



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

**WEDNESDAY, NOVEMBER 15, 2017
10:00 A.M.**

DIRECTORS PRESENT:

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

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs and Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance and Administration/AGM
Sharmeen Bhojani, Manager of Human Resources
Jerry Burke, Deputy Manager of Engineering
Lucia Diaz, Facilities Program Supervisor
Warren Green, Manager of Contracts & Procurement
Sally Lee, Executive Assistant
Sylvie Lee, Manager of Planning and Environmental Resources
Laura Mantilla, Executive Assistant
Kenneth Monfore, Deputy Manager of Maintenance
Lisa Morgan-Perales, Senior Water Resources Analyst
Jason Pivovaroff, Senior Engineer
Susannah Shoaf, Contract & Procurement Supervisor
Shaun Stone, Manager of Engineering
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, General Counsel
Mark Kinsey, Monte Vista Water District
Steve Sentes, Chino Basin Water Conservation District

A regular meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A, Chino, California on the above date.

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

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

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

NEW EMPLOYEE INTRODUCTION

Executive Manager of Finance and Administration/AGM Christina Valencia introduced Ms. Susannah Shoaf, Contract & Procurement Supervisor, hired October 23, 2017.

The Board of Directors welcomed Ms. Susannah Shoaf to the IEUA team.

PRESENTATIONS

INTRODUCTION AND COMMENTS BY CHINO BASIN WATER CONSERVATION DISTRICT EXECUTIVE DIRECTOR MR. STEVE SENTES

Mr. Steve Sentes introduced himself to the Board of Directors as the new Executive Director of the Chino Basin Water Conservation District. He gave a background of his knowledge and experience.

CONSENT ITEMS

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. Director Hofer requested that Consent Calendar Item 3E – *RP-1 TRAINING ROOM CONSTRUCTION CONTRACT AWARD* and Director Hall requested that Consent Calendar Item 3F – *FLOW EQUALIZATION AND EFFLUENT MONITORING CONSTRUCTION CHANGE ORDER* be pulled from the Consent Calendar for further discussion.

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

M2017-11-1

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the October 18, 2017 Board meeting.
- B. Adopted Resolution No. 2017-11-5, nominating General Manager Halla Razak as the Agency’s representative to the five-member Santa Ana Watermaster Committee.

**RESOLUTION 2017-11-5
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, NOMINATING AN AGENCY REPRESENTATIVE TO THE SANTA ANA RIVER WATERMASTER COMMITTEE IN THE MATTER OF ORANGE COUNTY V. CITY OF CHINO, ET AL. (for full text, see Resolution Book)**

- C. Approved the total disbursements for the month of September 2017, in the amount of \$18,087,402.66.

Continued...

D. The Board:

1. Adopted Resolution No. 2017-11-1, authorizing participation in the Local Agency Investment Fund (LAIF) and designating signatories for the deposit and withdrawal of funds;

RESOLUTION 2017-11-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING PARTICIPATION IN THE LOCAL AGENCY INVESTMENT FUND AND DESIGNATING SIGNATORIES FOR THE DEPOSIT AND WITHDRAWAL OF FUNDS *(for full text, see Resolution Book)*

2. Adopted Resolution No. 2017-11-2, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, check, and withdrawal of funds;

RESOLUTION 2017-11-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS, DEPOSITS, TRANSFERS, CHECKS, AND WITHDRAWALS OF FUNDS *(for full text, see Resolution Book)*

3. Adopted Resolution No. 2017-11-3, authorizing and designating signatories investment agreements, investment authorizations, and investment fund transfers to fund investment transactions; and

RESOLUTION 2017-11-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES OF INVESTMENT AGREEMENTS, INVESTMENT AUTHORIZATIONS, AND INVESTMENT FUND TRANSFERS TO FUND INVESTMENT TRANSACTIONS *(for full text, see Resolution Book)*

4. Adopted Resolution No. 2017-11-4, authorizing and designating signatories for transfer documents for the movement of funds and investment securities to safekeeping with a third-party Custodian.

RESOLUTION 2017-11-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AND DESIGNATING SIGNATORIES OF TRANSFER DOCUMENTS FOR THE MOVEMENT OF FUNDS AND INVESTMENT SECURITIES TO SAFEKEEPING WITH A THIRD-PARTY CUSTODIAN *(for full text, see Resolution Book)*

Continued...

M2017-11-1 continued.

E. PULLED

F. PULLED

G. The Board:

1. Awarded a three-year service contract with additional two, one-year options, to Cintas Corporation, for uniforms and related services for a not-to-exceed amount of \$600,000; and
2. Authorized the General Manager to execute the service contract.

H. The Board:

1. Approved the consulting engineering services contract amendment for the RP-4 Rehabilitation, Projects Nos. EN17043 and EN17110, to Carollo Engineers for a not-to-exceed amount of \$356,236; and
2. Authorized the General Manager to execute the consulting engineering services contract amendment subject to non-substantive changes.

ACTION ITEM

RP-1 TRAINING ROOM CONSTRUCTION CONTRACT AWARD

Director Hofer asked how often the RP-1 Maintenance Building Training Room would be used. Executive Manager of Operations/AGM Randy Lee stated that the room would be used on a weekly basis for ongoing training for staff such as ramp up training, skills training, safety tailgate training and recently it was agreed upon with the bargaining unit that the level of training will be increased. The implementation of the reliability center maintenance will require the skill levels of the mechanics, electricians, and instrumentation staff be increased. Currently, a portion of the RP-1 Maintenance Bay is being utilized for training. The RP-1 Training Room will provide a permanent location designated for this purpose.

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

M2017-11-2

MOVED, to:

1. Awarded a construction contract for the RP-1 Maintenance Building Training Room, Project No. EP17003, to New Millennium Construction in the amount of \$266,890; and
2. Authorized the General Manager to execute the construction contract.

FLOW EQUALIZATION AND EFFLUENT MONITORING CONSTRUCTION CHANGE ORDER

Director Hall asked if the fiber optics would be installed or if existing fiber optics will be replaced or repaired. Manager of Engineering Shaun Stone stated the new pumps offer greater control of

the SCADA system and provide more feedback data. This would be a new fiber optic run that is serving to repair the interference caused by the sensitivity of the new pumps.

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

M2017-11-3

MOVED, to:

1. Awarded a three-year service contract for the RP-1 and RP-2 boilers semi-annual cleaning and annual tune-up services to R.F. MacDonald, in the amount of \$122,154; and
2. Authorized the General Manager to execute the service contract.

ACWA 2017 PRESIDENT AND VICE PRESIDENT ELECTION

General Manager Joe Grindstaff stated that there will be elections taking place at the ACWA Conference in November. As of today, there are only two candidates for the President and Vice President of ACWA. Brent Hastey has been the Vice President of ACWA and is being nominated as the President. Steve LaMar, who works with IEUA President Steve Elie through the Southern California Water Committee, is being nominated as Vice President. They have both asked IEUA for support and General Manager Grindstaff is proposing to pass a resolution in IEUA's support. IEUA will also have to designate a voting representative, which in the past has been Director Jasmin Hall.

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

M2017-11-4

MOVED, to:

1. Designated Director Jasmin A. Hall as the IEUA voting representative, who must be present at a November ACWA 2017 Fall Conference, by completing the proxy designation form; and
2. Adopt Resolution No. 2017-11-7, supporting the nomination of Mr. Brent Hastey as the ACWA President, and Mr. Steven E. LaMar as the ACWA Vice President.

RESOLUTION 2017-11-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY CALIFORNIA, SUPPORTING THE NOMINATIONS OF MR. BRENT HASTEY AS THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' PRESIDENT, AND MR. STEVEN E. LAMAR AS THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' VICE PRESIDENT (for full text, see Resolution Book)

CHINO BASIN WATER BANK PLANNING AUTHORITY: JOINT POWERS AUTHORITY AGREEMENT

Manager of Planning & Environmental Resources Sylvie Lee stated that she is presenting this action item asking the Board to approve the establishment of the Joint Powers Authority (JPA) Agreement (Agreement) for the Chino Basin Water Bank Planning Authority. The Chino Basin Water Bank is consistent with the Agency's mission of providing imported water supplies and business goals of securing water supply from various sources. Since 2016, IEUA has been working with its partners – Cucamonga Valley Water District, Monte Vista Water District, and the City of Ontario, to establish a planning JPA to agree on how the Chino Basin Water Bank would work. There have been several workshops, the last one held on October 31, 2017, with the Basin parties to discuss and receive feedback on the Chino Basin Water Bank proposed structure. The approval of the Agreement would help in meeting some project goals in queue, such as SARCCUP and the Proposition I application. On December 13, 2017, a presentation will be made to the California Water Commission to discuss the Prop 1 application for \$480 million. Staff finds that it's an appropriate time to have some governance structure in place. At any time in the future, the Chino Basin Water Bank Planning Authority JPA will be able to change into a Chino Basin Water Bank Operational JPA. She presented a revised JPA agreement, incorporating comments from all partners with the fundamental concepts remaining the same. At this time, it is intended for each of the four parties to appoint one governing Board member as a voting member for the JPA. Discussion ensued on how to inform all related water entities of this project, the importance of this project, structure of the JPA, and the Prop 1 application process. Ms. Lee stated that the next workshop is scheduled for February 1, 2018. She concluded by stating that the parties' council's may have non-substantive changes, so staff is asking for authorization for the General Manager to execute the Agreement, subject to non-substantive changes.

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

M2017-11-5

MOVED, to:

1. Approved the Chino Basin Water Bank Planning Authority: Joint Powers Authority Agreement; and
2. Authorized the General Manager to execute the Agreement, subject to non-substantive changes.

RP-1 TRIDENT FILTERS CONSTRUCTION CONTRACT AWARD

Manager of Engineering Shaun Stone stated that this project is an urgent project at RP-4 and is required to meet the operational and permit requirements. During the field walks with staff for a larger project, it was discovered that the trident filters that were originally identified for work to be scheduled in 2014, had degraded faster than anticipated. Three of the eight filters are currently offline and one is exhibiting early signs of failure. If the fourth filter goes offline, the plant's filtering capacity will be down 25 percent. The project also includes weir covers to the secondary clarifiers, which will shade the portion of the still water to prevent algae growth. In early September of this year, four bids were received. J.F. Shea was the lowest bidder at \$3.8 million dollars, which was way below the engineers estimate. Staff reached out to J.F. Shea to discuss the project scope, to ensure that they had captured everything. J.F. Shea responded in writing that they were comfortable with their bid and ready to execute the work. He gave an overview of the project budget and schedule.

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

M2017-11-6

MOVED, to:

1. Awarded a contract for the RP-4 Trident Filters, Project No. EN17110.01, to J.F. Shea Construction, Inc. in the amount of \$3,799,000;
2. Approved a contract amendment to Carollo Engineers for engineering services, project management, and construction management for a not-to-exceed amount of \$454,858; and
3. Authorized the General Manager to execute the construction contract and consulting engineering services amendment subject to non-substantive changes.

INFORMATION ITEMS

ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATE

Deputy Manager of Engineering Jerry Burke gave a PowerPoint presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: EN18006 – RP-1 Flare Improvements; EN19006 – RP-5 Biosolids Facility; EN14043 – RP-5 RW Pipeline Bottleneck; and REEP Engine Upgrades.

Discussion ensued about the focus of the RP-1 Flare Improvement Project and SCAQMD new requirements for flares.

MWD UPDATE

Senior Engineer Jason Pivovaroff gave an update on Lake Oroville's Phase I repairs, which will allow 30-40 percent capacity of the main spillway. Being the largest reservoir on the State Water Project system, it will impact this year's State Water Project water allocation. It has been voiced that the Agency will see 10 to 20 percent of the initial allocations, consistent to the prior years despite the wet hydrology received. The Agency will receive the first initial allocation on December 1, 2017. A confirmation from DWR will be received at that time. The state has primarily been looking at the financial plans for CA WaterFix on how to finance the project. The State Water Contractors who are supporting the current project are going back to their Boards for JPA support approval on financing construction and design project costs. He closed with an MWD map on the seismic risk to imported water conveyance system. Director Parker asked approximately how much water has been recharged through the Dry Year Yield program through MWD to date. Executive Manager of Engineering/AGM Chris Berch stated that the Agency's obligation was 25,000 acre feet (AF), currently the Agency is at about that point, and anticipating to take 50,000 AF during this fiscal year.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

WORKERS' COMPENSATION SELF-INSURED ANALYSIS 2017

PUBLIC OUTREACH AND COMMUNICATION

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES

LEGISLATIVE REPORT FROM WEST COAST ADVISORS

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

FEDERAL LEGISLATIVE TRACKING MATRIX

STATE LEGISLATIVE TRACKING MATRIX

FY 2016/17 RECYCLED WATER ANNUAL REPORT

REGIONAL WATER USE EFFICIENCY PROGRAM ANNUAL REPORT – FY 2016/17

SARCCUP UPDATE

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall reported that on the November 7, 2017 SAWPA meeting, they authorized the contract to prepare a new Inland Empire Brine Line Rate Model. They also received an update that they have completed the pepperweed removal and restoration project for the Inland Empire Brine Line Repair Project.

MWD REPORT

Director Camacho had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker reported that on November 2, 2017, the Policy Committee had one major action item, the RP-4 Trident Filter Rehabilitation Construction Contract Award, which was unanimously approved.

CHINO BASIN WATERMASTER REPORT

President Elie reported that on October 26, 2017, the CBWM held a meeting. Majority of the meeting was held in closed session. Mr. Grindstaff reported on the Proposition 1 Water Bank, which was also covered at the meeting today.

GENERAL MANAGER'S REPORT

General Manager Joe Grindstaff stated that this is his last meeting as General Manager at an IEUA Board meeting. He thanked the Board for the opportunity to serve.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

Director Hall stated that on November 6, 2017, she attended the Dedication of an Acorn into a Tree with John Anderson at Inland Empire Regional Composting Facility.

President Elie stated that on October 26, 2017, he attended the Southern California Water Committee's Annual Dinner meeting, where Secretary Laird spoke about the CA WaterFix. As a founding member, the Agency had two tables at the event and had the opportunity to invite people from non-profit organizations and from our member agencies to attend. He also helped staff give a tour of the Agency facilities to City of Chino Councilmembers Rodriguez and George on October 30, 2017. He also attended the Chino Valley Unified School District State of the District event on November 14, 2017.

President Elie ended with an appreciative statement of General Manager P. Joseph Grindstaff. He stated that he will close the meeting in his honor for his great service to the Agency.

CLOSED SESSION

The Board went into Closed Session at 10:59 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (2) 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 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer Negotiations – All Bargaining Units, Negotiating Parties: General Manager P. Joseph Grindstaff.

The meeting resumed at 12:23 p.m., and General Counsel Martin Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

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

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board took no reportable action.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board took no reportable action.

Regarding Conference with Labor Negotiator:

Meet and Confer Negotiations – All Bargaining Units

Negotiating Parties: General Manager P. Joseph Grindstaff

The Board took no reportable action.

With no further business, President Elie closed the meeting in the honor of General Manager P. Joseph Grindstaff and adjourned the meeting at 12:23 p.m.



Michael Camacho, Vice President

APPROVED: DECEMBER 20, 2017