



**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, JUNE 17, 2015
10:00 A.M.**

DIRECTORS PRESENT:

Terry Catlin, President
Michael Camacho, Vice President
Steven J. Elie, Secretary/Treasurer
Jasmin A. Hall
Gene Koopman

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Martha Davis, Executive Manager of Policy Development/Assistant 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
Kathy Besser, Manager of External Affairs
Sharmeen Bhojani, Manager of Human Resources
Andy Campbell, Deputy Manager of Planning
Javier Chagoyen-Lazaro, Manager of Accounting and Fiscal Management
Tina Cheng, Budget Officer
Warren Green, Manager of Contracts and Facilities Services
Elizabeth Hurst, Water Resources Analyst I
Joel Ignacio, Senior Engineer
Sylvie Lee, Manager of Planning & Environmental Compliance
David Mendez, Acting Deputy Manager of Engineering
Sapna Nangia, Senior Internal Auditor
Craig Proctor, Pretreatment & Source Control Supervisor
John Scherck, Acting Deputy Manager of Construction Management
Peter Soelter, Senior Internal Auditor
Ken Tuliau, Manager of Maintenance
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Karen Williams, SAWPA

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 10:02 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. There were no changes/additions/deletions to the agenda.

1. PUBLIC HEARING AND ADOPTION OF THE AGENCY'S BIENNIAL BUDGET FOR FISCAL YEAR (FYS) 2015/16 AND 2016/17

President Catlin called the Public Hearing to order. President Catlin stated that the purpose of the hearing is to provide the public an opportunity to submit comments on the Agency's biennial budget for Fiscal Years 2015/16 and 2016/17.

Chief Financial Officer/AGM Christina Valencia, stated that the purpose of this hearing is to provide the public with an opportunity to submit comments on the Agency's biennial budget for Fiscal Years 2015/16 and 2016/17. She introduced the following hearing panel members: President Catlin, Director Camacho, Director Elie, Director Hall, and Director Koopman.

Ms. Valencia gave a high level PowerPoint on the biennial budget for FYs 2015/16 and 2016/17. She highlighted key assumptions, which included estimated increases due to the multi-year rate increases, increased projections, and the new water connection fee. Ms. Valencia stated that these increases and the new water connection fee will impact our revenues over the next two FYs. The increases will assist to continue to increase our revenue base, as we achieve cost of service (COS), putting the Agency in a better position to fund the capital projects, which are substantial over the next ten years. Property taxes are projected to grow over the next two FYs. She stated that a reallocation of property taxes from the GG fund to the WW fund will assist in funding conservation program related grants and rebates. Ms. Valencia also provided the key assumptions related to expenses, stating that the Agency will be maintaining the authorized FTE positions at 290 through FY 2019/20. Ms. Valencia highlighted that the Agency will be going forward with annual installments of \$4.5 million against the pension unfunded accrued liability (UAL). Ms. Valencia provided a technical overview of the operating and non-operating budget. The operating revenue does show a slight increase over the next two years primarily due to the rate increases, property taxes and higher recycled water sales. The operating expenses will have a significant increase from FY 2014/15 primarily due to special projects (O&M projects) including the Agencies portion of the Ontario TCE clean up, equaling approximately 12 million. She highlighted that part of the expense will be covered by grants and staff is continuing to seek out grants for this project; however, it will be classified as an O&M expense. Ms. Valencia also gave an overview of the non-operating budget and the capital improvement plan. The total debt coverage ratio (DCR) is projected to be 3.19x in FY 2016/17. In conclusion Ms. Valencia reviewed the fund balances stating the in FY 2016/17 there was an increase of approximately \$30 million.

President Catlin opened the Public Hearing at 10:15 a.m. President Catlin asked if there was anyone who would like to make a public comment. He also verified that there were no written comments. Hearing no comments, the Public Hearing was closed at 10:16 a.m.

Upon motion by Director Koopman, seconded by Director Camacho, the motion carried (5/0):

M2015-6-1

MOVED, to:

1. Adopt Resolution No. 2015-6-1, approving the Agency's Biennial Budget for FYs 2015/16 and 2016/17, including the Agency-wide departmental goals and objectives; an inter-fund loan from the Administrative Services (GG) fund to the Water Resources (WW) fund for a not-to-exceed amount of \$2 million in FY 2015/16, and Rate Resolution Nos. 2015-6-4 through 2015-6-7, for the Non-Reclaimable Wastewater System as outlined in the Biennial Budget;

RESOLUTION NO. 2015-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR FISCAL YEARS 2015/16 AND 2016/2017 (for full text, see Resolution Book)

RESOLUTION NO. 2015-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR 2015/16 (for full text, see Resolution Book)

RESOLUTION NO. 2015-6-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGES TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2015/16 (for full text, see Resolution Book)

RESOLUTION NO. 2015-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR 2015/16 (for full text, see Resolution Book)

Continued...

M2015-6-1, continued

**RESOLUTION NO. 2015-6-7
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING CAPACITY CHARGES,
VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL
IMPROVEMENT PROJECT (CIP) CHARGES, IEUA
ADMINISTRATIVE CHARGES, APPLICATION AND
WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR
THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR
(for full text, see Resolution Book)**

2. Approve an annual allocation of property taxes from the GG fund to the WW fund in the amount of \$1.5 million beginning in FY 2014/15; and
3. Increase the \$5.5 million inter-fund loan from the Regional Wastewater Capital Improvement (RC) fund to the Recycled Water (WC) fund approved by the Board of Directors in FY 2013/14 for a not-to-exceed amount of \$10.5 million for FY 2014/15.

With the following roll call vote:

Ayes: Hall, Elie, Camacho, Koopman, Catlin
Noes: None
Abstain: None
Absent: None

2. CONSENT CALENDAR

President Catlin asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion.

Director Hall requested that the following items be pulled from the Consent Calendar for discussion:

- Item G: Amendments to Extend the Contracts for Federal Legislative Services
- Item H: Amendment to Extend the Contract with West Coast Advisors
- Item I: Amendment to Extend the Contract with California Strategies, LLC

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

M2015-6-2

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the May 20, 2015, Board meetings.

Continued...

M2015-6-2, continued

- B. The Board approved the total disbursements for the month of April 2015, in the amount of \$15,881,432.46.
- C. The Board adopted Resolution No. 2015-6-10, establishing the Appropriation Limits for Fiscal Year 2015/16

RESOLUTION NO. 2015-6-10
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FORM FISCAL YEAR 2015/16 *(for full text, see Resolution Book)*

- D. The Board adopted Resolution No. 2015-6-3, approving the biennial update of the Agency's Investment Policy for Fiscal Years (FYs) 2015/16 and 2016/17

RESOLUTION NO. 2015-6-3
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BIENNIAL UPDATE OF THE AGENCY'S INVESTMENT POLICY *(for full text, see Resolution Book)*

- E. The Board adopted the update Reserve Policy as of June 2015 governing all Agency funds.

- F. The Board:

1. Approved the consulting engineering services contract award for the preliminary design efforts for the Recharge Master Plan Update Yield Enhancement Improvements, Project No. RW15003, to Stantec Consulting Services, Inc. for the not-to-exceed amount for \$768,950; and
2. Authorized the General Manager to execute the contract.

- G. PULLED.

- H. PULLED.

- I. PULLED.

- J. The Board adopted Resolution No. 2015-6-11, honoring the 65th anniversary of the Inland Empire Utilities Agency.

Continued...

M2015-6-2, continued

RESOLUTION NO. 2015-6-11
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO
COUNTY, CALIFORNIA, HONORING THE 65TH
ANNIVERSARY OF THE INLAND EMPIRE UTILITIES
AGENCY*(for full text, see Resolution Book)*

- K. The Board adopted Resolution No. 2015-6-18, commending the 65th anniversary of the Three Valleys Municipal Water District.

RESOLUTION NO. 2015-6-18
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO
COUNTY, CALIFORNIA, HONORING THE 65TH ANNIVERSARY
OF THE INLAND EMPIRE UTILITIES AGENCY*(for full text, see Resolution Book)*

Director Hall pulled the three legislative contracts to request the Board members opinions regarding the contracts costs and services. Discussion ensued regarding the costs and services of the legislative contracts, the Board confirmed that the costs are appropriate for the services provided. It was further discussed that following the contract's expiration the services would go out for bid.

All three items were discussed together, and one action approved all three recommendations.

AMENDMENTS TO EXTEND THE CONTRACTS FOR FEDERAL LEGISLATIVE SERVICES

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

M2015-6-3

MOVED, to:

1. Amend Contract No. 4600001343 with Innovative Federal Strategies (IFS) to provide federal legislative services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,500 per month, plus reasonable business expenses, with no change in the current rate;
2. Amend Contract No. 4600001344 with Agricultural Resources to provide federal legislative services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,000 per month, plus reasonable business expenses, with no change in the current rate; and
3. Authorize the General Manager to finalize and execute the amendments.

AMENDMENT TO EXTEND THE CONTRACT WITH WEST COAST ADVISORS

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

M2015-6-3

MOVED, to:

1. Ratify the Santa Ana Watershed Project Authority (SAWPA) adopted budget for Fiscal Years (FYs) 2015/16 and 2016/17, as submitted; and
2. Adopted Resolution No. 2015-6-2, approving the SAWPA general and specific project budgets for FYs 2015/16 and 2016/17.

**RESOLUTION NO. 2015-6-2
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA
WATERSHED PROJECT AUTHORITY FOR FISCAL YEAR 2015/16 AND
FISCAL YEAR 2016/17 (for full text, see Resolution Book)**

AMENDMENT TO EXTEND THE CONTRACT WITH CALIFORNIA STRATEGIES, LLC

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

M2015-6-3

MOVED, to:

1. Ratify the Santa Ana Watershed Project Authority (SAWPA) adopted budget for Fiscal Years (FYs) 2015/16 and 2016/17, as submitted; and
2. Adopted Resolution No. 2015-6-2, approving the SAWPA general and specific project budgets for FYs 2015/16 and 2016/17.

**RESOLUTION NO. 2015-6-2
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA
WATERSHED PROJECT AUTHORITY FOR FISCAL YEAR 2015/16 AND
FISCAL YEAR 2016/17 (for full text, see Resolution Book)**

3. ACTION ITEMS

A. ADOPTION OF RESOLUTION NO. 2015-6-12, AMENDING THE EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS FOR ALL CLASSIC EMPLOYEES

Manager of Human Resources Sharmeen Bhojani stated the CalPERS pension contribution is divided up into two segments, one being the employer member contribution and the other being the employee member contribution in which the

employer may choose to contribute on behalf of the employee. For the last few years, the Agency has been decreasing the employer paid member contributions, thereby increasing the contributions that the employee must pay out of pocket. Once adopted this resolution will further reduce the Agencies contribution by increasing the employees' by 1.5%, for a total contribution of 5.5% for Tier 1 employees, and 6 5% for Tier 2 employees. The plan is to have all Tier 1 employees pay their full portion of 8%, Tier 2 employees to pay their full portion of 7% by FY 2017/18.

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

M2015-6-4

MOVED, to ADOPT Resolution No. 2015-6-12, amending the Employer Paid Member Contributions (EPMC) to CalPERS for all classic employees.

RESOLUTION NO. 2015-6-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, PROVIDING FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS FOR ALL CLASSIC EMPLOYEES (for full text, see Resolution Book)

B. ADOPTION OF RESOLUTION NOS. 2015-6-13 THROUGH 2015-6-17, APPROVING THE AMENDMENTS TO THE SALARY SCHEDULE/MATRIXES FOR UNREPRESENTED EMPLOYEES, EXECUTIVE MANAGEMENT EMPLOYEES, AND ALL UNITS

Manager of Human Resources Sharmeen Bhojani stated that as part of the 2013 negotiations the Board approved cost of living adjustments (COLA) throughout the five-year contracts. For FY 2015/16 this included a COLA of 3% effective July 1, 2015, for all units.

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

M2015-6-5

MOVED, to adopt Resolution Nos. 2015-6-13 through 2015-6-17, amending the salary schedules/matrixes for all Unrepresented Employees, Executive Management Employees, and all Units.

RESOLUTION NO. 2015-6-13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE UNREPRESENTED, EXECUTIVE MANAGEMENT, AND LABORATORY UNIT SALARY SCHEDULE/MATRIX(for full text, see Resolution Book)

Continued...

M2015-6-5, continued

RESOLUTION NO. 2015-6-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE GENERAL UNIT SALARY SCHEDULE/MATRIX *(for full text, see Resolution Book)*

RESOLUTION NO. 2015-6-15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE PROFESSIONAL UNIT SALARY SCHEDULE/MATRIX *(for full text, see Resolution Book)*

RESOLUTION NO. 2015-6-16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE SUPERVISORS' UNIT SALARY SCHEDULE/MATRIX *(for full text, see Resolution Book)*

RESOLUTION NO. 2015-6-17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE OPERATORS' ASSOCIATION SALARY SCHEDULE/MATRIX *(for full text, see Resolution Book)*

C. ADOPTION OF RESOLUTION NO. 2015-6-2, APPROVING THE SANTA ANA WATERSHED PROJECT AUTHORITY ADOPTED BUDGET FOR FY 2015/16 AND FY 2016/17

Manager of Accounting and Fiscal Management Javier Chagoyen-Lazaro stated that the SAWPA Commission approved the budget on May 19, 2015. With this approved budget, the Agency's contribution went down by approximately \$70,000 from the prior fiscal year (FY), totaling \$270,000 for FY 2015/16. President Catlin stated that Orange County, a member SAWPA, expressed concern regarding the SAWPA employee's contribution for CalPERS, stating they would like to see a portion being paid by the employees. This concern is being reviewed. All members have passed the budget for FY 2015/16.

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

M2015-6-6

MOVED, to:

1. Ratify the Santa Ana Watershed Project Authority (SAWPA) adopted budget for Fiscal Years (FYs) 2015/16 and 2016/17, as submitted; and

Continued...

M2015-6-6, continued

2. Adopted Resolution No. 2015-6-2, approving the SAWPA general and specific project budgets for FYs 2015/16 and 2016/17.

**RESOLUTION NO. 2015-6-2
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA
WATERSHED PROJECT AUTHORITY FOR FISCAL YEAR 2015/16 AND
FISCAL YEAR 2016/17 (for full text, see Resolution Book)**

D. RECYCLED WATER PROGRAM STRATEGY

Manager of Planning & Environmental Compliance Sylvie Lee provided a brief update of the recycled water program, stating that the strategy was intended to complete an update of the recycled water planning documents that were started in 2005. The updates are primarily to address supply and demand change in conditions. Ms. Lee stated that alternatives are being evaluated through this process to address the regions changing demands. The Recycled Water Program strategy lays out multiple scenarios for the next 20 years. This includes projects, dependent on the scenario, between \$80 million to \$182 million worth of projects. The beneficial use of yield varies significantly depending on the scenario chosen, somewhere between 60,000 AF and above. Ms. Lee stated that for the next ten years projects that are brought on line will be primarily to address system limitations to pump stations, capacity issues, and prior commitments. All planning documents for the recycled water program will be evaluated through the programmatic EIR, thereby completing the environmental documents prior to starting the projects. This process has proven successful since 2002. The recycled water program strategy will be updated on a five year basis

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

M2015-6-7

MOVED, to concur with the finding of the recycled water program as outlined in the Recycled Water Program Strategy.

4. INFORMATION ITEMS

A. REGIONAL CONTRACT REVIEW – INTERIM AUDIT REPORT FOR THE CITY OF CHINO HILLS AND DRAFT INTERIM AUDIT REPORT FOR THE CITY OF ONTARIO

Manager of Internal Audit Teresa Velarde gave a PowerPoint presentation on the departments audit regarding the Regional Contract and how each of the seven member agencies implement the contract. Since January 2014, five of the seven member agency audits have been completed, approximately twenty recommendations have been made as an outcome of these audits. During the review of the City of Chino Hills it was discovered that public facilities connection fees during renovation projects were not being collected appropriately. Recommendations provided to the City of Chino Hills were consistent with the recommendations provided during the previous member agency audits. The City of Ontario audit is currently ongoing, similar issues were found regarding public facilities not being collected appropriately. Recommendations for the City of Ontario include improving guidelines for manufacturing and industrial enterprises

and adjustments to the permit applicant procedure to ensure the correct connection fee calculations. Ms. Velarde also provided a brief overview of the audit methodology being used throughout this audit.

Mr. Grindstaff stated that this process has been an intense effort, important, because it has identified numerous deficiencies that can be corrected. One of the largest issues, to Mr. Grindstaff's knowledge, include Kaiser Hospital in Fontana. The City of Fontana is working with Kaiser to collect the past due connection fees. Mr. Grindstaff reiterated that the Agency needs to correct the system to avoid these issues in the future and collect for the uncollected connection fees. Mr. Grindstaff is pleased that the member agencies are addressing the issues and working with IEUA through this processes.

B. ENGINEERING AND CONSTRUCTION MANAGEMENT FY 2014/15 MONTHLY UPDATE

Acting Deputy Manager of Engineering David Mendez gave a PowerPoint presentation on Engineering and Construction Management Projects. Mr. Mendez gave an overview of the Wineville projects, Segment A & B, both of which are scheduled to be completed in July 2015. Mr. Mendez also highlighted the IERCF conveyance improvements, the RP-4 headwork's retrofits, the CCWRF rehab secondary clarifier, and the Agency wide HVAC improvements project. In conclusion, Mr. Mendez provided an overview of the new water quality laboratory project.

C. EAST DECLEZ: INTENT TO PURCHASE PROPERTY

Executive Manager of Engineering/AGM Chris Berch reported the Agency is looking at entering into a letter of intent with the landholder of 80 acres of land directly adjacent to the Declez Basin. The letter of intent is currently being reviewed, and a potential purchase agreement is being looked at. The purchase agreement will be brought back to the Board at a later date. When property adjacent to an IEUA facility becomes available, IEUA would like to evaluate the purchase, pursuing as quickly as possible. During the nine-month review of this property, staff is working on completing a task order with Chino Basin Watermaster (CBWM) to pursue the redesign evaluation of the site. At Director Elie's recommendation Mr. Berch will attend the CBWM advisory committee tomorrow to brief the committee on this topic.

D. MWD AND DROUGHT UPDATE

Executive Manager of Engineering/AGM Chris Berch provided an update on MWD and the drought. IEUA is reverting back to distributing a monthly newsletter to the member agencies focusing on what MWD is doing, drought updates, and communication on what IEUA is working on. The newsletter also provides a calendar of events and dashboards showing conservation efforts and targets. Mr. Berch stated that the focus of MWD's meeting was on the water supply for the upcoming summer months.

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

E. TREASURER'S REPORT OF FINANCIAL AFFAIRS

F. FY 2014/15 SECOND QUARTER BUDGET VARIANCE PERFORMANCE GOALS UPDATES AND BUDGET TRANSFER

G. PUBLIC OUTREACH AND COMMUNICATION

H. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES

- I. **LEGISLATIVE REPORT FROM WEST COAST ADVISORS**
- J. **LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES**
- K. **CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT**
- L. **FEDERAL LEGISLATION TRACKER**
- M. **STATE LEGISLATION TRACKER**
- N. **FOLLOW UP ON OUTSTANDING RECOMMENDATIONS – PRETREATMENT & SOURCE CONTROL**
- O. **REPORT ON OUTSTANDING AUDIT RECOMMENDATIONS**
- P. **INTERNAL AUDIT DEPARTMENT STATUS REPORT FOR JUNE 2015**
7. **AGENCY REPRESENTATIVES' REPORTS**
 - A. **SAWPA REPORT**

Director Catlin reported that the SAWPA Commission meeting discussions continued in regards to the classification and compensation study.
 - B. **MWD REPORT**

Director Camacho stated that the MWD Board took action to add \$500,000 to the rebate conservation program. The Governor Jerry Brown attended the meeting and commended everyone for their efforts and support.
 - C. **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

President Catlin reported that that the June 4, Regional Sewerage Policy Committee meeting was cancelled. The next meeting is scheduled for July 2, 2015.
 - D. **CHINO BASIN WATERMASTER REPORT**

Director Elie reported that last week all three pools approved a final version of key principles for the safe yield. The agreement is to be completed by September, 2015.
8. **GENERAL MANAGER'S REPORT**

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

General Manager P. Joseph Grindstaff reported he is expecting an EIR/EIS ruling on the Delta fairly soon.
9. **BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS**

The Board had no requested future agenda items.
10. **BOARD OF DIRECTORS' COMMENTS**

Director Camacho commented on the drought message reaching the public
11. **CLOSED SESSION**

The Board went into Closed Session at 12:05 p.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. 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.

The meeting resumed at 12:55 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:

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

The Board took no reportable action.

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

The Board did not discuss.

Regarding Conference with Real Property Negotiator:

Property: Water and Pipeline Capacity/Cadiz

The Board did not discuss

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

The first case of (2) Cases

The Board took the following actions:

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

M2015-6-8

MOVED, to approve the Joint Facility Development Agreement Inland Empire Utilities Agency, City of Ontario, City of Upland, and the Chino Desalter Authority.

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

M2015-6-9

MOVED, to approve the cost Sharing Agreement between Inland Empire Utilities Agency, City of Ontario, and City of Upland.

Regarding Conference with Legal Counsel – Anticipated Litigation:

The second case of (2) Cases

The Board did not discuss.


Regarding Personnel Matters:

Various Positions – Compensation Study

Various Positions

The Board did not discuss.

With no further business, President Catlin adjourned the meeting at 12:57 p.m.



Steven J. Elie, Secretary/Treasurer

APPROVED: JULY 15, 2015