposal.

(f) “Specifications” shall mean the Schneider Electric standard specifications applicable to the Goods and/or Software or the specific requirements agreed upon, in writing, between Schneider Electric and Customer in relation to the Goods and Software.

(g) “Third Party Products” shall mean products and software of a third party vendor. If Third Party Products are supplied by Schneider Electric to Customer, unless otherwise agreed in writing by Schneider Electric, such supply is made on a “pass-through” basis only and is subject to the terms and conditions of the third party vendor, including but not limited to warranties, licenses, indemnities, limitation of liability, prices and changes thereto.

2. Purchase.
The CFP is priced based on the value of Schneider Electric Software licenses owned (or being purchased) by the Customer at the time the CFP Fee is paid and the support level selected by Customer, and, in the case of Goods, is based on the type and number of Goods owned (or being purchased) by the Customer and the support level selected by Customer at the time the CFP Fee is paid. Following payment of the CFP Fee, any new Software or Goods purchased by the Customer during the Agreement term must be purchased with coverage under the CFP, which will be pro-rated to expire at the same time as the initial expiration date. Alternatively, a Customer may opt to back-charge applicable CFP Fees for the new Software and Goods at the time of renewal, including back charges plus a minimum of one year agreement duration. Unless otherwise agreed in writing by Schneider Electric, Schneider Electric reserves the right to increase CFP Fees one time per calendar year. Unless otherwise agreed upon in writing, Customer shall reimburse Schneider Electric for expenses incurred by Schneider Electric to perform the Services, including but not limited to travel and living expenses.

To enroll in and purchase the CFP (Standard, Premium and Elite levels provide free software version upgrades) for Software only, a Customer must possess (not necessarily be running) the most current version of Schneider Electric Software as a prerequisite. If a Customer is running a non-current / non-preferred version of Schneider Electric Software, they must first purchase an upgrade to the current / preferred version. Schneider Electric may offer incentives for Customers to purchase version upgrades.

Except as stated in Section 8.2 (a), the CFP Fee for any initial, renewal, prorated or other term is non-refundable.

Unless otherwise stated in the Proposal, the CFP Fee and all other fees and expenses under the Agreement are due and payable by Customer within thirty (30) days of Customer’s receipt of Schneider Electric’s invoice.

2.1 Support Reinstatement for Lapsed Enrollment. Schneider Electric strongly encourages Customers to renew their Customer FIRST support enrollment on time; in other words, prior to the expiration date. Customer’s ability to access Schneider Electric technical support and service resources will expire with the Customer FIRST agreement end date. Additionally, should a lapse in support enrollment occur, Customers may be assessed a reinstatement fee. The amount of the reinstatement fee may increase the longer the enrollment has lapsed.

3. Customer FIRST Program Levels. The CFP portfolio offers a wide choice of offerings to meet Customer business requirements. Specific program level benefits are described in the Schneider Electric Proposal and the CFP User Guide.

4. Scope of Support. Schneider Electric provides Services in accordance with the Schneider Electric lifecycle support policy applicable to the Agreement-covered Software and Goods. The Schneider Electric lifecycle policy is published on the Schneider Electric brand support websites, and may be referenced in the Schneider Electric Proposal and CFP Guide. Although Schneider Electric and its Certified Support Providers (third parties retained by Schneider Electric to provide Services to Customers under the CFP, including but not limited to Authorized Distributors and other support providers) may attempt to resolve issues arising in earlier Schneider Electric goods or software versions, they do not have any obligation to do so under any support level in the CFP unless extended support for obsolete versions is available and purchased on a product by product basis.

4.1 Support Exclusions.

(a) Unless otherwise agreed in writing by Schneider Electric, Schneider Electric does NOT provide Services under the CFP for Third Party Products, including but not limited to Crystal Reports. If Schneider Electric services Third Party
Products at Customer’s written request, Schneider Electric’s services shall be rendered “AS-IS” and without warranty of any kind and such services shall be for an additional fee at Schneider Electric’s then current service rates.

(b) Customer shall be responsible for payment for Schneider Electric equipment and materials if Customer’s employees, agents, consultants or contractors working on Schneider Electric equipment or materials causes malfunction or failure of such equipment or materials. If such an event occurs, Schneider Electric equipment and materials will be billed to Customer at the then current rates for such equipment and materials and Customer shall also pay Schneider Electric for any associated services as a result of such malfunction or failure.

(c) Schneider Electric and non-Schneider Electric system goods and software not specifically listed in the Proposal as covered under the support level purchased by Customer are NOT covered under the Agreement. Technical assistance rendered via any means of personal communication (including but not limited to telephone, facsimile, postal mail, email, texting, and web-enabled chat), remote connection and diagnosis, material, labor or other support assistance provided by Schneider Electric to resolve an issue involving non-listed equipment is chargeable to Customer at the then-current Schneider Electric service rates.

(d) Schneider Electric will NOT provide Services on Schneider Electric software or goods from or repaired by a non-Schneider Electric-authorized agent, distributor, reseller or other third party. If any issues occur that are attributable to third-party procured material or services, all work performed by Schneider Electric will be subject to invoicing at the then-current Schneider Electric service rates.

(e) Unless specifically purchased as an option under the Agreement and described in the Schneider Electric Proposal, planning, installation, testing, and documentation of expansions, modifications and software upgrades of custom application or third party programs are NOT covered under the CFP.

(f) Unless otherwise agreed in writing by Schneider Electric, Goods identified as obsolete phase or due to become obsolete under the Schneider Electric lifecycle support policy during the Agreement term will be excluded and will NOT be supported.

(g) Goods identified as lifetime phase under the Schneider Electric lifecycle support policy will be supported for a maximum of one year. The product lifecycle categorization will be reviewed during the annual installed product assessment to determine whether it is anticipated that the product(s) will move to the obsolete phase during the next 12 months.

(h) All decisions made by Customer relating to the implementation of Schneider Electric’s advice and recommendations are the sole responsibility of Customer. To the extent Services are of an advisory nature, no specific business result is assured or guaranteed.

5. Access to Facilities and Equipment. The Customer will furnish at no cost to Schneider Electric suitable and safe working space, storage space, adequate telephone, light, ventilation, regulated electric power, and outlets for testing purposes. These facilities will be within a reasonable distance from Goods or Software covered under the Agreement. Schneider Electric shall have full and free access to the Goods and Software in order to provide any on-site corrective support Services under the Agreement. Customer will identify person(s) who will interface with the Schneider Electric or other designated support center under the terms of the Agreement. Any maintenance or repair services performed on the Goods or Software by Customer or third party personnel resulting in additional material or corrective support service requirements by Schneider Electric will be invoiced at then current time and material service rates.

6. Remote Services Security. (Applicable to systems using RemoteWatch or legacy Schneider Electric-proprietary Remote Services) Remote Services communication will be conducted only by Schneider Electric trained specialists working in a secured area using authorized connectivity equipment with security and auto log-on features. Access by Schneider Electric to the Customers system from the RemoteWatch Server is permitted only via Customer-maintained security credentials. All session screen information will be recorded and archived by Schneider Electric with date and time stamp. Data indicating health status of the customer system will be transported via connection initiated from the RemoteWatch Services server. Any work accomplished on a customer system must be authorized by a customer representative. Communication processors, servers, routers, modems and other equipment used in conjunction with Remote Services are the property of Schneider Electric and shall be returned to Schneider Electric upon termination of the Agreement.

7. On-Site Services.

(a) Services or travel in excess of normal workday, and any Services or travel on Saturdays, Sunday or nationally observed holidays shall be invoiced by Schneider Electric as defined by local practice, or by labor law as applicable, or
as defined in a written agreement between Schneider Electric and Customer. The normal work day shall be defined by local practice, or by labor law as applicable, or as defined in a written agreement between Schneider Electric and Customer.

(b) Unless otherwise agreed in writing by Schneider Electric and Customer, all on-site Services will be billed to Customer at the then current Schneider Electric service rates. There shall be a minimum charge of four (4) hours where hourly rates are applicable, or one (1) day where daily rates are applicable for service and travel time.

(c) When shift work other than the normal workday is required, a premium rate shall be added for Services during the other shifts and an additional premium shall be added for work in excess of normal workday during these other shifts, in accordance with local practice, or labor law as applicable, or as defined in a written agreement between Schneider Electric and Customer.

(d) Service time committed in advance by Schneider Electric on the basis of pre-specified number of days shall not be deemed to include overtime or shift work. If overtime or shift work is required on such commitments, the pre-specified time so committed in advance shall be appropriately reduced.

(e) Unless the Schneider Electric representative has been released from the job site, or has completed his assignment, the Customer will pay Schneider Electric charges computed as if the Schneider Electric representative was working a normal work week, regardless of whether or not the representative is prevented from working due to delays beyond his control.

(f) Release from the job site shall entitle the representative to return to his point of origin, with travel time and expenses chargeable to Customer.

(g) Standby time is defined as that time during which an Schneider Electric representative is requested to remain in readiness and available for Services commencing at the convenience of the Customer. Such time shall be considered as time worked, whether or not the representative is at the job site, and Customer will be billed accordingly. If standby time is outside normal working hours, overtime rates will be applicable. Standby time will be added to time actually worked for the computation of overtime charges, etc.

(h) The Schneider Electric representatives reserve the right to refuse to work under hazardous conditions. All staging and rigging required for access to equipment to be serviced shall be erected by and at the expenses of Customer or third parties and shall comply with reasonable safety requirements. The Schneider Electric representative shall comply with all plant safety regulations given to such representative in writing. However, any protective clothing or equipment, except the standard safety hat, required by Customer regulations shall be provided by Customer at Customer’s sole cost.

(i) Schneider Electric representatives are authorized to act only in a consulting capacity and are not authorized or licensed to operate equipment. All responsibility for operating equipment shall rest with Customer or third parties.

(j) Unless otherwise agreed in writing by Schneider Electric, all parts identified as requiring replacement during a non-warranty related service call shall be invoiced at Schneider Electric’s current list prices.

8. Term. The term of the Agreement shall be as stated in the Schneider Electric Proposal (“Term”). Notwithstanding anything else in a Customer purchase order or other order document, or if the Customer purchase order or other order document is issued for a period of less than the Term of this Agreement, Customer agrees that the Term of the Agreement shall be the stated Term, and such Term shall take precedence over any other period stated elsewhere. If Customer issues a Customer purchase order or other order document for less than the full Term, Customer’s failure to issue a subsequent Customer purchase order or other order document for the remainder of the Term shall be considered a Termination for Convenience pursuant to Section 8.2(b) hereafter. Thereafter, subject to the other limitations and requirements described in the Schneider Electric Proposal and herein, the Agreement may be renewed for future terms. Renewal of the Agreement requires the mutual written consent of Customer and Schneider Electric. All software licenses and Goods for a given Schneider Electric brand (including but not limited to Avantis, Eurotherm, Foxboro, SimSci-ESSCOR, Triconex and Wonderware) at a participating site must be covered under the CFP during the initial term or any renewal or prorated terms.

8.1 Termination. The Agreement may be terminated by Schneider Electric and all Services under the CFP stopped if:

(a) Customer has breached any of its material obligations under the Agreement and has not cured such breach within thirty (30) days of receipt of a notice of default from Schneider Electric;
(b) Customer has breached any of its material obligations under any Schneider Electric end user licensing agreement and Customer has not cured such breach within thirty (30) days of receipt of a notice of default from Schneider Electric;

(c) Customer does not use the Services for its own internal business purposes or uses the Services to provide similar services related to the Software or Goods to any third party and Customer has not cured such breach within thirty (30) days of receipt of a notice of default from Schneider Electric; or,

(d) Customer fails to pay the CFP Fee when due and Customer has not cured such breach within ten (10) days of receipt of a notice of default from Schneider Electric.

8.2 Termination For Convenience.

(a) Schneider Electric may at any time, without cause, terminate the Agreement and stop all Services under the CFP, by giving Customer ninety (90) days written notice of such termination. If Schneider Electric elects to terminate under this Section 8.2(a) prior to the end of the then-current Agreement term, then Customer shall be entitled to a pro-rated refund of CFP Fees actually paid by Customer to Schneider Electric.

(b) Customer may terminate the Agreement without cause by giving Schneider Electric ninety (90) days written notice of such termination prior to the specified termination date. Upon termination of the Agreement, Customer shall pay Schneider Electric (i) all fees and expenses (including but not limited to CFP Fees) earned or incurred in connection with the performance of the Services under the Agreement until the effective date of such termination ("Fees and Expenses"); (ii) any and all reasonable costs directly related to Customer's termination pursuant to this provision, including costs associated with personnel reassignment, travel and other administrative requirements, which termination costs equal 25% of the remaining balance of the total Agreement value and (iii) a Termination Fee equal to 2.5 % of the Agreement value.

8.3 No Damages for Termination. Schneider Electric will not be liable to Customer for any claims or damages of any kind arising out of termination of the Agreement in accordance with Sections 8.1 ("Termination") or 8.2 ("Termination For Convenience").

9. Suspension of Services. Without prejudice to other remedies available by law, Schneider Electric reserves the right to suspend Services if Customer does not comply with its obligations under the Agreement.

10. Work Product and Residual Rights. "Work Product" means any new or useful art, discovery, improvement, deliverable, process, invention, modification, enhancement, product, software, whether or not copyrightable or patentable, inclusive of all related know-how, trade secrets, and any other tangible or intangible technical material or information. Any Work Product developed under the Agreement is not to be considered made-for-hire under the United States Copyright Act and, at all stages of development, will remain the sole and exclusive property of Schneider Electric. Customer further agrees that it will take all actions and execute and deliver all documents requested by Schneider Electric in order to evidence Schneider Electric’s rights in and to the Work Product. It is agreed and understood that Schneider Electric is otherwise free to use its general knowledge, skills and experience and any general ideas, concepts or know-how and techniques related to or derived from the performance of Services under the Agreement.

10.1 Confidential Information. “Confidential Information” shall mean any and all information in any form that disclosing party provides to receiving party in the course of the Agreement and that either (i) has been marked as confidential; or (ii) is of such nature that a reasonable person would consider confidential under like circumstances. Notwithstanding the foregoing, Confidential Information shall not include any information, however designated, which the receiving party can show (a) is or has become generally available to the public without breach of the Agreement by the receiving party, (b) became known to the receiving party prior to disclosure to the receiving party by the disclosing party, (c) was received from a third party without breach of any nondisclosure obligations to the disclosing party or otherwise in violation of the disclosing party’s rights, or (d) was developed by the receiving party independently of any Confidential Information received from the disclosing party. Additionally, Confidential Information does not include work product resulting from the Services performed hereunder.

Each party or third party whose Confidential Information has been disclosed retains ownership of its Confidential Information. Each party agrees to (i) protect the Confidential Information received from the disclosing party in the same manner as it protects the confidentiality of its own proprietary and confidential materials but in no event with less than reasonable care; (ii) use the Confidential Information received from the disclosing party only in furtherance of the business relationship between the parties. Upon termination of the Agreement or upon written request submitted by the disclosing party, whichever comes first, the receiving party shall return or destroy, at the disclosing party’s choice, all of the disclosing party’s Confidential Information. Neither party shall, except with respect to its employees, contractors or
agents with a need to know for purposes of the Agreement, disclose to any person any Confidential Information received from the disclosing party without the disclosing party’s prior written consent. However, the receiving party may disclose Confidential Information pursuant to an order of a court or governmental agency, provided that the receiving party shall first notify the disclosing party of such order and afford the disclosing party the opportunity to seek a protective order relating to such disclosure.

A receiving party’s obligations hereunder, including the obligations to protect and preserve the secrecy of Confidential Information delivered hereunder will survive any termination or expiration of the Agreement for a period of five (5) years from the date of disclosure.

11. Limited Warranties and Exclusive Remedy. Services will be performed in a professional manner and warranted for a period of 90 days from the date of Service. Schneider Electric warrants that any parts, for Goods which are supplied while performing Services under the Agreement, will be free from material defects for a period of 90 days following delivery of such parts. Additionally, Schneider Electric warrants that any Software upgrades, patches, service packs, quick fix, quick custom, or corrective fixes which are supplied while performing Services under the Agreement, will be free from material defects for a period of 90 days following delivery of such Software upgrades, patches, service packs, quick fix, quick custom or corrective fixes. For any breach of these warranties, a Customer's exclusive remedy, and Schneider Electric’s entire liability, shall be the reperformance of the Services or repair or replacement of such parts, Software upgrades, patches, service packs, quick fix, or quick custom.

DISCLAIMER OF ALL OTHER WARRANTIES
THE WARRANTIES ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY SCHNEIDER ELECTRIC, ITS DEALERS, DISTRIBUTORS OR AGENTS OR EMPLOYEES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THE WARRANTIES SET FORTH ABOVE AND CUSTOMER MAY NOT RELY ON ANY SUCH INFORMATION OR ADVICE. SCHNEIDER ELECTRIC DOES NOT WARRANT THAT THE SOFTWARE OR GOODS WILL MEET CUSTOMER’S REQUIREMENTS, THAT THE SOFTWARE OR GOODS WILL OPERATE IN COMBINATIONS OTHER THAN AS SPECIFIED IN SCHNEIDER ELECTRIC’S DOCUMENTATION, THAT THE OPERATION OF THE SOFTWARE OR GOODS WILL BE UNINTERRUPTED OR ERROR-FREE OR THAT THE SOFTWARE, GOODS OR SERVICES, INCLUDING BUT NOT LIMITED TO CYBER SECURITY SERVICES, WILL PROTECT AGAINST ALL POSSIBLE SECURITY THREATS, INTERNET THREATS OR OTHER THREATS OR INTERRUPTIONS.

12. Liability Limitation and Exclusion of Damages. In no event shall Schneider Electric be liable for any indirect, incidental, special, punitive or consequential damages, or damages for loss of profits, revenue, data or use, incurred by a Customer or third party, whether in an action in contract or tort, even if Schneider Electric has been advised of the possibility of such damages. Schneider Electric’s liability for damages hereunder or relating hereto (whether in an action in contract or tort) shall in no event exceed the amount of fees paid to Schneider Electric by Customer with respect to the Services provided to Customer within the 12 month period prior to the time such liability arose. The provisions of this Section 12 allocate the risks between Schneider Electric and a Customer and Schneider Electric’s pricing reflects this allocation of risk and the limitation of liability specified herein.

13. Taxes. CFP Fees and other fees due under the Agreement do not include state, federal, local sales tax, use, excise, valued added or other similar taxes, all of which will be paid by Customer.

14. Relationship of Parties. The parties to the Agreement are independent contractors. There is no relationship of agency, partnership, joint venture, employment, or franchise between the parties. Neither party nor its employees has the authority to bind or commit the other party in any way or to incur any obligation on its behalf.

15. Customer’s Obligations.
(a) Customer shall indemnify, hold harmless and defend Schneider Electric from and against any claims, damages or liabilities asserted by any third party against Schneider Electric as a result of Schneider Electric’s access to Customer’s or Third Party Products including but not limited to claims, damages or liabilities for infringement of any third party’s intellectual property rights.

(b) Schneider Electric’s performance depends upon Customer’s timely and effective cooperation, including providing Schneider Electric with reasonable facilities, timely access to appropriate data and information, timely decisions and approvals and appropriately skilled Customer personnel. Schneider Electric will not be liable for any failure to perform Services under the Agreement, to the extent that the failure is caused by Customer’s lack of cooperation. Schneider
Electric may rely upon the accuracy and completeness of data, material, and other information furnished by Customer, without any independent investigation or verification.

16. Severability. If any provision of the Agreement is determined by a court of competent jurisdiction to be in violation of any applicable law or otherwise invalid or unenforceable, such provision will to such extent as it will be determined to be illegal, invalid or unenforceable under such law be deemed null and void. The Agreement will otherwise remain in full force and effect.

17. No Implied Waivers. The failure of either party to exercise any right or option granted under the Agreement, or to require the performance by the other party hereto of any provision of the Agreement, will not prevent a subsequent exercise or enforcement of such provisions or be deemed a waiver of any subsequent breach of the same or any other provision of the Agreement.

18. Assignment. Customer may not assign the Agreement, in whole or in part, without Schneider Electric's prior written consent. Any attempt to assign the Agreement without such consent will be null and void. Subject to the foregoing, the Agreement will bind and inure to the benefit of each party's permitted successors and assigns.

19. Translation. The language of the Agreement is expressly stipulated to be English. In the event that the Agreement is translated into another language, the English language version of the Agreement shall govern for purposes of interpretation and enforcement.

20. Force Majeure. Except for payments due under the Agreement, neither party will be responsible to the other for any failure or delay in its performance due to acts of God or other unforeseen circumstances beyond the reasonable control of either party, provided that such party gives prompt written notice thereof to the other party and uses its diligent efforts to resume performance.


(a) Restricted Rights Legend - U.S. Government Users. The software is a "commercial item" as that term is defined at 48 CFR 2.101 (October 1995), consisting of "commercial computer software" and "commercial computer software documentation", as such terms are used in 48 CFR 12.212 (September 1995), and is provided to the U.S. Government only as a commercial end item. Consistent with 48 CFR 12.212 and 48 CFR 227.7202-1 through 227.7202-4 (June 1995), all U.S. Government End Users acquire the Software with only those rights set forth herein. Contractor/manufacturer is Invensys Systems, Inc., 5601 Granite Parkway, Suite 1000, Plan, TX 75024. Telephone: (469) 365-6400.

(b) Export Restrictions. Customer agrees to comply fully with all applicable international and national export laws and regulations, including the U.S Export Administration Regulations and the Office of Foreign Asset Control Regulations, as well as end-use and destination restrictions issued by the U.S and foreign governments to assure that neither the Software nor Goods nor any direct product thereof are (i) exported, directly or indirectly, in violation of export laws; or (ii) intended to be used for any purposes prohibited by the export laws.

22. Governing Law and Dispute Resolution. The Agreement shall be governed by and construed in accordance with the laws of the State of Massachusetts, USA, without regard to the conflict of laws provisions thereof. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Agreement. The governing language for the Agreement shall be English, and no concurrent or subsequent translation of the Agreement into any language shall modify any term of the Agreement and the English language version of the Agreement shall control in the event of conflict. Any claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by final and binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules and its Optional Procedures for Large, Complex Commercial Disputes. The arbitration shall be heard and determined by a panel of three (3) arbitrators selected by the AAA. The arbitrators shall have exclusive authority to resolve any and all disputes relating to procedural and substantive questions of arbitrability, including but not limited to, choice of venue and choice of law issues, and the formation, interpretation, applicability, scope, and enforceability of this agreement to arbitrate. The parties shall be entitled to conduct discovery in accordance with the Federal Rules of Civil Procedure under the supervision of the arbitrators. The arbitration proceeding shall occur in Boston, Massachusetts. The parties shall equally share the arbitrators' fees, and the arbitration and all related proceedings and discovery shall take place pursuant to a protective order entered by the arbitrators that adequately protects the confidential nature of the parties’ proprietary and confidential information. The prevailing party in such arbitration shall be entitled to recover its reasonable attorney's fees. In no event shall any arbitration award provide a remedy beyond those permitted under the Agreement, and any award providing a remedy beyond those permitted under the Agreement shall not be confirmed, no presumption of validity shall attach, and such award shall be vacated. No claim may be brought as a class action, combined or consolidated with any other proceeding, nor may any proceeding be
pursued in a representative capacity or on behalf of a class. Neither party has the right to act as a class representative or participate as a member of a class of claimants with respect to any claim. Either party may, without waiving any remedy under the Agreement, seek from any court of competent jurisdiction any interim or provisional relief that such party deems necessary to protect its confidential information and property rights, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal’s determination of the merits of the claim).

23. Survival of Provisions. The Sections of the Agreement that by their nature survive expiration or termination of the Agreement include but are not limited to the following Sections: Section 8.3 (“No Damages For Termination”), Section 10 (“Work Product and Residual Rights”), Section 10.1 (“Confidential Information”), Section 11 (“Limited Warranties and Exclusive Remedy”), Section 12 (“Liability Limitation and Exclusion of Damages”), Section 13 (“Taxes”), Section 15 (a), Sections 16-22 and Sections 23-24.

24. Entire Agreement. The Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior or contemporaneous representations, understandings or agreements whether written or oral, relating to its subject matter. The Agreement may be amended or modified only by a writing that is signed by authorized representatives of both parties. The Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No terms, provisions or conditions of any request for proposal, purchase order, acknowledgement or other business form that Customer may use in connection with the Agreement will have any effect on the rights, duties or obligations of the parties hereunder, or otherwise modify, the Agreement, regardless of any failure of Schneider Electric to object to such terms, provisions or conditions.
10. SELECTION AND PRICING SUMMARY

10.1 PROPOSAL ACCEPTANCE

This Proposal is valid for 60 calendar days from the date of this Proposal.

10.2 SELECTION SUMMARY

The Customer FIRST Program’s Support and Services Agreement provides a comprehensive portfolio of support and service features that addresses your short term and long term maintenance and lifecycle challenges. Refer to the Agreement Content section of this Agreement for a summary matrix and description of program level features.

The following information covers pricing for the proposed Customer FIRST Support and Services program.

**Included Services**
The "Included Services" are covered by the selected Customer FIRST Program level’s price before Optional Features are added. Refer to the Agreement Content section of this Agreement for a summary matrix and description of program features.

<table>
<thead>
<tr>
<th>SELECTION SUMMARY</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCLUDED SERVICES</td>
<td>$71,920</td>
<td>$74,076*</td>
<td>$76,300*</td>
<td>$78,588*</td>
</tr>
<tr>
<td>☒ En route response commitment for Onsite Corrective Assistance</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>☒ Next Business Day en route response commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☒ Preventive Maintenance Visits</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>Standard level: 1 visit per year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$71,920</td>
<td>$74,076</td>
<td>$76,300</td>
<td>$78,588</td>
</tr>
</tbody>
</table>

*The components and software covered can be adjusted on the anniversary date of this agreement. Pricing will be adjusted based on this increase or decrease.
10.3 BILLING SCHEDULE

This Customer FIRST Support and Services Agreement is:
☒ A renewal of a prior Agreement

The billing cycle is:
☒ Quarterly

10.4 PAYMENT SCHEDULE

<table>
<thead>
<tr>
<th>PAYMENT SCHEDULE</th>
<th>ANNUAL PAYMENT TOTAL</th>
<th>PERIOD PAYMENT</th>
<th>PERIOD LENGTH</th>
<th>START DATE</th>
<th>END DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$71,920.00</td>
<td>$17,980.00</td>
<td>Quarterly</td>
<td>8/14/2016</td>
<td>8/13/2017</td>
</tr>
<tr>
<td>Year 2</td>
<td>$74,076.00</td>
<td>$18,519.00</td>
<td>Quarterly</td>
<td>8/14/2017</td>
<td>8/13/2018</td>
</tr>
<tr>
<td>Year 3</td>
<td>$76,300.00</td>
<td>$19,075.00</td>
<td>Quarterly</td>
<td>8/14/2018</td>
<td>8/13/2019</td>
</tr>
<tr>
<td>Year 4</td>
<td>$78,588.00</td>
<td>$19,647.00</td>
<td>Quarterly</td>
<td>8/14/2019</td>
<td>8/13/2020</td>
</tr>
<tr>
<td>Total</td>
<td>$300,884.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Payment is due 30 days from date of invoice.
## 11. AGREEMENT ACCEPTANCE

Execution of this Agreement represents acceptance into the Customer FIRST program and its terms and conditions.

<table>
<thead>
<tr>
<th>PURCHASER</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client (Company) Name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City/State/Zip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized Purchaser Representative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| SCHNEIDER ELECTRIC |          |          |
| Schneider Electric Local Entity Name |          |          |
| Acceptance By |          |          |
| Title |          |          |
| Date |          |          |
Date: July 20, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (7/13/16)
Finance, Legal, and Administration Committee (7/13/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Randy Lee
Executive Manager of Operations/Assistant General Manager

Francis Concemino
Deputy Manager of Maintenance

Subject: Contract Award for On-Site Staff Training Services

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**RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve Contract No. 4600002162 to GP Strategies Corporation to provide on-site staff training services for the not-to-exceed amount of $138,418; and

2. Authorize the General Manager to execute the contract.

**BACKGROUND**

Included in the recently ratified class and compensation study (Study), certain job classifications in the Maintenance Department were restructured in an effort to improve productivity and mitigate the impact of the impending retirements. The Electrical and Instrumentation (E&I) crafts have been combined into a single E&I craft, and the Plant Maintenance Technician (PMT) job classification has been replaced by the Mechanic series. Both the E&I and the Mechanic series are comprised of four levels (I – IV). A major component of the new structure is the implementation of a competency-based training program to provide employees the necessary knowledge and skills required for advancement in the new series.

Staff evaluated multiple training vendors in search of a training program that could be customized to meet the course requirements identified in the Study. GP Strategies Corporation (GPS) was the only vendor that offered all of the courses for each craft and which has the ability to customize the
Contract Award for On-Site Staff Training Services
July 20, 2016
Page 2 of 2

process to meet the Agency’s advancement and proficiency requirements. In order to meet the 12 to 18-month completion requirement defined in the Study, staff is recommending the award of a sole source contract to GPS on a time and material basis.

In the industry for 50 years, GPS specializes in workforce development with a highly skilled and experienced team of instructors in the field of Reliability and Maintenance Strategy. GPS training program costs include all labor, material, and estimated travel and shipping costs associated with the performance of the described services as detailed in the technical proposal, for a total cost of $115,348 as summarized in the table below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanical Modules</td>
<td>$49,995</td>
<td>5 weeks</td>
</tr>
<tr>
<td>Instrumentation Modules</td>
<td>$31,117</td>
<td>3 weeks</td>
</tr>
<tr>
<td>Electrical Modules</td>
<td>$34,236</td>
<td>3 weeks</td>
</tr>
<tr>
<td>Sub Total</td>
<td>$115,348</td>
<td></td>
</tr>
<tr>
<td>20% Contingency</td>
<td>$23,070</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$138,418</td>
<td></td>
</tr>
</tbody>
</table>

This procurement supports the Agency’s goal of Workplace Environment for training, providing employees with state-of-the-art skills and knowledge to meet current and anticipated Agency needs.

PRIOR BOARD ACTION

In February 2016, the Board 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 by March 2, 2016.

IMPACT ON BUDGET

If approved, sufficient funds are available in Fiscal Year 2016/17 Administrative Services Fund (GG), Office and employee training budget to support the training program costs.
Contract Award for On-Site Staff Training Services

July 2016

Francis Concemiño
Deputy Manager of Maintenance

Randy Lee
Executive Manager of Operations/AGM
Background

* New Maintenance Structure
  * Combined Electrical and Instrumentation (E&I) Crafts
  * All Plant Maintenance Technicians (PMT) transitioned to Mechanic I
  * New training Requirements for Advancement
  * 12-18 month period to complete training
Must complete and pass the following criteria to advance:

- **Theoretical** – Classroom instruction and assessment
- **Practical** – Demonstrate proficiency in the field
- **Oral Board** – Demonstrate job knowledge through an oral board interview by Maintenance supervisory and management staff

<table>
<thead>
<tr>
<th>Craft</th>
<th>Electrical and Instrumentation</th>
<th>Mechanical</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advancement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One General Category class</td>
<td>E&amp;I Technician II to III</td>
<td>Mechanic II to III</td>
</tr>
<tr>
<td>Minimum of three classes under Mechanical Category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum of five classes under Instrumentation Category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum of three classes under Condition Based Maintenance Category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1 Certification in one of the Condition Based Maintenance Category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum of four classes under Condition Based Maintenance Category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level I Certification in Vibration Analysis and Machinery Lubrication</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
* GP Strategies, Inc. specializes in workforce development and can provide:
  * Customized training program to meet our curriculum requirements
  * Both classroom and hands-on instructions
  * 50 years in the maintenance training industry
  * Instructors are highly skilled and have years of practical experience in the field
Recommendation

Approve Contract No. 4600002162 to GP Strategies Corporation to provide on-site staff training services for a not-to-exceed amount of $138,418.

Supports the Agency's business goal of Workplace Environment for training, providing employees with state-of-the-art skills and knowledge to meet current and anticipated Agency needs.
CONTRACT NUMBER: 4600002162
FOR
MAINTENANCE STAFF TRAINING

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of July, 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 GP Strategies Corporation of Atlanta, Georgia, (hereinafter referred to as "Consultant") for craft-skills training consulting 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 Agency’s assignment are listed below.

   Project Manager: Randy Lee
   Executive Manager of Operations and AGM
   Inland Empire Utilities Agency
   Address: 6075 Kimball Avenue, Bldg. B
   Chino, California 91708

   Telephone: (909) 993-1810
   Cellular: (909) 536-6857
   Facsimile: (909) 993-1982
   Email: rlee@ieua.org

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

   Consultant: Nick Morris
   Business Development, Professional/Technical Services
   GP Strategies Corporation
   Address: 70 Corporate Center
   11000 Broken Land Parkway, Suite 200
   Columbia, MD 21044

   Telephone: (484) 363-2097
   Cellular: (484) 467-9088
   Email: nmorris@gpstrategies.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 4600002162.
   B. Contract Number 4600002162 General Terms and Conditions.
   C. Consultant’s three Proposals all dated May 9, 2016, for craft skills hands-on training.

4. SCOPE OF WORK AND SERVICES: Consultant scope of work and services shall be in accordance with Consultant’s three Proposals all dated May 9, 2016, which are attached hereto as Exhibit A, incorporated herein and made a part hereof to include the following subject areas;

   Course 1
   - Basic Digital Circuits;
   - Basic Programmable Logic Controllers (PLCs);
   - Instrumentation;
   - Analytical Measurement; and,
   - Process Controls Fundamentals.

   Course 2
   - Electrical Lockout/Tag Out;
   - Plant Electrical Wiring;
   - National Electrical Code Overview;
   - Transformers; and,
   - Electrical Troubleshooting.

   Course 3
   - Introduction to Bearings and Lubrication;
   - Mechanical Print Reading;
   - Power Transmissions;
   - Fans, Blowers, Compressors;
   - Pumps and Pump Repair;
   - Shaft and Coupling Alignment;
   - Seals and Packing; and,
   - Hydraulics and Pneumatics.

DELIVERABLES

Consultant’s deliverables shall be to provide each hands-on craft skills on-site training course for ten (10) Agency participants for each course. Consultant shall provide ten (10) participant guides and ten lab guides for each course. Consultant shall have two (2) Industrial Equipment Trainers on-site for each course to assist staff during the instruction and hands-on training.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate on December 31, 2017, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. **COMPENSATION:** Agency shall pay Consultant’s properly executed invoice in accordance with Consultant’s proposals 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 4600002162**.

To expedite payment, invoices may be sent electronically to IEUA’s Accounts Payable at apgroup@ieua.org, with a copy to the 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 NOT-TO-EXCEED Amount and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth in the Amendment. In compensation for the work completed under this contract, Consultant shall be paid a maximum NTE amount of $138,416.00 for all services and expenses.

7. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the work schedule. If performance of the Work falls behind schedule, the Consultant 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 Consultant is unable to accelerate the Work, Consultant 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:** Consultant 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. **Compliance:** Consultant 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. Consultant shall impose these requirements on its Subconsultants. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

9. INSURANCE: During the term of this Contract, the Consultant shall maintain at Consultant'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 Consultant 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 Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of
protection afforded to the Agency, its officers, officials, employees or volunteers.

b. The Consultant'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 Consultant'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 Consultant'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 Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Consultant 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: Consultant 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:** Consultant shall submit all required certificates and endorsements to the following:

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

10. **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 Consultant:** 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 Agency.

B. **Observing Laws and Ordinances:** Consistent with the standard of skill and care set forth in 10.A, Professional Responsibility, the Consultant 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 Consultant 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 Consultant’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 Consultant or its employees.

C. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

D. **Grant/Loan Funded Projects:** This is not a grant funded project. For grant/loan-funded 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, Disadvantaged Business Enterprise (DBE) Requirements, Competitive Solicitation, Record Retention and Public Access to Records, and Labor Compliance and Compliance Review.

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 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. 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.

G. Non-Conforming Work: Consistent with the standard of skill and care set forth in Section 10.A, Professional Responsibility, Consultant 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, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for Consultant’s position. Any dispute that cannot be resolved between the Project Manager and the Consultant shall be resolved in accordance with the Dispute Section of this Contract.

H. 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 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 Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant 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 Consultant 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 Consultant’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 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 Agency 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 Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency 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 Agency 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 Agency’s representative to the Consultant.

11. **INDEMNIFICATION:** Consultant 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 Consultant, its directors, employees, agents and assigns, in the performance of work under this contract.

12. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency 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 Consultant’s subconsultant(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. 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 Agency.

Said materials and documents shall not be changed or used for purposes other than those set forth in the Contract without the prior written approval of Consultant. If Agency reuses the materials and documents without Consultant’s prior written consent, changes or uses the materials and documents other than as intended hereunder, Agency shall do so at its sole risk and discretion, and Consultant 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.

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 Consultant for its records and internal use. Consultant 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. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

   C. **Disposition:** Consultant 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 Consultant in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.

2. If Proprietary Rights conceived, developed, or reduced to practice by Consultant 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, Consultant 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, Consultant 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, Consultant’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 Consultant. If the Agency reuses the Work or Documentation without Consultant’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 Consultant 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 Consultant of any compensation specifically for
the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.

15. **INFRINGEMENT:** Consultant 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.

Consultant 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 Consultant’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.

Consultant 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

Consultant: Rebecca Fowler  
GP Strategies Corporation  
70 Corporate Center, 11000 Broken Land Pkwy, Ste 200  
columbia, MD 21044

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 Consultant, 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 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 Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant 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 Consultant has marked “Confidential,” “Proprietary,” or “Trade Secret,” Consultant 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 Consultants’ 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 Consultant. The Consultant 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 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 Agency and the Consultant.

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 Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant-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 Consultant.

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:

P. Joseph Grindstaff             (Date)  
General Manager

GP STRATEGIES CORPORATION:

Doug Robey             (Date)  
Vice President
<table>
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<th>Mechanical Curriculum Map</th>
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| Total Cost - Mechanical Curriculum | $115,348.00 |

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| Total Cost - Instrumentation Curriculum | $49,995.00 |
## Total Cost - Instrumentation Curriculum

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<td>$5,504.00</td>
<td>$13,129.00</td>
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<tr>
<td>Total Cost - Week 1</td>
<td></td>
<td></td>
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<td>$13,129.00</td>
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</table>

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Name</th>
<th>Hours</th>
<th>Rate</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>EM107</td>
<td>National Electrical Code Overview</td>
<td>16</td>
<td>$1,200/day</td>
<td>$2,400.00</td>
</tr>
<tr>
<td>EM201</td>
<td>Transformers</td>
<td>16</td>
<td>$1,200/day</td>
<td>$2,400.00</td>
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<tr>
<td></td>
<td>Printing Costs (10 participant guides, 10 lab guides)</td>
<td></td>
<td>$175.00</td>
<td>$2,250.00</td>
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<tr>
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<td>Travel / Living</td>
<td></td>
<td>$2,500.00</td>
<td>$2,500.00</td>
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<tr>
<td></td>
<td>Equipment Shipping - 2 Motor Theory Trainers</td>
<td></td>
<td>$2,436.00</td>
<td>$10,036.00</td>
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<tr>
<td>Total Cost - Week 2</td>
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<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Name</th>
<th>Hours</th>
<th>Rate</th>
<th>Cost</th>
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<tbody>
<tr>
<td>EM206</td>
<td>Electrical Troubleshooting</td>
<td>40</td>
<td>$1,000/day</td>
<td>$5,000.00</td>
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<td>Printing Costs (10 participant guides, 10 lab guides)</td>
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<td>$275.00</td>
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<td></td>
<td>Travel / Living</td>
<td></td>
<td>$2,996.00</td>
<td>$11,071.00</td>
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<tr>
<td>Total Cost - Week 3</td>
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<td>$11,071.00</td>
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## Total Cost - Electrical Curriculum

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Name</th>
<th>Hours</th>
<th>Rate</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Total Cost - Week 1</td>
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<td>$13,129.00</td>
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<tr>
<td>Total Cost - Week 2</td>
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<td>$10,036.00</td>
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<tr>
<td>Total Cost - Week 3</td>
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<td>$11,071.00</td>
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## Total Cost - Electrical Curriculum

<table>
<thead>
<tr>
<th>Course Number</th>
<th>Course Name</th>
<th>Hours</th>
<th>Rate</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td>$31,117.00</td>
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<td>$34,236.00</td>
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### Mechanical

<table>
<thead>
<tr>
<th>Week Of:</th>
<th>Courses</th>
<th>Duration</th>
<th>Equipment Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1: 9/19/2016</td>
<td>MM103: Intro to Bearings and Lubrication</td>
<td>2 days</td>
<td>2 Lubrication Trainers</td>
</tr>
<tr>
<td></td>
<td>MM105: Mechanical Print Reading</td>
<td>3 days</td>
<td></td>
</tr>
<tr>
<td>Week 2: 10/3/2016</td>
<td>MM201-205: Power Transmissions</td>
<td>5 days</td>
<td>2 Power Transmission Trainers</td>
</tr>
<tr>
<td>Week 3: 10/17/2016</td>
<td>MM301: Shaft and Coupling Alignment</td>
<td>4 days</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MM303: Seals and Packing</td>
<td>1 day</td>
<td>2 Power Transmission Trainers</td>
</tr>
<tr>
<td>Week 4: 10/24/2016</td>
<td>MM209: Fans, Blowers, &amp; Compressors</td>
<td>2 days</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MM304: Pumps and Pump Repair</td>
<td>3 days</td>
<td>2 Pump Trainers</td>
</tr>
<tr>
<td>Week 5: 11/7/2016</td>
<td>MM400: Hydraulics and Pneumatics</td>
<td>5 days</td>
<td>2 Hydraulic Trainers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2 Pneumatics Trainers</td>
</tr>
</tbody>
</table>

### Electrical

<table>
<thead>
<tr>
<th>Week Of:</th>
<th>Courses</th>
<th>Duration</th>
<th>Equipment Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1: 11/14/2016</td>
<td>SAF001: Electrical Lockout/Tagout</td>
<td>1 day</td>
<td>2 Wiring Trainers</td>
</tr>
<tr>
<td></td>
<td>EM105: Plant Electrical Wiring</td>
<td>3 days</td>
<td></td>
</tr>
<tr>
<td>Week 2: 12/5/2016</td>
<td>EM107: National Electrical Code Overview</td>
<td>2 days</td>
<td>2 Motor Theory Trainers</td>
</tr>
<tr>
<td></td>
<td>EM201: Transformers</td>
<td>2 days</td>
<td></td>
</tr>
<tr>
<td>Week 3: 12/12/2016</td>
<td>EM206: Electrical Troubleshooting</td>
<td>5 days</td>
<td>2 A-Frame Trainers</td>
</tr>
</tbody>
</table>

### Instrumentation

<table>
<thead>
<tr>
<th>Week Of:</th>
<th>Courses</th>
<th>Duration</th>
<th>Equipment Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1: 1/9/2017</td>
<td>EM203: Basic Digital Circuits</td>
<td>1 day</td>
<td>2 Facet Trainers</td>
</tr>
<tr>
<td></td>
<td>EM300: Basic PLCs</td>
<td>4 days</td>
<td>2 PLC Trainers</td>
</tr>
<tr>
<td>Week 2: 1/23/2017</td>
<td>EM400: Instrumentation</td>
<td>3 days</td>
<td>2 Process Controls and Instrumentation Trainers</td>
</tr>
<tr>
<td></td>
<td>EM 402: Analytical Measurement</td>
<td>1 day</td>
<td></td>
</tr>
<tr>
<td>Week 3: 2/6/2017</td>
<td>EM403: Process Control Fundamentals</td>
<td>5 days</td>
<td>2 Process Controls and Instrumentation Trainers</td>
</tr>
</tbody>
</table>
Date: July 20, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (7/13/16)
Finance, Legal, and Administration Committee (7/13/16)

From: Joseph Grindstaff
General Manager

Submitted by: Randy Lee
Executive Manager of Operations/Assistant General Manager

Subject: Contract Award for Victoria Basin Infiltration Restoration

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve Contract No. 4600002119 with Jeremy Harris Construction for the Victoria Basin Infiltration Restoration operation and maintenance activities for a not-to-exceed amount of $103,612; and

2. Authorize the General Manager to execute the contract.

BACKGROUND

As part of the groundwater recharge operations and maintenance activities, periodic cleaning of the basins is required. At this time, Victoria Basin requires infiltration restoration to remove the accumulated clogging layers of fine-grained storm sediments that have settled to the basin floor, miscellaneous debris, and to restore the basin sidewall infiltration with mechanical equipment. These fine-grained sediments, debris and sidewall cementation significantly reduce the basins' infiltration capacity, which now must be restored by mechanical means. A request for proposal (RFP-HD-16-007) was prepared for the project, and bids were received from five firms. The below table summarizes the bid results.
Contract Award for Victoria Basin Infiltration Restoration
July 20, 2016
Page 2 of 2

<table>
<thead>
<tr>
<th>Company</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeremy Harris Construction</td>
<td>$103,612.00</td>
</tr>
<tr>
<td>Jimco</td>
<td>$153,267.02</td>
</tr>
<tr>
<td>JCE Equipment</td>
<td>$171,461.50</td>
</tr>
<tr>
<td>Vance Corporation</td>
<td>$186,881.00</td>
</tr>
<tr>
<td>Mike Bubalo Construction</td>
<td>$380,000.00</td>
</tr>
</tbody>
</table>

The lowest bidder for Victoria Basin Infiltration Restoration was Jeremy Harris Construction. Since Jeremy Harris Construction has not previously performed work for IEUA, staff checked references, supplied by the company as part of their bid, and their responses confirmed that Jeremy Harris Construction is capable of performing this work effectively.

The cost of Victoria Basin infiltration restoration is to be shared between IEUA and Chino Basin Watermaster, according to the Peace II pro rata agreement.

This contract award supports the Agency’s business goal of Water Reliability to develop and implement an integrated water resource management plan.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The basin restoration costs are budgeted in Fiscal Year 2016/17 in the Groundwater Operations (RW) Fund, under other contract services and carried forwarded from Fiscal Year 2015/16.
CONTRACT NUMBER: 4600002119
FOR
INFILTRATION RESTORATION SERVICES
WITHIN VICTORIA BASIN

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 Jeremy Harris Construction, Inc., with offices located in Riverside, California (hereinafter referred to as "Contractor"), for the completion of (time sensitive) earthwork services; related to the restoration of the percolation (to groundwater) rate of Victoria Basin.

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: Steve Smith  
   Address: 6075 Kimball Avenue, Building B  
   Chino, California, 91708
   Telephone: (909) 993-1621  
   Facsimile: (909) 993-1951  
   Cell: (951) 295-7736  
   Email: ssmith@ieuau.org

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

   Contractor: Jeremy J. Harris, President  
   Jeremy Harris Construction, Inc.  
   Address: 19466 Lurin Avenue  
   Riverside, California 92508  
   Telephone: (951) 957-8812  
   Facsimile: (951) 266-0649  
   Cell: (951) 921-6367  
   Email: info@jhcinc.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 4600002119.
B. Contract Number 4600002119, General Terms and Conditions.
C. RFP-HD-16-006, issued April 15, 2016, Attachment A
D. Contractor’s proposal, dated May 2, 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 Agency’s RFP (Attachment A) and the Contractor’s proposal dated May 2, 2016 (Attachment B); which are incorporated herein and made a part hereof with this reference.

B. Contractor shall 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 removal of silt and debris from Victoria; followed by “ripping” the basin floor to a depth of 48" (with large tracked equipment), followed by establishing a smoothed surface on the floor of the basin; ensuring the implementation of an appropriate grade, as directed by the Project Manager.

D. Through the duration of this contract, the Agency and Contractor may identify additional tasks, which on a “time and material” basis, shall be assigned to this contract.

5. **TERM:** The term of this Contract shall extend from the date of the Notice-to-Proceed until December 31, 2016, 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 – 4600002119, and
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)

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 $103,612 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, 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 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:**

   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: $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 that 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:** Jeremy Harris, President
   Jeremy Harris Construction, Inc.
   19466 Lurin Avenue
   Riverside, California, 92508

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:**

**(A MUNICIPAL WATER DISTRICT)**

**JEREMY HARRIS CONSTRUCTION, INC.:**

<table>
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<th>P. Joseph Grindstaff</th>
<th>(Date)</th>
<th>Jeremy Harris</th>
<th>(Date)</th>
</tr>
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<tbody>
<tr>
<td>General Manager</td>
<td></td>
<td>President</td>
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REQUEST FOR PROPOSAL NUMBER RFP-HD-16-006
FOR
PROFESSIONAL CONTRACTING SERVICES RELATED TO THE
RESTORATION OF INFILTRATION RATE WITHIN VICTORIA BASIN

April 15, 2016
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SECTION 1 - SUBMITTAL INFORMATION

A. INTRODUCTION: The Inland Empire Utilities Agency ("Agency" or "IEUA") is accepting sealed proposals at the Agency’s Administrative Headquarters, located at 6075 Kimball Avenue, Building A, Chino, California, 91708; in order to engage the services of a qualified and licensed person, partnership, company, or corporation to provide contractor services; are needed to restore the infiltration rate of the Victoria Basin. Offeror’s Proposal shall clearly identify the capabilities of their skilled staff, their qualifications, and any unique knowledge, experience, or licenses. References will be required. A fully burdened schedule of the rates for these services will also be required. It is recognized that there will be separate, yet related, tasks within the envisioned scope of work associated with enhancing the percolation rate of this valuable groundwater recharge basin. For purposes of this Request for Proposal, the terms Offeror and Contractor may be used interchangeably.

B. SUBMITTAL LOCATION - CLOSING DATE, AND TIME: The scheduled submittal closing dates and times are as listed below. Offeror shall submit three (3) copies (includes one original and two photocopies) of their proposal to the address above. Proposals received after the "closing" date and time indicated will not be accepted. Faxed or emailed proposals will not be accepted.

<table>
<thead>
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<th>Submittal Closing:</th>
<th>Monday, May 2, 2016, at 4:00pm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Agency’s Administrative Headquarters (address shown above)</td>
</tr>
</tbody>
</table>

C. INQUIRIES: Inquiries regarding this solicitation should be directed to either Garrett Bell at (909) 993-1531 (gbell@ieua.org) or Harlan Delzer at (909) 993-1707. Please reference the solicitation number "RFP-HD-16-006" when contacting the Agency’s staff regarding this solicitation.

D. PROPOSAL LABELING: All Proposals shall be submitted in a sealed envelope with all original pages intact. The proposal envelope must clearly indicate the Request For Proposal Number, RFP-HD-16-006, Attn: Harlan Delzer, and the subject, “Proposal for Infiltration Restoration for Victoria Basin.”

E. PROPOSAL SUBMITTAL: Any proposal found to be ineligible or incomplete shall be considered for rejection. Whether sent by courier, mail, or by means of personal delivery, Offerors assume full responsibility for having their proposal deposited at the proper address and not later than the scheduled closing time. More than one (1) proposal from any individual, firm, partnership, or corporation under the same or different names, will not be considered.

F. PROPOSAL FORMAT: Offeror shall include sequential page numbers and the Contractor’s initials on each page of their Proposal. A proposal not following the requested format may be deemed non-responsive and eliminated from further consideration. The Proposal shall include a dated cover letter which must be signed by a person authorized to negotiate and execute contracts on behalf of the Offeror and must be binding for a period of ninety (90) days.

G. PRE-PROPOSAL MEETING / JOB-WALK: A mandatory job-walk will take place on Monday, April 25, 2016, starting at 9:00a.m. for all interested Offerors. All interested parties are urged to meet at the Victoria Basin gate, located at 13650 Victoria Avenue, Rancho Cucamonga, CA, 91739.
SECTION 2 - GENERAL INFORMATION

NOTE: IT IS THE OFFEROR'S RESPONSIBILITY TO EXAMINE THIS REQUEST FOR PROPOSAL SOLICITATION IN ITS ENTIRETY PRIOR TO SUBMITTING A PROPOSAL.

A. WAITING PERIOD: All Offerors are alerted that a waiting period of up to ninety (90) days, measured from the date of the proposal submittal deadline, may be required before proceedings are completed and awards (or rejections) are made. Offerors shall assume full responsibility for the effect of the waiting period on all proposal prices, fees, and terms.

B. PROPOSAL PREPARATION COSTS: The Agency is not, nor shall be, deemed liable for any costs incurred by the Offeror during the preparation, submittal, or presentation of their proposal.

C. WITHDRAWAL OF PROPOSAL BEFORE CLOSING: Any Offeror may request the withdrawal of their submitted proposal, either in person, by telegraphic, telephonic (facsimile), e-mail, or written request, at any time prior to the scheduled proposal due date and time. Upon receiving the written request to withdraw any proposal, the Agency will consider the Offeror's proposal null and void, and return the proposal to the Offeror unopened. Withdrawal of an Offeror's proposal will not prejudice Offeror's re-submittal for this or any future proposal(s).

D. MISTAKE IN PROPOSAL: Any Offeror may withdraw their proposal after the proposal due date, subject to the time restrictions indicated below, only if the Offeror can establish to the Agency's satisfaction, that a material mistake was made in preparing the proposal.

1. An Offeror declaring a mistake must provide a written notice to the Agency within five (5) calendar days following the scheduled proposal due date, specifying in detail, how the mistake occurred, and how the mistake made the proposal materially different than it was intended.

2. Withdrawal of the proposal will only be permitted for mistakes made in the completion of the proposal, and shall not be permitted for mistakes resulting from error in judgment or carelessness in the interpretation of the scope of work. An Offeror who claims a mistake shall be PROHIBITED from submitting further proposals based on the RFP for which the mistake in the proposal was claimed (Public Contract Code Section 5105).

E. PROPOSAL ACCEPTANCE: The Agency reserves the right to accept or reject any or all proposals, waive any informalities in any proposal, postpone the project, or any portion thereof, if such actions are deemed to be in the best interest of the Agency.

F. INTERPRETATION OF DOCUMENTS: During the proposal solicitation period, should an Offeror find discrepancies or omissions in the specifications of the "Request for Proposal," or should the Offeror be in doubt as to their interpretation, the Offeror shall immediately contact the Contract Administrator identified in Section 1(C), above. Should it be found necessary, a written addendum will be sent to all known perspective Offerors. Any addenda issued prior to the scheduled proposal due date and time, shall form a part of this solicitation and shall become a part of the submitted proposal.

G. PROPOSAL FEES: Offeror's shall submit a fully-burdened fee schedule, for each task or specific skill category required to provide the Contractor's Services, clearly identifying the firm's staff classifications by category, by hourly billing rates, and any associated administrative costs.
H. **CONTRACTOR REFERENCES**: Using the References form included in Section 3, each Offeror shall provide a list of at least three (3) references from clients that have engaged the Offeror, for which similar work has been performed, within the last five (5) years. Include the reference names, contact person(s), telephone numbers, e-mail address, business physical address, and brief description of the specific services provided.

I. **AWARD CRITERIA**: The following criteria will be used in the rating process for the proposals submitted; to determine the selection of the successful Offeror(s):
   - Past record of performance in providing similar services (prior projects or engagements).
   - Experience of personnel (individual or company history, years in business, licenses, certifications, other personnel qualifications).
   - Proposed staffing plan and methodology proposed for the Project.
   - References.
   - Availability of personnel and ability to meet the timeline for IEUA’s Contract/Project.
   - *Exceptions* taken to the proposed contract terms.
   - Project fee schedule, rate structure.
   - Payment discount proposed, in exchange for expedited invoice payment.

J. **CONTRACT AWARD/EXECUTION**: Upon selection, the Contractor(s) shall execute a Contract with the Agency. The format and content of said contract will be similar to the Sample Contract attached to this RFP, see Section 5.

K. **PUBLIC RECORD**: Be advised that all information contained in proposals, submitted in response to this solicitation, shall become a matter of public record, shall be subject to the California Records Act of 2004 (Government Code Section 6250 et seq.), and the information’s use and disclosure are governed by this Act.

L. **ACCEPTANCE AND PAYMENT**: The selected Offeror's invoice(s), subsequent to the completion of a valid and binding contract, shall include a specific reference to the Contract Number, the associated Purchase Order number, and be accompanied by detailed supporting documentation. The Agency shall pay the Offeror's properly executed invoices, subject to approval by the Project Manager, within thirty (30) days following receipt of the invoice.

M. **INSURANCE**: Offeror's attention is directed to the insurance requirements set forth in the Sample Contract, pages 3 through 5, attached to this RFP. It is highly recommended that each Offeror confer with their respective insurers to determine, in advance, the availability (and any costs associated) of the required insurance certificates, endorsements, and waivers prescribed therein. All insurance documentation must be received, reviewed, and approved by the Agency prior to completion of the contract award. If a leading Offeror fails to strictly comply with the stated insurance requirements, that Offeror may be disqualified from receiving the award.

N. **RELEASE OF LIABILITY**: The selected Offeror shall execute a Release of Liability form, agrees and understands that the Contractor’s personal property, if left at any of the Agency’s sites, during the course of the Work, may be exposed to the risk of, but not limited to, theft, vandalism, fire damage, water damage, and wind damage; for which the Contractor agrees to assume any and all such risk, and consequences, as a result thereof. The Contractor shall be responsible for the completion of the Agency’s Waiver/Release of Liability form (see Section 3) as part of a complete proposal.
O. **CONTRACT EXECUTION(S) / EXCEPTIONS:** The selected Offeror shall execute a contract with the Agency which establishes the terms and conditions covering the services provided. A sample of the Agency's standard contract is provided as Section 5 of this RFP. The Agency will issue, to the selected Contractor, a contract similar in form to the sample shown in Section 5. The executed contract which will incorporate this RFP and the Offeror's proposal. Thus, the Offeror is encouraged to carefully review and consider the sample contract. The Offeror must advise the Agency of any exceptions to the contract's content or to the content of the RFP. An Exceptions Form is provided in Section 3.

P. **ENVIRONMENTAL PURCHASING POLICY:** The goal of IEUA is to reduce global warming and other environmentally harmful effects generated by its operations, its operational protocols, and its capital improvement projects. In this endeavor, the terms and conditions of all IEUA solicitations encourage, whenever possible and practical, the proposal for products and services that are proven beneficial to the environment. Examples for this Project would be products manufactured with recycled steel, recycled plastics, and vehicles fueled with natural gas or propane versus gasoline or diesel fuel. The Offerors, in their proposals should present (and explain) the efforts they will be employing on the Project that move the Agency closer to its sustainability goals.

Q. **PROPOSAL INCLUSIONS:** The Request for Proposal documents shall be returned in their entirety, with all applicable portions fully completed by the Contractor. Each page shall be sequentially numbered and initialed by the Contractor.

R. **SELECTION:** The Agency anticipates selecting a single Contractor, from the Offerors of responsive proposals. That Contractor will be awarded a Contractor Services Contract based on the qualifications to provide services that integrate:

i. Qualified, licensed, and professional contractor staff
ii. Knowledge and experience with silt material on the floor of basins
iii. Knowledge and experience with earth-moving equipment
iv. Compliance with biological inspection protocols

Offerors are to clearly identify both their general qualifications (certificates and licenses) as well as any of their specialty skill-sets. Each specialty area will be carefully evaluated based on the information provided by the Offeror.

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SECTION 3 - FORMS

SUMMARY FEE SCHEDULE "A"

Each Offeror shall attach their fully completed fee schedule, identifying and including all skill level classifications, as well as any associated administrative (office) fees, if any. All proposed prices shall be stated in terms of a net price to the Agency.

A. FEE INCLUSION STATEMENT: Offerors shall fully complete this Summary Fee Schedule and return it with their proposal. All proposed fees will be stated as a NET-PRICE, whereas the NET-PRICE shall represent the total and final cost to the Agency for providing professional services listed. The NET-PRICE shall include all proposed costs associated with all labor, equipment, transportation, overhead, profit, insurance, taxes, fees, incidentals, and any/all other related costs necessary to complete the services required.

B. PROPOSED FEE FOR CONTRACTOR'S SERVICES:

Offeror shall complete this Proposal Price Schedule and return it with their submittal. All proposed prices shall include all labor, equipment, materials, transportation, overhead, travel, profit, insurance, sales and other taxes, licenses, incidentals, and all other related costs necessary to meet the work requirements. At any time, IEUA may require that these cost components be further broken out, itemized, and disclosed.

Task A: Cutting and Windrowing of (7,161 cubic yards) Silt Material

Proposed cost in Lump-Sum amount: _______________________

Secondary Bid Item: In the event that the volume of silt materials to be cut and windrowed from within the Basin is more or less than the estimated 7,161 cubic yards, the contract cost will need to be amended accordingly. The price, per cubic yard, quoted, below, will be used to adjust the contract cost up or down as needed:

Credit/Debit for the cutting and windrowing of silt material: ____________________/ cubic yard

Task B: Loading, Hauling, and Disposing of (7,161 cubic yards) Silt Materials

Proposed cost in Lump-Sum amount: _______________________

Secondary Bid Item: In the event that the volume of silt materials to be loaded, hauled, and disposed of from within the Basin is more or less than the estimated amount, the contract cost will need to be amended accordingly. The price, per cubic yard, quoted, below, will be used to adjust the contract cost up or down as needed:

Credit/Debit for the loading, hauling, and disposing of silt material: ____________________/ cubic yard

Task C: Ripping and Smoothing of the Basin Floor

Proposed cost in Lump-Sum amount: _______________________

Total Proposed Cost in Lump-Sum amount: _______________________

REQUEST FOR PROPOSAL: RFP-HD-16-006

Section 3-1
C. Each Offeror shall indicate the availability and the magnitude of any discount related to expedited payment of any or all invoices.

Expedited Payment Discount, if any (to be considered as part of this proposal):

1. i.e., if Net 20, then ______________________________ % discount

2. i.e., if Net 15, then ______________________________ % discount

3. i.e., if Net ___, then ______________________________ % discount

Warrants: On behalf of the afore-mentioned "Contractor" company, the undersigned warrants that the Company has the equipment and manpower necessary to successfully complete the described work within the time frame specified within the "Request for Proposal" and that the Company will be ready and able to begin working under such contract within 5 days of receiving notice, either written or verbal. The Agency reserves the right to accept the Proposal that it determines to be in the best interests of the Agency and to reject any or all Proposals should it determine that to proceed is not in its best interests.

D. **PROPOSAL SIGNATURE:** THE UNDERSIGNED AGREES, IF THIS PROPOSAL IS ACCEPTED BY THE AGENCY WITHIN 90 CALENDAR DAYS AFTER THE DATE OF THE PROPOSAL CLOSING, TO SUPPLY SERVICES AS SPECIFIED IN STRICT ACCORDANCE WITH THE REQUEST FOR PROPOSAL SPECIFICATIONS.

_________________________________________  ______________________________
Signature                                   Printed Company Name

_________________________________________  __________
Printed Name                                Date

_________________________________________
Title

REQUEST FOR PROPOSAL: RFP-HD-16-006
OFFEROR IDENTIFICATION

1. Legal Name of Offeror: __________________________________________________________

2. Street Address: ________________________________________________________________

3. Mailing Address: _______________________________________________________________

4. Business Telephone: ____________________________________________________________

5. Facsimile Telephone: __________________________________________________________

6. Offeror’s e-mail address: _______________________________________________________

7. Type of Business:
   □ Sole Proprietor  □ Partnership  □ Corporation
   Other: ____________________________________________________________

   If corporation, indicate State where incorporated: _________________________________

8. Business License number issued by the City where the Offeror’s principal place of business is located.
   Number: ____________________  Issuing City: ________________________________

9. Federal Tax Identification Number: _____________________________________________

10. California Contractor’s (License) Number: _______________________________________

11. California DIR (Registration) Number: __________________________________________

12. Offeror’s (Project Manager) Contact: ___________________________________________

13. Offeror’s PM Contact Telephone Number: _______________________________________

14. Offeror’s PM E-mail contact information: _______________________________________

(This space intentionally left blank.)
REFERENCES

Provide at least three (3) references for the “Project” for which you would like to be considered, where you or your firm provided similar services within the last five (5) years. (Please copy this form as many times as needed.)

COMPANY ___________________________ CONTACT PERSON ___________________________ CITY ___________________________ PHONE NUMBER ___________________________

__________________________________________________________

TYPE OF SERVICES PROVIDED (Note: Please attach a “typical” Invoice, for the services provided.)

__________________________________________________________

__________________________________________________________

__________________________________________________________

__________________________________________________________

__________________________________________________________

__________________________________________________________

__________________________________________________________

__________________________________________________________

__________________________________________________________

SUBCONTRACTOR(S)

List any sub-Contractors who performed services, on your firm’s behalf, at the referenced project described above.

COMPANY ___________________________ CONTACT PERSON ___________________________ CITY ___________________________ PHONE NUMBER ___________________________

DIR Registration Number (if applicable):

Business License Number: ___________________________ City: ___________________________

Insurer: ___________________________

Brief description of their services:

__________________________________________________________

__________________________________________________________

REQUEST FOR PROPOSAL: RFP-HD-16-006
WORKERS' COMPENSATION CERTIFICATE

The Offeror shall execute the following form as required by the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and on behalf of my firm, I will comply with such provisions before commencing the performance of the services of any contract entered into.

_____________________________  ________________________________
Signature                      Company Name

_____________________________  ________________________________
Printed Name                   Business License Number

_____________________________  ________________________________
Title                          Date

(This space intentionally left blank.)
NON-COLLUSION AFFIDAVIT

State of California  
)  
) ss.

County of ___________________

____________________________________, being first duly sworn, deposes, and says that he or she is

________________________ (title), of ____________________________ ("Offeror") the party making the
foregoing proposal, that the proposal is not made in the interest of, or on behalf of, any undisclosed
person, partnership, company, association, organization, or corporation; that the proposal is genuine
and not collusive or sham; that the Offeror has not directly, or indirectly, solicited any other Offeror to
put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or
agreed with any other Offeror or anyone else to put in a sham proposal, or that anyone shall refrain
from bidding; that the Offeror has not in any manner, directly or indirectly, sought by agreement,
communication, or conference with anyone to fix the proposal fee or the Offeror or any other Offeror, or
to fix any overhead, profit, or cost element of the proposal fee, or of that of any other Offeror, or to
secure any advantage against the public body awarding the Contract of anyone interested in the
proposed Contract; that all statements contained in the proposal are true; and, further, that the Offeror
has not, directly or indirectly, submitted his or her proposal fee or any breakdown thereof, or the
contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to
any corporation, partnership, company association, organization, proposal depository, or to any
member or agent thereof to effectuate a collusive or sham proposal.

________________________ Signature  ____________________________ Company Name

________________________ Printed Name  ____________________________ Business License Number

________________________ Title  ____________________________ Date

(This space intentionally left blank.)

REQUEST FOR PROPOSAL: RFP-HD-16-006  Section 3-6
WAIVER/RELEASE OF LIABILITY

I, the undersigned, on behalf of ___________________________ (hereinafter called Contractor) fully understand that the storage or leaving of any and all Contractor-owned equipment, materials, and supplies at the Agency's facilities during the term of the contract, exposes Contractor to the risk of, but not limited to, theft, fire damage, vandalism, water damage, wind damage, and possible personal injury to Contractor's employees. For the privilege of storing/leaving any and all Contractor-owned equipment, materials, and supplies at the Agency's facilities, Contractor agrees to assume any and all such risks.

In consideration of being able to store/leave said equipment, materials, and supplies at the Agency's facilities, Contractor hereby releases, agrees not to sue, or bring any action against, the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers for any and all liability, claims, or actions for injury or death to Contractor's employees, or damage or theft of said property arising out of or in connection with the storage or leaving of said item(s) for whatever cause, including the active or passive negligence of the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers.

I have carefully read this Waiver/Release of Liability and covenant not to sue, and fully understand its contents, and the possible exposures that Contractor is agreeing to assume. I am aware that this Waiver/Release of Liability is a full release of any and all liability. I am signing such as the authorized agent of Contractor, and of my own free will.

By:

Representative's signature

Print Name ___________________________ Date ____________

Title ___________________________

Approved:

(Agency GWR Department Coordinator's signature)

(This space intentionally left blank.)
EXCEPTION FORM

Should your firm take exception to ANY of the terms and conditions or other content provided in this "Request for Proposal," please list the exceptions below. THIS COMPLETED FORM MUST BE RETURNED WITH YOUR PROPOSAL. (Make additional copies of this form as necessary)

If no exception(s) are determined or taken, enter "NONE" (to the right of the Section Title) for the first item, below.

Page Number: _____ Section Title: ____________________________________________

Paragraph Number: _____ Exception Taken: ______________________________________

Page Number: _____ Section Title: ____________________________________________

Paragraph Number: _____ Exception Taken: ______________________________________

Page Number: _____ Section Title: ____________________________________________

Paragraph Number: _____ Exception Taken: ______________________________________

Page Number: _____ Section Title: ____________________________________________

Paragraph Number: _____ Exception Taken: ______________________________________

Page Number: _____ Section Title: ____________________________________________

Paragraph Number: _____ Exception Taken: ______________________________________

REQUEST FOR PROPOSAL: RFP-HD-16-006
SECTION 4 - TECHNICAL SPECIFICATIONS

Scope of Work for Victoria Basin
Specification and Scope of Work and Services

Introduction/Description of Work:

The work to be performed under this maintenance project consists of infiltration restoration at Victoria Basin. It includes removing silt material from the basin floors and slopes, track-walking of the basin slopes and disposing of all debris encountered during disturbance activities on the basin floors and slopes. For the purposes of this specification "silt material" includes clay, silt, debris, vegetation, organic material, sand and gravel which is cut or skimmed from the floor and slopes of the basins; and "cobble" includes any rocks and broken concrete pieces that are larger than 6 inches which are brought to the surface by silt removal activities. "Debris" includes any trash or organic matter that is deemed unacceptable as fill material by the contractor.

The term "Track-walking" is used to describe the treatment of the basin slopes that provides a scarified or broken up surface while minimizing the weight—and consequent compaction—applied to the surface. The purpose of track-walking is to disturb the top 2-4 inches of the soil that, over time, accumulates a calcified/sealed condition, while avoiding compaction of the underlying 1-3 feet of native soil. As each basin inevitably varies in its slope angle, soil composition, and moisture content; IEUA expects the contractor to apply both experience and common sense to each area when choosing equipment and methods of track-walking however, the contractor shall initially employ the use of a D4 or equivalent tracked bulldozer for track-walking activities listed in this specification. If the contractor can achieve more effective results using a method that requires changing equipment or attachments, the contractor shall notify the project manager and obtain approval to employ that method.

The contractor must conduct all work contracted with the Agency simultaneously, unless otherwise agreed to in writing with the Agency project managers.

As the basins are currently submerged, the contractor shall verify the cut depth with IEUA project management prior to cutting activity. The contractor shall perform an initial "pass" cut over the floor of the basin at the depth agreed upon per this specification with an IEUA project manager present to confirm or deny the need for additional passes.

As silt is bladed or skimmed from the floor, the contractor shall stockpile it in an area approved by the project manager. Silt material that has been stockpiled and designated for removal shall not be relocated to any onsite area outside of the basin. All silt material shall be loaded and removed from the site in a timely manner. All silt material removed from the site shall be accounted for via the use of trucking tickets. These tickets shall be submitted via email at the end of each day in which soil was removed from the site. The tickets themselves shall note the date and times of each truck to leave the site carrying soil, and have the name of the basin cell from which the soil originated noted either on the hard copies or in the email submittal body/subject line. Failure to provide daily accounts of hauling activities completed may result in suspension of hauling activities until the specified documentation is provided.
Following receipt of an authorized Notice-to-Proceed, the Contractor shall:

- Take ownership of all vegetation on the basin floor and slope up to an elevation of 1324 feet MSL, coinciding with the top of grate-topped concrete overflow box on the east side of the basin. Any vegetation, living or dead, shall be the contractor’s responsibility to remove.

- Take ownership of all debris and trash found on the basin slopes and floor. All trash, regardless of size or nature (e.g. tires, treated wood, metals or plastics) shall be removed via the silt blading and loading operations or a separate collection operation. No trash, debris, or vegetation shall be stored onsite without approval from the Project Manager.

- Repair any existing erosion gullies found on the basin side slopes or access roads; providing a smooth, uniform condition. The soil used in these repairs may not be excavated from the basin floors, silt material stockpiles, or rip rap areas. The soil used in these repairs shall be that which washed out of the erosion gully, and shall be collected from the base of the erosion gully, but not include soil from below the original finished grade contours of the basin slopes and floor. The Contractor shall request approval from IEUA’s Project Manager prior to moving soil from any part of the basin or its surrounding topography for any reason.

- Repair any washouts and remove any sediment buildup that may be blocking drainage of water from the low-flow, dry-weather-flow channel that runs along the north and west sides of the north cell of Victoria basin.

- Ensure that the slope of the floors of both basin cells are maintained such that they drain to their low points; (as an example) for the north cell: the slide gate on the west side of the mid basin berm and for the south cell: the alignment between the mid basin berm slide gate and the basin outlet slide gate. If low areas are identified after blading operations that would not drain to these locations, the Contractor shall incorporate minor grade corrections (cut/fill) as necessary during the subsequent ripping and smoothing tasks of this specification such that the entirety of the basin floors drains as specified.

The contractor must complete the work by June 24th, 2016. The contractor must conduct all work contracted with the Agency simultaneously, unless otherwise agreed to in writing with the Agency project managers. Failure to meet the requirements of this scope may result in the termination of this and/or other contracts the contractor has entered into with IEUA.

The scope of work consists of cleaning the two cells of Victoria Basin independently to manage dry weather nuisance water flows entering Victoria Basin’s north cell. The general procedure for staging the cleaning of the two cells shall include:

- Receiving Approval from a Biologist for compliance with Fish and Game Permit No. 1600-2009-0072-R6 Rev. 2
- Dewatering Victoria North Cell (to south cell and other locations as necessary)
- Infiltration Restoration of Victoria North Cell
- Dewatering of Victoria South Cell
- Infiltration Restoration of Victoria South Cell
All work shall include mobilization and demobilization, permit and disposal fees, traffic control, de-watering, application of water for dust alleviation, and utilization of BMP's necessary to comply with various environmental and clean water act requirements.

All work shall be completed in accordance with this Specification and the contract therefore.

THE GENERAL PROCEDURE FOR INFILTRATION RESTORATION SHALL INCLUDE:

A. Dewatering of Cells. Water will be significantly drained via outlet gates and sluice gates between cells operated by the Project Manager. Prior to restoring each cell, any remaining standing water shall be pumped to the adjacent cell and maintained without water during restoration, as possible.

B. Blading approximately 2-4 inches of silt material and removal from the basin floor. The thickness of silt will be irregular and thus blading shall be sufficiently deep to encounter non-silt material or shallower as necessary.

C. Ripping and Smoothing areas of the basin floor that were driven during the prior steps. Any rocks greater than 6 inches in diameter that are exposed during this phase shall be relocated within the basin.

Task A: Silt material shall be cut and windrowed from the entire 17.5 acre basin floors of Victoria Basin, including the slope areas up to the high water level (marked in the field). The necessary cut depth for volume estimation was a uniform 0.25 feet throughout the basins equating to approximately 7,181 cubic yards of silt material. This estimate does not guarantee a volume to be removed. The thickness of silt will be irregular and thus blading shall be sufficiently deep or shallow to just encounter non-silt material. The side slopes of each basin shall be scraped of silt and debris on an as-needed basis and added to the windrowed material on the basin floor for removal.

Task B: Cut and windrowed silt materials shall be removed and disposed of from Victoria Basin. The Contractor shall become the owner of the silt material, when it leaves the basin, and shall load, haul and dispose of at an off-site location of his choosing. In order to guard against the re-spreading of silt material, the designated floor area shall first have its silt material, cobbles and boulders windrowed for loading into trucks for either disposal or relocation as the case may be.

Task C: Following the cutting, removal, and removal of the silt material from the entire basin floor, the Contractor shall rip and smooth the cleansed floor areas to restore their infiltration characteristics. The floor shall be ripped to a depth of 48 inches using a horizontal spacing of no greater than 24 inches on center. Smoothing of the ripped surface is intended to remove all ridges and furrows greater than 2-3 inches that may be left upon completion of ripping operations. All side slopes shall be “track-walked” with heavy equipment in an up and down manner that is approved by the Project Manager to break up the hardened surface of the uppermost soil layer. The track-walking process shall leave no ridges or ruts in the slopes greater than 2-3 inches. The contractor shall determine the final sequence of tasks involving smoothing of the basin floors and track-walking slopes and shall do so in a manner that minimizes compaction to the basin floor and slopes.
If unnecessary compaction is identified, the Contractor shall perform either additional scarification of the slopes by hand or additional rip and smooth operations per this specification, depending on where the unnecessary compaction has occurred. All costs incurred by unnecessary compaction efforts shall be borne by the Contractor.

During or at the conclusion of smoothing activities, the contractor shall gather and relocate any 6-inch plus rock from the basin floor. Once gathered, the material may be used on-site as slope reinforcement (as directed by the Project Manager) or shall to be hauled off site for disposal. A final task of general pickup and trash removal shall be conducted prior to demobilization. All debris, trash, tires, weeds or wood encountered on the basin floors and slopes shall be disposed of off-site.

Project Location: Victoria Basin is located off of Victoria Street, just west of the 15 Freeway. An access gate to the Basin can be found on the north side of Victoria Street, just east of Etiwanda High School. Before departing the site, the Contractor shall verify that the gates are locked at the conclusion of business each day. Failure to adhere to this provision without specific permission from IEUA’s Project Manager may result in work stoppage and/or termination of the contract. Vehicle and student foot traffic on Victoria Street are heavy during school start hours (approx. 8 AM) and let-out hours (approx. 3 PM). The contractor shall plan trucking and site access to avoid conflicts with heavy school traffic.

Bidder’s Examination of Sites: Each bidder shall examine carefully the sites for the proposed maintenance work. It will be assumed that the bidder has evaluated and is satisfied as to the conditions to be encountered, and as to the character, quality, areas, and quantity of materials to be furnished, placed, graded, filled, rip-rapped, shaped, excavated, compacted, and smoothed, and as to the requirements of the contract, this Scope of Work, that are a part hereof.

Insurance: The Contractor shall not commence work under this Specification and the contract until he has secured all insurance required hereunder, nor shall he allow any sub-contractors to commence work on his subcontract until all similar insurance required of the sub-contractors have been obtained. All insurance issued in compliance with this section shall be issued in the form and by an insurer or insurers, satisfactory to and first approved by the Agency in writing. Certificates of insurance in the amounts required shall be furnished by the Contractor to the Agency prior to the commencement of work. Further, not only will the Contractor’s insurance “name” the Agency as an “additional insured,” it will also “name” San Bernardino County and San Bernardino County Flood Control District as additional insured’s.

Further, in compliance with Permit Number P-12005101 that the Agency has with the San Bernardino County Flood Control District, the Contractor shall furnish with his Proposal a copy of a “completed” “Certificate of Insurance” in the form which is attached to this Specification and by its mention herein is considered a part of the Specification.

Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor’s Proposal, and no additional payment will be made therefore.

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Section 4-4
**Workmanship:** All work performed under this Specification shall be subject to inspection by the Agency. The Contractor shall be held strictly to the true intent of this “Specification” in regard to the quality of workmanship and diligent execution of the contract. Areas where the work is determined to be unsatisfactory to the Agency will be re-ripped, re-graded, graded, and smoothed again without additional compensation. The entire cost for re-working shall be borne by the Contractor.

**Permits and Licenses:** Unless otherwise specified, the Contractor, and any approved subcontractors shall procure all permits and licenses prior to the start of work, including business licenses to do business in the municipalities and counties where the work is to be performed. The Contractor shall also pay all charges and fees and give all notices necessary and incident to the due and lawful prosecution of the work. *The Agency has “Permit Number P-12005101” from the San Bernardino County Flood Control District (the owner of the Basins). The Contractor and his subcontractors must fully comply at all times with the terms and conditions of the said Permits.* No additional permits are required from this entity.

*Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor’s Proposal, and no additional payment will be made therefore.*

**Construction and Equipment Protection, Diversion, and Control of Water:** It shall be the responsibility of the Contractor to protect the work areas against the intrusion of water, including urban runoff, groundwater, mud, and other deleterious matter. It is anticipated that urban runoff will be encountered at various times and locations during the work. Such waters may interfere with Contractor’s operations and may cause damage thereto if not properly controlled by the Contractor and the Contractor acknowledges that his Proposals were prepared accordingly. The Contractor, by submitting a proposal, assumes all of said risk. Further, in order to minimize the potential for damage to equipment, the Contractor is directed to refrain from either storing equipment or leaving it idle for extended periods on the floor of the Basin. The Agency assumes no liability whatsoever to Contractor for damage to his equipment for any reason, including but not limited to, damage due to storm water, urban run-off, and vandalism.

*Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor’s Proposal, and no additional payment will be made therefore.*

**Traffic Control:** The costs for the work to be performed and completed by the Contractor shall include the costs associated with furnishing Traffic Control (if needed), including but not limited to preparing and planning, securing permits, and furnishing labor, materials, tools, equipment, and incidentals related thereto, and for doing all work to provide, maintain, and remove a traffic control system as shown in the Manual of Traffic Controls for Construction and Maintenance Work Zones.

*Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor’s Proposal, and no additional payment will be made therefore.*
Dust Control: This work shall consist of applying water for the alleviation or prevention of dust nuisance. The Contractor shall make his own arrangements for water to be used on this maintenance project.

Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor's Proposal, and no additional payment will be made therefore.

Contractor Operations: If the Contractor stops work for any period of time greater than two (2) working days for any reason other than inclement weather (Severe Rain Storms) or federal holiday, he must notify the Agency immediately and the areas of the Basin affected by the work stoppage will be cleaned, finished, ripped, and graded smooth; to be free from irregular grade changes unless approved by the Agency. The Contractor shall notify the Agency when he will be able to restart the work.

Maintenance of Existing Works: The Contractor shall exercise due care to protect Existing Basin structures and other works from the effects of unwanted water and intentional and/or errant equipment operations. The Contractor shall be responsible for maintenance of all Basin improvements and Habitat during the life of this project. Such maintenance shall include, but not be limited to, dust control, repairs to existing structures, and maintenance of access roads and levees, and the replacement of fence and pipe sections that may be damaged by the Contractor. Before final acceptance of the work, all access roads utilized by Contractor during the prosecution of work under this maintenance project shall be cleaned, graded, and left in a good working condition.

Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor's Proposal, and no additional payment will be made therefore.

Basin Dewatering: Much of the work to be performed is located within the bottom of an existing storm water detention Basin. Therefore, the Contractor is advised that when the work of this project begins water will continually be entering the Basin, which will become the responsibility of the Contractor to deal with. Further, the Contractor may encounter soggy soils and/or trapped groundwater. The Contractor is advised to make his own determination relative to the ability of the floor material to support equipment loading before entering the Basin. Basin dewatering may be by mechanical means, such as but not limited to, pumping, or by structural means, such as but not limited to, earthen berms or other type of protective devices, or a combination of both. It will be the responsibility of the Contractor to determine the pump size, number of pumps and the duration of pumping necessary to remove and keep water from the work areas for a period long enough to provide for the proper performance of the work.

Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor's Proposal, and no additional payment will be made therefore.

Typical Contract Provisions: Among its other requirements the Agency’s Typical Contract for the performance of Construction type work of the nature and scope contained in this "Request for Proposal" contains provisions pertaining to “Insurance types (General Liability, Automobile, Worker’s Compensation, & Employers Liability) and minimum amounts, deductibles, verification, and various other insurance provisions.”

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Section 4-6
Additionally, and notwithstanding its other unnamed provisions, the Typical Contract also contains provisions pertaining to "Legal Relations & Responsibilities (Ca Labor Code Sections 1810 to 1817, Liens, Indemnification, Conflict of Interest, Equal Opportunity, Dispute Resolution (Arbitration), Prevailing Wages, Worker's Legal Status, Fitness for Duty, Governing Law, and Liquidated Damages." All Contractors intending to submit proposals to perform the work described under this Specification shall fully inform themselves of the provisions of the Agency's Typical Contract for the performance of Maintenance type work before making their proposals so that there will be no delays in executing a contract for such work. All questions about insurance requirements should be directed to Warren Green, Manager of Safety & Risk, 909-993-1709.

Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor's Proposal, and no additional payment will be made therefore.

Measurement for Payment: The quantity of silt material removed and disposed of by the Contractor shall be measured on the basis of "truck loads" (dual trailers at 14 cubic-yards combined capacity and/or 10 cubic-yard truck loads) as they leave the Basin site. The Contractor shall provide the personnel and equipment necessary to tabulate and confirm the number and types of truck loads.

Full compensation for furnishing all labor, materials, tools, equipment, and incidentals for doing all of the work required to complete the work of this section shall be considered as included in the Contractor's Proposal, and no additional payment will be made therefore.

Waiver/Release of Liability: Prior to beginning work on this Maintenance Project, the Contractor will be required to execute the Agency's "Waiver/Release of Liability" form that identifies the dangers and risks associated with the storage of materials and equipment at the Agency's facilities and which places the responsibility therefore solely upon the Contractor.

*In the interest of saving time, it is requested, but not required, that the Contractor submit an executed "Waiver/Release of Liability" form along with his Proposal.*

Full compensation for complying with this section, including all fees and charges shall be considered as included in the Contractor's Proposal, and no additional payment will be made therefore.

Award and Execution of Contract: The contract, if awarded, will be awarded to a responsible Contractor whose proposal complies with the requirements of this Specification. Within 5 calendar days of notice (either written or verbal) from the Agency's Project Manager, the Contractor shall execute an Agreement with the Agency. It is intended that the work of this maintenance project will commence prior to and be completed during June, 2016.

The Agency shall be the sole determiner as to which Proposal it elects to pursue given its ultimate goal to dispose of the largest quantity of Silt Material as it possibly can and to restore the infiltration characteristics of Victoria Basin.
Agency's Rights Reserved: The Agency reserves the right to accept the Proposal that it determines to be in the best interests of the Agency and to reject any or all Proposals should it determine that to proceed is not in its best interest. Further, the Agency reserves the right to reject any or all proposals, to waive any irregularity in a proposal and to make awards as the interests of the Agency may require.

Form for Contractor's Proposal: Offerors shall fully complete the "Contractor's Proposal Form" and return it within the specified window of time. All proposed fees will be stated as NET-PRICE, whereas the NET-PRICE shall represent the total and final cost to the Inland Empire Utilities Agency for the contracted and fully executed work. The NET-PRICE shall include all proposed costs associated with all materials, labor, equipment, transportation, overhead, profit, insurance, taxes, fees, incidental and any/all other related costs necessary to supply the services required. The proposal shall be provided in the form that follows, with all exceptions and clarifications pertaining to the proposal clearly stated.

<table>
<thead>
<tr>
<th>SCHEDULE OF KEY EVENTS</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>REQUEST FOR PROPOSALS POSTED</td>
<td>April 15, 2016</td>
</tr>
<tr>
<td>MANDATORY PRE-PROPOSAL MEETING (JOB-WALK)</td>
<td>April 25, 2016</td>
</tr>
<tr>
<td>LAST DATE FOR SUBMITTAL OF QUESTIONS</td>
<td>April 28, 2018</td>
</tr>
<tr>
<td>PROPOSAL DUE DATE</td>
<td>May 2, 2016</td>
</tr>
</tbody>
</table>

IEUA reserves the right to modify the content or schedule of these events at any time, for any reason.
CERTIFICATE OF INSURANCE

NOTE TO PERMITTEE: This form shall be completed by your insurance company. Mail completed form to San Bernardino County Flood Control District, Flood Control Permit Section, 825 East Third Street, San Bernardino, CA 92415-0835.

In accordance with permit requirements, the undersigned does hereby represent to the San Bernardino County Flood Control District and the County of San Bernardino the following policy or policies to ___________________________ fully complies with the following Flood Control District insurance requirements.

♦ PUBLIC LIABILITY AND PROPERTY DAMAGE – The limits of liability in the Public Liability and Property Damage policy or policies shall not be less than $1,000,000 combined single limit.

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Company &amp; Policy No.</th>
<th>Exp. Date</th>
<th>Limits of Liability</th>
</tr>
</thead>
</table>

♦ ENDORSEMENT NAMING ADDITIONAL INSURED – Both San Bernardino County Flood Control District AND County of San Bernardino are hereby named as additional insured for the purpose of Permit No. ___________________________. Inclusion herein of any person or organization as an additional insured shall not affect any right which such person or organization would have as a claimant if not so included.

This insurance shall be primary insurance with respects to the San Bernardino County Flood Control District and County of San Bernardino.

♦ 30-DAY WRITTEN NOTICE OF CANCELLATION, 10-DAY FOR NON-PAYMENT - Policy shall state that 30-days prior written notice of cancellation, change or expiration and 10-days for non-payment shall be given to the San Bernardino County Flood Control District, Flood Control Permit Section, 825 East Third Street, San Bernardino, CA 92415-0835.

Insurance Company: ___________________________

By: ___________________________

Insurance Company Authorized Agent (Signature) ___________________________ Date ___________________________

Agent’s Address: ___________________________

Agent’s Phone: ___________________________

Permit No. ___________________________

File ___________________________

Rev. 8/05

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Section 4-9
SECTION 5 – SAMPLE CONTRACT

**Typical Contract Provisions:** Among its other requirements, the Agency’s Typical Contract for the performance of the residential inspection, evaluation, and potential installation work of the nature and scope within this “Request for Proposal” contains provisions pertaining to: “Insurance types (General Liability, Automobile, Worker’s Compensation, & Employers Liability) and minimum amounts, deductibles, verification, and various other insurance provisions.”

Additionally, and notwithstanding its other unnamed provisions, the Typical Contract also contains provisions pertaining to “Legal Relations & Responsibilities (CA Labor Code Sections 1810 to 1817, Liens, Indemnification, Conflict of Interest, Equal Opportunity, Dispute Resolution (Arbitration), Prevailing Wages, Worker’s Legal Status, Fitness for Duty, Governing Law, and Liquidated Damages.”

All Contractors intending to submit proposals to perform the work described under this Request for Proposal specification shall fully inform themselves of the provisions of the Agency’s Typical Contract for the performance of such inspection and maintenance services work before making their proposals; so that there will be no delays in executing an awarded contract for such work. All questions about insurance requirements should be directed to Warren Green, Manager of Contracts and Facilities Services, 909-893-1709.

(This space intentionally left blank.)
CONTRACT NUMBER: 460000XXXX
FOR
PROJECT DESCRIPTION/TITLE

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of __________, xxxx, 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 (NAME), Inc. of (CITY), California (hereinafter referred to as "Contractor") for contractor's services related to

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: ____________________________________________
   Inland Empire Utilities Agency
   Address: 6075 Kimball Avenue, Bldg. ( )
   Chino, California 91708
   Telephone: (909)993-___________
   Facsimile: (909)993-198________
   Email: ____________________________________________

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

   Contractor:
   Address:
   Telephone:
   Facsimile:
   Email:

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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 4600000XXX.
   B. Contract Number 4600000XXX General Terms and Conditions.
   C. Contractor’s Proposal dated ( ).
   D. Agency’s Request for Proposal (RFP) ( ) dated ( ).

4. **SCOPE OF WORK AND SERVICES:** Contractor services shall be in accordance with Contractor’s proposal dated ( ), which is attached hereto as Exhibit A, incorporated herein and made a part hereof. (List of task can be added herein).

**DELIVERABLE:**

Contractor shall deliver to the Agency’s Project Manager..... by (DATE).

5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate on ( DATE ), unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. **COMPENSATION:** Agency 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 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 ( ).

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, with a copy to the 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 NOT-TO-EXCEED Amount and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth in the Amendment. In compensation for the work completed under this contract, Contractor shall be paid a maximum NTE amount of ($ ) for all services and expenses.

7. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the work schedule. If performance of the Work falls behind schedule, the Contractor 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 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 work schedule.
8. **FITNESS FOR DUTY:**

   A. **Fitness:** Contractor and its SubContractor 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:** Contractor 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. Contractor shall impose these requirements on its SubContractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

9. **INSURANCE:** During the term of this Contract, the Contractor 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.

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 Contractor 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 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.

   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. Professional Liability (Errors and Omissions): Insurance appropriates to the Contractor's profession, with limit no less than $1,000,000 per occurrence or claim, $2,000,000 aggregate.

4. 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: Contractor shall furnish the Agency with certificates of Insurance and with original endorsements effecting coverage required by the Agency for themselves and all sub-Contractors, working on the project, prior to commencing work or allowing any sub-Contractor to commence work under any sub-contract. 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: Contractor shall submit all required certificates and endorsements to the following:

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

10. 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:** Consistent with the standard of skill and care set forth in 10.A, Professional Responsibility, the Contractor 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 Contractor 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 Contractor’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 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. **Grant/Loan Funded Projects:** This is a **not** a grant funded project. For grant/loan-funded projects, the Contractor 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 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. 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, Contractor 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, Contractor shall notify the Project Manager, in writing, detailing the dispute and reason for Contractor's position. Any dispute that cannot be resolved between the Project Manager and the Contractor 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 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 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 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, 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 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.

11. INDEMNIFICATION: Contractor 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 Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.

12. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency 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 Contractor and/or the Contractor's subContractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor 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 and documents shall not be changed or used for purposes other than those set forth in the Contract without the prior written approval of Contractor. If Agency reuses the materials and documents without Contractor's prior written consent, changes or uses the materials and documents other than as intended hereunder, Agency shall do so at its sole risk and discretion, and Contractor 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.
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 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 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. 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 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 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.
4. Notwithstanding anything to the contrary herein, Contractor’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 Contractor. If the Agency reuses the Work or Documentation without Contractor’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 Contractor 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 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.

15. INFRINGEMENT: Contractor 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.

Contractor 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 Contractor’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.

Contractor 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

Contractor: Name
Title
Company
Address

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 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.

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 Contractor of any requests for disclosure of any documents pertaining to Contractor.

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, 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 Contractors' 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.

20. **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.

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 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.

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 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*)

________________________  ________________________
P. Joseph Grindstaff     Signatory Name
General Manager         (Date)                        (Date)

__________  ________________________
                Signatory Title
Proposal for Infiltration Restoration for Victoria Basin

RFP-HD-16-006

Attn: Harlan Delzer

Jeremy Harris
Jeremy Harris Construction, Inc.
President
SECTION 3 - FORMS

SUMMARY FEE SCHEDULE "A"

Each Offeror shall attach their fully completed fee schedule, identifying and including all skill level classifications, as well as any associated administrative (office) fees, if any. All proposed prices shall be stated in terms of a net price to the Agency.

A. FEE INCLUSION STATEMENT: Offerors shall fully complete this Summary Fee Schedule and return it with their proposal. All proposed fees will be stated as a NET-PRICE, whereas the NET-PRICE shall represent the total and final cost to the Agency for providing professional services listed. The NET-PRICE shall include all proposed costs associated with all labor, equipment, transportation, overhead, profit, insurance, taxes, fees, incidentals, and any/all other related costs necessary to complete the services required.

B. PROPOSED FEE FOR CONTRACTOR'S SERVICES:

Offeror shall complete this Proposal Price Schedule and return it with their submittal. All proposed prices shall include all labor, equipment, materials, transportation, overhead, travel, profit, insurance, sales and other taxes, licenses, incidentals, and all other related costs necessary to meet the work requirements. At any time, IEUA may require that these cost components be further broken out, itemized, and disclosed.

Task A: Cutting and Windrowing of (7,161 cubic yards) Silt Material

Proposed cost in Lump-Sum amount: $16,128.00

Secondary Bid Item: In the event that the volume of silt materials to be cut and windrowed from within the Basin is more or less than the estimated 7,161 cubic yards, the contract cost will need to be amended accordingly. The price, per cubic yard, quoted, below, will be used to adjust the contract cost up or down as needed:

Credit/Debit for the cutting and windrowing of silt material: _________ 2.25 _____ / cubic yard

Task B: Loading, Hauling, and Disposing of (7,161 cubic yards) Silt Materials

Proposed cost in Lump-Sum amount: $56,380.00

Secondary Bid Item: In the event that the volume of silt materials to be loaded, hauled, and disposed of from within the Basin is more or less than the estimated amount, the contract cost will need to be amended accordingly. The price, per cubic yard, quoted, below, will be used to adjust the contract cost up or down as needed:

Credit/Debit for the loading, hauling, and disposing of silt material: _________ 7.87 _____ / cubic yard

Task C: Ripping and Smoothing of the Basin Floor

Proposed cost in Lump-Sum amount: $31,104.00

Total Proposed Cost in Lump-Sum amount: $103,612.00

REQUEST FOR PROPOSAL: RFP-HD-16-006

Section 3-1
C. Each Offeror shall indicate the availability and the magnitude of any discount related to expedited payment of any or all invoices.

   Expedited Payment Discount, if any (to be considered as part of this proposal):
   1. i.e., if Net 20, then ________ 1 ________% discount
   2. i.e., if Net 15, then ________ 1 ________% discount
   3. i.e., if Net 10, then ________ 2 ________% discount

Warrants: On behalf of the afore identified “Contractor” company, the undersigned warrants that the Company has the equipment and manpower necessary to successfully complete the described work within the time frame specified within the "Request for Proposal" and that the Company will be ready and able to begin working under such contract within 5 days of receiving notice, either written or verbal. The Agency reserves the right to accept the Proposal that it determines to be in the best interests of the Agency and to reject any or all Proposals should it determine that to proceed is not in its best interests.

D. **PROPOSAL SIGNATURE:** THE UNDERSIGNED AGREES, IF THIS PROPOSAL IS ACCEPTED BY THE AGENCY WITHIN 90 CALENDAR DAYS AFTER THE DATE OF THE PROPOSAL CLOSING, TO SUPPLY SERVICES AS SPECIFIED IN STRICT ACCORDANCE WITH THE REQUEST FOR PROPOSAL SPECIFICATIONS.

Jeremy Harris Construction, Inc.

Jeremy Harris
Printed Name

Jeremy Harris
President

May 2, 2016
Date

REQUEST FOR PROPOSAL: RFP-HD-16-006
OFFEROR IDENTIFICATION

1. Legal Name of Offeror: Jeremy Harris Construction, Inc.

2. Street Address: 19466 Lurin Avenue; Riverside, CA 92508

3. Mailing Address: 19466 Lurin Avenue; Riverside, CA 92508


5. Facsimile Telephone: 951-789-0089

6. Offeror's e-mail address: info@jhcinc.net

7. Type of Business:
   - [ ] Sole Proprietor
   - [ ] Partnership
   - [X] Corporation

   Other:

   If corporation, indicate State where incorporated: California

8. Business License number issued by the City where the Offeror's principal place of business is located.
   - Number: 0146877
   - Issuing City: Riverside

9. Federal Tax Identification Number: 46-1687008

10. California Contractor's (License) Number: 924979

11. California DIR (Registration) Number: 1000001177

12. Offeror's (Project Manager) Contact: Jeremy Harris

13. Offeror's PM Contact Telephone Number: 909-234-8264

14. Offeror's PM E-mail contact information: info@jhcinc.net

(This space intentionally left blank.)

REQUEST FOR PROPOSAL: RFP-HD-16-006

Section 3-3
REFERENCES

Provide at least three (3) references for the “Project” for which you would like to be considered, where you or your firm provided similar services within the last five (5) years. (Please copy this form as many times as needed.)

<table>
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<th>COMPANY</th>
<th>CONTACT PERSON</th>
<th>CITY</th>
<th>PHONE NUMBER</th>
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TYPE OF SERVICES PROVIDED (Note: Please attach a “typical” invoice, for the services provided.)

<table>
<thead>
<tr>
<th>City of Riverside</th>
<th>Leo Ferrando</th>
<th>Riverside, CA</th>
<th>951-826-5694</th>
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</thead>
<tbody>
<tr>
<td>Chino Basin Water Conservation District</td>
<td>David Lounsbury</td>
<td>Sacramento, CA</td>
<td>916-441-8850</td>
</tr>
<tr>
<td>City of Yucaipa</td>
<td>Chuck Collett</td>
<td>Yucaipa, CA</td>
<td>909-797-2489 x256</td>
</tr>
</tbody>
</table>

SUBCONTRACTOR(S)

List any sub-Contractors who performed services, on your firm’s behalf, at the referenced project described above.

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DIR Registration Number (if applicable):

Business License Number: City:

Insurer:

Brief description of their services:

REQUEST FOR PROPOSAL: RFP-HD-16-006

Section 3-4
# PROGRESS PAYMENT REQUEST

**JEREMY HARRIS CONSTRUCTION, INC.**

19468 Lurin Avenue  
Riverside, CA 92808  
951/215-0771 Office  
951/789-0089 Fax  
Lic. # 924979

**TO:** City of Riverside, CA  
3900 Main Street  
Riverside, CA 92522

**INVOICE DATE:** 3/28/2014  
**Invoice Number:** 1121

**Mockingbird Reservoir Mechanical Excavation Project, Bid No. 7181**  
**Riverside, CA**  
**PROGRESS PAYMENT No. 4**

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity Bid</th>
<th>Unit Price</th>
<th>Description</th>
<th>Bid Amount</th>
<th>Completed</th>
<th>Previous Invoiced</th>
<th>This Request</th>
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</thead>
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<tr>
<td>1</td>
<td>LS</td>
<td>$45,000.00</td>
<td>Mobilization</td>
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<td>100%</td>
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<td>Bonds, Insurance &amp; Permitting</td>
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<td>100%</td>
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<td>Silt Curtain</td>
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<td>CO-1</td>
<td>LS</td>
<td>$42,260.82</td>
<td>CHANGE ORDER No. 1</td>
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</tbody>
</table>

**TOTAL**  $581,298.42

Total this request:  $13,806.85  
Less 5% Retention:  $ (690.34)  
Total Due This Request:  $13,116.51
WORKERS' COMPENSATION CERTIFICATE

The Offeror shall execute the following form as required by the California Labor Code, Sections 1860 and 1881:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and on behalf of my firm, I will comply with such provisions before commencing the performance of the services of any contract entered into.

Jeremy Harris
Signature

Jeremy Harris Construction, Inc.
Company Name

Jeremy Harris
Printed Name

924979
Business License Number

President
Title

May 2, 2016
Date

(This space intentionally left blank.)
NON-COLLUSION AFFIDAVIT

State of California

) ss.

County of Riverside

Jeremy Harris, being first duly sworn, deposes, and says that he or she is

President (title), of Jeremy Harris Construction, Inc. ("Offeror") the party making the
foregoing proposal, that the proposal is not made in the interest of, or on behalf of, any undisclosed
person, partnership, company, association, organization, or corporation; that the proposal is genuine
and not collusive or sham; that the Offeror has not directly, or indirectly, solicited any other Offeror to
put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or
agreed with any other Offeror or anyone else to put in a sham proposal, or that anyone shall refrain
from bidding; that the Offeror has not in any manner, directly or indirectly, sought by agreement,
communication, or conference with anyone to fix the proposal fee or the Offeror or any other Offeror, or
to fix any overhead, profit, or cost element of the proposal fee, or of that of any other Offeror, or to
secure any advantage against the public body awarding the Contract of anyone interested in the
proposed Contract; that all statements contained in the proposal are true; and, further, that the Offeror
has not, directly or indirectly, submitted his or her proposal fee or any breakdown thereof, or the
contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to
any corporation, partnership, company association, organization, proposal depository, or to any
member or agent thereof to effectuate a collusive or sham proposal.

Jeremy Harris Construction, Inc.

Jeremy Harris
Printed Name

924979
Business License Number

President
Title

4/29/16
Date

(This space intentionally left blank.)
CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

[A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF Riverside

On April 29, 2016 before me, Shana Cesario Notary Public, (here insert name and title of the officer) personally appeared Jeremy Hartley

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]
(Seal)

OPTIONAL

Description of Attached Document

Title or Type of Document: Non-Collateral Agreement Number of Pages: 1

Document Date: April 29, 2016 Other:

WAIVER/RELEASE OF LIABILITY

I, the undersigned, on behalf of Jeremy Harris Construction, Inc. (hereinafter called Contractor) fully understand that the storage or leaving of any and all Contractor-owned equipment, materials, and supplies at the Agency’s facilities during the term of the contract, exposes Contractor to the risk of, but not limited to, theft, fire damage, vandalism, water damage, wind damage, and possible personal injury to Contractor’s employees. For the privilege of storing/leaving any and all Contractor-owned equipment, materials, and supplies at the Agency’s facilities, Contractor agrees to assume any and all such risks.

In consideration of being able to store/leave said equipment, materials, and supplies at the Agency’s facilities, Contractor hereby releases, agrees not to sue, or bring any action against, the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers for any and all liability, claims, or actions for injury or death to Contractor’s employees, or damage or theft of said property arising out of or in connection with the storage or leaving of said item(s) for whatever cause, including the active or passive negligence of the Inland Empire Utilities Agency, its officers, employees, agents, representatives, and volunteers.

I have carefully read this Waiver/Release of Liability and covenant not to sue, and fully understand its contents, and the possible exposures that Contractor is agreeing to assume. I am aware that this Waiver/Release of Liability is a full release of any and all liability. I am signing such as the authorized agent of Contractor, and of my own free will.

By: ____________________________

Representative’s signature

Jeremy Harris ____________________________ May 2, 2016

Print Name Date

President

Title

Approved:

(Agency GWR Department Coordinator’s signature)

(This space intentionally left blank.)
EXCEPTION FORM

Should your firm take exception to ANY of the terms and conditions or other content provided in this "Request for Proposal," please list the exceptions below. THIS COMPLETED FORM MUST BE RETURNED WITH YOUR PROPOSAL. (Make additional copies of this form as necessary)

If no exception(s) are determined or taken, enter "NONE" (to the right of the Section Title) for the first item, below.

Page Number: ____  Section Title: ______  NONE

Paragraph Number: ___  Exception Taken:
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

Page Number: ____  Section Title: ______

Paragraph Number: ___  Exception Taken:
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

Page Number: ____  Section Title: ______

Paragraph Number: ___  Exception Taken:
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

Page Number: ____  Section Title: ______

Paragraph Number: ___  Exception Taken:
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

REQUEST FOR PROPOSAL: RFP-HD-16-006  Section 3-8
BID BOND

KNOW ALL MEN BY THESE PRESENTS,

That __________ Jeremy Harris Construction, Inc. __________, as
Principal

and __________ American Contractors Indemnity Company __________, as
Surety

are held and firmly bound unto the Inland Empire Utilities Agency, hereinafter designated as
the "Agency", in the sum of _____Ten Percent of the Amount Bid_______ dollars, (not less than ten (10)
percent of the total amount of the bid) for the payment of which sum will and truly to be made,
we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and
severally, firmly by these presents.

WHEREAS, said Principal has submitted a bid to said Agency to perform all work required
under the bidding schedule(s) titled: RFP-HD-16-006: Infiltration Restoration at Victoria Basin

NOW, THEREFORE, if said Principal is awarded the Contract by said Agency and within the
time and in the manner required under the "Instructions to Bidders" bound with said
Specifications, enters into a written Contract and furnishes the "Agreement" bound with said
Specifications and furnishes the required bonds and verification of insurance, then this
obligation shall be null and void, otherwise it shall remain in full force and effect. In the event
a suit is brought upon this bond by said Owner and judgement is recovered, said Surety shall
pay all costs incurred by said Owner in such suit, including a reasonable attorney's fee to be
fixed by the Court.

SIGNED AND SEALED, this __________ day of _____April_______, 2016

Jeremy Harris Construction, Inc.
Principal (print name)

By: ________________ (Corporate Seal)

Bond Number CSBA-1993

Original Implementation Date 11/1/91 Revised 10/1/96; 9/21/00; 02/06/02; 2/12/02; 02/27/04; 6/18/04; 07/1/06; 04/23/07
SECOND PAGE OF BID BOND

Bidding Schedule(s) titled:  RFP-HD-16-006: Infiltration Restoration at Victoria Basin

American Contractors Indemnity Company
Shaunna Burchfiel
Surety agent (print name)

By. [Signature] Shaunna Burchfiel, Attorney-In-Fact

(Surety Seal)

Surety address

American Contractors Indemnity Company

625 The City Drive So., Ste. 130

Orange, CA 92868

ATTACH POWER-OF-ATTORNEY AND NOTARIAL ACKNOWLEDGEMENT OF SURETY BELOW

Original Implementation Date 11/1/91 Revised 10/1/99; 9/21/00; 1/22/02; 2/12/02; 2/27/04; 9/15/04; 6/15/06; 4/23/07
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of Orange

On April 28th, 2016 before me, Karen L. Ritto, Notary Public, I, Shaunn Burchfield, personally appeared as follows:

Signature of Notary Public: Karen L. Ritto

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document
Title or Type of Document: Bid Bond

Document Date: 4/28/16 Number of Pages: Two

Signer(s) Other Than Named Above: Shaunn Burchfield

Capacity(ies) Claimed by Signer(s)

□ Individual
□ Corporate Officer — Title(s):
□ Partner □ Limited □ General
☑ Attorney in Fact
□ Trustee
□ Guardian or Conservator
□ Other:

Signer is Representing:

Signature

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer’s Name:
□ Individual
□ Corporate Officer — Title(s):
□ Partner □ Limited □ General
□ Attorney in Fact
□ Trustee
□ Guardian or Conservator
□ Other:

Signer is Representing:

Signature

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here
POWER OF ATTORNEY

AMERICAN CONTRACTORS INDEMNITY COMPANY  TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY  U.S. SPECIALTY INSURANCE COMPANY

BY THESE PRESENTS, the undersigned, American Contractors Indemnity Company, a California corporation; Texas Bonding Company, an assumed name of American Contractors Indemnity Company; United States Surety Company, a Maryland corporation; and U.S. Specialty Insurance Company, a Texas corporation (collectively, the “Companies”), do by these presents, make, constitute and appoint:

Daniel Huciabay, Andrew Waterbury, Arturo Ayala, Dwight Reilly,
Shauna Burchiel or Michael Castaneda of Orange, California

hereunto Attorney(s) in fact, in the full and absolute capacity if any person or persons hereinafter named, with full power of substitution, in the name, place and stead of the Companies, to acknowledge any and all bonds, recognizances, or other instruments or contracts of suretyship to include riders, amends, and consents of surety, providing the bond penalty does not exceed $20,000,000.00.

This Power of Attorney shall expire without further action on December 20, 2017. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereeto affixed, this 1st day of December, 2014.

By: Daniel P. Aguilar, Vice President

I, Michael Chalekson, Assistant Secretary of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

By Michael Chalekson, Assistant Secretary

Corporate Seals

Date: 2016

Signature: Michael Chalekson, Assistant Secretary
CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed
the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that
document.

STATE OF CALIFORNIA

COUNTY OF Riverside

On 12/31/2016 before me, Shana Cesario Notary
Public,

Date (here insert name and title of the officer)

personally appeared Jeremy Matthews

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:

SHANA CESARIO
COMM. #2003366
Notary Public - California
RIVERSIDE COUNTY

OPTIONAL

Description of Attached Document

Title or Type of Document: Bid Bond Number of Pages: 1

Document Date: 12/31/2016 Other:
# Certificate of Liability Insurance

**Certificate Number:** 93215

**Issued By:**
- **Producer:** Baccarella Insurance Services, Inc.
  - Phone: (777) 377-5608
  - Fax: (777) 377-4669
  - Email: john@bacins.com
- **Insured:** Jeremy Harris Construction, Inc.
  - Address: 19458 Lurin Avenue, Riverside CA 92509

**Date:** 04/17/2016

---

### Coverages

- **Type of Insurance:** Commercial General Liability
- **Policy Number:** TEN118647

#### Limits
- **Each Occurrence:** $1,000,000
- **Surplus to Limits:** $1,000,000
- **Medical Expenses:** $5,000
- **Personal and Advertising Injuiy:** $1,000,000
- **General Aggregate:** $2,000,000
- **Products-Completed Operations Aggregate:** $2,000,000

#### Description of Operations
- **Builders Risk & Ooze & Flood**
  - **Policy Number:** IMP1230336
  - **Date:** 04/21/16
  - **Deductible:** $1,500,000 at Construction Site $5000 Ded

- **Employers - Sold & Leased Realted**
  - **Policy Number:** D41M613381
  - **Date:** 04/15/17
  - **Exposure:** $870,000 $2500 Ded

---

**Certificate Holder:**

**Cancellation:**

**Authorized Representative:**

---

The ACORD name and logo are registered marks of ACORD.
ACTION ITEM

3A
Date: July 20, 2016

To: The Honorable Board of Directors

From: Jean Cihigoyenetch, General Counsel

Subject: Filling Vacant Seat on the Board of Directors

RECOMMENDATION

It is recommended that the Board of Directors consider and act upon one of the following options:

1. Appoint an individual to fill the vacancy on the Board of Directors, based upon the applications filed with the District;

2. Establish a process to conduct further interviews of current applicants; or

3. Schedule a special meeting of the Board of Directors to conduct further discussion of the current slate of applicants.

BACKGROUND

At its most recent Board meeting, the Board of Directors determined that the vacant board seat created by the passing of Director Gene Koopman would be filled by appointment. Notice of the vacant seat was posted in three conspicuous places within the District as well as published in a newspaper of general circulation within the District.

By order of the Board of Directors, the application period ended on July 15, 2016. Three applications to fill the vacant seat have been submitted. The applications have been distributed to the Board members for review and consideration.

The appointment process must be completed on or before August 15, 2016. There is no specific appointment process outlined in the Government Code, and it is at the discretion of the Board of Directors to establish their own procedures, so long as the time deadlines prescribed by law are met.

Three alternative courses of action have been outlined in the recommendations set forth above. The Board of Directors should select one course of action from the alternatives at this time.
PRIOR BOARD ACTION

On June 15, 2016 the Board of Directors approved utilizing the appointment process to fill the vacant seat on the Board of Directors. A process to advertise the position and a cut-off date for the submission of applications was also established.

IMPACT ON BUDGET

This action item is not expected to have an impact on the budget.

JC/jr
Engineering and Construction Management Project Updates
July 2016
EN13018 – Montclair Diversion Structure Rehabilitation

- Contractor: J.F. Shea
- Current Contract (Construction): $560 K
- Total Project Budget: $3 M
- Scope of Work: Install three remotely operated electric actuated stainless steel slide gates and upgrade the metering station
- Anticipated Completion: July 2016
- Percent Complete: 96%
- Current Activities:
  - Paving
  - Site restoration
- Focus Points:
  - Coordinate power installation with SCE
  - Coordinate communications install with Frontier
EN15008 – Water Quality Laboratory

- Contractor: Kemp Bros. Construction, Inc.
- Current Contract (Construction): $17 M
- Total Project Budget: $25 M
- Scope of Work: Construction of the Water Quality Laboratory Building and Central Chiller Plant Expansion
- Current Activities:
  - Preconstruction meeting
  - Preliminary baseline schedule
  - Project documentation prior to mobilization
- Project Completion: August 2018
- Percent Complete: 2%
- Focus Point:
  - Complete baseline schedule
  - Finalize schedule of values
  - Shop drawing submittals
EN16067 – RP-1 DAF’s Plug Valve Replacement

- Contractor: Ferreira Construction
- Current Contract (Construction): $85 K
- Total Project Budget: $120 K
- Scope of Work: Remove & replace four (4) DAF valves for liquid overflow to the Trickling Filter Pump Station
- Current Activities:
  - Administrative activities for project closeout
- Project Completion: June 2016
- Percent Complete: 100%
- Focus Point:
  - Project closeout
EN16071 – San Bernardino Avenue Gravity Sewer

- Engineering Consultant: TKE
- Current Contract (Design): $36 K
- Total Project Budget: $1.5 M
- Scope of Work: Design and construct 1,300 linear feet of sewer pipe in San Bernardino Avenue to take flows from Prologis to IEUA per agreement
- Current Activities:
  - Completed sewer lateral verification
  - Design is 95% complete
- Project Completion: February 2017
- Focus Point:
  - Advertise project to prequalified contractors
  - Contract award September 2016
EN17040 – RP-1 Aeration Basin Panel Repairs

- Engineering Consultant: RMC Water and Environment and in-house
- Current Contract (Design): $16 K
- Total Project Budget: $2.1 M
- Scope of Work: Repair/replacement of all aeration panels in the six aeration trains. (Project will be combined with the RP-1 Mixed Liquor Return Pumps, Project No. EN16024)
- Current Activities:
  - Design is 100% complete
- Project Completion: January 2017
- Focus Point:
  - Advertise project to prequalified contractors
  - Contract award September 2016
EN16013 – RP-4 Lighting Improvements

- Contractor: Facility Solutions Group
- Current Contract (Construction): $293 K
- Total Project Budget: $400 K
- Scope of Work: Upgrade Lighting Fixtures to LED at RP-4 and IERCF
- Current Activities:
  - Installing wall mounted exterior lighting fixtures
- Project Completion: July 2016
- Percent Complete: 95%
- Focus Point:
  - Install interior lights and sensors
  - Monitor savings
  - Project closeout
State Water Project
Connecting California's Water
Key SWP facilities:
- Lake Oroville
- Bay Delta
- San Luis Reservoir
- Edmonston Pumping Plant
- Pearblossom Pumping Plant
- Rialto Pipeline to IEUA
Origin of SWP water

- Main source for the SWP is from the Feather River watershed.
FAQs

- Captures water from the 3,900 sq. mile Feather River watershed
- Upper most and largest reservoir in the SWP
- Tallest dam in the US at 770-ft and 1-mile crest
- Capacity of 3.5 million AF (~40% of CA’s urban water demand)
- Current Storage 80% of Capacity – 2.8 Million AF
- Innovative design, allows water releases at various temperatures
- Produces up to 120 MW (~5% of total SWP energy need)
- Discharges converge with the Sacramento River
Date: July 20, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (07/13/16)

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: Treasurer's Report of Financial Affairs

RECOMMENDATION

The Treasurer's Report of Financial Affairs for the month ended May 31, 2016, is an informational item for the Board of Director's review.

BACKGROUND

The Treasurer's Report of Financial Affairs for the month ended May 31, 2016, is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2015-6-3).

Total cash, investments, and restricted deposits of $185,830,404 reflects an increase of $10,527,058 compared to the total reported for April 2016. The increase was primarily due to capital call proceeds and property tax receipts. As a result, the average days of cash on hand for the month ended May 31, 2016, increased from 258 days to 283 days. Average days of cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency’s cash flow. New connection fees collected and held by member agencies are excluded from the days of cash on hand calculation.

The Agency’s investment portfolio average rate of return in May 2016 was 0.791%, a slight decrease of 0.012% compared to the average yield of 0.803% reported in April 2016. The decrease can be attributed to called securities with high yield earnings rate.
The Financial Affairs report is consistent with the Agency’s Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The interest earned on the Agency’s investment portfolio increases the Agency’s reserves.

Attachment: May 2016 Treasurer’s Report of Financial Affairs
TREASURER'S REPORT OF FINANCIAL AFFAIRS
For the Month Ended May 31, 2016

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

All investment transactions have been executed in accordance with the criteria stated in the Agency’s Investment Policy (Resolution No. 2015-6-3) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on June 17, 2015.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

* A Municipal Water District
**INLAND EMPIRE UTILITIES AGENCY**

**Cash and Investment Summary**

Month Ended
May 31, 2016

<table>
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<tr>
<th>Cash, Bank Deposits, and Bank Investment Accounts</th>
<th>May</th>
<th>April</th>
</tr>
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<tbody>
<tr>
<td><strong>Investments</strong></td>
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</tr>
<tr>
<td>Citizens Business Bank (CBB) Repurchase (Sweep)</td>
<td>$22,982,475</td>
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<td>Local Agency Investment Fund (LAIF)</td>
<td>30,498,767</td>
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<td>CalTrust</td>
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<td>California Asset Management Program (CAMP)</td>
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<td>Certificates of Deposit</td>
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<td>Medium Term Notes</td>
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<td>U.S. Treasury Notes</td>
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<td>U.S. Government Sponsored Entities</td>
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<td><strong>Total Investments</strong></td>
<td>$113,443,846</td>
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<tr>
<th>Total Cash and Investments Available to the Agency</th>
<th>May</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$117,369,496</td>
<td>$109,079,333</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Restricted Deposits</th>
<th>May</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Accounts</td>
<td>$2,544,730</td>
<td>$2,544,729</td>
</tr>
<tr>
<td>CCRA Deposits Held by Member Agencies</td>
<td>56,764,658</td>
<td>56,502,181</td>
</tr>
<tr>
<td>OPEB (CERBT) Account</td>
<td>9,151,320</td>
<td>7,147,027</td>
</tr>
<tr>
<td>Escrow Deposits</td>
<td>-</td>
<td>30,076</td>
</tr>
<tr>
<td><strong>Total Restricted Deposits</strong></td>
<td>$68,460,908</td>
<td>$66,224,013</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Cash, Investments, and Restricted Deposits</th>
<th>May</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$185,830,404</td>
<td>$175,303,346</td>
</tr>
</tbody>
</table>
## INLAND EMPIRE UTILITIES AGENCY  
### Cash and Investment Summary  
#### Month Ended  
#### May 31, 2016  

### Cash, Bank Deposits, and Bank Investment Accounts  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBB Demand Account (Offset by CBB Sweep Balance)</td>
<td>$1,854,018</td>
</tr>
<tr>
<td>CBB Workers' Compensation Account</td>
<td>$28,792</td>
</tr>
<tr>
<td>Bank of America (BofA) Payroll Account</td>
<td>$55,981</td>
</tr>
<tr>
<td>BofA Payroll Taxes Account</td>
<td>$53,360</td>
</tr>
<tr>
<td><strong>Subtotal Demand Deposits</strong></td>
<td><strong>$1,992,151</strong></td>
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### Other Cash and Bank Accounts  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Other Cash</strong></td>
<td><strong>$2,250</strong></td>
</tr>
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</table>

### Bank of the West Money Market Account  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

### US Bank Pre-Investment Money Market Account  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,931,249</td>
</tr>
</tbody>
</table>

### Total Cash and Bank Accounts  

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$3,925,650</strong></td>
</tr>
</tbody>
</table>

### Investments  

### CBB Repurchase (Sweep) Investments  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Home Loan</td>
<td>$22,982,475</td>
</tr>
<tr>
<td><strong>Subtotal CBB Repurchase (Sweep)</strong></td>
<td><strong>$22,982,475</strong></td>
</tr>
</tbody>
</table>

### Local Agency Investment Fund (LAIF)  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAIF Non-Restricted Fund</td>
<td>$30,498,767</td>
</tr>
<tr>
<td>LAIF Insurance Sinking Fund</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal Local Agency Investment Fund</strong></td>
<td><strong>$30,498,767</strong></td>
</tr>
</tbody>
</table>

### CalTrust  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term</td>
<td>$10,068,464</td>
</tr>
<tr>
<td>Medium Term</td>
<td>5,939,634</td>
</tr>
<tr>
<td><strong>Subtotal CalTrust</strong></td>
<td><strong>$16,008,098</strong></td>
</tr>
</tbody>
</table>

### California Asset Management Program (CAMP)  

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pool</td>
<td>$5,003,735</td>
</tr>
<tr>
<td><strong>Subtotal CAMP</strong></td>
<td><strong>$5,003,735</strong></td>
</tr>
</tbody>
</table>
INLAND EMPIRE UTILITIES AGENCY  
Cash and Investment Summary  
Month Ended  
May 31, 2016

**Investments Continued**

**Certificates of Deposit**  
Brokered Certificates of Deposit  
Subtotal Certificates of Deposit  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokered Certificates of Deposit</td>
<td>$3,874,000</td>
</tr>
<tr>
<td>Subtotal Certificates of Deposit</td>
<td>$3,874,000</td>
</tr>
</tbody>
</table>

**Medium Term Notes**  
John Deere Capital Corp. : $1,001,133  
Toyota Motor Credit Corp. : $2,000,000  
JP Morgan Chase & Co. : $999,311  
Johnson & Johnson : $2,024,164  
Microsoft : $2,073,473  
Subtotal Medium Term Notes  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Deere Capital Corp.</td>
<td>$1,001,133</td>
</tr>
<tr>
<td>Toyota Motor Credit Corp.</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>JP Morgan Chase &amp; Co.</td>
<td>$999,311</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>$2,024,164</td>
</tr>
<tr>
<td>Microsoft</td>
<td>$2,073,473</td>
</tr>
<tr>
<td>Subtotal Medium Term Notes</td>
<td>$8,098,081</td>
</tr>
</tbody>
</table>

**U.S. Treasury Notes**  
Treasury Note  
Subtotal U.S. Treasury Notes  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Note</td>
<td>$999,903</td>
</tr>
<tr>
<td>Subtotal U.S. Treasury Notes</td>
<td>$999,903</td>
</tr>
</tbody>
</table>

**U.S. Government Sponsored Entities**  
Fannie Mae Bank : $4,000,000  
Freddie Mac Bank : $5,003,909  
Federal Farm Credit Bank : $6,000,000  
Federal Home Loan Bank : $10,974,878  
Subtotal U.S. Government Sponsored Entities  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fannie Mae Bank</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Freddie Mac Bank</td>
<td>$5,003,909</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>$10,974,878</td>
</tr>
<tr>
<td>Subtotal U.S. Government Sponsored Entities</td>
<td>$25,978,787</td>
</tr>
</tbody>
</table>

**Total Investments**  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal U.S. Government Sponsored Entities</td>
<td>$25,978,787</td>
</tr>
<tr>
<td>Subtotal Investments</td>
<td>$113,443,846</td>
</tr>
</tbody>
</table>

**Restricted Deposits**  
**Debt Service Reserves**  
08B Debt Service Accounts : $2,544,720  
10A Debt Service Accounts : $2,544,730  
Subtotal Debt Service Reserves  

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>08B Debt Service Accounts</td>
<td>$2,544,720</td>
</tr>
<tr>
<td>10A Debt Service Accounts</td>
<td>$2,544,730</td>
</tr>
<tr>
<td>Subtotal Debt Service Reserves</td>
<td>$2,544,730</td>
</tr>
</tbody>
</table>
INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary
Month Ended
May 31, 2016

CCRA Deposits Held by Member Agencies
City of Chino  
Cucamonga Valley Water District  
City of Fontana  
City of Montclair  
City of Ontario  
City of Chino Hills  
City of Upland  

Subtotal CCRA Deposits Held by Member Agencies $56,764,858

CalPERS
OPEB (CERBT) Account $9,151,320

Subtotal CalPERS Accounts $9,151,320

Escrow Deposits
Genesis Construction

Subtotal Escrow Deposits $0

Total Restricted Deposits $68,460,908

Total Cash, Investments, and Restricted Deposits as of May 31, 2016 $185,830,404

Total Cash, Investments, and Restricted Deposits as of 5/31/16 $185,830,404
Less: Total Cash, Investments, and Restricted Deposits as of 4/30/16 175,303,346

Total Monthly Increase (Decrease) $10,527,058
# INLAND EMPIRE UTILITIES AGENCY
## Cash and Investment Summary

**Month Ended**  
**May 31, 2016**

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>CHANGES IN</th>
<th>Par</th>
<th>Cost Basis</th>
<th>Term</th>
<th>May</th>
<th>May</th>
<th>% Yield to Maturity</th>
<th>Maturity</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>Moody's</td>
<td>S&amp;P</td>
<td>Moody's</td>
<td>Amount</td>
<td>Amount</td>
<td>(Days)</td>
<td>Amortization</td>
<td>Value</td>
<td>%</td>
</tr>
</tbody>
</table>

### Cash, Bank Deposits, and Bank Investment Accounts

- **Citizens Business Bank (CBB)**
  - Demand Account* $1,854,018  
  - Workers' Compensation Account $28,792
  - Subtotal CBB Accounts $1,882,810

- **Bank of America (BoA)**
  - Payroll Checking $55,981  
  - Payroll Tax Checking $53,360
  - Subtotal BoA Accounts $109,341

- **Bank of the West**
  - Money Market Plus - Business Account $0
  - Subtotal Bank of the West Account $0

- **US Bank (USB)**
  - Federated Automated MMA $1,931,249
  - Subtotal USB Account $1,931,249

- **Petty Cash**
  - $2,250

**Total Cash, Bank Deposits and Bank Investment Accounts** $3,925,650

*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance

### Investments

- **CBB Daily Repurchase (Sweep) Accounts**
  - Federal Home Loan $22,982,475
  - Subtotal CBB Repurchase Accounts $22,982,475

- **LAIF Accounts**
  - Non-Restricted Funds $30,498,767  
  - LAIF Sinking Fund 0
  - Subtotal LAIF Accounts $30,498,767

- **CALTRUST Accounts**
  - Short-Term $10,068,464  
  - Medium-Term 5,939,634
  - Subtotal CALTRUST Accounts $16,008,098

- **CAMP Accounts**
  - Short-Term $5,003,735
  - Subtotal CAMP Accounts $5,003,735
## INLAND EMPIRE UTILITIES AGENCY
### Cash and Investment Summary
**Month Ended May 31, 2016**

<table>
<thead>
<tr>
<th>Credit Rating @ Purchase</th>
<th>CHANGES IN Credit Rating</th>
<th>Par</th>
<th>Cost Basis</th>
<th>Term</th>
<th>May</th>
<th>May</th>
<th>% Coupon</th>
<th>% Yield to Maturity</th>
<th>Maturity Date</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Moody's</td>
<td>S&amp;P Moody's</td>
<td>Amount</td>
<td>Amount</td>
<td>(Days)</td>
<td>Amortization</td>
<td>Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Investments (continued)</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brokered Certificates of Deposit (CDs)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ally Bank</td>
<td>N/A</td>
<td>$245,000</td>
<td>$245,000</td>
<td>551</td>
<td>$245,000</td>
<td>0.80%</td>
<td>0.80%</td>
<td>01/17/17</td>
<td>$245,240</td>
<td></td>
</tr>
<tr>
<td>Capital One National Association</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>552</td>
<td>240,000</td>
<td>0.80%</td>
<td>0.80%</td>
<td>01/17/17</td>
<td>240,235</td>
<td></td>
</tr>
<tr>
<td>Compass Bank</td>
<td>N/A</td>
<td>245,000</td>
<td>245,000</td>
<td>552</td>
<td>245,000</td>
<td>0.85%</td>
<td>0.85%</td>
<td>01/17/17</td>
<td>245,240</td>
<td></td>
</tr>
<tr>
<td>Comenity Capital Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>731</td>
<td>240,000</td>
<td>1.15%</td>
<td>1.15%</td>
<td>07/15/17</td>
<td>240,569</td>
<td></td>
</tr>
<tr>
<td>Discover Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>552</td>
<td>240,000</td>
<td>1.15%</td>
<td>1.15%</td>
<td>07/17/17</td>
<td>240,569</td>
<td></td>
</tr>
<tr>
<td>Medallion Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>733</td>
<td>240,000</td>
<td>1.20%</td>
<td>1.20%</td>
<td>07/17/17</td>
<td>240,569</td>
<td></td>
</tr>
<tr>
<td>Sailie Mae Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>743</td>
<td>248,000</td>
<td>1.15%</td>
<td>1.15%</td>
<td>11/06/17</td>
<td>249,086</td>
<td></td>
</tr>
<tr>
<td>Key Bank National Association</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>732</td>
<td>240,000</td>
<td>1.10%</td>
<td>1.10%</td>
<td>11/15/17</td>
<td>249,118</td>
<td></td>
</tr>
<tr>
<td>Capital One Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>916</td>
<td>240,000</td>
<td>1.35%</td>
<td>1.35%</td>
<td>01/16/18</td>
<td>241,062</td>
<td></td>
</tr>
<tr>
<td>Goldman Sachs Bank USA</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>916</td>
<td>240,000</td>
<td>1.40%</td>
<td>1.40%</td>
<td>01/16/18</td>
<td>241,774</td>
<td></td>
</tr>
<tr>
<td>BMW Bank of North America</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>915</td>
<td>240,000</td>
<td>1.40%</td>
<td>1.40%</td>
<td>01/17/18</td>
<td>241,774</td>
<td></td>
</tr>
<tr>
<td>American Express Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>1097</td>
<td>240,000</td>
<td>1.70%</td>
<td>1.70%</td>
<td>07/16/18</td>
<td>242,122</td>
<td></td>
</tr>
<tr>
<td>American Express Centurion Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>1097</td>
<td>240,000</td>
<td>1.70%</td>
<td>1.70%</td>
<td>07/16/18</td>
<td>242,122</td>
<td></td>
</tr>
<tr>
<td>HSBC Bank USA, NA Stop</td>
<td>N/A</td>
<td>244,000</td>
<td>244,000</td>
<td>1827</td>
<td>244,000</td>
<td>1.25%</td>
<td>2.51%</td>
<td>07/29/20</td>
<td>244,930</td>
<td></td>
</tr>
<tr>
<td>JP Morgan Chase NA Stop</td>
<td>N/A</td>
<td>244,000</td>
<td>244,000</td>
<td>1827</td>
<td>244,000</td>
<td>1.25%</td>
<td>2.32%</td>
<td>07/31/20</td>
<td>244,351</td>
<td></td>
</tr>
<tr>
<td>Synchrony Bank</td>
<td>N/A</td>
<td>240,000</td>
<td>240,000</td>
<td>1827</td>
<td>240,000</td>
<td>2.25%</td>
<td>2.25%</td>
<td>10/02/20</td>
<td>247,572</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Brokered CDs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3,974,000</td>
<td>$3,874,000</td>
<td>$0</td>
<td>$3,874,000</td>
<td>1.426%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**US Treasury Note**

<table>
<thead>
<tr>
<th>US Treasury Note</th>
<th>US Treasury Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>AAA</td>
</tr>
<tr>
<td><strong>US Treasury Note</strong></td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td>AAA</td>
</tr>
<tr>
<td>1,000,000</td>
<td>999,463</td>
</tr>
<tr>
<td><strong>Subtotal US Treasuries</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$1,000,000</strong></td>
<td><strong>$999,463</strong></td>
</tr>
</tbody>
</table>

**U.S. Government Sponsored Entities**

<table>
<thead>
<tr>
<th>U.S. Government Sponsored Entities</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Home Loan Bank</td>
<td>N/A</td>
<td>AAA</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>355</td>
<td>$2,000,000</td>
<td>0.30%</td>
<td>0.30%</td>
<td>06/20/16</td>
</tr>
<tr>
<td>Freddie Mac Bond</td>
<td>AA+</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>722</td>
<td>(64)</td>
<td>2,000,792</td>
<td>0.85%</td>
<td>0.81%</td>
</tr>
<tr>
<td>Freddie Mac Bond</td>
<td>AA+</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>714</td>
<td>2,000,000</td>
<td>1.05%</td>
<td>1.05%</td>
<td>05/10/15</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>AA+</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,100</td>
<td>2,000,000</td>
<td>1.20%</td>
<td>1.20%</td>
<td>06/29/18</td>
</tr>
<tr>
<td>Fannie Mae Bond</td>
<td>AA+</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,097</td>
<td>2,000,000</td>
<td>1.20%</td>
<td>1.20%</td>
<td>11/28/18</td>
</tr>
<tr>
<td>Fannie Mae Bond</td>
<td>AA+</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,459</td>
<td>2,000,000</td>
<td>1.63%</td>
<td>1.63%</td>
<td>12/28/18</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>AA+</td>
<td>AAA</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>1,079</td>
<td>3,000,000</td>
<td>1.15%</td>
<td>1.15%</td>
<td>06/31/19</td>
</tr>
<tr>
<td>Freddie Mac Bond</td>
<td>AA+</td>
<td>AAA</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,023</td>
<td>(15)</td>
<td>1,003,117</td>
<td>1.25%</td>
<td>1.24%</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>AA+</td>
<td>AAA</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>1,186</td>
<td>3,000,000</td>
<td>1.50%</td>
<td>1.50%</td>
<td>04/26/19</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>AA+</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,460</td>
<td>2,000,000</td>
<td>1.52%</td>
<td>1.52%</td>
<td>05/24/19</td>
</tr>
<tr>
<td>Freddie Mac Bond</td>
<td>AA+</td>
<td>AAA</td>
<td>3,000,000</td>
<td>2,977,428</td>
<td>1,359</td>
<td>2,977,428</td>
<td>1.25%</td>
<td>1.25%</td>
<td>10/02/19</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>AA+</td>
<td>AAA</td>
<td>1,000,000</td>
<td>999,161</td>
<td>1,461</td>
<td>999,161</td>
<td>1.40%</td>
<td>1.43%</td>
<td>10/08/19</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>AA+</td>
<td>AAA</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,461</td>
<td>1,000,000</td>
<td>1.42%</td>
<td>1.45%</td>
<td>10/21/19</td>
</tr>
</tbody>
</table>

**Subtotal U.S. Gov’t Sponsored Entities**

(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&P)

| $26,000,000 | $25,976,560 | $559 | $25,970,787 | 1.235% | | | | | | | $26,042,640 |
## INLAND EMPIRE UTILITIES AGENCY
### Cash and Investment Summary
#### Month Ended
#### May 31, 2016

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Market</th>
<th>Date</th>
<th>Par</th>
<th>Amount</th>
<th>Cost Basis</th>
<th>Amount</th>
<th>Term</th>
<th>May Amortization</th>
<th>May Value</th>
<th>% Coupon</th>
<th>% Yield to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medium Term Notes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Deere Capital Corp</td>
<td>A</td>
<td>A2</td>
<td>$1,000,000</td>
<td>$1,004,000</td>
<td>1,754</td>
<td>(71)</td>
<td>$1,001,133</td>
<td>1.20%</td>
<td>1.11%</td>
<td>10/10/17</td>
<td>$1,001,560</td>
</tr>
<tr>
<td>Toyota Motor Credit Corp</td>
<td>AA-</td>
<td>AA3</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>1,045</td>
<td>2,000,000</td>
<td>1.10%</td>
<td>1.19%</td>
<td>04/25/18</td>
<td>1,971,960</td>
<td></td>
</tr>
<tr>
<td>JP Morgan Chase &amp; Co</td>
<td>A-</td>
<td>A3</td>
<td>1,000,000</td>
<td>999,000</td>
<td>1,037</td>
<td>30</td>
<td>999,311</td>
<td>1.63%</td>
<td>1.66%</td>
<td>05/15/18</td>
<td>1,000,320</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>AAA</td>
<td>AAA</td>
<td>2,000,000</td>
<td>2,027,480</td>
<td>1,044</td>
<td>(816)</td>
<td>2,024,164</td>
<td>1.65%</td>
<td>1.16%</td>
<td>12/05/18</td>
<td>2,028,520</td>
</tr>
<tr>
<td>Microsoft</td>
<td>AAA</td>
<td>AAA</td>
<td>2,050,000</td>
<td>2,078,691</td>
<td>1,045</td>
<td>(792)</td>
<td>2,073,473</td>
<td>1.03%</td>
<td>1.16%</td>
<td>12/06/18</td>
<td>2,076,691</td>
</tr>
<tr>
<td><strong>Subtotal Medium Term Notes</strong></td>
<td></td>
<td></td>
<td>$8,050,000</td>
<td>$8,107,171</td>
<td></td>
<td>(1,649)</td>
<td>$8,099,081</td>
<td>1.20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td></td>
<td></td>
<td>$113,417,075</td>
<td>$113,450,269</td>
<td></td>
<td></td>
<td>$113,443,846</td>
<td></td>
<td></td>
<td>$113,511,927</td>
<td></td>
</tr>
</tbody>
</table>

(Source of Investment Market Value: US Bank)

#### Restricted Deposits

<table>
<thead>
<tr>
<th>Debt Service and Arbitrage Accounts</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>0.00%</th>
<th>$2,544,730</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDB Debt Service Accounts</td>
<td>$2,544,730</td>
<td>$2,544,730</td>
<td>N/A</td>
<td>N/A</td>
<td>$2,544,730</td>
<td>0.00%</td>
<td>$2,544,730</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10A Debt Service Accounts</td>
<td>10</td>
<td>10</td>
<td>N/A</td>
<td>N/A</td>
<td>10</td>
<td>0.00%</td>
<td>10</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Debt Service Accounts</strong></td>
<td>$2,544,730</td>
<td>$2,544,730</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,544,730</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CERA Deposits Held by Member Agencies</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>$13,123,934</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chino</td>
<td>$13,123,934</td>
<td>$13,123,934</td>
<td>N/A</td>
<td>N/A</td>
<td>$13,123,934</td>
<td>N/A</td>
<td>N/A</td>
<td>$13,123,934</td>
<td></td>
</tr>
<tr>
<td>Cucamonga Valley Water District</td>
<td>12,606,876</td>
<td>12,606,876</td>
<td>N/A</td>
<td>N/A</td>
<td>12,606,876</td>
<td>N/A</td>
<td>N/A</td>
<td>12,606,876</td>
<td></td>
</tr>
<tr>
<td>City of Fontana</td>
<td>9,699,817</td>
<td>9,699,817</td>
<td>N/A</td>
<td>N/A</td>
<td>9,699,817</td>
<td>N/A</td>
<td>N/A</td>
<td>9,699,817</td>
<td></td>
</tr>
<tr>
<td>City of Montclair</td>
<td>2,568,722</td>
<td>2,568,722</td>
<td>N/A</td>
<td>N/A</td>
<td>2,568,722</td>
<td>N/A</td>
<td>N/A</td>
<td>2,568,722</td>
<td></td>
</tr>
<tr>
<td>City of Ontario</td>
<td>9,718,639</td>
<td>9,718,639</td>
<td>N/A</td>
<td>N/A</td>
<td>9,718,639</td>
<td>N/A</td>
<td>N/A</td>
<td>9,718,639</td>
<td></td>
</tr>
<tr>
<td>City of Chino Hills</td>
<td>5,482,575</td>
<td>5,482,575</td>
<td>N/A</td>
<td>N/A</td>
<td>5,482,575</td>
<td>N/A</td>
<td>N/A</td>
<td>5,482,575</td>
<td></td>
</tr>
<tr>
<td>City of Upland</td>
<td>3,564,295</td>
<td>3,564,295</td>
<td>N/A</td>
<td>N/A</td>
<td>3,564,295</td>
<td>N/A</td>
<td>N/A</td>
<td>3,564,295</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal CERA Deposits Held by Member Agencies</strong></td>
<td>$56,764,858</td>
<td>$56,764,858</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$56,764,858</td>
<td></td>
</tr>
</tbody>
</table>

(Reported total as of April 30, 2016)

<table>
<thead>
<tr>
<th>CalPERS Deposits</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>$9,151,320</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPED (CERBT) Account</td>
<td>$9,000,000</td>
<td>$9,000,000</td>
<td>N/A</td>
<td>N/A</td>
<td>$9,151,320</td>
<td>N/A</td>
<td>N/A</td>
<td>$9,151,320</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal CalPERS Deposits</strong></td>
<td>$9,000,000</td>
<td>$9,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$9,151,320</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Escrow Deposits</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genesis Construction Escrow</td>
<td>$0</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Subtotal Escrow Deposits</strong></td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Restricted Deposits</strong></td>
<td>$60,309,508</td>
<td>$60,309,508</td>
<td></td>
<td></td>
<td>$60,466,908</td>
<td></td>
<td>$60,466,908</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Total Cash, Investments, and Restricted Deposits as of April 30, 2016** | $185,652,313 | $185,685,507 |       |       | $185,830,465 |       | $185,898,486 |
## INLAND EMPIRE UTILITIES AGENCY
### Cash and Investment Summary
Month Ended
May 31, 2016

### May Purchases

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Transaction</th>
<th>Investment Security</th>
<th>Par Amount Purchased</th>
<th>Investment Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5/26/2016</td>
<td>Purchase</td>
<td>Freddie Mac Bond</td>
<td>$2,000,000</td>
<td>1.05%</td>
</tr>
<tr>
<td>2</td>
<td>5/26/2016</td>
<td>Purchase</td>
<td>Freddie Mac Bond</td>
<td>$1,003,132</td>
<td>1.25%</td>
</tr>
</tbody>
</table>

**Total Purchases**

$3,003,132

### May Investment Maturities, Calls & Sales

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Transaction</th>
<th>Investment Security</th>
<th>Par Amount Matured/Sold</th>
<th>Investment Yield to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5/24/2016</td>
<td>Full Call</td>
<td>Fannie Mae Bond</td>
<td>$4,000,000</td>
<td>1.500%</td>
</tr>
</tbody>
</table>

**Total Maturities, Calls & Sales**

$4,000,000
## INLAND EMPIRE UTILITIES AGENCY
### Cash and Investment Summary
Month Ended
May 31, 2016

<table>
<thead>
<tr>
<th>Directed Investment Category</th>
<th>Amount Invested</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBB Repurchase (Sweep)</td>
<td>$22,982,475</td>
<td>0.400%</td>
</tr>
<tr>
<td>LAIF</td>
<td>30,498,767</td>
<td>0.552%</td>
</tr>
<tr>
<td>CalTrust</td>
<td>16,008,098</td>
<td>0.826%</td>
</tr>
<tr>
<td>CAMP</td>
<td>5,003,735</td>
<td>0.490%</td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>8,098,081</td>
<td>1.201%</td>
</tr>
<tr>
<td>US Treasury Notes</td>
<td>999,903</td>
<td>0.640%</td>
</tr>
<tr>
<td>U.S. Government Sponsored Entities</td>
<td>25,978,787</td>
<td>1.235%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$109,569,846</strong></td>
<td><strong>0.768%</strong></td>
</tr>
</tbody>
</table>

### Bank Deposit and Investment Accounts

- Various Banks - Brokered Certificates of Deposit: $3,874,000 (1.426%)
- Bank of the West Money Market Account: 

| **Total Investment Portfolio**                                    | **$113,443,846**| **0.791%**|

### Investment Portfolio Rate of Return

#### Restricted/Transitory/Other Demand Accounts

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount Invested</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCRA Deposits Held by Member Agencies</td>
<td>$56,764,858</td>
<td>N/A</td>
</tr>
<tr>
<td>CalPERS OPEB (CERST) Account</td>
<td>9,151,320</td>
<td>N/A</td>
</tr>
<tr>
<td>US Bank - 2008B Debt Service Accounts</td>
<td>2,544,720</td>
<td>0.000%</td>
</tr>
<tr>
<td>Citizens Business Bank - Demand Account</td>
<td>1,854,018</td>
<td>N/A</td>
</tr>
<tr>
<td>US Bank - 2010A Debt Service Accounts</td>
<td>10</td>
<td>0.000%</td>
</tr>
<tr>
<td>US Bank - Pre-Investment Money Market Account</td>
<td>1,931,249</td>
<td>0.010%</td>
</tr>
<tr>
<td>Citizens Business Bank - Workers’ Compensation Account</td>
<td>28,792</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Accounts*</td>
<td>111,591</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total Other Accounts</strong></td>
<td><strong>$72,386,558</strong></td>
<td><strong>0.004%</strong></td>
</tr>
</tbody>
</table>

#### Average Yield of Other Accounts

- **Total Agency Directed Deposits**                             | **$185,830,405**|

*Note: Bank of America Payroll Deposits used as compensating balances for bank services.*
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended May 31, 2016
Agency Investment Portfolio (net of escrow deposits)
$185,830,405

US Treasury Notes 1%
U.S. Government Sponsored Entities 14%
Certificates of Deposit 2%
Medium Term Notes 4%
CAMP 3%
Caltrust 9%
CBB Repurchase (Sweep) 12%
LAIF 16%
Restricted Accounts 39%
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended May 31, 2016
U.S. Government Sponsored Entities Portfolio
$25,978,787

Federal Farm Bank 23%
Fannie Mae Bonds 16%
Freddie Mac Bonds 19%
Federal Home Loan Bank Bonds 42%
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended May 31, 2016
Unrestricted Agency Investment Portfolio
$113,443,846

- Local Agency Investment Fund: 27%
- Medium Term Notes: 7%
- Certificates of Deposit: 4%
- U.S. Government Sponsored Entities: 23%
- CBB Repurchase (Sweep): 20%
- Caltrust: 14%
- US Treasuries: 1%
- CAMP: 4%
**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
*For the Month Ended May 31, 2016*

*Agency Investment Portfolio Maturity Distribution*  
*$113,443,846*$

<table>
<thead>
<tr>
<th>Maturity Distribution</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30 Days</td>
<td>$51,510,600</td>
<td>65.67%</td>
</tr>
<tr>
<td>31-180 Days</td>
<td>$2,000,000</td>
<td>1.76%</td>
</tr>
<tr>
<td>181-365 Days</td>
<td>$1,729,903</td>
<td>2.07%</td>
</tr>
<tr>
<td>366-730 Days</td>
<td>$8,937,925</td>
<td>8.09%</td>
</tr>
<tr>
<td>2 to 3 Years</td>
<td>$18,580,065</td>
<td>16.38%</td>
</tr>
<tr>
<td>Over 3 Yrs</td>
<td>$7,702,878</td>
<td>6.79%</td>
</tr>
</tbody>
</table>

July 2016

Board Meeting
## Report of Financial Affairs

### Liquidity

<table>
<thead>
<tr>
<th>Description</th>
<th>May 2016 ($ million)</th>
<th>April 2016 ($ million)</th>
<th>Increase (Decrease) ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash, Investments, and Restricted Deposits</td>
<td>$185.8</td>
<td>$175.3</td>
<td>$10.5</td>
</tr>
<tr>
<td>Total Investment Portfolio</td>
<td>$113.4</td>
<td>$107.3</td>
<td>$6.1</td>
</tr>
<tr>
<td>Investment Portfolio Yield</td>
<td>0.791%</td>
<td>0.803%</td>
<td>(0.012%)</td>
</tr>
<tr>
<td>Weighted Average Duration (years)</td>
<td>0.85</td>
<td>0.94</td>
<td>(0.09)</td>
</tr>
<tr>
<td>Average Cash on Hand (days)</td>
<td>283</td>
<td>258</td>
<td>25</td>
</tr>
</tbody>
</table>

### Portfolio

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
<th>Allowable Threshold ($ million)</th>
<th>Investment Value ($ million)</th>
<th>Yield</th>
<th>Current Portfolio %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short Term, Under 1 Year:</strong></td>
<td><strong>LAIF</strong></td>
<td>$65</td>
<td>$30.5</td>
<td>0.55%</td>
<td>27.0%</td>
</tr>
<tr>
<td>CalTrust</td>
<td>$20</td>
<td>$16.0</td>
<td>0.83%</td>
<td>14.0%</td>
<td></td>
</tr>
<tr>
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Day Cash On Hand
12 Months Rolling Average

![Graph showing cash on hand over 12 months with different categories: Unrestricted Cash and Cash Equivalents, 12 Mos Rolling Disbursements, Days Cash on Hand - 12 Mos Average Exp.](image-url)
Month End Portfolio Yield Comparison
Questions?

The Treasurer’s Report of Financial Affairs is consistent with the Agency’s business goal of fiscal responsibility.
INFORMATION ITEM

4D
Date: July 20, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs and Water Resources Committee (7/13/16)

From: P. Joseph Grindstaff
General Manager

Submitted by: Kathy Besser
Manager of External Affairs

Subject: Public Outreach and Communication

RECOMMENDATION

This is an informational item for the Board of Directors to receive and file.

BACKGROUND

July
- July is Smart Irrigation Month
- July 16, Chino Community Garden Grand Opening, 9:00 am – 12:00 pm, 5976 Riverside Drive, Chino
- July 20, Employee Appreciation Picnic, 11:30 am, Butterfield Park-17671 Mystic Canyon Drive, Chino Hills

August
- August 12, San Bernardino County Water Conference, Ontario Convention Center-3400 Shelby Street, Ontario

Outreach/Education - Civic Publications Newspaper Campaign
- IEUA sent an email blast on June 15 with the subject line reading This summer---Are you AWARE of your water use? The email blast led viewers to the KickWaterWaste.com website. The email generated an open rate of 26.8% with the English speaking households and 28.3% with the Spanish speaking households. A total of 23,230 total new visitors went to the Kick The Habit landing page on KickWaterWaste.com.
- IEUA ran a spadea in the Daily Bulletin on June 12 highlighting Kick the Habit This Summer... messaging and tips.
Media and Outreach

- Staff has developed summer messaging tips and re-vamped the Kick the Habit logo to include a summer brand for messaging during the summer months. The tips focus on the State Water Resources Control Board’s permanent restrictions following the Governor’s Executive Order.
- Staff is working with Civic Publications to update and re-design the KickWaterWaste.com micro-site.
- Staff has updated the Kick the Habit movie trailer and began outreach through local theaters (Ontario Palace, Ontario Mills, Victoria Gardens). The campaign began on June 17 and will run for 14 weeks beginning June 17.
- Staff developed ads to promote “No Drugs Down the Drain” and IEUA’s Automatic Water Softener Rebate program. These ads ran in June in the Daily Bulletin, Fontana Herald News and La Opinion newspapers.
- A Kick the Habit ad ran in the Champion Newspaper’s Healthy Living section on June 18.
- IEUA staff placed a ¼ page Kick the Habit ad in the Fontana Herald News for the month of June.
- Kick the Habit bus advertisements in English and Spanish began on October 5, 2015 for an initial six month run and will continue to run for another six months. The ads are updated to include the summer messaging tips.
- In June, 22 items were posted to Facebook and 21 tweets were sent under the @IEUAwater Twitter handle.

Education and Outreach Updates

- The Water Discovery Program for school year 2015/2016 hosted 1,597 Girl Scout troop members, elementary, middle and high school students from July 1, 2015 through June 30, 2016. Staff has begun working on scheduling field trips for program year 2016/17. To date, staff has received four inquiries on scheduling field trips for the fall.
- Staff has begun scheduling outreach/program meetings with principals within the service area for school year 16/17.
- Staff has submitted to MWD the 2017 Solar Cup Interest to Participate form to sponsor three teams. Teams will need to be identified by Thursday, September 7, 2016.
- Staff is working in cooperation with Chino Basin Water Conservation District and member agency representatives to plan the Landscape Water Conservation Fair held annually in October. The Water Conservation Fair will be held Saturday, October 29, 2016.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

The above-mentioned activities are budgeted in the FY 2016/17 Administrative Service Fund, External Affairs Services budget.
INFORMATION ITEM

4E
Innovative Federal Strategies LLC
Comprehensive Government Relations

MEMORANDUM

To: Joe Grindstaff and Kathy Besser, IEUA
From: Letitia White, Jean Denton, and Drew Tatum
Date: June 30, 2016
Re: June Monthly Legislative Update

Appropriations Bills Continue to Hit Speed Bumps in the House and Senate
With the passage of the Bipartisan Budget Act of 2015, lawmakers were confident they would be able to pass all twelve appropriations bills through regular order before the beginning of the fiscal year on October 1, 2017. The Bipartisan Budget Act set the topline numbers for defense and domestic spending for FY16 and FY17, which before enactment of the agreement were subject to sequestration. The legislation, a parting gift from former Speaker John Boehner (R-OH), relied heavily on support from Democrats making it a target of the conservative wing of the Republican Party.

An obscure provision included in the agreement allowed the Senate to move forward earlier this year on FY17 spending bills without passing a budget resolution. Due to the requirement that appropriations bills must originate in the House, the Senate was able to use the leftover FY16 spending bills to begin their work on the FY17 process. In the House, what was supposed to be an easy process was halted due to infighting over a budget resolution. Conservatives objected to the budget resolution that included the new topline numbers, instead hoping for $30 billion in cuts to offset new spending. While House leaders worked throughout the spring to bring conservative Republicans on board, a budget resolution was ultimately scrapped when no agreement could be reached.

The lack of an agreement on a budget resolution did not stop either the House or Senate Appropriations Committees from beginning their work. Both Committees have steadily advanced the annual appropriations bills, with the Senate Appropriations Committee approving all twelve to date and the House approving all but two.

Under the 1974 Congressional Budget and Impoundment Control Act, appropriations bills cannot be brought to the floor until a budget resolution is in place or May 15—whichever is earlier—without procedural maneuvering. The Senate was able to bypass that provision due to the language included in the 2015 law, but the House had to wait until May 15 before proceeding.

Though the Appropriations Committees have remained committed to completing the appropriations bills, floor action has not come as easy. While the Senate’s rules allow the
leadership to block more controversial amendments from receiving a floor vote, the House had opted to use an open rule for consideration of its legislation since 2010. As in years past, appropriations legislation has been a target for controversial policy riders. This year, controversial amendments led to the defeat of the Energy and Water Appropriations Bill on the floor of the House and caused Republican leaders to rethink the process, leading to structured rules on appropriations bills. Thus far, using a structured rule in the House has shepherded the passage of the last two appropriations bills considered—including Legislative Branch and Defense. While lawmakers are continuing to chart a path forward on the Energy and Water legislation, they are moving forward with the passage of other appropriations measures.

Although the Senate has largely avoided controversy, it has not been immune. Earlier this month, Democrats staged a talking filibuster on the Commerce, Justice, Science Appropriations bill over the desire to add restrictive gun control amendments to the legislation. While Democrats and Republicans look to find a suitable compromise, the legislation has been pulled from the floor. Additionally, the MilCon-VA/Zika Appropriations conference report was also blocked in late June.

While House and Senate leaders have committed to devoting floor time to consideration of appropriations bills, they have already admitted that consideration of individual bills will spill into September. Since it takes time to resolve differences between the House and Senate passed bills, some form of a continuing resolution will likely be necessary to keep the government funded after September 30 through the November elections. With the Republican and Democratic Political Party Conventions, the traditional summer break, and another recess in October ahead of the elections, the legislative calendar for the remainder of the year is shrinking.

**SCOTUS Issues Unanimous Procedural Ruling on “Waters” Regulation**
The Supreme Court issues a unanimous ruling in *Hawkes Co. v. U.S. Army Corps of Engineers* on May 31, constraining the ability of the EPA and Army Corps to invoke the Clean Water Act and designate bodies of water on private and public lands as “waters of the United States.” The eight Supreme Court justices voted unanimously in favor of the plaintiffs, ruling that Hawkes, a company that harvests peat on land it owns in Minnesota, has the right to challenge the EPA and Army Corps’ WOTUS designation in federal courts under the Administrative Procedure Act.

The case was centered on the question of whether a non-binding jurisdictional determination—the EPA and/or Army Corps designating a body of water as WOTUS—was a “final agency action” that could be challenged in federal courts. While this decision does not affect the Clean Water Rule or scope of the Clean Water Act jurisdiction, it does check the EPA’s and Army Corps’ ability to invoke the CWA and designate water bodies as WOTUS, which strictly limits and exerts agency jurisdiction regarding landowners’ land and water use.

**Senate Energy Committee Puts Drought Legislation**
After a May 17 hearing in the Water Subcommittee of the Senate Energy and Natural Resources Committee, action on drought legislation has been light. While the Senate Energy and Natural Resources Committee was originally scheduled to hold a business meeting to markup legislation ahead of the July 4th recess, that meeting was cancelled when the Senate finished its work on the floor a day earlier than originally anticipated. While other committees kept their previously
scheduled meetings, the Energy and Natural Resources Committee opted to postpone their
meeting until after the holiday. We have been told that there are disagreements on what
legislation the committee may choose to advance at the markup, which may be why
consideration was delayed.

As you may recall, House Republicans have been adding their own drought provisions from the
Valadao bill to legislation they believe will be conferenced with the Senate. One of the most
recent cases includes the Senate’s Energy Policy Modernization Act. When the House took up
the legislation, it stripped the Senate language and copied in around three dozen of its own bills
including drought legislation that have not been considered in the Senate. Once the legislation
passed the House, Members voted to conference with the Senate. To date, the Senate has not
agreed to go to conference on the legislation. Senators are worried about the final product that
could emerge from a Conference Committee between the two chambers since the bills are
completely different. In an effort to assuage concerns in the Senate, House Natural Resources
Committee Chairman Rob Bishop (R-UT) has expressed a desire to conference a bipartisan
package that can pass both the House and Senate.

Chaos Over Gun Amendments Derail Plans in the House and Senate
After a filibuster led by Senator Christopher Murphy (D-CT) and Senate Democrats, the Senate
agreed to take four procedural votes on gun related amendments to the Commerce, Justice,
Science Appropriations Bill. Amendments that received a vote early in the week included
expanding background checks to online and gun show purchases, prohibiting gun purchased by
those on government watch lists, and Republican alternatives that would have required the
government to take action before denying the purchase of guns to those on watch lists. In each
instance, there was a 60-vote threshold for the amendment to advance, but each fell short on a
procedural vote.

Senators have been debating the best way to respond to recent shootings in Orlando and San
Bernardino by strengthening background checks and preventing individuals on select
government watch lists from purchasing weapons. However, major disagreements remain on
how to balance the need for additional scrutiny on gun purchases with Constitutional rights. The
Senate may have found a compromise in the form of an amendment offered by Senator Susan
Collins (R-ME), but consideration of the FY17 CJS Appropriations Bill has been temporarily
shelved while lawmakers look for a path forward.

After the Senate took votes on gun amendments, House Democrats demanded that the House
also take votes prior to the July 4th recess. Since there is no mechanism for House Members to
filibuster, Democrats took to the floor to stage a “sit in” on the House floor in an effort to disrupt
floor action until they received a vote on gun legislation. On Wednesday June 22 after the
morning prayer, the House recessed subject to the call of the Chair because order could not be
established. Due to House Rules, the cameras in the chamber were cut off so Democrats took to
social media to live stream their floor protest—an unprecedented action, as no recording devices
are to be used on the House floor.

Due to the ability of the presiding officer to recess the House subject to the call of the chair,
Republicans only brought the House into session for votes. After voting to pass a MilCon-
VA/Zika funding conference report, the House left early for its July 4th recess. The House was originally scheduled to meet through the end of the week before leaving town, but they are now expected to return on July 5. It is unclear how or if the disagreements on addressing gun control legislation will impact the schedule in the weeks leading up to the party conventions and traditional summer break.

**Zika Supplemental Passes House, Blocked in the Senate**
A Conference Committee formed between the House and Senate to iron out differences in the funding bill for Military Construction and Veterans Affairs along with a supplemental appropriations package regarding the Zika issued a conference report on Wednesday, June 22 ahead of the House’s scheduled recess. The Conference Committee was formed after the House and Senate advanced their own vastly different Zika proposals. Ultimately, the legislation was attached to the MilCon-VA Appropriations Bill.

The final legislation would provide $1.1 billion in funding to fight the Zika virus and prevent it from spreading in the United States and around the world. The measure includes $230 million for NIH, $476 million for the CDC (including funding for response in individual states), $85 million for BARDA R&D testing, and $165 million for USAID Global Health Operations. The Conference Report contains $750 million in offsets, including reprogramming unused funding from the Ebola crisis and the Affordable Care Act.

Objections from Democrats in the Senate have at least temporarily stalled progress on the legislation, which has already passed the House. In a procedural vote that required 60 votes, Senators did not vote to cut off debate on the legislation effectively filibustering the agreement. In addition to objections over raiding Affordable Care Act, Ebola, and HHS funding, Democrats objected to abortion and Clean Water Act provisions included in the legislation. In addition, President Obama has said he would veto the legislation if it came to his desk in its current form.

Lawmakers were attempting to meet a self-imposed July 4th deadline—a critical date in the eyes of the Centers for Disease Control. The CDC said that funding is necessary by that date in order to stop the spread of mosquitos that carry the virus and to continue the development of a vaccine. With no official negotiations ongoing, it is unclear if the House and Senate will be able to pass legislation ahead of their scheduled summer breaks.

**With Upcoming Deadline, FAA Extension Likely**
House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) hoped to pass bold reforms to air traffic control operations as part of a reauthorization package for the Federal Aviation Administration. While Shuster was able to convince his Republican committee colleagues to report the legislation to the floor, it has not moved since February 11. Chairman Shuster’s legislation would reauthorize the FAA through FY19, with some programs authorized through FY22.

In the intervening months, the Senate passed its own FAA reauthorization that would provide authorization through the end of FY17, which ends on September 30, 2017. The Senate bill does not include the controversial privatization of air traffic control operations. After passing through
the Senate Commerce Committee, the Senate spent nearly a week considering amendments to the legislation before passing it with a bipartisan vote.

Recently, Senate Commerce Committee Chairman John Thune (R-SD) and Ranking Member Bill Nelson (D-FL) have urged the House to take up the bipartisan Senate legislation in order to avoid a last minute extension. Since the current short-term authorization expires on July 15, negotiations are under way for at least a year long extension of the current authorization with policy provisions impacting security at airports. Additionally, there is hope that the legislation can be used as a vehicle for other non-controversial policy riders that have been floated by House members and that were included in the original Senate authorization legislation.

The House was originally scheduled to release the new legislation on Friday, June 24 with the intention of bringing it to the floor in early July under a suspension of the rules. However, the release was delayed due to an early adjournment for the July 4th recess. With no legislative text in hand, it is unclear if the House would have the 2/3 majority needed to bring the bill up on a suspension vote. House Transportation and Infrastructure Committee Ranking Member Peter DeFazio has threatened to withhold support for the legislation because he said it will fail to tackle all but a few of the policy issues facing aviation. "We were negotiating over some minor but important policy changes that might get done, and not hang out there for the term of an extension," DeFazio said. Lawmakers in both the House and Senate are expected to continue negotiating during the recess with the hope of reintroducing legislation in early July that will be able to pass both chambers. The current short term extension expires on July 15.

Outlook for July
The House and Senate are both scheduled to return from a short July 4th recess during the first week of the month. Both the House and Senate are scheduled to recess for the Democratic and Republican Party Conventions by July 15. The RNC will meet in Cleveland, Ohio the week of the 18th, while the Democrats will meet in Philadelphia, Pennsylvania the week of the 25th. After the conventions, lawmakers will take their traditional summer break through Labor Day.

Possible items up for consideration during the month of July include a reauthorization of the Federal Aviation Administration (or a short term extension/must pass by 7/15), possible reconsideration of a supplemental Zika appropriations bill, and the continued consideration of the 12 annual appropriations bills.
4F
June 29, 2016

To: Inland Empire Utilities Agency

From: Michael Boccadoro
President

RE: June Legislative Report

Overview:
June was a busy month for the Legislature. They adopted the Fiscal Year 2016-2017 state budget on June 15 and worked to move bills through their second-house policy committees ahead of the July 1 deadline. The state $167 Billion budget passed, as expected, by a simple majority and did not include any expenditure of Greenhouse Gas Reduction Funds. There is speculation that the Governor is holding the expenditures until a vote is taken on Senator Fran Pavley’s (D-Agoura Hills) SB 32, which would extend the Cap and Trade program and authorize 2030 and 2050 targets for greenhouse gas reductions.

A strong start to the water year has taken a turn for the worse. A dry April has left the Sierra Snowpack well below average for this time of year leading to concerns. Northern California reservoirs are sitting a close to or above 100 percent of the historical average for this time of year, while Central and Southern California reservoirs remain well below average, in most cases.

The California Public Utilities Commission has approved several pilot projects for Southern California Edison, Pacific Gas & Electric, and San Diego Gas & Electric to test whether the joint delivery of energy and water data can influence customers to turn off their tap and reduce their energy use. They will use existing SmartMeter technology to perform their tests and bring the results back to the CPUC.

The results of the most recent Cap and Trade allowance auction generated just $10 million, $490 million short of expected revenues. The pending legal challenge, lack of legislative authorization for targets past 2020, and a robust secondary trading market are all likely culprits for the dismal auction results. Some speculate that it might be a one-time dip in the market, others suggest auctions results will remain low until there is further certainty about the program.

SB 970 (Leyva), IEUA’s sponsored bill to promote the use of existing digester capacity at wastewater treatment plants for food waste diversion, successfully passed off of the Senate floor in the beginning of June as well as the Assembly Natural Resources Committee on June 27. IEUA and WCA have been working with the author, stakeholders, the Senate Environmental Quality Committee and the Assembly Natural Resources Committee on amendments to the bill that add in some more specific considerations for CalRecycle to take regarding food waste diversion at wastewater treatment agencies when awarding grants from their Organics Grant Program.
As the end of the legislative session draws near (August 31), legislators are resorting to the “gut and amend” procedural tactic to move issues that either died in the first house, or are brand new. Senator Bob Hertzberg (D-Los Angeles) recently amended a bill to add language that attempts a Proposition 218 fix without a constitutional amendment. His bill would authorize lifeline and conservation rates. Stakeholders are questioning the measure’s constitutionality and are also concerned with the measure’s definition of “indispensable use of water.”

Additionally, Assemblymember Marc Levine (D-Marin) is attempting to revive his water transfer legislation that failed to make it out of the Assembly. His new bill only addresses reoccurring transfers, transfers for environmental benefits or reoccurring transfers that utilize State Water Project facilities.

The Legislature will go into summer recess for the month of July, and will come back in August for the final four weeks of the legislative session.

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**Inland Empire Utilities Agency**  
**Status Report – June 2016**

**Drought and Water Supply**  
An early wet winter was a welcome change for Northern California. But the hopes of a prolonged wet season has all but evaporated, along with the Sierra snowpack. Unfortunately, the mountains did not get much snow after the start of April, state data shows. The Central Sierra received the equivalent of about 5 inches of precipitation between April 1 and June 19, a couple of inches below average.

Normally, the Sierra has an average of about 3.3 inches of snow-water remaining at this point in the year. As of June 19, it averaged just 0.1 inches. The snowline in Yosemite National Park sits at roughly 10,000 feet, covering a very small portion of the eastern side of the park.

Other signs don’t bode well for the state’s drought situation. Forecasters announced earlier this month that California faces a 75 percent chance of a potentially dry La Niña weather pattern during the fall and winter.

California continues to be abnormally dry, according to the National Drought Mitigation Center. Almost 43 percent of the state is either in extreme or exceptional drought. One year ago, about 71 percent of the state was in extreme or exceptional drought.
Reservoir Levels

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SmartMeters for Water?

In early June, the California Public Utilities Commission (CPUC) approved a pilot program to test whether the joint delivery of energy and water data can influence customers to turn off their tap and reduce their energy use. The pilots would look at technical and other issues related to using utility smart-meter networks to get water data.

Southern California Gas Company plans to partner with the San Gabriel Water Company and Valor Water Analytics to gather data from about 1,000 meters that are joint customers of the gas company and the water agency. The data will be analyzed to assess how integrating the information can help enhance conservation efforts, and reduce greenhouse gasses.

State Budget

Both houses met their Constitutional obligation to pass the FY 2016-2017 state budget by the June 15 deadline. As discussed as a possibility in the May report, the final budget package did not include any Greenhouse Gas Reduction Fund (GGRF) appropriations. Many believe that the administration and legislative leadership will hold the funding back with the hope to encourage a two-thirds vote on Senator Pavley’s (D-Agoura Hills) SB 32, which would specifically authorize and extend the cap and trade program beyond 2020. Concern about having GGRF funding available after the lackluster auction has also contributed to the inaction on GGRF appropriations.

The GGRF plan can be passed by Budget Trailer Bill any time before the end of session on August 31.

Cap and Trade Uncertainty

Further complicating the GGRF appropriation issue, the results from the most recent Cap and Trade Allowance Auction were released in early June. The state expected more than $500 million to be generated in the auction of GHG allowances. However, only $10 million was actually generated. There is significant speculation and growing concern about the poor results of the most recent auction. Ongoing concerns about the legal challenge to the Cap and Trade Program and uncertainty about CARB’s legal authority post 2020 are also exacerbating the problem.
The poor auction results and legal troubles are additional reasons that the Brown Administration is likely be pushing hard to get future legislative authorization for the program and post 2020 goals in SB 32 (Pavley). A two-thirds vote of the legislature would avoid any future challenges to the validity of the program because with a super-majority vote, there would be no legal challenge regarding authorization of a tax of fee. However, it seems like an uphill battle to achieve enough votes in the legislature, especially when not all of the Democrat members can be counted on to vote for an extension and expansion of the program, let alone the handful of Republicans that would be needed to reach the two-thirds threshold.

**SB 970 (Leyva) Update**
IEUA’s sponsored legislation, SB 970 (Leyva) was heard in the Assembly Natural Resources Committee on June 27. IEUA and WCA have been working with the consultants of the Natural Resources Committee and the Senate Environmental Quality Committee and recently amended the bill to add in some more language that allows CalRecycle to consider regional projects that leverage existing infrastructure when they consider applications in their Organics Grant Program.

The bill received some late opposition from a group of composters and some of the recent amendments were removed from the bill. However, the bill still allows CalRecycle to raise the per-project cap.

**Legislative Update**
With all bills now out of their house of origin, policy committees are once again back at work hearing and voting on bills from their opposite house ahead of the July 1 policy committee deadline.

There has been significant activity in the month of June on a wide range of issues including:

**SB 163 (Hertzberg):** SB 163 was a “gut and amend” in August of 2015. The bill seeks to address the issue of ocean discharge of treated wastewater. The bill, as recently amended, would require 50 percent of all ocean outfall to be recycled and also declare “waste and unreasonable use” if recycled water is made available and not taken.

A broad coalition was formed to work on the legislation including the California Chamber of Commerce, WaterReuse, California Association of Sanitation Agencies, Metropolitan Water District of Southern California and many others. As the bill neared its first policy committee hearing, it became clear to Senator Hertzberg that there was significant concern among the committee members. During his first hearing, he offered up some amendments he thought would appease members of the committee. The committee ultimately agreed to let the Senator work on the amendments with the opponents and return for another hearing the following week. Parties were unable to come to an agreement and the Senator decided to drop the bill for the current session. However, he stated that this bill is one of his top priorities and he intends to re-introduce it in January.
**SB 1298 (Hertzberg):** The California Water Foundation has been working with Senator Hertzberg on a Proposition 218 fix to allow water agencies to adopt lifeline rates and adopt conservation-based rates without amending the California Constitution.

The bill has some significant opposition from California water agencies, including ACWA, who are concerned that the bill is unconstitutional. Concern also is aimed at the term “indispensable” water use, which the measure utilizes to try to work around the Constitutional issues.

The bill was heard on June 29 in the Assembly Local Government committee. The author took amendments that are not in print yet, but it is believed that he removed all the lifeline and conservation based rates provisions from the bill.

**AB 2909 (Levine):** Assemblyman Marc Levine recently gutted a bill that is already over in the Senate and inserted language similar to his AB 2304, which did not make it out of Assembly appropriations committee earlier this year. His new bill is a pared back version of AB 2304 and only addresses reoccurring transfers and transfers that are environmentally beneficial. The bill requires the Department of Water Resources to develop a 30-day review process for reoccurring transfers, exchange of water rights, point of diversion changes, and place of use changes if the transfer is reoccurring or for an environmentally beneficial use. Additionally, the bill requires DWR to set up a 30-day review process for reoccurring water transfers between contractors for State Water Project water and for reoccurring transfers that utilize the facilities of the State Water Project.

ACWA has communicated with the author that they are in the midst of a process to develop their own language on water transfers and would like the Assemblyman to hold the bill and work with them on a bill next year. Deven Upadhyay from MWD is one of the co-chairs of the ACWA committee, ensuring strong for Southern California and contractor interests.

The bill was heard on June 28 in the Senate Natural Resources Committee where the bill passed.

Below are bills IEUA is tracking.
4G
June 30, 2016

Legislative Report

TO: Joe Grindstaff
General Manager, Inland Empire Utility Agency

FR: David M. Weiman
Agricultural Resources
LEGISLATIVE REPRESENTATIVE, IEUA

SU: Legislative Report, June 2016

As June came to a close, Congress broke for the July 4 recess. Three major events dominated the news – the national election, the international terror attack in Istanbul (less than a year ago, my wife went through that terminal), and the domestic terror attack in Orlando.

Congress attempted to legislatively move forward – and in some cases did. In others, Congress became embroiled in gridlock. As a result of Orlando, some members are demanding votes on highly controversial gun control legislation and the Speaker has now announced that some form of legislation will be considered in early July.

All of these developments have the potential to impact pending consideration of all annual funding bills.

Congress returns from the holiday break on July 5 for ten days. The House and Senate will adjourn for the conventions and the August break no later than July 15.

Snapshots
IEUA $7 Million BuRec Grant Award

- Last year, with the leadership of Senator Feinstein, $100 million was added to the Energy and Water Funding bill.

- BuRec then issued a RFP (Request for Proposal) and IEUA submitted a proposal.
This past month, BuRec finally announced award grantees – seven of them.

IEUA received a $7 Million grant.

IEUA received the largest of the single grants issued.

IEUA, with these grant funds, will continue to expand its water recycling program.

**Drought Bills/Language/Status**

Multiple bills – different approaches (exclusive of Feinstein-led efforts to provide special drought-funding).

<table>
<thead>
<tr>
<th>Bill</th>
<th>House Action</th>
<th>Senate Action</th>
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</thead>
<tbody>
<tr>
<td>H.R. 2889 (Valadao)</td>
<td>Passed Full House, July 16, 2015</td>
<td>Senate Energy and Natural Resources Committee held hearing on 10/8/2015</td>
</tr>
<tr>
<td>S. 2533 (Feinstein)</td>
<td>No action</td>
<td>Subcommittee Hearing held June 17, 2016</td>
</tr>
<tr>
<td>S. 2902 (Flake, AZ)</td>
<td>No action</td>
<td>Subcommittee Hearing held June 17, 2016, Bill incorporates sections from H.R. 2889</td>
</tr>
<tr>
<td>FY 2017 Energy and Water Development Appropriations</td>
<td>Incorporates H.R. 2889</td>
<td>Contains funding for western drought and Report Language on real-time Delta Smelt monitoring</td>
</tr>
<tr>
<td>FY 2017 Interior and Environment Appropriations</td>
<td>Incorporates H.R. 2889</td>
<td>Not Included.</td>
</tr>
<tr>
<td>Energy Bill (Pending Conference)</td>
<td>Incorporate H.R. 2889</td>
<td>Not Included.</td>
</tr>
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</table>

Note: Chart adapted from ACWA.

Whether or not Appropriations bills will be finalized is unclear. As an amendment, the House added 200 bills to their House-passed Energy bills – the Valadao bill among them, and asked for a Conference. Senators Murkowski and Cantwell are attempting to have Senate Conferees named, but continue to face opposition. If not done in early July, the bill cannot be considered before mid-September.

**Feinstein Drought Bill – Senate Opposition to Funding Provisions**

Senate Energy Markup – slated for late June – postponed. The Energy Committee
noticed the mark of 20+ bills – and originally the Feinstein and Flake bills were on the markup list. The Feinstein bill was then dropped from the list (see below). Markup scheduled for late June was then postponed at the last minute. It may now occur in early July (even that is uncertain).

- Flake bill language on the Colorado River has been substantially modified. Whether or not the Valadao bill language is still included has not been confirmed.

- Feinstein bill – cost was $1.2 billion. Reports are emerging that Senate Energy Committee Rs are objecting to the cost and will not support a bill with a price tag greater than approximately $400 million (or, one-third of the original estimate).

- The funding in question was slated for the recycling program, the brackish desal projects and storage projects.

**Water Resources Development Act (WRDA) 2016, Senate WaterSense/Water Softener Report Language Approved**

- Previously, it was reported that, “Chairman Inhofe (R-OK) and Ranking Member Barbara Boxer (D-CA) introduced a new WRDA bill the last week of April and marked it up three days later. The massive bill was moved through the Environment and Public Works Committee in less than an hour (no amendments). The bill authorizes (for the first time), EPA’s WaterSense Program, as highlighted by the WateReuse Association, to identify and promote water efficient products, buildings...including reuse and recycling technologies.”

- The bill contained general provisions pertaining to water softener devices that were unacceptable to water agencies in Southern California as well as national water organizations. These machines undermine water recycling and drought initiatives (in Southern California and any other salt-sensitive regions/areas).

- IEUA, LA Sanitation District, WateReuse Association and ACWA submitted draft language to Senators Inhoff and Boxer for the Committee Report. A “white paper” detailing the agency concerns was submitted to the Committee and the CA Congressional delegation, both Senators and the Governor’s DC office.

- The Committee Report, filed at the end of June, contained the following language as recommended:
  
  Section 7112. **“When developing the criteria for the WaterSense label, consideration should be given to ensure that the performance criteria do not directly or indirectly contribute to the degradation of waste streams treated by community sewer systems.”**

**Tax Reform**

- The Municipal Bonds for America Coalition held House and Senate briefings on municipal bonds (and the threat from various tax proposals) in early June. Both briefings were well-attended. It’s part of the on-going educational effort underway.
House Speaker Ryan, during June, outlined a six-part "agenda" for the election and 2017 which address poverty, the economy, national defense, Constitution, health care and tax reform.

The Tax Reform proposal was released on June 24. To advance this part of their proposal, Speaker Ryan and House Ways and Means Chair, Rep. Kevin Brady (R-TX) issued a 36-page "A Better Way for Tax Reform."

The new plan proposes to reduce corporate tax rates down to 20% and lower personal tax rates as well. Most importantly, the proposal calls for the elimination of most "deductions, exemptions and credits" to achieve the lower rates.

At risk – the deductibility of municipal bonds.

If enacted, the practical impact is the cost of money – borrowing – will go up for all of infrastructure (hospitals, airports, schools, transportation, energy, libraries, as well as water and waste water projects and programs and others).

The Plan, at this juncture, is broad in its presentation and identifies benefits to be achieved, but does not identify specific cuts that would be required.

**Unanticipated Drought-Related Federal Tax (Turf Rebate) Issue**
- Still pending – still unresolved. It’s a significant issue for MWD in particular.

**Drought Monitor**

**Drought in California and the West**
- According to the most recent Drought Monitor (posted June 30), dry conditions are now returning to ALL of California and the Pacific Northwest. This reverses the easing of drought conditions during the past couple of months, particularly in Northern California.
- About half the state remains in Extreme (D-3) and Exceptional (D-4) status – all located in the San Joaquin Valley and portions of coastal Southern California.
- Lake Mead levels are continuing to drop (expected).
INFORMATION
ITEM
4H
Date: June 30, 2016
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: June Activity Report

Listed below is the California Strategies, LLC monthly activity report. Please feel free to call us if you have any questions or would like to receive any more information on any of the items mentioned below.

- Met with Executive Management Team to review priority issues and to discuss activities for June that Executive Staff wanted accomplished
- Discussed Ontario Plume/Title XVI Funding
- Reviewed Chino Basin Water Bank project concept
- Support and advise on IEUA/SBVMWD transfer transaction on an as needed basis.
- Reviewed Water Rates progress with member agencies and Regional Contract renewal.
- Continue to monitor statewide water issues including The Water Fix, water bond, and drought relief act activities. Made recommendation regarding the request for money from various state special funds.
- Monitor Santa Ana Regional Board agenda and Issues of interest to IEUA.
- Respond to requests for information from IEUA Directors.
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Title and/or Summary</th>
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<tr>
<td>H.R. 5055 / S. 2804</td>
<td>Rep. Mike Simpson / Sen. Lamar Alexander</td>
<td>FY 17 Energy and Water Development and Related Agencies Appropriations bill</td>
<td>The President’s budget request to Congress was released on February 9, 2016. President’ Budget Request for priority programs: Title XVI: $21.5 million WaterSMART: $23.4 million House Energy and Water Appropriations Committee Report: Title XVI: $24 million WaterSMART: $24 million Senate Energy and Water Appropriations Committee Report: Title XVI: $21.5 million WaterSMART: $23.4 million Western Drought: $100 million The Senate Energy and Water Appropriations bill has passed the Senate. The Senate’s legislation included additional funding, but no authorization for western drought. Since the House Energy and Water Appropriations bill failed to passed the House on a vote of 112-305, Subcommittee Chairman Mike Simpson (R-ID) has said he is looking for a path to bring the legislation back to the floor without the controversial amendments that caused Republicans to vote against the legislation. It is unclear if the subcommittee will reintroduce legislation, or if a more complicated procedural process will be used to remove provisions without reintroducing the legislation. If the legislation is reintroduced in the House, we anticipate funding levels will remain relatively consistent. While amendments regarding LGBT rights and the North Carolina bathrooms will be removed, we anticipate that the drought provisions (Valadao bill) will continue to be included.</td>
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<tr>
<td>S. 2533</td>
<td>Sen. Dianne Feinstein (D-CA)</td>
<td>California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act</td>
<td>A Committee markup was scheduled for June 30 in the Senate Energy and Natural Resources Committee on Senator Feinstein’s legislation (and a number of other bills), but was subsequently pulled after the Senate wrapped up work early before the July 4th recess.</td>
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<td>We have been told that Senator Flake has a substitute amendment ready for his drought package. It was originally scheduled to be marked up on June 30th, but the markup was postponed when the Senate left early for the July 4th recess.</td>
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<td>Senator Flake introduced his legislation less than a week before the Water Subcommittee of the Senate Energy and Natural Resources Committee held a hearing along other drought bills, including Senator Feinstein’s drought package.</td>
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<td>Senator Flake’s bill is cosponsored by several western state Republicans and contains many Republican priorities to deal with drought conditions in their home states. Included in the legislation are reforms at the Bureau of Reclamation along with provisions relating to the Colorado River. It is unclear how the Colorado River provisions will be impacted by the Senator’s substitute amendment.</td>
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<td>Passed the House.</td>
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<td>House Republicans have inserted the Valadao bill into several pieces of legislation currently moving through the House. Several provisions from his bill have been included in the Energy and Water Appropriations bill that failed in the House during the last week of May. The legislation was also included in the House Amendment to the Energy Policy Modernization Act. Republicans hope to place the language in several bills in order to conference with the Senate on a drought package before the end of 2016.</td>
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<td>The Energy Policy Modernization Act has passed both the House and Senate in different forms, setting up a possible conference committee between the two chambers. While the House has voted to conference with the Senate, the Senate still has not held a vote uncertain what type of agreement could come out of a Conference Committee.</td>
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</table>
The original Senate bill was the first broad energy reform policy bill in eight years considered by the Senate. The bill includes a number of policy priorities from both Republicans and Democrats and came as a result of months of negotiations, meetings outreach and other activities aimed at a truly bipartisan bill. The bill instead on fossil fuels and infrastructure: natural gas pipeline permitting, authorizing the main federal conservation fund, job training, updating the grid, as well as a push on energy efficiency. The legislation was brought back to the floor in April after an agreement was reached on amendments. While originally a target for energy tax breaks, those amendments were not added to the legislation.

The House took up the legislation during the final week of May. The House inserted its own substitute amendment that included a number of bills that have passed the House but have not advanced in the Senate, including H.R.8—the energy bill that passed the House in 2015 along party lines. The substitute amendment also contains the Valadoa drought bill passed by the House in 2015. After passing the substitute amendment, the House voted to go to conference with the Senate.

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<th>Bill</th>
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<td>The House has approved legislation to clarify the Environmental Protection Agency's authority to notify the public about danger from lead in their drinking water. The bill is the first approved by Congress to respond to the water crisis in Flint, Michigan. The legislation requires the Environmental Protection Agency to notify the public when concentrations of lead in drinking water rise above mandated levels and to create a plan to improve communication between the agency, utilities, states, and consumers. While the bill's authors admit that the new legislation will not prevent future water contamination, they contend that it will prevent the situation from dragging out as has happened in Flint.</td>
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<td>Directs the Department of Energy (DOE) to establish and carry out a smart energy and water efficiency management pilot program to award grants to three to five eligible entities (authorities that provide water, wastewater, or water reuse services) to demonstrate advanced and innovative technology-based solutions that will: (1) increase and improve the energy efficiency of water, wastewater, and water reuse systems to help communities make significant progress in conserving water, saving energy, and reducing costs; (2) support the implementation of innovative processes and the installation of advanced automated systems that provide real-time data on energy and water; and (3) improve energy and water conservation, water quality, and predictive maintenance of energy and water systems, through the use of Internet-connected</td>
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| H.R.5303 / S.2848 | Rep. Bill Shuster (R-PA) / Sens. Jim Inhofe (R-OK) and Barbara Boxer (D-CA) | Water Resources Development Act of 2016 | The Senate Environment and Public Works Committee has advanced its Water Resources Development legislation for consideration by the Senate. IFS successfully worked with ACWA on language included in the report accompanying the legislation establishing a WaterSense program. The report language is as follows:

"Section 7112 authorizes EPA's voluntary WaterSense program that allows water efficient products, buildings, landscapes, facilities, processes, and service to bear a "WaterSense" label. When developing the criteria for the WaterSense label, consideration should be given to ensure that the performance criteria do not directly or indirectly contribute to the degradation of waste streams treated by community sewer systems."

The House Transportation and Infrastructure Committee marked up their version of the Water Resources Development Act and ordered it to be reported by voice vote. The Committee report still has not been filed in the House.

Both the House and Senate hope to complete consideration of the WRDA bill this year, putting the legislation back on to every other year reauthorization.

At the end of June, Senator Inhofe went to the Senate floor to urge the legislation’s passage, stating:

"So let me close by saying that not passing this bill will result in nearly $6 billion in navigation and flood control projects to be necessarily delayed or never constructed. There will also be no critical reforms to the Army Corps of Engineers and their policies, no essential affordability reforms for the communities clean water infrastructure mandates, no new assistance for innovative approaches to clean water and drinking water needs to address drought and water supply issues, no resolution of the natural lead emergencies like Flint, Michigan, and no dam rehabilitation programs. So, you know, today I'm asking the leadership and my fellow Republicans, let's seize a valuable opportunity and bring the WRDA bill 2016 to the floor."
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Sponsor</th>
<th>Title and/or Summary</th>
<th>Summary/Status</th>
<th>IEUA Position</th>
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</thead>
<tbody>
<tr>
<td>AB 1704</td>
<td>Dodd</td>
<td>Water Rights</td>
<td>The Water Rights Permitting Reform Act of 1988 provides that the State Water Resources Control Board is not required to adopt general conditions for small irrigation use until the board determines that funds are available for that purpose and that a registration for small irrigation use pursuant to the act is not authorized until the board establishes general conditions for small irrigation use to protect instream beneficial uses, as specified. This bill would require the board, on or before January 1, 2018, to adopt general conditions that would permit a registrant to construct a facility that would store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow, as specified.</td>
<td>6/20 Gut and Amend</td>
</tr>
<tr>
<td>AB 1713</td>
<td>Eggman</td>
<td>Sacramento-San Joaquin Delta: peripheral canal</td>
<td>Current law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta. The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017; and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.</td>
<td>OPPOSE DEAD</td>
</tr>
<tr>
<td>AB 1738</td>
<td>McCarty</td>
<td>Building Standards: Dark Graywater</td>
<td>Would define &quot;dark graywater&quot; as a specified wastewater that comes from kitchen sinks and dishwashers. This bill would require the Department of Housing and Community Development, at the next triennial building standards rulemaking cycle, to adopt and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses. This bill contains other existing laws.</td>
<td>DEAD</td>
</tr>
<tr>
<td>AB 1749</td>
<td>Mathis</td>
<td>California Environmental Quality Act: exemption: City of Porterville</td>
<td>Would, until January 1, 2021, exempt from the California Environmental Quality Act's requirements a water treatment project determined by the City of Porterville as the best option based on a certain feasibility study, as provided. This bill contains other related provisions.</td>
<td>6/15 Gut and Amend DEAD</td>
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<td>Bill Number</td>
<td>Sponsor</td>
<td>Description</td>
<td>Details</td>
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<td>AB 1755</td>
<td>Dodd</td>
<td>The Open and Transparent Water Data Act</td>
<td>Would enact the Open and Transparent Water Data Act. The act would require the Department of Water Resources to establish a public benefit corporation that would create and manage (1) a statewide water information system to improve the ability of the state to meet the growing demand for water supply reliability and healthy ecosystems, that, among things, would integrate existing water data information from multiple databases and (2) an online water transfer information clearinghouse for water transfer information that would include a database of historic water transfers and transfers pending responsible agency approval and a public forum to exchange information on water market issues. SUPPORT</td>
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<tr>
<td>AB 1842</td>
<td>Levine</td>
<td>Water Pollution: Fines</td>
<td>Current law imposes a maximum civil penalty of $25,000 on a person who discharges various pollutants or other designated materials into the waters of the state. This bill would impose an additional civil penalty of not more than $10 for each gallon or pound of polluting material discharged. The bill would require that the civil penalty be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party. Senate Appropriations Committee</td>
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<tr>
<td>AB 1925</td>
<td>Chang</td>
<td>Desalination: Statewide Goal</td>
<td>The Cobey-Porter Saline Water Conversion Law, states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state. This bill would establish a goal to desalinate 300,000 acre-feet of drinking water per year by the year 2025 and 500,000 acre-feet of drinking water per year by the year 2030. DEAD</td>
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<td>AB 2206</td>
<td>Williams</td>
<td>Renewable Gas</td>
<td>Would require the State Air Resources Board, in coordination with the Public Utilities Commission and State Energy Resources and Conservation Development Commission, to consider and, as appropriate, adopt a policy or programs to increase the production and use of renewable gas, as specified, generated by either an eligible renewable energy resource that meets the requirements of the California Renewables Portfolio Standard Program or direct solar energy, as specified. 6/25 Gut and Amend DEAD Senate Environmental Quality Committee</td>
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<td>Bill No.</td>
<td>Sponsor</td>
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<td>AB 2304</td>
<td>Levine</td>
<td>California Market Water Exchange</td>
<td>Would establish the California Water Market Exchange, governed by a 5-member board, in the Natural Resources Agency. This bill would require the market exchange, on or before December 31, 2017, to create a centralized water market platform on its Internet Web site that provides ready access to information about water available for transfer or exchange.</td>
<td>DEAD</td>
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<tr>
<td>AB 2313</td>
<td>Williams</td>
<td>Renewable Natural Gas</td>
<td>The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. This bill would require the state board to study and evaluate a strategy or strategies to increase the in-state production and use of renewable natural gas, as defined, to further specified goals.</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td>AB 2488</td>
<td>Dababneh</td>
<td>Protected species: unarmored threespine stickleback: taking or possession.</td>
<td>Would permit the Department of Fish and Wildlife to authorize, under the California Endangered Species Act, the take of the unarmored threespine stickleback (Gasterosteus aculeatus williamsoni) attributable to the periodic dewatering, inspection, maintenance, or repair of the Metropolitan Water District of Southern California's Foothill Feeder water supply facility from Castaic Dam to the Joseph Jensen Treatment Plant in the County of Los Angeles, as specified, if certain conditions are satisfied.</td>
<td>Senate Appropriations Committee</td>
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<tr>
<td>AB 2583</td>
<td>Frazier</td>
<td>Sacramento-San Joaquin Delta Reform Act of 2009</td>
<td>Would add a definition of the California Water Fix to the Sacramento-San Joaquin Delta Reform Act of 2009. This bill would eliminate certain provisions applicable to the BDCP and would revise other provisions to instead refer to a new Delta water conveyance project for the purpose of exporting water. This bill would require new Delta water conveyance infrastructure to be considered as interdependent parts of a system and to be operated in a way that maximizes benefits for each of the coequal goals. This bill contains other related provisions and other existing laws.</td>
<td>OPPOSE</td>
</tr>
<tr>
<td>AB 2702</td>
<td>Atkins</td>
<td>Climate Change</td>
<td>Would state the intent of the Legislature to enact legislation that would continue the work with local governments, state agencies, and others to meet the goals set forth in Governor Brown's Under 2 MOU, which brings together subnational governments willing to commit to either reducing the emissions of greenhouse gases 80% to 95% below 1990 levels by 2050 or achieving a per capita annual emissions target of less than 2 metric tons of carbon dioxide equivalent by 2050.</td>
<td>DEAD</td>
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DEAD - Did not pass Water, Parks and Wildlife Committee

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Failed Assembly Appropriations Committee

Failed Passage Assembly Appropriations Committee
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<th>Bill #</th>
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<tbody>
<tr>
<td>ACA-8</td>
<td>Bloom</td>
<td>Local government financing: water facilities and infrastructure: voter approval</td>
<td>Would create an additional exception to the 1% limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable water producing facilities and related infrastructure, and stormwater treatment facilities and related infrastructure, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, if the proposition meets specified requirements, and would authorize a city, county, city and county, or special district to levy a 55% vote ad valorem tax. This bill contains other related provisions and other existing laws.</td>
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<td>SB 163</td>
<td>Hertzberg</td>
<td>Wastewater treatment: recycled water</td>
<td>Would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill, on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes.</td>
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<td>SB 885</td>
<td>Wolk</td>
<td>Construction Contracts: Indemnity</td>
<td>Would specify, with certain exceptions, for construction contracts entered into on or after January 1, 2017, that a design professional, as defined, only has the duty to defend himself or herself from claims or lawsuits that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. Under the bill, a design professional would not have a duty to defend claims or lawsuits against any other person or entity arising from a construction project, except that person's or entity's reasonable defense costs arising out of the design professional's degree of fault, as specified.</td>
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<td>SB 1043</td>
<td>Allen</td>
<td>Renewable gas: biogas and biomethane</td>
<td>Would require the State Air Resources Board to consider and adopt policies to significantly increase the sustainable production and use of renewable gas, as defined, and, in so doing, would require the state board, among other things, to ensure the production and use of renewable gas provides direct environmental benefits and identify barriers to the</td>
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<td>SB 1318</td>
<td>Wolk</td>
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<td>Local government: drinking water infrastructure or services; wastewater infrastructure or services</td>
<td>Would prohibit a local agency formation commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. This bill contains other related provisions and other existing laws.</td>
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DEAD

Dropped by author
INFORMATION ITEM

4K
4th Quarter Planning &
Environmental Compliance
Update
Regulatory Compliance Update

- **RWQCB**
  - All Facilities – 100% compliance
  - Facility inspections – no follow-up

- **AQMD**
  - RP-5 SHF – Venting incident on 4/1, 6/14, 6/24
  - RP-5 NOV – Resolved on 4/13
  - RP-5 SHF Flare – Submitted final compliance letter & excess emission fee on 5/11

- **SWRCB-DDW**
  - CDA1 and GWR – 100% compliance
Septic to Sewer Feasibility Study

- **Project Background**
  - RMC Water & Environment (RMC) selected for Study
  - Evaluate each Contracting Agency service area for septic to sewer conversion

- **Progress to Date**
  - Data Gathering with Contracting Agencies – (Sewer GIS & Master Plans)
  - Identification & Confirmation of Septic System Parcels

- **Next Steps**
  - Defining and Prioritizing Sewer Service Regions

- **Project Schedule**
  - Completion of Feasibility Study - December 2016
Pretreatment & Source Control

- Regional System
  - Local Limits Dioxin Evaluation

- North NRWS
  - Solids Discrepancy Formula Evaluation
  - Industry Rate Workshop Completed

- South Brine Line
  - SAWPA Ordinance No. 8
  - OCSD Local Limits Revision
  - Capacity Pool
  - TSS Solids Imbalance
Planning

- **Integrated Resources Plan**
  - IRP Phase 1 finalized and posted on website
  - Complete Programmatic EIR: summer 2016
  - Commence Phase 2: summer 2016

- **Water Use Efficient Business Plan**
  - Plan finalized in May 2016
  - Board Adoption – June 15, 2016

- **Prado Basin Adaptive Management Plan**
  - AMP finalized May 2016

- **Santa Ana River Habitat Conservation Plan (Jan 2017)**
  - Hydraulic modeling completed
  - Assessment of impacts underway
Water Resources Activities

- **2015 Urban Water Management Plan (UWMP) Update**
  - Plan finalized in May 2016
  - Board Adoption – June 15, 2016

- **SAWPA Proposition 84 DWR Grant – Turf Removal & Aerial Mapping**
  - Staff continues to submit monthly turf invoices to secure potential unspent funds
  - The Aerial Mapping Project has been completed and data is being organized for distribution to IEUA member agencies

- **IEUA Water Purchase Agreements**
  - CVWD agreement: purchased 2,022 AF to date
  - WMWD agreement: for shared use of IW service connection – drafting
- USDA grant application for Ag conservation submitted for $400,000

- Weather Station will be installed for California Institute for Men (CIM)
  - Received approval from State/DWR
  - Used to calculate evapotranspiration (ET) for service area water budgets

- Ag Pool assistance with promoting on-site farm upgrades
SANTA ANA WATERSHED PROJECT AUTHORITY
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

REGULAR COMMISSION MEETING
TUESDAY, JULY 19, 2016 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Thomas P. Evans, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

4. CONSENT CALENDAR

5. NEW BUSINESS

A. STRATEGIC ASSESSMENT – FINAL PRESENTATION
   Presenter: Paul Brown, Paul Redvers Brown, Inc.
   Recommendation: Receive and file a final presentation on the Strategic Assessment.

B. STAFFING NEEDS (CM#2016.58)
   Presenter: Rich Haller
   Recommendation: Approve the Position Description Series and authorize the hiring of one budgeted staff person to perform Quality Assurance Services.
C. **BASIN MONITORING PROGRAM TASK FORCE – CONSULTANT SUPPORT**  
   **(CM#2016.56)**  
   Presenter: Mark Norton  
   **Recommendation:** Approve (1) Task Order No. CDM374-01 with CDM Smith for the amount not-to-exceed $349,960 to prepare the Triennial Ambient Water Quality Recomputation for the Santa Ana River Watershed for the Period 1996-2015, and (2) Task Order RISK374-06 with Risk Sciences for the amount not-to-exceed $73,000 to provide regulatory support services to the Basin Monitoring Program Task Force.

D. **INLAND EMPIRE BRINE LINE (BRINE LINE) TSS FORMATION BILLING FORMULA**  
   **(CM#2016.57)**  
   Presenter: Rich Haller  
   **Recommendation:** Approve use of the new TSS Formation Billing Formula and approve a revised monthly target TSS formation (TSS_f) amount of 265,000 lbs/month in the Inland Empire Brine Line TSS Formation Billing Formula, effective with the July 2016 invoices.

6. **INFORMATIONAL REPORTS**  
   **Recommendation:** Receive and file the following oral/written reports/updates.

   A. **STATUS REPORT AND BUDGET UPDATE – PROJECT AGREEMENT 22 COMMITTEE**  
      **(CM#2016.54)**  
      Presenter: Mark Norton

   B. **EMERGING CONSTITUENTS PROGRAM TASK FORCE – SOCIAL MEDIA SUPPORT STATUS**  
      **(CM#2016.55)**  
      Presenter: Mark Norton

   C. **CASH TRANSACTIONS REPORT – MAY 2016**  
      Presenter: Karen Williams

   D. **INTER-FUND BORROWING – MAY 2016 (CM#2016.50)**  
      Presenter: Karen Williams

   E. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – MAY 2016**  
      **(CM#2016.51)**  
      Presenter: Karen Williams

   F. **FINANCIAL REPORT FOR THE THIRD QUARTER ENDING MARCH 31, 2016**  
      - Inland Empire Brine Line (IEBL)  
      - SAWPA  
      Presenter: Karen Williams

   G. **GENERAL MANAGER’S REPORT**

   H. **STATE LEGISLATIVE REPORT**  
      Presenter: Celeste Cantú

   I. **SAWPA GENERAL MANAGERS MEETING NOTES**  
      - July 12, 2016

   J. **CHAIR’S COMMENTS/REPORT**

   K. **COMMISSIONERS’ COMMENTS**

   L. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**
7. **CLOSED SESSION**

   A. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**

   Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

8. **ADJOURNMENT**

   PLEASE NOTE:
   Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or kberry@sawpa.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

   Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at [www.sawpa.org](http://www.sawpa.org), subject to staff’s ability to post documents prior to the meeting.

   **Declaration of Posting**

   I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, July 13, 2016, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://www.sawpa.org) and posted in SAWPA’s office at 11615 Sterling Avenue, Riverside, California.

   ____________________________________________________________
   Kelly Berry, CMC
### 2016 - SAWPA Commission Meetings/Events

First and Third Tuesday of the Month

(NOTE: Unless otherwise noted, all Commission Workshops/Meetings begin at 9:30 a.m., and are held at SAWPA.)

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/5/16</td>
<td>Commission Workshop</td>
</tr>
<tr>
<td>1/19/16</td>
<td>Regular Commission Meeting</td>
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<tr>
<td></td>
<td>2/2/16</td>
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<tr>
<td></td>
<td>2/16/16</td>
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<tr>
<td>March</td>
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</tr>
<tr>
<td>3/1/16</td>
<td>Commission Workshop</td>
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<tr>
<td>3/15/16</td>
<td>Regular Commission Meeting</td>
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<td>April</td>
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<td>4/5/16</td>
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<td>4/19/16</td>
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<td></td>
<td>4/28/16</td>
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<tr>
<td>May</td>
<td></td>
</tr>
<tr>
<td>5/3/16</td>
<td>Commission Workshop [cancelled]</td>
</tr>
<tr>
<td>5/3 – 5/6/16</td>
<td>ACWA Spring Conference, Monterey</td>
</tr>
<tr>
<td>5/10/16</td>
<td>Special Commission Workshop [9:00 a.m.]</td>
</tr>
<tr>
<td>5/17/16</td>
<td>Regular Commission Meeting</td>
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<tr>
<td>June</td>
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<td></td>
<td>6/7/16</td>
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<td>6/21/16</td>
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<tr>
<td>July</td>
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</tr>
<tr>
<td>7/5/16</td>
<td>Commission Workshop</td>
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<tr>
<td>7/19/16</td>
<td>Regular Commission Meeting</td>
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<td></td>
<td>August</td>
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<td></td>
<td>8/2/16</td>
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<td></td>
<td>8/16/16</td>
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<tr>
<td>September</td>
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</tr>
<tr>
<td>9/6/16</td>
<td>Commission Workshop</td>
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<tr>
<td>9/20/16</td>
<td>Regular Commission Meeting</td>
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<td>10/4/16</td>
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<td>10/18/16</td>
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<tr>
<td>November</td>
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<tr>
<td>11/1/16</td>
<td>Commission Workshop</td>
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<tr>
<td>11/29 – 12/2/16</td>
<td>ACWA Fall Conference, Anaheim</td>
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<td>11/15/16</td>
<td>Regular Commission Meeting</td>
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<td></td>
<td>December</td>
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<td></td>
<td>12/6/16</td>
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<tr>
<td></td>
<td>12/20/16</td>
</tr>
</tbody>
</table>
Board Meeting
Meeting with Board of Directors

July 12, 2016
12:00 p.m. -- Board Room

MWD Headquarters Building 700 N. Alameda Street Los Angeles, CA 90012

1. Call to Order

   (a) Invocation: Carlos A. Carrillo, Assistant Resource Specialist, Water Resource Management Group

   (b) Pledge of Allegiance: Director Peter Beard

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board’s jurisdiction. (As required by Gov. Code § 54954.3(a)

5. OTHER MATTERS

   A. Approval of the Minutes of the Meeting for June 14, 2016. (A copy has been mailed to each Director) Any additions, corrections, or omissions
Draft Minutes

B. Report on Directors’ events attended at Metropolitan expense for month of June

C. Presentation of 20-year service pin to Director Judy Abdo, effective June 20, 2016

D. Approve 30-day leave of absence for Director Linda Ackerman, effective July 7, 2016

E. Adopt motion to adjourn the August Board Meeting to August 16, 2016, to establish tax rate. (Committees to meet on August 15 and 16, 2016)

F. Approve committee assignments

G. Chairman’s Monthly Activity Report

6. DEPARTMENT HEADS’ REPORTS

A. General Manager’s summary of Metropolitan’s activities for the month of June

6A Report

B. General Counsel’s summary of Legal Department activities for the month of June

6B Report

C. General Auditor’s summary of activities for the month of June

6C Report

D. Ethics Officer’s summary of activities for the month of June

6D Report

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Appropriate $800,000 for completion of the industrial wastewater handling system at the Henry J. Mills Water Treatment Plant (Approp. 15452). (E&O)

7-1 Board Letter and Attachments

7-1 Presentation
Appropriate $950,000; and authorize design and installation of Stage 1 upgrades to the dam monitoring system at Diamond Valley Lake (Approp. 15419). (E&O)

7-2 Board Letter and Attachments

7-2 Presentation

8. OTHER BOARD ITEMS — ACTION

8-1 Appropriate $2.7 million; and award $1,422,082 contract to PCL Construction, Inc. to replace valves on the Palos Verdes Feeder (Approp. 15441). (E&O)

8-1 Board Letter and Attachments

8-1 Presentation

8-2 Appropriate $1.83 million; and authorize increase in change order authority for urgent prestressed concrete cylinder pipe repairs on the Sepulveda Feeder (Approp. 15496). (E&O)

8-2 Board Letter and Attachments

8-2 Presentation

8-3 Authorize 50-year agreements with the Western Area Power Administration and the Bureau of Reclamation for the purchase and delivery of energy and capacity from the Hoover Power Plant. (E&O)

8-3 Board Letter

8-4 Authorize payments of up to $3.73 million for participation in the State Water Contractors, Inc. and the State Water Project Contractors Authority for fiscal year 2016/17. (WP&S) (Two-thirds vote required)

8-4 Board Letter and Attachments

8-4 Presentation

8-5 Approval of Modifications and Additions to the Conservation Programs. (WP&S)

8-5 Board Letter

8-5 Presentation
8-6 Affirm the General Manager’s determination that one parcel consisting of 2.75 acres identified as a portion of Metropolitan Water District of Southern California Parcel No. INFED1-27-900 (APN 1210-381-19, is surplus to Metropolitan’s needs and can be sold to San Bernardino Valley Municipal Water District. (RP&AM)

8-6 Board Letter and Attachments

8-6 Presentation

8-7 Report on existing and potential litigation challenging the purchase of property from Delta Wetlands Properties in Contra Costa, San Joaquin, and Solano Counties, including County of San Joaquin v. Metropolitan Water District of Southern California, et al., San Joaquin County Superior Court Case No. STK-CV-UWM-2016-3597 and the appeal of this action, Court of Appeal for the Third Appellate District Case No. C082154; North Coast Rivers Alliance v. Metropolitan Water District of Southern California, et al., Contra Costa County Superior Court Case No. MSN16-0629; Pacific Coast Federation of Fishermen’s Associations v. Metropolitan Water District of Southern California, et al., Solano County Superior Court Case No. FCS046934; and Central Delta Water Agency, et al. v. Delta Wetlands Properties, et al., Contra Costa County Superior Court Case No. C16-01022; and authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services by $300,000 to a maximum amount payable of $400,000. [Conference with legal counsel-existing and anticipated litigation; to be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1) & (d)(2)]

9. BOARD INFORMATION ITEMS

9-1 Discussion of Department Head Evaluation Process Guidelines and Department Head Evaluation Presentations [Public employees’ performance evaluations--General Manager, General Counsel, General Auditor, and Ethics Officer; to be heard in closed session pursuant to Gov. Code Section 54957]

9-1 Presentation

10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT
NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site http://www.mwdh2o.com.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.
CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING
11:00 a.m. – June 23, 2016
WITH
Mr. Steve Elle – Chair
Mr. James Curatalo – Vice-Chair
At The Offices Of
Chino Basin Watermaster
9641 San Bernardino Road
Rancho Cucamonga, CA 91730

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR
   Note: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES
   1. Approve Minutes of the Watermaster Board Meeting held May 26, 2016

B. FINANCIAL REPORTS
   1. Cash Disbursements for the month of April 2016
   2. Watermaster VISA Check Detail for the month of April 2016
   3. Combining Schedule for the Period July 1, 2015 through April 30, 2016

C. CHINO BASIN WATERMASTER FISCAL YEAR 2016/17 PAY SCHEDULE
   Approve the Fiscal Year 2016/17 Pay Schedule.

II. BUSINESS ITEMS
A. CHINO BASIN WATERMASTER 2015/16 ASSESSMENT PACKAGE
   Approve the Fiscal Year 2015/16 Assessment Package as presented, including no credit for Stormwater New Yield and postponing the assessment of Desalter Replenishment Obligation until the Court’s consideration of the 2015 Safe Yield Reset Agreement.

B. RESOLUTION TO LEVY REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2015/16 (BASED ON PRODUCTION YEAR 2014/15)
   Adopt Resolution 2016-08 as presented.
C. CHINO BASIN WATERMASTER 37TH ANNUAL REPORT
Adopt the 37th Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

D. SECOND AMENDMENT TO TASK ORDER NO. 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)
Approve amended Task Order No. 1 to reduce the Total Budgeted Cost, add the Decliez project back to the list of projects, and authorize the General Manager to execute the agreement on behalf of Watermaster subject to any necessary non-substantive changes.

E. CHINO BASIN WATERMASTER 2016 BUSINESS PLAN
Receive and file the 2016 Watermaster Business Plan.

III. REPORTS/UPDATES
A. LEGAL COUNSEL REPORT
   1. July 29, 2016 Hearing
   2. Order re Denial of Related Cases

B. ENGINEER REPORT
   1. Watermaster Model Update and Required Demonstrations
      a. Evaluation of the Cumulative Effects of Transfers
      b. Evaluation of the Balance of Recharge and Discharge
      c. Assessment of Adequate Replenishment Capacity
   2. 2015 annual report to SWRCB on diversions for recharge
   3. Technical support for IEUA grant applications
   4. Administrative-draft of 2015 annual report of the GLMC

C. CFO REPORT
   None

D. GM REPORT
   1. Volume Vote
   2. 2015/16 Water Transactions
   3. Recharge Investigations and Projects Committee (RIPCom) Agenda
   4. Other

IV. INFORMATION
   1. Cash Disbursements for May 2016

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION
Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

   1. GM Performance Evaluation
VIII. FUTURE MEETINGS AT WATERMASTER

6/23/16 Thu 11:00 a.m. Watermaster Board
7/14/16 Thu 9:00 a.m. Appropriative Pool Meeting
7/14/16 Thu 11:00 a.m. Non-Agricultural Pool Meeting
7/14/16 Thu 1:30 p.m. Agricultural Pool Meeting
7/21/16 Thu 8:00 a.m. Appropriative Pool Strategic Planning (Confidential Session Only)
7/21/16 Thu 9:00 a.m. Advisory Committee Meeting
7/21/16 Thu 9:30 a.m. Recharge Investigations and Projects Committee (RIPCcom)
7/28/16 Thu 11:00 a.m. Watermaster Board

ADJOURNMENT
GENERAL MANAGER’S REPORT
PLANNING & ENVIRONMENTAL RESOURCES

Drought Summary - Member Agencies versus State Board requirement.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Target Savings</th>
<th>Cumulative Savings (Jun 2015-May 2016)</th>
<th>Monthly Savings (May 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chino</td>
<td>24%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>28%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>CVWD</td>
<td>32%</td>
<td>28%</td>
<td>53%</td>
</tr>
<tr>
<td>FWC</td>
<td>28%</td>
<td>32%</td>
<td>49%</td>
</tr>
<tr>
<td>MVWD</td>
<td>24%</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Ontario</td>
<td>24%</td>
<td>21%</td>
<td>30%</td>
</tr>
<tr>
<td>Upland</td>
<td>36%</td>
<td>39%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Regional Plant influent flows during the month of May 2016 was consistent with the flow received during the previous months. Agency-wide average daily influent flow for the month of May 2016 was approximately 47.9 million gallons per day.
The National Pollutant Discharge Elimination System (NPDES) permit effluent limitation for the Agency-wide 12-month flow-weighted running average of Total Inorganic Nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for May 2016 was 5.6 mg/L.

The NPDES permit effluent limitation for the Agency-wide 12-month flow-weighted running average of Total Dissolved Solids (TDS) is 550 mg/L. The 12-month running average TDS value for May 2016 was 507 mg/L.

During the month of June, digester gas venting incidents occurred at RP-5 SHF on June 14th, 23rd, and 24th as a result of flare failure. Zero pounds of hydrogen sulfide was released from the incidents. The facility is working to adjust the programmable logic controller to prevent future incidents.

IERCF UPDATE

Operational Comments – Facility throughput for June averaged approximately 96% of permitted capacity at an average of 410 tons per day of biosolids and 155 tons per day of amendments (based on a 30-day month). The facility is operating well with no violations or lost time incidents.
Facility Throughput

<table>
<thead>
<tr>
<th>POTW</th>
<th>Wet Tons Month</th>
<th>Wet Tons Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LACSD</td>
<td>7,133.53</td>
<td>42,722.68</td>
</tr>
<tr>
<td>IEUA</td>
<td>5,166.65</td>
<td>32,016.19</td>
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<tr>
<td>OCSD</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12,300.18</td>
<td>74,738.87</td>
</tr>
</tbody>
</table>

Compost Sales – IERCA sales in June were greater than last year, displaying an increase in spring compost demand. We predict July to be on par with the previous year. Compost inventory in the storage facility is 4,200 cubic yards of finished material and 3,500 cubic yards of overs material.

Monthly Sales Summary June 2016

<table>
<thead>
<tr>
<th>Month</th>
<th>Product</th>
<th>Cubic Yards</th>
<th>Avg. $/CYD</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>Premium</td>
<td>17,254.34</td>
<td>$2.49</td>
<td>$42,961.67</td>
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<tr>
<td></td>
<td>Base</td>
<td>5,469.78</td>
<td>$0.21</td>
<td>$1,168.19</td>
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<tr>
<td>Total</td>
<td></td>
<td>22,724.12</td>
<td>$1.94</td>
<td>$44,129.86</td>
</tr>
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</table>

YTD Sales Summary through June 2016

<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td>July</td>
<td>21,389.25</td>
<td>23,854.37</td>
<td>$34,657.16</td>
<td>$39,474.57</td>
</tr>
<tr>
<td>August</td>
<td>16,919.04</td>
<td>25,689.52</td>
<td>$30,461.07</td>
<td>$27,575.69</td>
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<td>September</td>
<td>16,750.02</td>
<td>33,117.16</td>
<td>$24,655.71</td>
<td>$37,732.49</td>
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<td>October</td>
<td>27,394.30</td>
<td>31,487.37</td>
<td>$33,401.74</td>
<td>$31,552.56</td>
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<tr>
<td>November</td>
<td>29,056.62</td>
<td>22,348.31</td>
<td>$25,280.90</td>
<td>$32,957.02</td>
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<td>December</td>
<td>17,586.64</td>
<td>18,272.61</td>
<td>$28,476.77</td>
<td>$23,528.45</td>
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<tr>
<td>January</td>
<td>14,298.49</td>
<td>14,388.67</td>
<td>$22,085.28</td>
<td>$38,227.06</td>
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<tr>
<td>February</td>
<td>12,426.08</td>
<td>15,105.97</td>
<td>$28,926.15</td>
<td>$37,979.47</td>
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<td>16,784.45</td>
<td>22,089.99</td>
<td>$33,493.58</td>
<td>$56,897.95</td>
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<td>April</td>
<td>26,638.72</td>
<td>24,675.28</td>
<td>$36,945.87</td>
<td>$47,085.22</td>
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<tr>
<td>May</td>
<td>26,533.61</td>
<td>15,213.81</td>
<td>$37,207.12</td>
<td>$33,195.45</td>
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<td>June</td>
<td>22,724.12</td>
<td>18,274.91</td>
<td>$44,129.86</td>
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<td>Total</td>
<td>248,501.34</td>
<td>264,517.97</td>
<td>$379,721.21</td>
<td>$443,275.43</td>
</tr>
<tr>
<td>Average</td>
<td>20,708.45</td>
<td>22,043.16</td>
<td>$31,643.43</td>
<td>$36,939.62</td>
</tr>
</tbody>
</table>
Groundwater Recharge – May 2016
During May 2016, recycled water recharge totaled 1,525 acre-feet. There was no imported water delivered. The capture of dry weather creek flows totaled 35 acre-feet. There was one rain event during this period that generated a total of approximately 435 acre-feet of captured storm water. A detailed summary of the Chino Basin Groundwater Recharge Operations can be found at http://www.ieua.org/category/reports/groundwater-recharge-reports.

Groundwater Recharge – June 2016 (Preliminary)
During June 2016, recycled water recharge totaled 1,193 acre-feet. There was no imported water delivered. The capture of dry weather creek flows totaled 48 acre-feet. There were no rain events during this period. A detailed summary of the Chino Basin Groundwater Recharge Operations can be found at http://www.ieua.org/category/reports/groundwater-recharge-reports.

Total Groundwater Recharge – May 2016
Recycled Water Delivered to Groundwater Recharge – May 2016 (continued)

During May 2016, 74% (35.7 MGD) of IEUA recycled water supply (48.0 MGD) was delivered into the distribution system for both direct use customers (19.7 MGD) and groundwater recharge (16.0 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 12.3 MGD.

RW Distribution – June 2016 (Preliminary)
During June 2016, 88% (40.9 MGD) of IEUA recycled water supply (46.3 MGD) was delivered into the distribution system for both direct use customers (27.9 MGD) and groundwater recharge (13.0 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 5.4 MGD.
Currently, 14 projects have over $500,000 of FY budget that will not be expended this FY. These 14 projects represent $21,072,342 of the variance between the current FY budget and the projections. The reasons for their variances are as follows:

<table>
<thead>
<tr>
<th>Project #</th>
<th>Description</th>
<th>FY 15/16 Forecast</th>
<th>FY 15/16 Budget</th>
<th>Variance (FY Budget - FY Forecast)</th>
<th>Reason for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 EN13018</td>
<td>Montclair Diversion Structure Retrofit</td>
<td>570,247.42</td>
<td>1,203,874.47</td>
<td>633,627.05</td>
<td>The expenditures were delayed to allow the contractor time to procure all materials necessary prior to closing the street to lessen the length of time for the road closure.</td>
</tr>
<tr>
<td>6 EN13045</td>
<td>Wineville RW Extension Segment B</td>
<td>1,694,281.96</td>
<td>2,506,255.60</td>
<td>812,973.64</td>
<td>The project completed under budget.</td>
</tr>
<tr>
<td>7 EN13048</td>
<td>RP-1 930-Zone RW Pump Station Load Analysis</td>
<td>264,524.93</td>
<td>1,000,000.00</td>
<td>735,475.07</td>
<td>An extensive analysis of the RP-1 existing load was required prior to launching the design. The majority of the budget (design and construction) will be consumed in FY 2016/17.</td>
</tr>
<tr>
<td>8 EN14018</td>
<td>RP-4 Disinfection System Retrofit</td>
<td>255,770.19</td>
<td>759,516.35</td>
<td>503,746.16</td>
<td>Additional scope to rehab the south side of the existing building impacted the completion of the design schedule.</td>
</tr>
<tr>
<td>9 EN14047</td>
<td>GWR and RW SCADA Control Upgrades</td>
<td>108,844.06</td>
<td>816,265.44</td>
<td>707,421.38</td>
<td>The planned schedule did not account for a lengthy pre-design effort. This pushed all of the construction cost to FY 2016/17.</td>
</tr>
<tr>
<td>10 EN15043</td>
<td>SBCFCD Recycled Water Easement</td>
<td>1,903.05</td>
<td>567,298.31</td>
<td>565,395.26</td>
<td>San Bernardino County has not completed the appraisal report reviews.</td>
</tr>
<tr>
<td>11 EN15044</td>
<td>SBCFCD NRW Easement</td>
<td>267.24</td>
<td>514,929.68</td>
<td>514,662.44</td>
<td>San Bernardino County has not completed the appraisal report reviews.</td>
</tr>
<tr>
<td>12 EN16021</td>
<td>Chino Basin Groundwater Supply Wells and Raw Water Pipelines</td>
<td>66,509.18</td>
<td>9,000,000.00</td>
<td>8,933,490.82</td>
<td>The project work has been delayed due to the ongoing settlement negotiations with the Regional Board. CDA has initiated project management with Michael Baker International, but design and construction cannot begin until Regional Board settlement is complete, per IEUA’s agreement with CDA. The Regional Board has delayed the issuance of the Cleanup Order, which has pushed back the project start date. It is anticipated that the Regional Board will issue the Cleanup Order in Q3 of 2016.</td>
</tr>
<tr>
<td>13 EN16024</td>
<td>RP-1 Mixed Liquor Return Pumps</td>
<td>414,676.38</td>
<td>1,000,000.00</td>
<td>585,323.62</td>
<td>The project evaluation period was extended based on a review of project expectations and Stakeholder requirements. This reduced the amount of funding required for this year and moved expenditures into FY 2016/17.</td>
</tr>
<tr>
<td>14 EN16025</td>
<td>RP-1 Expansion PDR</td>
<td>144,308.53</td>
<td>1,000,000.00</td>
<td>855,691.47</td>
<td>The original budget assumed 50/50 cost split between RP-1 &amp; RP-5. Actual cost split is 20/80. Remaining $850,000 will be transferred to EN16028.</td>
</tr>
</tbody>
</table>
**Active Projects in Design**

29 Active Project in Design

<table>
<thead>
<tr>
<th>FY17/18, 5</th>
<th>June FY15/16, 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul - Sep FY16/17, 7</td>
<td>Oct - Dec FY16/17, 3</td>
</tr>
<tr>
<td>Apr - Jun FY16/17, 4</td>
<td></td>
</tr>
</tbody>
</table>

### 7 Projects Currently in Bid & Award for FY 2015/16
- EN16047.00 HQ Parking Lot FY15/16
- EN16051.00 RP-1 Utility Water Flow Meter
- EN16055.00 Headquarters Back Up Generator
- EN14012.01 RP-2 Drying Bed Repairs/AC Drainage Upgrades
- EN16070.00 Agency Wide Pumps Efficiencies Improvements
- EN16068.00 Main Office Permit Office
- EN16132.00 Magnolia Channel Spillway

### 7 Projects in Bid & Award in July-September of FY 2016/17
- EN14018.00 RP-4 Disinfection Facility Improvements
- EN16071.00 San Bernardino Avenue Gravity Sewer
- EN16024.00 RP-1 Mixed Liquor Return Pumps
- EN17040.00 RP-1 Aeration Basin Panel Repairs
- EN16049.00 Conference Rooms Audio Visual Upgrades
- EN13001.00 San Sevaine Basin Improvements
- EN11031.00 RP-5 Flow Equalization and Effluent Monitoring

### 3 Projects in Bid & Award in October - December of FY 2016/17
- EN16021.00 TCE Plume Cleanup
- EN14019.00 RP-1 Headworks Primary and Secondary Upgrades
- EN16014.02 Turner Diversion Manhole Repair

### 3 Projects in Bid & Award in January - March of FY 2016/17
- EN15013.00 RP-1 TWAS and Primary Effluent Piping Replacement 2014
- EN16034.00 RW Pressure Sustaining Valve Installation FY 15/16
- EN11039.00 TP-1 Disinfection Pump Improvements

### 4 Projects in Bid & Award in April - June of FY 2016/17
- RW15004.00 Lower Day Basin RMPU Improvements
- EN14043.00 RP-5 RW Pipeline Bottleneck
- EN13048.98 RP-1 Power System Upgrades
- WR15021.00 Napa Lateral

### 5 Projects in Bid & Award in FY17/18
- EN17006.00 CCWRF Headworks & Odor Control Replacements
- EN14042.00 RP-1 1158 RWPS Upgrades
- EN15012.00 RP-1 East Primary Effluent Pipe Rehab
- EN13016.02 SCADA Enterprise System - Phase 2 (Regional Water Recycling Plant No. 1)
- EN22002.00 NRW East End Flowmeter Replacement
### Projects in Construction

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Title</th>
<th>Description</th>
<th>Total Project Budget ($)</th>
<th>Total Cost to Date thru 6/30 ($)</th>
<th>FY 2016 Budget ($)</th>
<th>FY Cost thru 6/30 ($)</th>
<th>Original Contract ($)</th>
<th>Total Project Cost ($)</th>
<th>Total Project CO's (%)</th>
<th>Project Complete (%)</th>
<th>Original Planned Completion Date</th>
<th>Current Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN12014.00</td>
<td>East Avenue 1630 E RWP Relocation</td>
<td>Relocation of 200 LF of 36 inch RW PL on East Avenue in Rancho</td>
<td>890,108</td>
<td>501,938</td>
<td>633,261</td>
<td>329,993</td>
<td>384,950</td>
<td>10,733</td>
<td>2.79%</td>
<td>55%</td>
<td>8/30/2015</td>
<td>9/28/2016</td>
</tr>
<tr>
<td>EN13018.00</td>
<td>Montclair Diversion Structure Improvements</td>
<td>Re rehabilitate the gates and install SCADA for remote operations</td>
<td>3,030,095</td>
<td>893,951</td>
<td>1,203,874</td>
<td>579,718</td>
<td>557,565</td>
<td>0</td>
<td>0.00%</td>
<td>92%</td>
<td>7/1/2016</td>
<td>7/15/2016</td>
</tr>
<tr>
<td>EN13045.00</td>
<td>Winevine RW Extension Segment B</td>
<td>Install 2.8 miles of 30&quot; RWP &amp; to the associated appurtenances</td>
<td>11,880,300</td>
<td>10,787,326</td>
<td>2,506,256</td>
<td>1,695,699</td>
<td>8,900,000</td>
<td>205,503</td>
<td>2.31%</td>
<td>81%</td>
<td>10/15/2015</td>
<td>12/3/2015</td>
</tr>
<tr>
<td>EN13056.01</td>
<td>NWP-4 MCC - Power Center Five Roof Access</td>
<td>Design, fabricate, install stairs for rooftop &amp; install of access platform</td>
<td>160,000</td>
<td>83,582</td>
<td>90,556</td>
<td>83,230</td>
<td>188,000</td>
<td>0</td>
<td>0.00%</td>
<td>74%</td>
<td>7/18/2016</td>
<td>8/31/2016</td>
</tr>
<tr>
<td>EN14047.00</td>
<td>IERCF Receiving Pit and Drainage</td>
<td>Replace five recharge basins with fully supported programmable logic controllers.</td>
<td>932,000</td>
<td>228,044</td>
<td>816,265</td>
<td>112,309</td>
<td>250,989</td>
<td>0</td>
<td>0.00%</td>
<td>95%</td>
<td>2/17/2017</td>
<td>1/6/2017</td>
</tr>
<tr>
<td>EN15008.00</td>
<td>Water Quality Laboratory</td>
<td>The project will replace the existing operation laboratory at RP-1.</td>
<td>20,900,000</td>
<td>1,462,835</td>
<td>1,700,000</td>
<td>1,441,623</td>
<td>17,460,000</td>
<td>0</td>
<td>0.00%</td>
<td>32%</td>
<td>4/1/2019</td>
<td>8/7/2018</td>
</tr>
<tr>
<td>EN15032.00</td>
<td>Agency-Wide HVAC Improvements-Package No. 3</td>
<td>Evaluate elect &amp; control buildings HVAC systems &amp; provide solutions @RP-1</td>
<td>1,180,000</td>
<td>718,698</td>
<td>989,250</td>
<td>624,422</td>
<td>431,216</td>
<td>3,456</td>
<td>0.80%</td>
<td>92%</td>
<td>6/6/2016</td>
<td>5/10/2016</td>
</tr>
<tr>
<td>EN15030.02</td>
<td>San Bernardino Lift Station Fiber Optic Vault Upgrades</td>
<td>Install traffic rated manhole covers &amp; modify existing pull boxes to be traffic rated.</td>
<td>355,000</td>
<td>365,075</td>
<td>250,000</td>
<td>365,075</td>
<td>248,500</td>
<td>0</td>
<td>0.00%</td>
<td>48%</td>
<td>6/28/2016</td>
<td>5/3/2016</td>
</tr>
<tr>
<td>EN15055.00</td>
<td>1630 E &amp; W. Recycled Water Pump Station - Surge Tank Installation</td>
<td>Installation of new surge tank, air compressor, piping and electrical systems</td>
<td>1,590,000</td>
<td>436,716</td>
<td>527,428</td>
<td>377,183</td>
<td>729,000</td>
<td>0</td>
<td>0.00%</td>
<td>64%</td>
<td>9/23/2016</td>
<td>10/13/2016</td>
</tr>
<tr>
<td>EN16013.00</td>
<td>RP-4 Lighting Improvements - Phase 1</td>
<td>Replace fluorescent light fixtures with LED fixtures &amp; motion sensors.</td>
<td>300,000</td>
<td>5,028</td>
<td>300,000</td>
<td>5,028</td>
<td>1,400,320</td>
<td>0</td>
<td>0.00%</td>
<td>55%</td>
<td>6/17/2016</td>
<td>7/14/2016</td>
</tr>
<tr>
<td>EN16067.00</td>
<td>RP-1 DAFs Plug Valve Replacement</td>
<td>Demo &amp; replacement of existing eccentric plug valves in DAF Valve Vaults</td>
<td>120,000</td>
<td>128,279</td>
<td>120,000</td>
<td>128,279</td>
<td>80,085</td>
<td>0</td>
<td>0.00%</td>
<td>100%</td>
<td>2/9/2016</td>
<td>6/6/2016</td>
</tr>
<tr>
<td>EN17034.00</td>
<td>Agency-wide Lighting Improvements - Phase 2</td>
<td>Replace the interior and exterior fluorescent lights with LED lights and add motion sensors at RP-5, RP-1, CCWRF and HQ</td>
<td>1,400,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,400,320</td>
<td>0</td>
<td>0.00%</td>
<td>22%</td>
<td>6/16/2016</td>
<td>1/3/2017</td>
</tr>
<tr>
<td>RA14003.00</td>
<td>IERCF Receiving Pit and Drainage</td>
<td>Installation of new drain collection pits and drain piping as well as new pump stations.</td>
<td>375,000</td>
<td>26,204</td>
<td>250,000</td>
<td>16,024</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>42%</td>
<td>7/28/2016</td>
<td>7/28/2016</td>
</tr>
</tbody>
</table>

### Emergency Projects Awarded in June 2016

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Contractor</th>
<th>Task Order Description</th>
<th>TO #</th>
<th>Amount</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN16018.03</td>
<td>W. A. Rasic</td>
<td>Grand Avenue Sinkhole</td>
<td>TO-034</td>
<td>36,163</td>
<td>6/16/2016</td>
</tr>
</tbody>
</table>

### Notice of Completion Filed in June 2016

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Title</th>
<th>Description</th>
<th>Notice of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN14038.00</td>
<td>CB20 Noise Mitigation Measures</td>
<td>Design and Build the sound mitigating enclosure</td>
<td>6/3/2016</td>
</tr>
</tbody>
</table>
### Office Engineering Project

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Title</th>
<th>Status</th>
<th>Complete (%)</th>
<th>Actual Costs ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CW16003.02</td>
<td>Chino Rag Conn C-30</td>
<td>Due to the recent approval by USACE the project can begin construction in late 2016.</td>
<td>52%</td>
<td>55</td>
</tr>
<tr>
<td>CW16003.03</td>
<td>Ontario Reg Conn O-97 &amp; O-98</td>
<td>The regional connection request was approved by the Reg Tech Comm.</td>
<td>23%</td>
<td>49</td>
</tr>
<tr>
<td>CW16003.04</td>
<td>MI MH Adjustment at Phillips &amp; Ramona</td>
<td>Waiting for SB County notification of project award and schedule</td>
<td>13%</td>
<td>49</td>
</tr>
<tr>
<td>CW16003.05</td>
<td>Chino Hills Reg Conn CH-10</td>
<td>The regional connection request will be presented to the Reg Tech Comm for approval.</td>
<td>7%</td>
<td>0</td>
</tr>
<tr>
<td>CW16015.01</td>
<td>City of Ontario Francis St SD Project</td>
<td>Waiting for inspection request notification</td>
<td>24%</td>
<td>193</td>
</tr>
<tr>
<td>CW16102.01</td>
<td>CVWD RW Conn CVRW-43</td>
<td>Possible inspection of hot tap upon notification</td>
<td>59%</td>
<td>297</td>
</tr>
<tr>
<td>CW16102.03</td>
<td>CVWD RW Conn CVRW-42</td>
<td>The revised final design was taken with no exceptions and mylars were signed.</td>
<td>54%</td>
<td>270</td>
</tr>
<tr>
<td>CW16102.04</td>
<td>CVWD RW Conn CVRW-44</td>
<td>The mylar was signed &amp; request for the contractor’s certificate of ins was submitted.</td>
<td>68%</td>
<td>697</td>
</tr>
<tr>
<td>CW16102.05</td>
<td>CVWD RW Conn CVRW-45</td>
<td>The IEUA permit was issued</td>
<td>88%</td>
<td>407</td>
</tr>
<tr>
<td>CW16102.07</td>
<td>CVWD RW Conn CVRW-47</td>
<td>The connection was reviewed w/ as-built drawings &amp; design comments were provided.</td>
<td>66%</td>
<td>143</td>
</tr>
<tr>
<td>CW16102.08</td>
<td>Chino RW Conn CRW-80</td>
<td>The engineering plans were reviewed and comments were provided to the consultant.</td>
<td>88%</td>
<td>336</td>
</tr>
<tr>
<td>CW16102.09</td>
<td>Chino RW Conn CRW-81</td>
<td>The engineering plans were reviewed. The contractor will connect to the existing stub out.</td>
<td>88%</td>
<td>158</td>
</tr>
<tr>
<td>CW16102.10</td>
<td>Chino RW Conn CRW-82-83-84</td>
<td>The contractor will request inspection of the 3 hot taps.</td>
<td>73%</td>
<td>359</td>
</tr>
<tr>
<td>CW16102.11</td>
<td>24in RWPL in 800 FZ in Chino Hills</td>
<td>Final drawings were approved. Waiting for mylar submittal.</td>
<td>82%</td>
<td>215</td>
</tr>
<tr>
<td>CW16102.12</td>
<td>CVWD RW Conn CVRW-48</td>
<td>The connection location was reviewed and design comments were provided.</td>
<td>69%</td>
<td>14</td>
</tr>
<tr>
<td>CW16102.13</td>
<td>City of Ontario Sixth St SD Project</td>
<td>The IEUA permit was issued. It is anticipated that the work will begin in June 2016</td>
<td>43%</td>
<td>198</td>
</tr>
<tr>
<td>CW16102.14</td>
<td>CVWD RW Conn CVRW-49-50-51</td>
<td>The connection was reviewed w/ as-built drawings &amp; design comments were provided.</td>
<td>67%</td>
<td>42</td>
</tr>
<tr>
<td>CW16102.15</td>
<td>Chino RW Conn CRW-85</td>
<td>The drawings were approved.</td>
<td>45%</td>
<td>114</td>
</tr>
<tr>
<td>CW16102.17</td>
<td>RW BO Relocation in Pine</td>
<td>Field Mtg was held with RW Ops to discuss existing facilities that will be relocated due to the widening.</td>
<td>73%</td>
<td>49</td>
</tr>
<tr>
<td>CW16102.18</td>
<td>RW Meter Vault Adj in Monte Vista Ave</td>
<td>The certificate of insurance was accepted and an IEUA permit was issued.</td>
<td>80%</td>
<td>0</td>
</tr>
</tbody>
</table>

Total: $3,644
FINANCE ADMINISTRATION

Accounting and Fiscal Management Update
Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting for the 17th consecutive year to IEUA’s Comprehensive Annual Financial Report (CAFR) for FY 2014/2015. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

IEUA’s CAFR proved to meet the high standards set by the GFOA by demonstrating a constructive spirit of full disclosure to clearly communicate IEUA’s financial story and motivate potential users and user groups to read the CAFR.

The Government Finance Officers Association is a nonprofit professional association serving 17,500 government finance professionals throughout North America.

Senate Bill 272 Compliance
Senate Bill 272 was passed in 2015 and goes into effect July 1st, 2016. Section 2 of this bill requires California government agencies to create a catalog of enterprise systems, which are utilized by the agency, and publish this information on the Internet. The bill does not require publication of Information Technology security products or SCADA solutions that have been implemented. IEUA has developed a catalog of enterprise systems, which will be published on the IEUA website by July 1st.

GRANTS UPDATE

Grants Administration Significant Events - Board Activities
None.

Grant/Loan Opportunities and Applications
The Agency’s Grants Department is continuing to pursue additional federal and state grant opportunities as they become available to supplement the Agency CIP budgets.

State Water Resources Control Board
Meetings:
1. Representatives from the SWRCB attended a kickoff meeting for the New Water Quality Laboratory on June 14, 2016. The kickoff meeting included all of the contractors and subcontractors working on the construction which is expected to begin in September 2016. The new lab has an estimated completion date of August 2018.

2. Representatives from SWRCB regarding the Groundwater Quality grant attended a meeting on June 14, 2016 regarding clarification of our upcoming application for the RMPU Groundwater Quality application.
GRANTS UPDATE (continued)

Grants and Loan Applications:
1. Proposition 1 Storm Water Grant application for the RMPU Project due July 8, 2016.
2. Proposition 1 Groundwater Grant application for the RMPU Project due October 14, 2016.
3. SRF loan for the construction of the Lower Day Basin Improvement Project to be submitted in August 2016.

USBR

Notified of Award of the following Grants from the USBR:
1. Title XVI program for the Lower Chino Dairy Area Desalination and Reclamation Project in the amount of $7.2 million.
2. WaterSmart Drought Resiliency Project for the Drought Resiliency Implementation: Wineville, Jurupa, RP-3 Basins Improvement Project in the amount of $300,000.
3. WaterSmart Drought Contingency Planning Grant in the amount of $200,000.