



MINUTES

FINANCE, LEGAL, AND ADMINISTRATION COMMITTEE MEETING INLAND EMPIRE UTILITIES AGENCY* AGENCY HEADQUARTERS, CHINO, CA

WEDNESDAY, JULY 9, 2014
11:00 AM

COMMITTEE MEMBERS PRESENT

Gene Koopman, Chair
Terry Catlin

STAFF PRESENT

Jasmin A. Hall, Director
P. Joseph Grindstaff, General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Ernest Yeboah, Executive Manager of Operations/Assistant General Manager
Tina Cheng, Budget Officer
Alex Lopez, Senior Financial Management Analyst
Al Van Breukelen, Deputy Manager of Maintenance
Lisa Morgan-Perales, Water Resources Analyst II
Serina Stephens, Intern
Kathy Besser, Manager of External Affairs
Warren Green, Manager of Contracts and Facilities Services
Lucia Diaz, Senior Site Administrator
Andy Campbell, Groundwater Recharge Coordinator
Jose Zepeda, Deputy Manager of Electrical and Instrumentation
Sylvie Lee, Manager of Planning and Environmental Compliance
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Kelly Sandel, City of Chino Hills
Clover Rogers, City of Upland
Patrick Soto, Fontana Water Company
Don Holden, ConServ Inc.
Gabriela De La Cruz, Monte Vista Water District

The meeting was called to order at 11:05 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Finance, Legal, and Administration Committee meeting minutes of June 11, 2014.

- ◆ Recommended that the Board approve the total disbursements for the month of May 2014 in the amount of \$9,528,907.61;

as an Action Item on the July 16, 2014 Board meeting agenda.

- ◆ Recommended that the Board review the proposed changes to the Agency's Mission, Vision, and Values statements (statements), and if acceptable, adopt the updated statements effective immediately;

as an Action Item on the July 16, 2014 Board meeting agenda.

- ◆ Recommended that the Board:

1. Approve a one-year contract for the Landscape Transformation Program to The Brickman Group Ltd. LLC for a not-to-exceed amount of \$400,000; and
2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

- ◆ Recommended that the Board:

1. Approve a one-year contract for the Regional Residential Landscape Retrofit Program to Conserv Construction, Inc., for a not-to-exceed amount of \$400,000, with two optional one-year extensions for a not-to-exceed contract amount of \$1,000,000; and
2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

- ◆ Recommended that the Board:

1. Approve the Master Cost Sharing Agreement and seven Task Orders between Inland Empire Utilities Agency and Chino Basin Watermaster;
2. Authorize the General Manager to make non-substantive changes to the draft Agreement and Task Orders;
3. Authorize the General Manager to execute the Agreement and the seven Task Orders;
4. Authorize the General Manager to approve seven new recharge projects within the Groundwater Recharge Fund and appropriate a total budget of \$5,982,000 to implement the design efforts for basin improvements from the 2013 Recharge Master Plan Update as part of the Task Order No. 1;
5. Approve a budget amendment on the Recharge Master Plan Update, Project No. RW15003, for a \$20,000 increase for the Fiscal Year (FY) 2014/15 allocation to fund the multiple design projects within Task Order No. 1; and
6. Authorize the General Manager to approve a new recharge project, the Lower

Day Basin Improvements, within the Groundwater Recharge Fund and appropriate \$2,480,000 and allocate \$70,000 to the FY 2014/15 to implement the design and construction of the basin improvement from the 2013 Recharge Master Plan Update as part of Task Order No. 2;

as an Action Item on the July 16, 2014 Board meeting agenda.

◆ Recommended that the Board:

1. Amend the professional services contract with Carollo Engineers for the Water and Recycled Water Rate and Fee Study, for a not-to-exceed amount of \$164,963; and
2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

◆ Recommended that the Board:

1. Authorize the General Manager to approve the establishment of a capital project in the Recharge Water (RW) Fund for FY 2013/14 in the amount of \$27,774.84 for the purchase of an aquatic all-terrain vehicle for vector control treatment at recharge sites; and
2. Authorize the General Manager to approve a transfer from the Recharge Water Fund to the Recycled Water (WC) Fund in the amount of \$27,774.84 to correct recording of original payment of purchase under Recycled Water Fund;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

◆ Recommended that the Board approve the repair services for the Regional Water Recycling plant No. 1 (RP-1) power reliability building (PRB) controls. The authorized services will be provided for a not-to-exceed amount of \$71,511, from the GE Zenith Controls, Inc.;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

◆ Recommended that the Board approve the purchase of two gravity thickener (GT) sludge transfer pumps from Cortech Engineering of Yorba Linda, California for a not-to-exceed amount of \$55,380, including sales tax and freight charges;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

◆ Recommended that the Board approve the purchase of replacement filter cloth media from Aqua-Aerobic Systems Inc. (Aqua-Aerobic) of Rockford, Illinois for a not-to-exceed amount of \$78,000, including sales tax and freight charges;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

◆ Recommended that the Board ratify the purchase of the following Agency-wide insurance policies with an effective date of July 1, 2014, providing coverage through

July 1, 2015, for the amounts included with the budget, which will provide the following coverage:

1. General Liability: Provides third party liability coverage for bodily injury and property damage through the Insurance Company of the State of Pennsylvania for up to \$20,000,000 per policy year, with a Self-Insured Retention (SIR) of \$500,000;

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 \$500,000; 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 \$500,000.

2. 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.
3. 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;

as a Consent Calendar Item on the July 16, 2014 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented, or received and filed by the Committee:

- ◆ Treasurer's Report of Financial Affairs
- ◆ Lease Agreement with the Santa Ana Watershed Association
- ◆ Morningstar Church Sewer Overpayment

GENERAL MANAGER'S COMMENTS

P. Joseph Grindstaff commented that last night (July 8) the State Water Resources Control Board released draft emergency regulations that they are planning on adopting next week on the drought, and that after these regulations are adopted, they will go through the Office of Administrative Law for approval. He stated that the goal is to have these regulations adopted and in place by August 1, 2014. Mr. Grindstaff stated that IEUA staff will be adding an informational agenda item to the July 16, 2014 Board meeting agenda and potentially an action item to the August 6, 2014 Board meeting agenda pertaining to this matter and in order to implement the requirements of the regulations. He also stated that next Monday (July 14), MWD will begin the process for water supply allocation, determining which agencies' allocations will be lowered next year, considering that there is a 70-80% likelihood that the region will remain in drought conditions next year.

COMMITTEE MEMBER COMMENTS

Director Koopman stated that in regards to the issue with Morningstar Church, there should be a way to encourage owners of properties that are not currently connected to the sewer system to connect and get off of the septic system.

General Manager P. Joseph Grindstaff responded that there is a way to do this and that it will be included in the Agency's Wastewater Facilities Master Plan. He stated that approximately 25,000 properties that are not connected have been identified in the Agency's service area. Mr. Grindstaff stated that Eastern Municipal Water District recently completed a project to connect 400 homes and it cost approximately \$60 million total, and that this was funded in whole by grant funding. He stated that the Agency needs to assess and determine a way to connect those who are not currently connected to the sewer system.

Executive Manager of Engineering/Assistant General Manager Chris Berch stated that there are three main areas that are currently not connected to the sewer system, the largest of which is in an unincorporated area in Fontana. He stated that new homes have been built in the area and they have sewer connections, but are not connected.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

None.

With no further business, the meeting adjourned at 12:15 p.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: AUGUST 13, 2014