



**MINUTES OF THE REGULAR  
MEETING OF  
THE BOARD OF DIRECTORS  
OF  
THE INLAND EMPIRE UTILITIES AGENCY\*  
WEDNESDAY, FEBRUARY 18, 2015  
10:00 A.M.**

**DIRECTORS PRESENT:**

Terry Catlin, President  
Michael Camacho, Vice President  
Jasmin A. Hall  
Gene Koopman

**DIRECTOR ABSENT:**

Steven J. Elie, Secretary/Treasurer

**STAFF PRESENT:**

Joseph Grindstaff, General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Ernest Yeboah, Executive Manager of Operations/Assistant General Manager  
Blanca Arambula, Deputy Manager of Human Resources  
Sharmeen Bhojani, Manager of Human Resources  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Kathy Besser, Manager of External Affairs  
David Choi, Associate Engineer  
Jason Gu, Grants Officer  
Liz Hurst, Water Resources Analyst I  
Majid Karim, Acting Manager of Engineering  
Sylvie Lee, Manager of Planning & Environmental Compliance  
Abel Medrano, Compost Worker  
David Mendez, Deputy Manager of Construction Management  
Stephen Parker, Operator II  
Jesse Pompa, Senior Associate Engineer  
Craig Proctor, Pretreatment & Source Control Supervisor  
Rachael Solis, Acting Supervisor of Engineering Administration  
Teresa Velarde, Manager of Internal Audit  
Ben Yuen, Operator V  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenetche, Cihigoyenetche, Grossberg & Clouse  
Marty Cihigoyenetche, Cihigoyenetche, Grossberg & Clouse  
Braden Yu, CVWD  
Michael Boccadoro, The Dolphin Group

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 Catlin called the meeting to order at 10:07 a.m., and he led with the pledge of allegiance to the flag. A quorum was present.

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

President Catlin asked if there were any changes/additions/deletions to the agenda. President Catlin moved Consent Calendar Item F. Adoption of Resolution No. 2015-29, Authorizing Agency Organizational Memberships and Affiliations to an Action Item on the agenda. President Catlin also moved The Dolphin Group State Legislative Update, to follow General Manager's Report on the agenda.

### **NEW HIRE INTRODUCTION**

Executive Manager of Operations/Assistant General Manager Ernest Yeboah introduced the following new employees:

- Mr. Abel Medrano, Compost Worker – December 1, 2014
- Mr. David Choi, Associate Engineer – January 19, 2015
- Mr. Stephen Parker, Operator II – February 2, 2015
- Mr. Ben Yuen, Operator V – February 3, 2015

The Board welcomed Messrs. Medrano, Choi, Parker, and Yuen to the IEUA team.

## **2. CONSENT CALENDAR**

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

### **M2015-2-3**

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the February 4, 2015, Joint Special Meeting of the IEUA Board and Regional Policy Committee.
- B. The Board approved the total disbursements for the month of December 2014, in the amount of \$18,559,270.91.
- C. The Board adopted Resolution No. 2015-2-1, to authorize the Agency:
  - a. To enter into a financial assistance agreement with the U.S. Department of Interior – Bureau of Reclamation (USBR) for a grant application submitted on January 23, 2015;
  - b. To execute a grant agreement, any amendments and grant related documents thereto with the USBR; and

*Continued...*

- c. To negotiate a grant administration agreement with the Chino Basin Watermaster (CBWM) that will allow the Agency to administer the grant.

**RESOLUTION NO. 2015-1-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART WATER AND ENERGY EFFICIENCY GRANTS FOR FY 2015 WITH THE U.S. DEPARTMENT OF INTERIOR – BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE GROUNDWATER RECHARGE YIELD ENHANCEMENT PROJECT FOR STORMWATER CAPTURE. (for full text, see Resolution Book)**

D. The Board:

1. Approved an agreement amendment with SAWPA to extend the temporary Brine Line connection to March 2017;
2. Approved an agreement amendment with Chino Development Corporation (CDC), Chino Preserve Development Corporation, and Chino Holding Company for the extension of the temporary Brine Line connection to March 2017;
3. Approved an agreement amendment with the City of Chino to extend the temporary Brine Line connection to March 2017; and
4. Authorized the General Manager to execute the amendments.

E. The Board:

1. Awarded the services contract (Contract No. 46000001816) to clean Digester No. 2 at Regional Plant No. 2 (RP-2) to Synagro-WWT, Inc., for a not-to-exceed amount of \$449,667; and
2. Authorized the General Manager to execute the contract.

F. *PULLED and placed on Action Items for presentation.*

### 3. ACTION ITEMS

#### **A. WINEVILLE EXTENSION RECYCLED WATER PIPELINE SEGMENT A AND B FISCAL YEAR 2014/15 BUDGET APPROPRIATION**

Acting Manager of Engineering Majid Karim stated that the budgets for the Wineville Pipeline construction project were appropriated over two years during the budget process in December 2013. He said that at the time, there were two items of concern that could potentially impact the project schedule: the results of the Geotechnical Baseline Report and the easements from the San Bernardino County Flood Control District (SBCFCD). He reported that the results of the geotechnical report completed in early 2014 revealed no major challenges. Mr. Karim stated that the construction contracts were awarded by the Board in May and June of 2014, and at that time, the budgets were not re-appropriated due to the uncertainty of the easement for the SBCFCD. He reported that the easement was approved in January 2015. Staff reviewed the current production levels, and anticipate projects will be substantially completed this fiscal year. He said staff is requesting a budget reallocation in the amount of \$15 million from FY 2015/16 to the current FY 2014/15 to meet the contractual obligations for the Wineville Pipeline projects.

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

**M2015-2-4**

MOVED, to:

1. Approve a Fiscal Year (FY) 2014/15 budget appropriation in the amount of \$15,000,000; and
2. Authorize the General Manager to execute the budget appropriation.

#### **B. APPROVAL OF A MEMORANDUM OF UNDERSTANDING FOR A MASTER LEASE AND ENERGY SERVICES AGREEMENT WITH ADVANCED MICROGRID SOLUTIONS, INC.**

Senior Associate Engineer Jesse Pompa stated that consistent with IEUA's Business Goals, the Agency has considered installing energy storage at several treatment plants to save on demand charges during peak periods, optimize renewable resources, and progress toward peak power independence. He stated that staff is requesting that the Board approve a MOU between IEUA and Advanced Microgrid Solutions, Inc. (AMS) for a Master Lease and Energy Services Agreement. Mr. Pompa stated that AMS is identifying customers, such as IEUA, with large electrical loads that can accommodate energy storage units on site. He said that these energy storage installments will be dispatched during peak periods consumption to reduce demand on the grid. He further stated that the MOU outlines provisions of a potential business agreement with a 10-year term, and AMS will assume, at its own expense, all responsibility for design, development, permitting, financing, operation, maintenance and decommissioning of the project at each facility. Mr. Pompa stated that IEUA will work collectively with AMS to refine the Energy Services agreement. As a host site, the benefit to the Agency is access to stored energy during peak periods when it is not provided by Southern California Edison to meet demands. Since the storage batteries are charged at night when energy costs are low, the use of this energy will help reduce peak energy cost during the day.

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

**M2015-2-5**

MOVED, to:

1. Approve the Memorandum of Understanding (MOU) between Inland Empire Utilities Agency and Advanced Microgrid Solutions, Inc. (AMS) for a Master Lease and Energy Services Agreement; and
2. Authorize the General Manager to execute the budget appropriation.

**C. ADOPTION OF RESOLUTION NO. 2015-2-2, AUTHORIZING AGENCY ORGANIZATIONAL MEMBERSHIPS AND AFFILIATIONS**

Manager of External Affairs Kathy Besser presented the annual proposed FY 2015/16 Agency-wide membership listing (over \$5,000) in the amount of \$178,718. She reported that there is an overall increase of \$20,598. She stated that the increase is primarily due to the addition of a new membership, California Wastewater Climate Change Group with an annual fee of \$15,000. She stated that the California Wastewater Climate Change Group's (CWCCG) vision is to be the recognized provider of education, leadership, and advocacy for the California wastewater community in fostering opportunities for science-based, cost-effective climate change solutions. Ms. Besser further stated that CWCCG is a project of CASA, and CASA's energy committee collaborates directly with the organization. She noted that the priority for CWCCG is AB32 and its implications for wastewater agencies.

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

**M2015-2-6**

MOVED, to:

1. Approve the Agency-wide memberships and affiliations for FY 2015/16, in the amount of \$178,718 as detailed in the Agency-wide membership listing; and
2. Adopt Resolution No. 2015-2-2, authorizing Agency organizational memberships and affiliations.

**RESOLUTION NO. 2015-2-2  
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AGENCY-WIDE ORGANIZATIONAL MEMBERSHIPS AND AFFILIATIONS. (for full text , see Resolution Book)**

**4. INFORMATION ITEMS**

**A. CY 2015/16 BOARD OF DIRECTORS AGENCY'S REPRESENTATIVES**

President Catlin presented the Directors' Agency representative appointments. He stated that these assignments will be effective immediately. He asked if there were any comments by the Board. There were no comments.

**B. CY 2015/16 IEUA COMMITTEE ASSIGNMENTS**

President Catlin presented the Directors IEUA Committee assignments. He stated that these assignments will be effective immediately. He asked if there were any comments by the Board. There were no comments.

**C. ENGINEERING AND CONSTRUCTION MANAGEMENT FY 2014/15 MONTHLY UPDATE**

Acting Manager of Engineering Majid Karim gave a PowerPoint presentation on Engineering and Construction Management Projects. He gave a brief status update on the following projects; Montclair Lift Station and Philadelphia Pump Station Upgrades, Wineville Recycled Water Pipeline Extension Segment A, Wineville Recycled Water Pipeline Extension Segment B, 930 Zone Recycled Water Pipeline, IERCF Conveyance Improvements, IERCF Baghouse and Dust Collection System Enhancements, NRW Collection System Repair and Sewer Manhole Rehab, and The RP-4 Headworks Retrofits. He also informed the Board of two emergency projects which are the San Bernardino Avenue Fiber Optic Manhole Repair with an estimated cost of \$11,500 and the RP-1 Biofilter No. 2 Sealant Repair and Cleaning with an estimated cost of \$40,000.

**D. MWD WATER SUPPLY ALLOCATION PLAN (WSAP) UPDATE**

Water Resources Analyst I Liz Hurst gave a PowerPoint presentation on the MWD's Water Supply Allocation Plan (WSAP) Update. She stated that MWD met with member agencies and it was decided to update the 2011 WSAP formula and in December 2014 the MWD Board approved the WSAP Plan. Ms. Hurst stated that the MWD Board is anticipated to take action in April 2015 on when the WSAP will go into effect. It is anticipated that the plan will go into effect in July 2015.

**E. MWD UPDATE**

Executive Manager of Engineering/Assistant General Manager Chris Berch updated the Board on the MWD water sales. He reported that the fiscal year sales are 10% above budget. Mr. Berch stated that recent Department of Water announcements indicate State Water Project allocations will be from 20% to 40%. He stated that the big question for MWD will be – how much storage to use? Mr. Berch stated a 2015 supply demand balance at 20% could mean up to a Level 7 reduction. At 40% the reduction may be up to Level 3. He said that MWD Board is expected to take action on when the WSAP will go into effect in April 2015

**F. PLANNING AND ENVIRONMENTAL COMPLIANCE UPDATE**

Manager of Planning & Environmental Compliance Sylvie Lee reported that staff continues to work on preparing materials to facilitate the ongoing rate discussions. She stated that the Integrated Resources Plan, which was temporarily placed on hold, will resume with member agency workshops. She reported the demand modeling effort is anticipated to be completed over the next two weeks, after which member agency meetings will be held to gain a consensus. She mentioned that several workshops are anticipated to be held from now until August, when the IRP is intended to be completed.

On the compliance side, all facilities are in compliance. Ms. Lee reported that as a follow up to the report done at the Committee meeting last week, RP-1's chronic toxicity results for last week passed. She stated that staff is waiting to see if two consecutive tests will be passed to get the facility back down from the accelerated sampling schedule. She noted that exceeding the toxicity level is not a permit violation, but is an incident, and staff is monitoring closely to identify the cause.

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

**G. TREASURER'S REPORT OF FINANCIAL AFFAIRS**

**H. PUBLIC OUTREACH AND COMMUNICATION**

**I. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES**

**J. LEGISLATIVE REPORT FROM THE DOLPHIN GROUP**

**K. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES**

**L. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT**

**M. ENGINEERING STRATEGIC PLANNING**

**N. MID-YEAR BUILDING ACTIVITY REPORT**

**O. LABORATORY SEMI-ANNUAL UPDATE**

**5. AGENCY REPRESENTATIVES' REPORTS**

**A. SAWPA REPORT**

Director Hall reported that the SAWPA Commission meeting on Tuesday, February 16, 2015, consisted of normal business issues. She did note that the SAWPA Commissioners were asked to consider a position of opposition to SB143 (Stone) on the Diamond Valley recreational use.

**B. MWD REPORT**

Director Camacho had no additional comments.

**C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

President Catlin reported that the latest Regional Policy Committee meeting was the February 4, Joint Special Meeting with IEUA and the Regional Policy Committee, which went very well.

Director Camacho commended staff for a well done presentation. He noted that the meeting was well-attended, and stated that the meetings are very helpful and encouraged that staff conduct more joint meetings/workshops.

**D. CHINO BASIN WATERMASTER REPORT**

President Catlin reported that CBWM mediation continues.

**6. GENERAL MANAGER'S REPORT**

The General Manager's Report was received and filed by the Board.

General Manager P. Joseph Grindstaff reported that he and staff continue to conduct proposed rate budget meetings with each of the member agencies. He stated that the most common questions are: could the rate increase be phased in versus a lump sum; is there double-paying; is it equitable. He reported that the last meeting will be February 18 at the City of Upland.

Director Hall mentioned that she wants to ensure that the formula, methods, and logic are explained in a clear and simple manner, and that the message is consistent to each agency.

**1. LEGISLATIVE UPDATE BY THE DOLPHIN GROUP**

Mr. Michael Boccadoro from The Dolphin Group gave a PowerPoint presentation on the 2015 legislative planning. He provided a 2014 legislative recap by stating that legislation was enacted to address the drought emergency, landmark legislation was passed to assist with groundwater management, the California Water Action Plan was adopted, and the Water Bond was passed. He gave an election overview stating turnout was a record low, Governor Brown was reelected for a 4<sup>th</sup> term, and the Democrats failed to maintain a 2/3 supermajority. He reported that in a public opinion poll Californians are more optimistic about the economic conditions. He also stated that 59% of the public consider water issues a big problem and government efforts are not enough. Mr. Boccadoro gave an update on the drought issue. He stated that 2014 was the driest period on record; major water supply reservoirs remain at historically low levels; Sierra snowpack is at 25% of normal, SWP allocation is currently at 15%; and state remains under drought emergency declaration. He reported that the state fiscal situation continues to improve. He also provided a legislative member overview and provided the key committee chairmanships.

**7. BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS**

The Board had no requested future agenda items.

**8. BOARD OF DIRECTORS' COMMENTS**

Director Camacho stated that he attended the MWD State Water Project tour. He reported that it was a wonderful tour with great attendance, and good information.

**9. CLOSED SESSION**

The Board went into Closed Session at 11:15 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (2) Martin vs. IEUA, Case No. CIVRS 1000767; (3) Sheilds vs. IEUA, Case No. CIVRS 1301638; (4) Desaddi vs. IEUA, Case No. CIVRS 1304617; (5) Mwembu vs. IEUA Case No. CIVDS 1415762; (6) Southern California Edison vs. IEUA, Case No. CIVRS 1308595; (7) Qualco vs. IEUA, Case No. CIVRS 1304057 B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (1) Property: Water and Pipeline Capacity/Cadiz, Negotiating Parties: General Counsel Jean Cihigoyenetché; (2) Supplemental Water Transfer/Purchase, General Manager P. Joseph Grindstaff; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Two (2) Cases; D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS: (1) Various Positions – Compensation Study, (2) Various Positions; E. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION: (1) Manager of Internal Audit; (2) Board Secretary/Office Manager

The meeting resumed at 12:30 p.m. and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

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

Martin vs. IEUA, Case No. CIVRS 1000767

Sheilds vs. IEUA, Case No. CIVRS 1301638

Desaddi vs. IEUA, Case No. CIVRS 1304617



Mwembu vs. IEUA, Case No. CIVDS 1415762

Southern California Edison vs. IEUA, Case No. CIVRS 1308595

Qualco vs. IEUA, Case No. CIVRS 1304057

The Board took no reportable action.

Regarding Conference with Real Property Negotiator:

Property: Water and Pipeline Capacity/Cadiz

Supplemental Water Transfer/Purchase

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) Case

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

**M2015-2-7**

MOVED, to reject the claim for damages submitted by Mr. Daniel J. Phelps.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) Case

The Board took no reportable action.

Regarding Personnel Matters:

Various Positions – Compensation Study

Various Positions

The Board took no reportable action.

Regarding Public Employee Performance Evaluation:

Manager of Internal Audit

Board Secretary/Office Manager

The Board took no reportable action.

3. ACTION ITEMS – (continued)

C. ADOPTION OF RESOLUTION NO. 2015-2-3, AMENDING THE MEMORANDUM OF UNDERSTANDING, SALARY MATRIX AND CLASSIFICATION PLAN FOR ALL LABORATORY UNIT EMPLOYEES

Manager of Human Resources Sharmeen Bhojani stated that staff is recommending the adoption of a Resolution which amends the Memorandum of Understanding, the Salary Matrix, and the Classification Plan for all Laboratory Unit Employees, based on the results of the class and comp study conducted by the Agency's consultant RSG.

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

**M2015-2-8**

MOVED, to:

1. Approve and adopt the recently completed classification and compensation study for all Laboratory Unit employees;
2. Approve the modification of various position titles for all the Laboratory Unit employees, as a result of the adoption of the classification and compensation study; and
3. Adopt Resolution No. 2015-2-3 to amend the 2013 through 2018 Memorandum of Understanding (MOU) for the Laboratory Unit with a new Salary Matrix and Classification Plan based on the results of a classification and compensation study.

With no further business, President Catlin adjourned the meeting at 12:40 p.m.

  
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Steven J. Elie, Secretary/Treasurer

**APPROVED: MARCH 18, 2015**