



**AGENDA  
MEETING OF THE  
BOARD OF DIRECTORS**

**WEDNESDAY, NOVEMBER 20, 2013  
10:00 A.M.**

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

**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 INTRODUCTION**
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 October 16 Board meeting, and the October 23 Special Board meeting.

**B. TREASURER'S REPORT ON GENERAL DISBURSEMENTS**

It is recommended that the Board approve the total disbursements for the month of October 2013 in the amount of \$17,593,555.70.

**C. ADOPTION OF RESOLUTION NO. 2013-11-6, APPOINTING AN ALTERNATE COMMISSIONER TO SAWPA**

It is recommended that the Board adopt Resolution No. 2013-11-6, appointing Director Jasmin A. Hall as Alternate Commissioner to the Santa Ana Watershed Project Authority (SAWPA).

**D. 2014 CIVIC PUBLICATIONS PUBLIC OUTREACH AGREEMENT**

It is recommended that the Board:

1. Approve the 2014 Civic Publications Public Outreach Agreement between IEUA and Civic Publications for calendar year 2014, at a cost of \$86,510; and
2. Authorize the General Manager to execute the Agreement.

**E. AMENDMENT TO EXTEND MERCHANTS BUILDING MAINTENANCE, LLC AGREEMENT**

It is recommended that the Board:

1. Approve to extend Agreement No. 460000339 with Merchants Building Maintenance, LLC for janitorial maintenance services for two additional years at an estimated annual amount of \$120,000, effective November 20, 2013; and
2. Authorize the General Manager to execute Agreement Amendment No. 13.

**F. PROJECT ACCEPTANCE FOR THE RP-4 POWER DISTRIBUTION ASSESSMENT AND REPAIR, PROJECT NO. EN13055**

It is recommended that the Board:

1. Accept the work as performed by ODC Engineering and Technology, as complete under the construction contract for the RP-4 Power Distribution Assessment and Repair, Project No. EN13055; and
2. Authorize the General Manager to execute the Notice of Completion.

**G. RP- 1 GRAVITY THICKENER CLARIFIER REPAIR PROJECT**

1. Award the service contract to rehab Gravity Thickener (GT) Clarifier for Regional Water Recycling Plant No. 1 (RP-1), to Techno Coatings, Inc. for a not-to-exceed amount of \$360,606, including sales tax; and
2. Authorize the General Manager to execute the contract.

**H. MULTI-JURISDICTIONAL PRETREATMENT AGREEMENT BETWEEN THE IEUA AND SAWPA**

It is recommended that the Board:

1. Adopt the Multi-Jurisdictional Pretreatment Agreement (MJPA) between the Inland Empire Utilities Agency (IEUA), and the Santa Ana Watershed Project Authority (SAWPA) retroactive to October 15, 2013, which is the date the SAWPA Commission approved the MJPA; and
2. Authorize the General Manager to execute the Agreement.

**I. ADOPTION OF RESOLUTION NOS. 2013-11-1, 2013-11-2, AND 2013-11-3, FOR THE REGIONAL WATER QUALITY LABORATORY PROJECT STATE REVOLVING FUND LOAN**

It is recommended that the Board:

1. Adopt Resolution No. 2013-11-1, authorizing the General Manager to sign and file the revised application and agreement with the State Water Resources Control Board (SWRCB), for the design and construction of the Regional Water Quality Laboratory Project;
2. Adopt Resolution No. 2013-11-2, dedicating net revenues for the repayment of State Revolving Fund (SRF) loan from the SWRCB for Regional Water Quality Laboratory Project; and
3. Adopt Resolution No. 2013-11-3, establishing its intention to apply for and be reimbursed for expenditures related to the construction of the Regional Water Quality Laboratory Project.

**J. FISCAL YEAR 2013/14 AMENDED ANNUAL AUDIT PLAN**

It is recommended that the Board:

1. Approve the FY 2013/14 Amended Annual Audit Plan; and
2. Direct staff to implement the FY 2013/14 Amended Annual Audit Plan.

**K. REIMBURSEMENT AGREEMENT FOR RELOCATION OF 1630 EAST RECYCLED WATER PIPELINE**

It is recommended that the Board:

1. Approve the Reimbursement Agreement for the relocation of the 1630 East Recycled Water Pipeline; and
2. Authorize the General Manager to execute the Agreement.

**L. CONSTRUCTION CONTRACT AWARD FOR THE RP-1 AERATION DUCTING REPAIR, PROJECT NO. EN12022**

It is recommended that the Board:

1. Accept the withdrawal of the lowest bidder, Coconstruction Inc., due to a mistake in noting an incorrect bid amount;
2. Award the construction contract for the RP-1 Aeration Ducting Repair, Project No. EN12022, to Humphrey Construction, the second lowest and responsive bidder, for the not-to-exceed amount of \$984,000; and
3. Authorize the General Manager to finalize and execute the contract.

**3. INFORMATION ITEMS**

**A. MWD UPDATE (ORAL)**

**B. SCE INTER-CONNECTION 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)**

**F. LEGISLATIVE REPORT FROM THE DOLPHIN GROUP (WRITTEN)**

**G. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)**

**H. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)**

**I. FY 2012/13 IEUA ANNUAL WATER USE EFFICIENCY PROGRAMS REPORT (WRITTEN)**

- J. FUNDING OF ESTIMATED WORKERS' COMPENSATION LIABILITIES (WRITTEN)
- K. UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN (POWERPOINT)
- L. PRETREATMENT UPDATE (POWERPOINT)
- M. SCE UTILITY PAYMENTS AUDIT (WRITTEN)
- N. INTERNAL AUDIT DEPARTMENT STATUS REPORT FOR NOVEMBER 2013 (WRITTEN)

Materials related to an item on this agenda submitted to the Agency, after distribution of the agenda packet, are available for public inspection at the Agency's office located at 6075 Kimball Avenue, Chino, California during normal business hours.

4. AGENCY REPRESENTATIVES' REPORTS

- A. SAWPA REPORT (WRITTEN)
- B. MWD REPORT (WRITTEN)
- C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)
- D. CHINO BASIN WATERMASTER REPORT (WRITTEN)

5. GENERAL MANAGER'S REPORT (WRITTEN)

6. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

7. 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.

8. 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

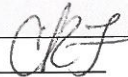
- 3) Dezhnam vs. IEUA, Case No. CIVRS 1109761
- 4) Sheilds vs. IEUA, Case No. CIVRS 1301638
- 5) Desaddi vs. IEUA, Case No. CIVRS 1304617
- 6) City of Ontario vs. Cohen, Case No.34-2013-800001625

**B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 –  
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**  
Four (4) Cases

**9. ADJOURN**

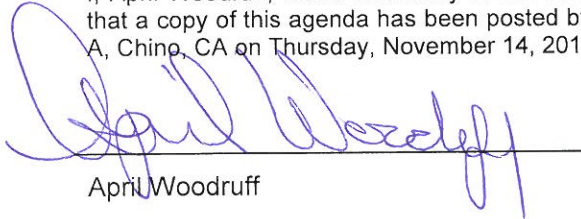
\*A Municipal Water District

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.

Proofed by: 

**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, November 14, 2013.

  
April Woodruff

INFORMATION  
ITEM

**3G**

# *Agricultural Resources*

635 Maryland Avenue, N.E.  
Washington, D.C. 20002-5811  
(202) 546-5115  
[agresources@erols.com](mailto:agresources@erols.com)

October 30, 2013

## **Legislative Report**

**TO: Joe Grindstaff**  
**General Manager, Inland Empire Utility Agency**

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

**SU: Legislative Report, October 2013**

In the early 1960's, television celebrated a hit British Comedy called, "*That Was the Week That Was*" with David Frost. A TWTWTW version for the United States followed shortly thereafter. Both series were hits. Both series were short lived. It's a half-century later, and they are remembered as cult-like.

This past month qualifies as "That Was the Month That Was." And what a month it was.

It began with the Federal Government shuttering its doors and windows. Words like "stalemate," and "gridlock" and "partisan" filled the airwaves. All true. For 16 days and nights. It was brinkmanship at its worst.

I sent a short report to the General Manager after the first day and declared that "shutdown fatigue" had set in after only 24 hours. After 16 days, it was "shutdown exhaustion." Agreements to end the stalemate were forged, and it was ended, but agreements were not really achieved.



At the top of last month's report, I said, "*Right now, Washington is awash in political conflict and political grandstanding, real issues and manufactured ones, spin and truth – all tumbling, threading and crashing down. Confusion and uncertainty abounds.*" It remains accurate today. **Post-Shutdown.** Government is reopened. Debt ceiling was raised, but only for several months. Departmental and Agency funding is restored at CR (including sequestration) levels, but only to December 13. Budget conferees were appointed. Talks are underway. Prognosis for agreement(s)? Uncertain, unclear and unknown.

***But on the Other Hand – Did Congress Terrify Itself Into (Bi-Partisan) Legislative Action?***  
From inaction to action – two examples.

**WRDA.** House leadership directed the Transportation and Infrastructure Committee (T&I) to bring WRDA to the House floor the week after shutdown. Few were confident that bringing a major – costly – bill to the floor was a good idea. A dozen groups – Freedom Works, Heritage Action, Club for Growth and others – actively opposed the multi-billion authorization (same groups that opposed the Affordable Care Act and/or supported shutdown). An hour before the vote, the Committee did not know whether or not they had the votes to pass the bill. Members and staff were concerned that the "shutdown" fever would infect WRDA and bring it crashing down. Debate was orderly and 24 amendments were dispatched. Some accepted while others were rejected. To the astonishment of all – the bill passed by an overwhelming bi-partisan vote of 412-3. Suddenly, Congress went from paralysis and partisanship to cooperation and collegiality. The House was legislating. It was unexpectedly stunning. Senator Boxer, Chair, Senate Committee on Environment and Public Works was pleased (the Senate has already passed its version of the bill and is awaiting action by the House. Conferees are pending, but pre-conference deliberations are already underway and talks are considered to be "constructive." As of now, it is anticipated that a bill has the potential to be finalized before the sessions closes.

**FARM BILL.** Legislating became infectious. Again, the unexpected occurred. Conferees were appointed, and at month's end, were finally beginning to meet. Right now, observers are cautiously optimistic that the logjam on the farm bill will be broken and a bill crafted that can then pass both the House and Senate (again – before the end of the year).

**Tax Bill – Status Uncertain.** Amidst the CR, Budget, Appropriations and Debt Limit "shuffle" the status of a comprehensive tax bill became uncertain. How a tax bill – required to be "revenue neutral" helps any of these mega-finance issues is less clear and more murky with each passing day. Reports change almost daily. In the House, Chairman Camp (R-MI) previously said he would present his bill (in legislative text) last September 30. That deadline was missed. Now, he's planning to present his bill on November 11. That said, few believe the deadline will be met. Maybe December? Or, maybe he circulates some "principles" in lieu of actual legislative language. Speculation is rampant right now. The biggest problem with tax reform in the House is arithmetic. Simply stated, it doesn't work. The stated political objective is to reduce corporate and personal income rates DOWN to 25%. In order to accomplish that, mortgage deductions will likely have to be changed, tax credits of various kinds have to be eliminated – almost all of them, and provisions such as the Municipal Tax Deduction has to be modified or eliminated. In sum, to achieve the "25%" tax rate goal – the entire tax code

framework would be restructured. Whether or not a bill of this sweeping magnitude can be written, marked up, brought to the House floor and passed remains to be seen. With the Budget-CR-Debt situation uncertain, few believe tax reform can advance in such an environment (but that legislative environment is changing – and swirling). In the Senate, different story. Finance Committee Chairman, Sen. Max Baucus, is working equally hard on a different bill and has been consulting with senators, one-on-one, for weeks. That process is expected to continue throughout the remainder of the year. Baucus is privately saying that he is aiming for the top of the year to begin moving his bill. ACWA, by the way, has recognized the threat by this change in the Municipal bond tax law and instructed their Washington Office to do everything they can to protect this provision of law. The implications for the Bay Delta initiative are dire.

***Drought – Wet Winter, Dry Winter – In California, the Colorado River Basin and the Rest of the West.*** During the Government Shutdown, the Drought Monitor was silenced – shut down. It was a reminder that the Federal Government invests in and underwrites many valuable programs – and over the past few years, the Drought Monitor has become an important tool for water managers all over the country. It's back. It up and running again. Drought did not disappear during its absence. In California, some early Winter storms are generating “hope” that this will be a wet Winter. Few predict it. The Colorado River Basin remains in serious trouble (both water AND power). Drought is being experienced throughout the rest of the West as well (with the single exception of Washington State – at the moment. Study after study – on climate, on weather, on drought or on energy declaring that the West will get drier – and worse. Meanwhile, funding for Title XVI still languishes.

***BuRec Briefing.*** The Bureau of Reclamation hosted its second reps briefing in late October. In sharp contrast to previous briefings over the past two years, this one was packed – well attended. Maybe 40 or more reps from water agencies, districts and tribes attended. Mike Connor, Commissioner and Deputy Secretary Designate presided along with A/S Ann Castle. They almost exclusively talked about their budget problems/challenges. Several reps noted that “drought” wasn't mentioned. Few non-budget issues were.

***Some Closing Personal Comments.*** I rarely editorialize in these reports. Generally, it's not appropriate. But some comments are in order given what happened in the past 30 days. That the Government was shut down was terrible. Great harms were created. People, groups, organizations and initiatives were harmed. People were hurt financially. Program continuity was disrupted. It was wrong. No one has clean hands. No one “won” and in my opinion, all parties “lost.” Over the past several months, the business of the people of these United States was inappropriately and unacceptably subordinated to partisan political issues. As a Nation, as a State, as Southern California – and as the IEUA service area – there are major challenges on resources – air, land and water. IEUA has been and continues to be a genuine leader – doing it right and doing it well – be it water supply, waste water treatment, groundwater recharge, pollution cleanup or alternative energy development. At the conclusion of the BuRec briefing a week ago, I introduced myself to the Acting Commissioner (he'll become acting once Connor gets confirmed). Said I represented IEUA and that the agency was building capacity for 100,000 af of new water annually. His jaw dropped. He had no idea. 100,000 af!! He knew what that meant. And, I can assure you, he doesn't have discussions with many agencies that are even

thinking about these kinds of goals. It is my sincere hope that we return to the “business of the people” – now. The political system is fragile. Trust is very low. The challenges are great and as they said in the movie Apollo 13, “failure is not an option.”

INFORMATION  
ITEM

**3H**



CALIFORNIA STRATEGIES, LLC

Date: October 30, 2013  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: October Activity Report

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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.

- As you know, there were a number of transitions at IEUA this month. As such, our regularly scheduled staff meeting did not take place.
- We did, however, participate in calls with the General Manager and specific Board members to discuss the transition and generate information related to those transitions.
- We met with the new Director of External Affairs to brief her on local governments in the service territory and provide a historical account of the role of California Strategies as it relates to our work with IEUA.
- We were asked and we did inform a number of key individuals of the departure of a board member and continued to provide information to key stakeholders in that district that the board would like a wide open selection process with the largest possible pool of qualified candidates.
- We also discussed at the staff and board member level, the MSR process currently underway by the County of San Bernardino Lafco and potential implications for IEUA
- We followed up on the first meeting related to the MSR and have provided staff our assessment of the process.
- Discussed with the General Manager issues related to provision of service to a large industrial project involving the County of San Bernardino and the City of Fontana
- We attended the SCWC Annual Dinner and discussed district issues with Directors Ellie and Camacho


INFORMATION  
ITEM


**31**

Date: November 20, 2013

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (11/13/13)

From:  P. Joseph Grindstaff  
General Manager

Submitted by: Rebecca Long   
Manager of External Affairs

Subject: FY 2012/13 IEUA Annual Water Use Efficiency Programs Report

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### **RECOMMENDATION**

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

### **BACKGROUND**

Each year, Inland Empire Utilities Agency (IEUA) prepares a comprehensive water-use efficiency report which captures all of the activities from the past fiscal year. This report tracks the progress that has been made against the goals and objectives, identified in the Agency's long-term Water-Use Efficiency Plan. Member agencies receive service area specific data, which serves as a roadmap for developing the next annual budget and assists in evaluating overall program performances.

Currently, the Agency offers a variety of water-use efficiency programs, which focuses on increased efforts in landscape management and reducing outdoor water use. Over the last fiscal year, there were approximately 61,588 water saving technologies/services distributed throughout the service area such as: high-efficiency sprinkler nozzles, weather based irrigation controllers, high-efficiency toilets, urinals, clothes washers, and landscape evaluations. The direct water savings achieved through these regional water conservation activities is estimated at 646 acre-feet per year with an average lifetime savings of 7,376 acre-feet. This new water savings is in addition to IEUA's cumulative lifetime water savings of 97,767 acre-feet for all conservation activities since 1992.

Water-use efficiency and conservation are key fundamentals of the Agency's long-term water resource management strategy. Policies and practices are shaped largely by core strategies and programs designed to meet the requirements of the following initiatives:

- SBX 7-7 - The Water Conservation Act of 2009 (the legislation sets an overall goal of reducing per capita urban water use by 20% by December 31, 2020)
- Assembly Bill 1420 - Mandatory Demand Management Measures Statute
- Assembly Bill 1881 - Enforcement of local water efficient landscape ordinances
- The California Urban Water Conservation Council's Best Management Practices
- State grant and loan eligibility requirements
- Future water use efficiency legislation and regulation

The sustained reduction in water use, as mandated by state legislation, will be met through a regional alliance and continued commitment to implement cost-effective, water-use efficiency programs. The programs support our member agencies compliance with state statutes, and the California Urban Water Conservation Council Best Management Practices. Many of these programs have been made possible through funding partnerships with local agencies, Chino Basin Water Conservation District, Metropolitan Water District, the Bureau of Reclamation, and the Department of Water Resources.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.



The Annual Water Use Efficiency Programs Report FY 2012/13 attachment can be found, in its entirety, at:

<ftp://ieua.hostedftp.com/~ieuaftp@ieua.org>

After clicking on the link above, click on Board Meeting Agendas, and then click on the filename: FINAL\_merged\_WUE Report FY 12-13.pdf



***IEUA Annual Conservation  
Programs Report  
FY 2012-13  
November 20, 2013***



## Annual Programs Summary

- Approximately 695 acre-feet of annual water savings from water use efficiency activities
- Total Tier II (\$727) avoided cost of \$505,265
- Total Agency program cost per acre-foot: \$170
- A total of 61,588 water saving technologies implemented
- Projected water savings over the life of devices is approximately 7,621 AF
- Total Conservation Program Funding (FY 2012-2013):
  - Outside sources: \$964,345
  - Agency funding: \$334,108



# Regional Priorities

- IEUA's Regional Water Use Efficiency Business Plan
  - Implementation (2010-2015)
- Senate Bill X7-7 - The Water Conservation Act of 2009
  - A 10% reduction in per capita water use by 2015 and 20% by 2020
  - Compliance through a Regional Alliance - Regional MOU
- Assembly Bill 1420-Demand Management Measures
  - Urban Water Management Planning Act
  - Mandatory implementation of DMMs/BMPs
  - Sunsets July 1, 2016
- California Urban Water Conservation Council MOU
  - Voluntary Best Management Practices
- Maintain state grant and loan eligibility
- Compliance with future WUE legislation and regulations
  - DWR Independent Technical Panel on Demand Management Measures currently updating the Urban Water Management Planning Act on DMMs (AB 1420 requirement)

# How Will We Meet SB X 7-7 Compliance?

IEUA Demand Management Portfolio	Population*	Target** (GPCD)	Recycled Water (GPCD)	RW & WUE (GPCD)
<b>2010 Baseline</b>	846,469	251	-	-
<b>2015 (10% Reduction)</b>	919,771	226	213	208
<b>2020 (20% Reduction)</b>	981,651	201	206	193

- IEUA has established a regional baseline and set targets that are achievable through the implementation of recycled water and water use efficiency programs.
- Member Agency Regional Alliance

The population projection was derived from IEUA member agencies RMPU/UWMP projections.

\*\*The targets were developed using a 1998-2008 baseline period.



# FY 2012-2013

## Water Use Efficiency Programs

- Landscape Transformation Program (Turf Removal)
  - Completed 27 sites-removed 22,455 square feet of lawn
- Freesprinklernozzles.com Voucher Program
  - Residential and Commercial Customers (934 vouchers redeemed - 53,441 HE nozzles)
- IEUA Residential Landscape Retrofit Program
  - Completed 157 site retrofits - Installed 252 weather based controllers - 9,668 HE nozzles
- IEUA Regional Landscape Evaluation and Audit Program (CBWCD)
  - 43 Residential - 3 Commercial
- High Efficiency Toilet Installation Program
  - Residential and Multi-Family Customers (22,500 HETs - 1,740 FY 12-13)
- Fontana Unified School Retrofit Program (FWC)
  - 23 school locations retrofitted
  - 143 HE Toilets, 13 HE Urinals, 14 Central Computerized Irrigation Controllers, 1,200 HE nozzles
- Rebate Programs: Residential, Commercial, Institutional, and Industrial
  - Issued 4,459 residential and commercial rebates



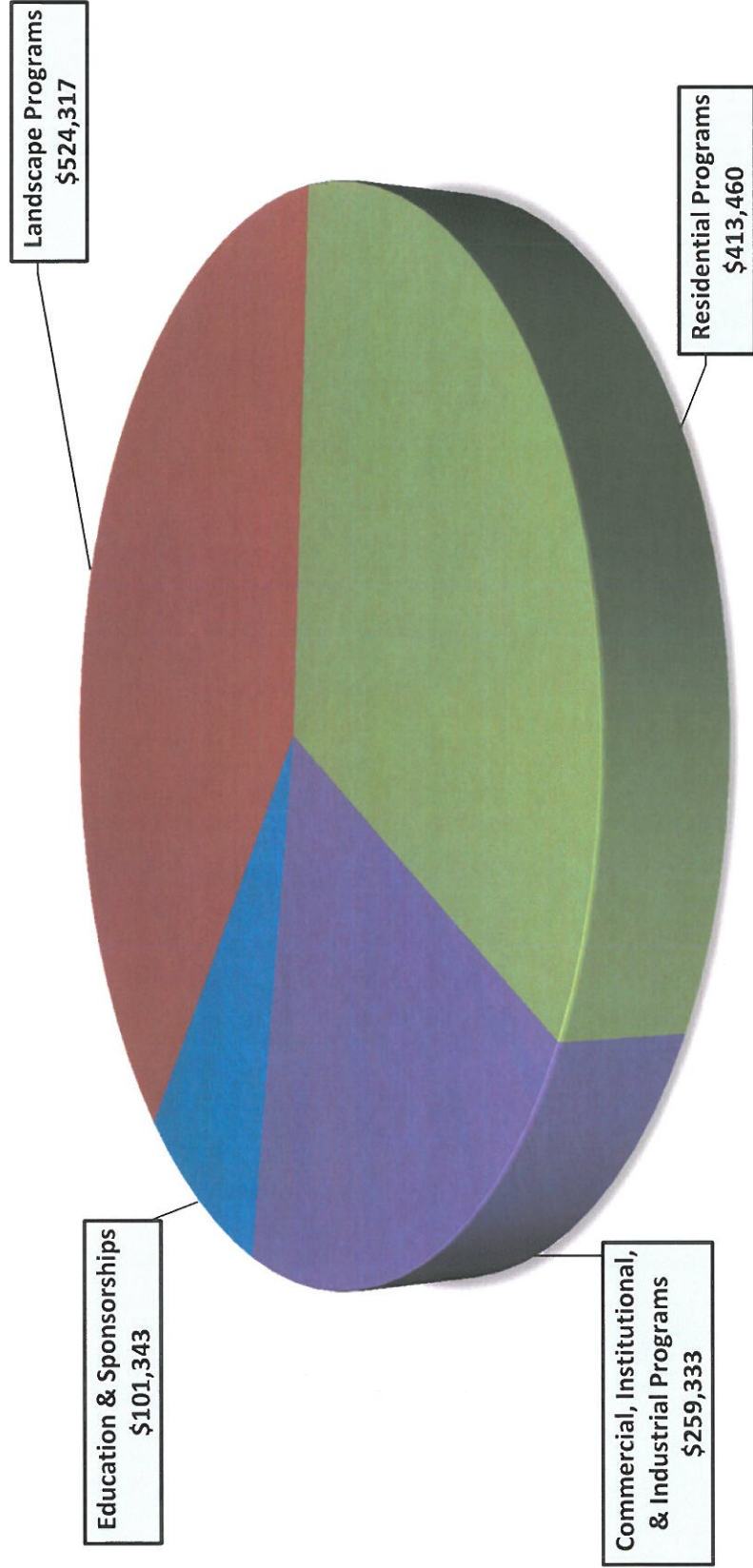
# FY 2012-2013

## Education & Outreach

- IEUA Regional Landscape Training Classes
  - 20 residential courses conducted throughout IEUA's service areas
- National Theatre for Children
  - 54 Theater Performances
  - Reached 28,350 K-6 students, teachers and parents
- Garden-In-Every School
  - Completed 4 Gardens
  - Reached 11,008 students, teachers, and parents
- Partnering Programs
  - Annual Water Fair
  - Inland Empire Garden Friendly Program (Home Depot Plant Sales)
  - Water Education – Water Awareness Committee (WEWAC)
  - IEUA Regional “Water is Life” Student Art/poster Contest
  - Solar Cup (MWD sponsored solar-powered boat competition)
  - Community Outreach Special Events - Earth Day, LA County Fair

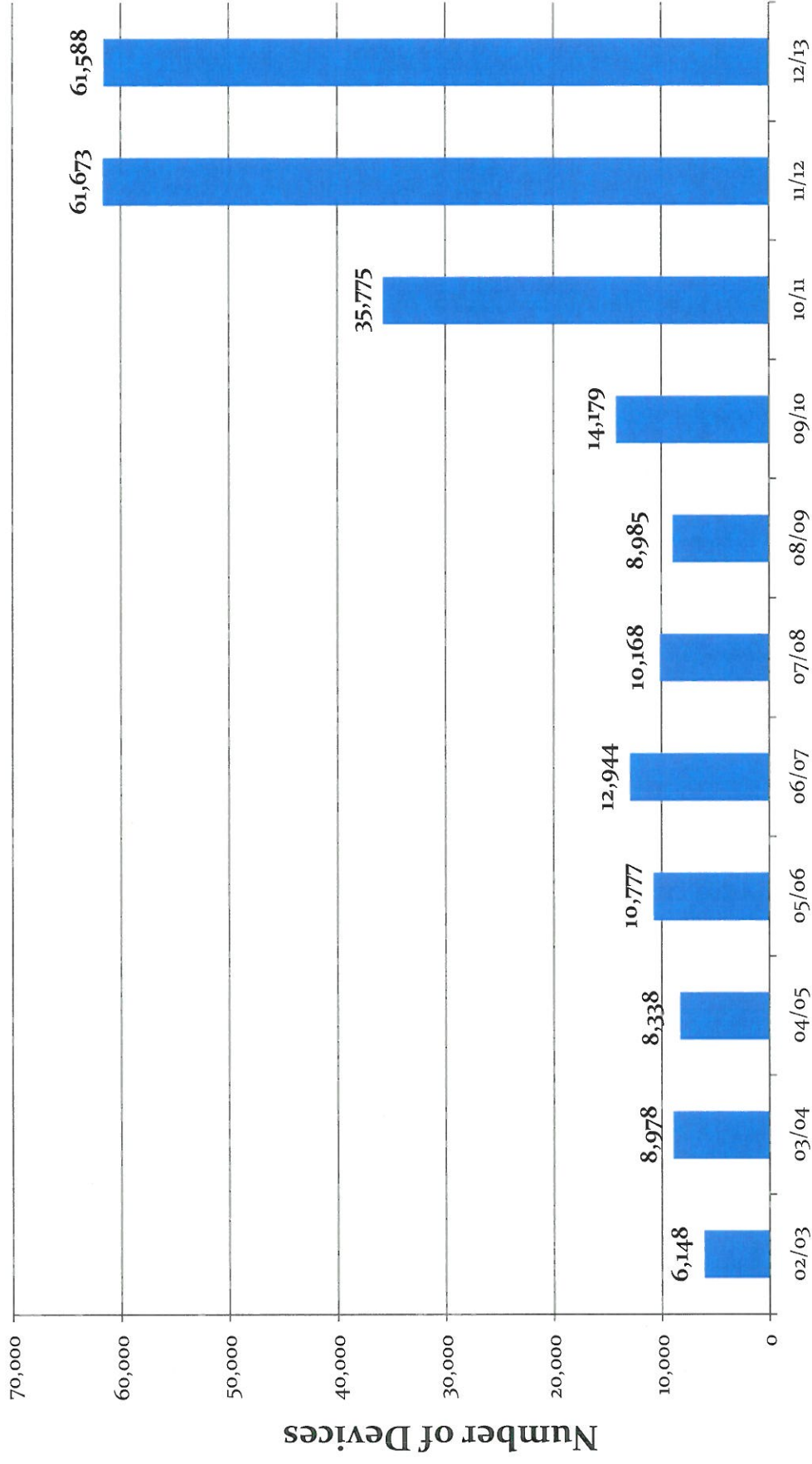
## FY 2012-2013 Water Use Efficiency Programs

*For every \$1 invested, IEUA received \$3 in outside funding*



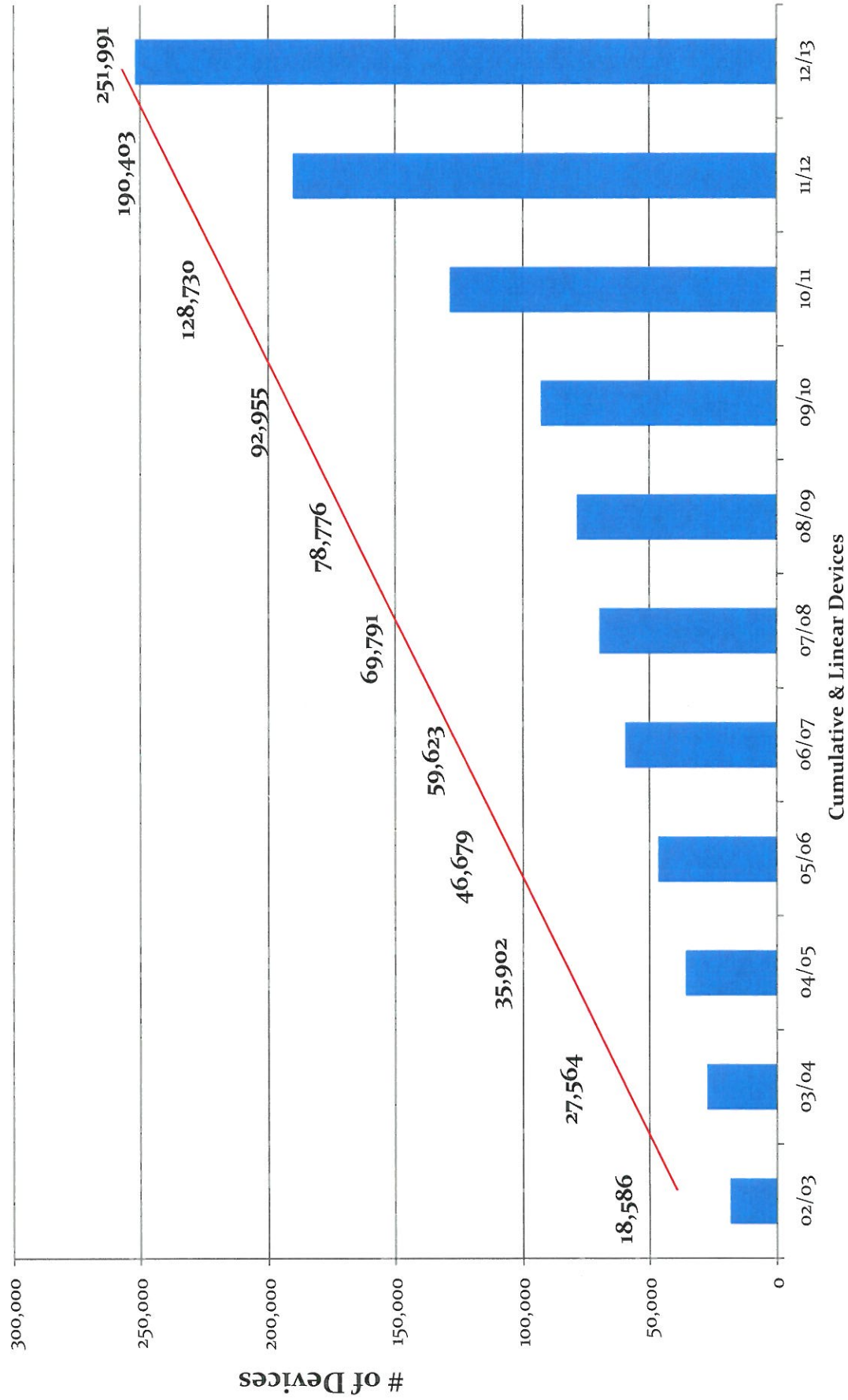


## IEUA Conservation Devices Installed Annually

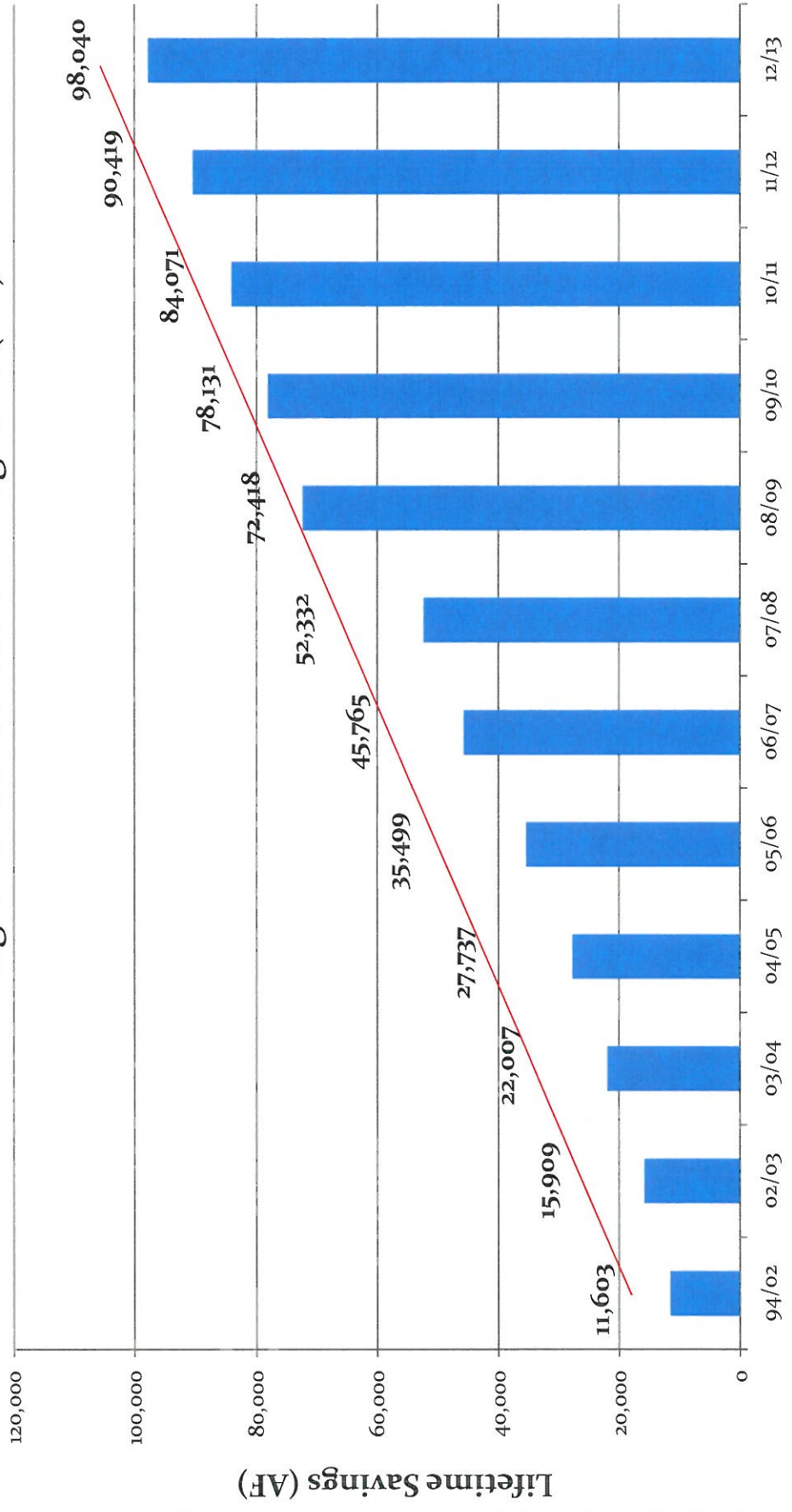


Note: Of the 61,588 devices, 53,411 represent high efficiency nozzles (8,177 devices)

# IEUA Cumulative Conservation Devices Installed



## IEUA Cumulative Lifetime Water Savings From Regional Conservation Programs (AF)





# Questions?


INFORMATION  
ITEM


**3J**


Date: November 20, 2013

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (11/13/13)

From:  P. Joseph Grindstaff  
General Manager

Submitted by:  Christina Valencia  
Chief Financial Officer

 Warren T. Green  
Interim Manager of Human Resources, Safety and Support Services

Subject: Funding of Estimated Workers' Compensation Liabilities

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### **RECOMMENDATION**

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

### **BACKGROUND**

On August 1, 1993, the Agency commenced self-insuring its workers' compensation obligations. As a self-insured public entity, the Agency is required to file an annual report, on a fiscal year basis, with the California Department of Industrial Relations (DIR). Additionally, pursuant to Labor Code Section 3702.6(b), within 90 days of the submission of said report, staff is required to inform the Board of Directors the amount of the Agency's total estimated workers' compensation liabilities, and if funding of these liabilities is in compliance with the requirements of Government Accounting Standards Board Publication No. 10.

The Agency's annual self-insured workers' compensation report for the Fiscal Year ending June 30, 2013, was filed with the DIR on September 4, 2013. As of June 30, 2013, and since the program's inception, the Agency's total future workers' compensation liabilities for open claims is estimated at \$263,382. This represents a decrease of \$136,357, or about 34%, to last year's liability of \$399,739. The decrease is primarily the result of the closure of several claims and adjustment of reserves. This includes funding for any payments made on claims during the current fiscal year.

Funding of Estimated Workers' Compensation Liabilities

November 20, 2013

Page 2 of 2

As of June 30, 2013, the Agency's self-insured workers' compensation reserve had an estimated balance of \$1,493,248, an increase of nearly 12%, or \$190,187 compared to last fiscal year. Additionally, the Agency's funding of said liabilities is in compliance with Government Accounting Standards Board Publication No. 10.

**PRIOR BOARD ACTION**

This is an informational item which is presented to the Board each year.

**IMPACT ON BUDGET**

Funding for workers' compensation is provided for in account number 10200-121100-100000-509720, in the Agency's Fiscal Year 2013/14 Budget.

INFORMATION  
ITEM

**3K**





*Inland Empire Utilities Agency*

A MUNICIPAL WATER DISTRICT

# Upper Santa Ana River Habitat Conservation Plan (HCP)

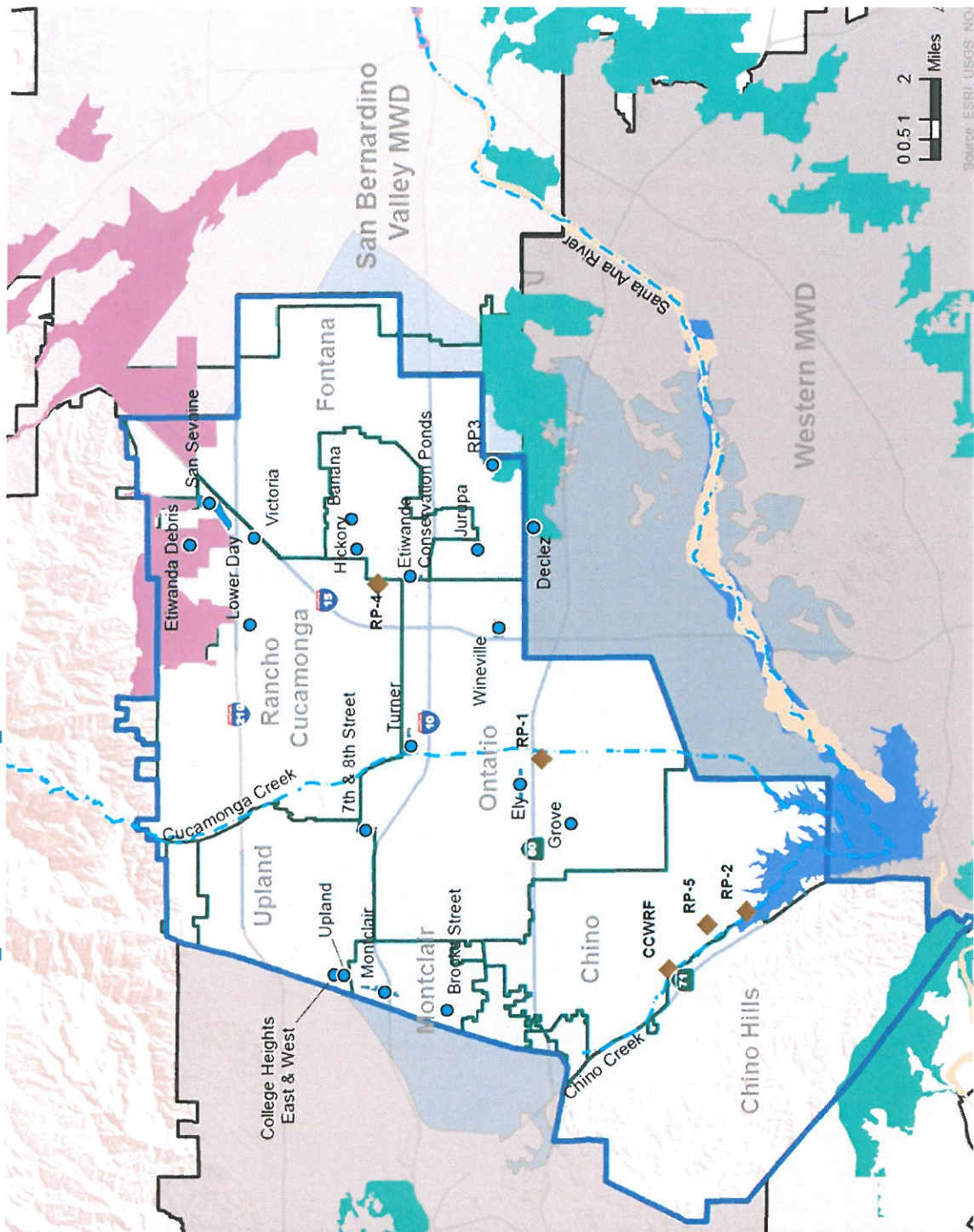
Planning and Water Resources  
Department

November 2013

# Upper SAR HCP Team

- Large water agencies along the upper Santa Ana River (SAR) with future projects and activities that may impact critical habitat for endangered species
- The agencies agree that development of a multi-species HCP (MSHCP) is an effective strategy to plan and mitigate for multiple potential impacts

# Designated Critical Habitat for Multiple Species



# Elements of HCP

- Projects and activities to be covered
- The impacts likely to result from the projects
  - Construction
  - Operation
  - Reduction of flow in the river
- The steps that will be taken to mitigate and minimize the impacts
- Funding
- Alternatives
- Inventory of suitable mitigation lands
- “Safe harbor” provision to assure no subsequent additional costs for unforeseen impacts

# Participants

- San Bernardino Valley Municipal Water District
- East Valley Water District
- San Bernardino Municipal Water Department
- San Bernardino Valley Water Conservation District
- Riverside Public Utilities
- Western Municipal Water District of Riverside County
- West Valley Water District
- San Bernardino County Flood Control District
- Inland Empire Utilities Agency

# Potential IEUA Covered Projects

- Recharge Master Plan Update Projects
  - Construction impacts
  - O&M impacts
- Recycled water projects
  - Pipeline construction
  - Reduction of flows in Santa Ana River

# Scoping Study

- Initial planning effort (\$20K)
  - Confirm each agency's potential benefits
- Tasks (ICF Int'l)
  - Meetings with individual agencies (October)
  - Identify covered projects, activities, species and spatial areas (December)
  - Provide scope of work, cost and schedule for Board consideration (January)



*Inland Empire Utilities Agency*

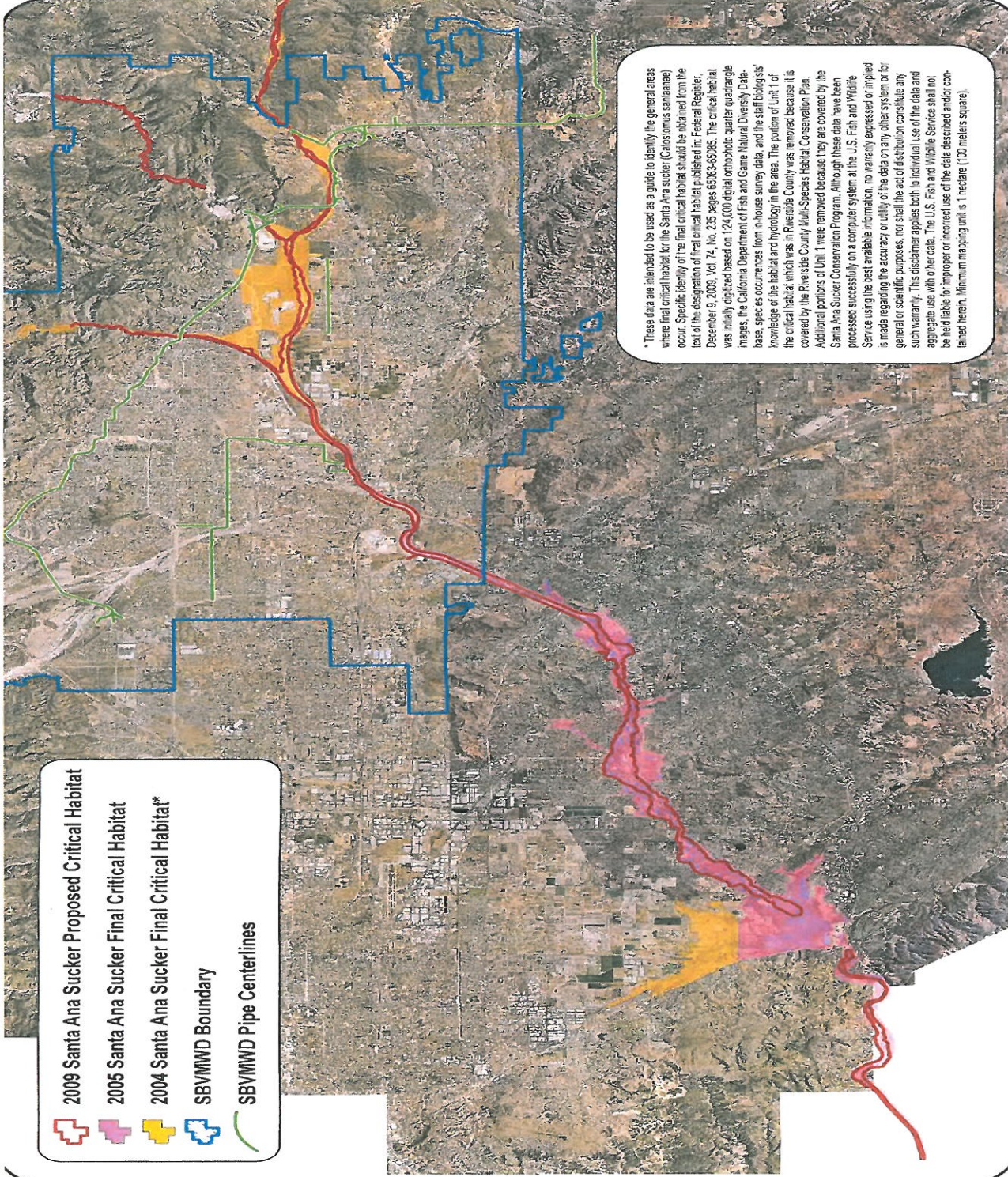
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Questions?



# Drivers for HCP Formation

- 2010 Santa Ana Sucker ruling
  - Doubled extent of designated critical habit (DCH)
  - Excluded Chino Creek and Cucamonga/Mill Creek, reversing 2005 decision
- Several large water agencies filed suit
  - Unfavorable court decision in 2012
  - Concerned about ability to obtain permits from US Fish & Wildlife Service (USFWS) to divert water for recharge (e.g., Seven Oaks Dam)
- Similar case with flycatcher ruling in 2011
- USFWS offered to collaborate with water agencies in a “holistic” multispecies approach



-  2009 Santa Ana Sucker Proposed Critical Habitat
-  2005 Santa Ana Sucker Final Critical Habitat
-  2004 Santa Ana Sucker Final Critical Habitat\*
-  SBVMWD Boundary
-  SBVMWD Pipe Centerlines

\* These data are intended to be used as a guide to identify the general areas where final critical habitat for the Santa Ana sucker (*Catostomus commersoni*) occur. Specific identity of the final critical habitat should be obtained from the text of the designation of final critical habitat published in the Federal Register, December 9, 2009, Vol. 74, No. 235, pages 65183-65185. The critical habitat was initially digitized based on 124,000 digital orthophoto quarter quadrangle images, the California Department of Fish and Game Natural Diversity Database, species occurrences from in-house survey data, and the staff biologists' knowledge of the habitat and hydrology in the area. The portion of Unit 1 of the critical habitat which was in Riverside County was removed because it is covered by the Riverside County Multi-Species Habitat Conservation Plan. Additional portions of Unit 1 were removed because they are covered by the Santa Ana Sucker Conservation Program. Although these data have been processed successfully on a computer system at the U.S. Fish and Wildlife Service using the best available information, no warranty expressed or implied is made regarding the accuracy or utility of the data on any other system or for general or scientific purposes, nor shall the act of distribution constitute any such warranty. This disclaimer applies both to individual use of the data and aggregate use with other data. The U.S. Fish and Wildlife Service shall not be held liable for improper or incorrect use of the data described and/or contained herein. Minimum mapping unit is 1 hectare (100 meters square).

# **Preliminary Identification of Covered Activities**

- Clean Water Factory (Muni)
- Seven Oaks Dam Water Conservation (Valley District & Western)
- Recharge and ASR projects (Riverside, Western, Valley, SBVWCD)
- Recharge Basin O&M Activities (SBCo. Flood Control District)

# Additional Considerations

- 3-4 year plan development process is expected
- Projects completed before the HCP is completed cannot be covered
- Planning budget of \$3 - \$4 million is likely (applying for ESA grant)
- Major cost is for implementation of mitigation and restoration projects
- Will apply for OWOW Round 3 funding
- SAWPA SAS Conservation Team may administer
- Upper Santa Ana Water Resources Association (USAWRA) will be permit applicant

INFORMATION  
ITEM

**3L**



*Inland Empire Utilities Agency*

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# Pretreatment Update

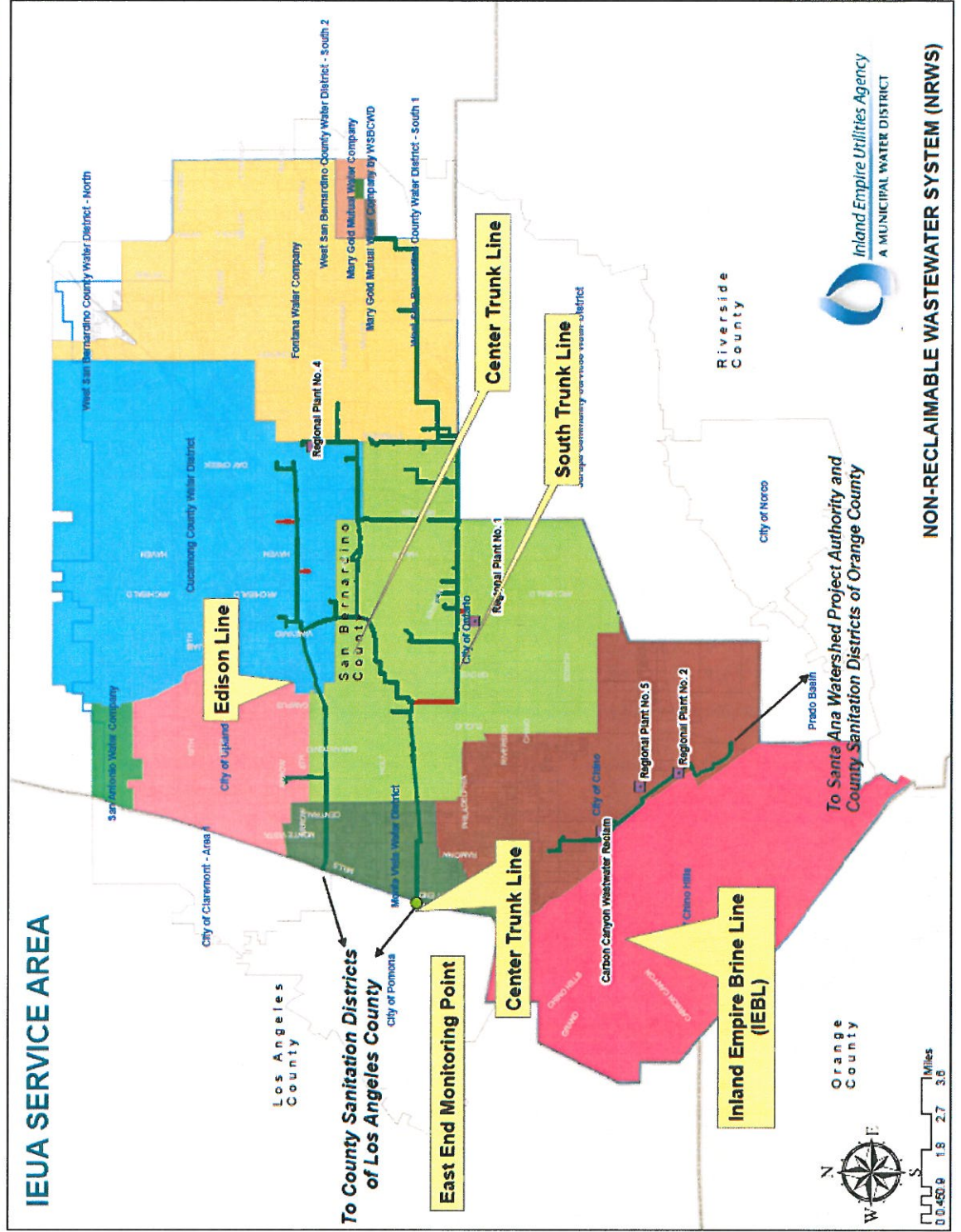
Nov. 20, 2013

# *Presentation Overview*

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- **North NRWS**
- **South NRWS**
- **Regional System**

# NRWS Map



NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)



# *Status of North NRWS*

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- **Draft Agreement from CSDLAC**
  - 15,000 Capacity Unit assignment
  - Option to lease additional capacity units @5% of CSDLAC Capacity cost
  - 30 year term + four 5-year options (50 years total)

# Rate Components

## Current vs. Proposed

Pass-Thru Rate Component	CURRENT	PROPOSED
4R Capacity	✓	✗
Volumetric Flow	✓	✓
Peaking Factor (PF=2*Avg. gpm)	✗	✓
COD	✓ (Above threshold)	✓ (No threshold)
TSS	✓ (Above threshold)	✓ (No threshold)
Ad-Valorem Tax	✗	✓

# ***Status of North NRWS***

## ***TSS Imbalance***

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- **Trussell Technologies (TT) conducting study**
- **Develop imbalance cost distribution formula**
- **Workshop with industries in November**

# IEUA O&M and CIP Charges

Current		Proposed
Capacity	50%	O&M and CIP will be based on New Capacity Units times effective rates (to be determined)
Volumetric	50%	
Strength	50%	
CIP	\$90/CU/Month	

## ***North NRWS Volumetric Credit***

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- **There is a volumetric credit of \$216,762 due to the industries for FY 12-13**
- **Staff recommends to use credit to payback a portion of 4R deferred charges for FY 11/12**
- **Will present to Board for action in December 2013**

# ***Status of South NRWS***

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- **Impact of arbitration between SAWPA and OCSD**
- **SAWPA Multi-Jurisdictional Pretreatment Agreement**
  - SAWPA is the lead Agency
- **SAWPA Ordinance No. 7 adopted 10/15/2013**
- **IEUA to adopt SAWPA Ordinance in Jan 2014**
- **IEUA to adopt South NRWS Ordinance**
  - Capacity Right
  - Rates

# *Regional Pretreatment Program*

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- **Revision of IEUA Regional Ordinance**
  - Per EPA Audit Recommendations
  - Currently being amended by RvL Consultant
- **Revision of Local Limits**
  - Current Local Limits developed in 2004
  - RFP will be released in Dec 2013
  - Local Limits to be finished by Dec 2014

## ***Next Steps***

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- **Finalize contract with CSDLAC**
- **Finalize imbalance formula**
- **Finalize new Rate Structure**
- **Present new Agreement to Board for adoption in December**
- **Effective Jan 1, 2014**



# Questions?

INFORMATION  
ITEM

**3M**

Date: November 20, 2013  
To: The Honorable Board of Directors  
Through: Special Audit Committee (11/13/13)  
From: Teresa V. Velarde  
Manager of Internal Audit  
Subject: SCE Utility Payments Audit

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### **RECOMMENDATION**

This is an informational item for the Board of Directors to review.

### **BACKGROUND**

The Internal Audit Department (IA) has performed an audit of utility service payments made to Southern California Edison (SCE) as scheduled according to the approved Fiscal Year 2013/14 Annual Audit Plan. The Agency departments involved in the process include Planning & Environmental Compliance, Maintenance, Contracts & Procurement and Accounting & Fiscal Management. The scope of the audit was to:

- Determine whether payments made to SCE were accurate, authorized, and appropriately approved.
- Evaluate controls over the contracting and procurement process for setting up utility services with SCE, as well as controls over the disbursement process.
- Evaluate SAP authorization roles within the departments as they pertain to utility procurement and disbursements to ensure there is adequate segregation of duties.

Overall, the departments provide effective oversight over SCE services and billing. Based on the results of our audit, IA identified opportunities and recommendations to further enhance operations and strengthen internal controls detailed in the attached report. Below is a summary of items requiring attention:

- The audit noted that over \$900.00 a year is paid for street lighting expense that should be the financial responsibility of the City of Chino. The street lights in front of IEUA's HQ-A building have been identified by Agency staff and SCE as the responsibility of the City of Chino. P&EC and Maintenance staff previously identified this issue and had initiated discussions to transfer the account and related expense to the City of Chino. It is anticipated that by the end of calendar year 2013 this will be resolved. IA recommends

that P&EC and Maintenance management continue to work with the City and SCE to adequately transfer the electricity expense related to City of Chino property.

- As noted during the prior Contracts and Procurement (CAP) Audit Reports, dated May 24, 2010 and August 29, 2012 there is an existing segregation of duties conflict because one employee has access to create and make changes to vendors, approve purchase requisitions, and approve and process payments. IA recommends that access to creating or approving purchase requisitions be removed, or the ability to process payments be removed to avoid segregation of duties conflicts. Good internal controls require that at least one other person be involved in a purchasing transaction to ensure purchases benefit the Agency. This has been previously identified by the external auditors as a conflict requiring corrective action. It has also been identified through prior IA reports. CAP management should evaluate the entire CAP Department staff's responsibilities and leverage all department resources to achieve all tasks and at the same time avoid internal control conflicts. Additional conflicts were identified and are detailed in the attached report.
- The audit identified several Agency policies and department-specific procedures that require updates to ensure the correct information is disseminated to employees. CAP personnel should take the lead in working with the responsible Agency personnel to make the necessary updates to Agency policy No. A-32 "Authority to Contractually Commit the Agency" and No. A-33 "Request for Proposal (RFP) Protocols", and department specific SOP's as noted in the attached report. The policies and procedures make reference to outdated policies and this can be misleading, create confusion, or provide readers with incorrect procedures.
- There is a need for an Agency policy that documents procedures for the procurement of non-purchase order transactions (e.g. contracts and agreements for utilities), or consider incorporating non-purchase order procurement procedures into existing Agency Policy A-50, "Non-Purchase Order Invoice Approval Procedures." The procedures would provide the requirements for selecting a service or product and consistent instructions for developing the needed contractual/purchase agreement.

In summary, IA provides one (1) recommendation to Maintenance and P&EC and three (3) recommendations for CAP as well as recommendations for AFM. The attached audit report provides details of the observations and recommendations identified in this evaluation.

Attached to the audit report is the documented response from Maintenance, P&EC and CAP.

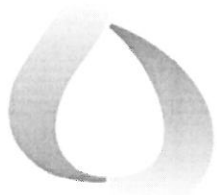
### **PRIOR BOARD ACTION**

On July 19, 2013, the Board approved the Fiscal Year 2013/14 Annual Audit Plan. The SCE Utility Payments Audit was scheduled in the plan.

On March 20, 2013, the Board reconfirmed the approved Internal Audit Department Charter.

**IMPACT ON BUDGET**

None.



## Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

6075 Kimball Ave. • Chino, CA 91708  
P.O. Box 9020 • Chino, Hills, CA 91709  
TEL (909) 993-1600 • FAX (909) 597-8875  
www.ieua.org

DATE: August 29, 2013

TO: P. Joseph Grindstaff  
General Manager

FROM: Teresa V. Velarde  
Manager of Internal Audit

**SUBJECT: SCE UTILITY PAYMENTS AUDIT**

### Audit Authority

We have performed an audit of utility service payments made to Southern California Edison (SCE) under the authority given to us by the Inland Empire Utilities Agency Board of Directors and according to the FY 2013/14 Annual Audit Plan.

### Audit Scope

The purpose of our audit was to determine whether payments made to SCE were accurate, authorized, and appropriately approved. There are several Agency departments involved in this process, including Planning & Environmental Compliance, Maintenance, Contracts & Procurement and Accounting & Fiscal Management. The scope of this audit included evaluating controls over the contracting and procurement process for setting up utility services with SCE, as well as controls over the disbursement process. IA also evaluated SAP authorization roles within the Planning and Environmental Compliance (P&EC), Maintenance, Contracts and Procurement (CAP) and Accounting and Fiscal Management (AFM) Departments as they pertain to utility procurement and disbursements to ensure there is adequate Segregation of Duties (Segregation of Duties or SOD).

### Audit Techniques

Audit techniques included:

- Interviews of Agency staff
- Analysis of financial transactions
- Analysis of SCE contracts
- Review of assigned access within SAP
- Review of policies and procedures/SOP's

*Water Smart – Thinking in Terms of Tomorrow*

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President

Michael E. Camacho  
Vice President

Steven J. Elie  
Secretary/Treasurer

Angel Santiago  
Director

Gene Koopman  
Director

P. Joseph Grindstaff  
General Manager

**Audit Results - Executive Summary**

Overall, the Planning and Environmental Compliance, Maintenance, Contracts and Procurement and Accounting and Fiscal Management Department(s) provide effective oversight over SCE services and billing. Based on the results of our audit, IA identified opportunities to further enhance operations and strengthen internal controls; therefore, have provided recommendations in this report. For complete details of the audit observations and recommendations, refer to the full audit report that follows. Below is a summary of items requiring attention:

- The audit noted that over \$900.00 a year is paid for street lighting expense that should be the financial responsibility of the City of Chino. The street lights in front of IEUA's HQ-A building have been identified by Agency staff and SCE as the responsibility of the City of Chino. P&EC and Maintenance staff previously identified this issue and had initiated discussions to transfer the account and related expense to the City of Chino. It is anticipated that by the end of calendar year 2013 this will be resolved. IA recommends that P&EC and Maintenance Management continue to work with the City and SCE to adequately transfer the electricity expense related to City of Chino property.
- As noted during the prior CAP Audit Reports, dated May 24, 2010 and August 29, 2012, there is an existing Segregation of Duties conflict because one employee has access to create and make changes to vendors, approve purchase requisitions, and approve and process payments. IA recommends that access to creating or approving purchase requisitions be removed, or the ability to process payments be removed to avoid Segregation of Duties conflicts. Good internal controls require that at least one other person be involved in a purchasing transaction to ensure purchases benefit the Agency. This has been previously identified by the external auditors as a conflict requiring corrective action. It has also been identified through prior IA reports. CAP management should evaluate the entire CAP Department staff's responsibilities and leverage all department resources to achieve all tasks and at the same time avoid internal control conflicts. Additional conflicts were identified and are detailed in the attached report.
- The audit identified several Agency policies and department-specific procedures that require updates to ensure the correct information is disseminated to employees. CAP personnel should take the lead in working with the responsible Agency personnel to make the necessary updates to Agency policies A-32 "Authority to Contractually Commit the Agency" and A-33 "Request for Proposal (RFP) Protocols", and department specific SOP's as noted in the attached report. The policies and procedures make reference to outdated policies and this can be misleading, create confusion, or provide readers with incorrect procedures.
- There is a need for an Agency policy that documents procedures for the procurement of non-purchase order transactions (e.g. contracts and agreements for utilities), or consider incorporating non-purchase order procurement

procedures into existing Agency Policy A-50, "Non-Purchase Order Invoice Approval Procedures." The procedures would provide the requirements for selecting a service or product and consistent instructions for developing the needed contractual/purchase agreement.

- IA recommends AFM staff take the lead in working with Maintenance and P&EC personnel, to develop and implement an effective method for entering SCE invoices with multiple meters into SAP that will allow all users the ability to research, retrieve and locate this information more efficiently with specific identifying information. Upon implementation, the methodology will improve efficiencies in researching, logging and uploading the hundreds of SCE invoices received each year.

In summary, IA provides one (1) recommendation to Maintenance and P&EC, three (3) recommendations for CAP, and one (1) recommendation for AFM. The attached audit report provides details of the observations and recommendations identified in this evaluation.

#### **Acknowledgements**

We would like to extend our appreciation to the Maintenance, P&EC, CAP and AFM department's staff for their cooperation during this review.

#### **Discussion with Management**

We discussed the results of this audit with Ernest Yeboah, Executive Manager of Operations and his staff on August 13, 2013 and with Pietro Cambiaso, Senior Engineer (P&EC) on August 13, 2013. It was also discussed that continuous follow-up evaluation would be performed by Internal Audit according to the Annual Audit Plan.

#### **Response to Internal Audit**

Attached to this audit report is the Maintenance and Planning & Environmental Compliance Departments' written response to Recommendation #1. Accounting and Fiscal Management Department provided a response via email which was incorporated in this report under the related soft recommendation to AFM. A written response is still required from Contracts and Procurement Department for Recommendations #2, #3, and #4. Please provide Internal Audit Department with a written response, within 60 days of the date of this report. If you have any questions or need additional information, please contact me at Extension 1521 or [tvelarde@ieua.org](mailto:tvelarde@ieua.org).

TV:vs

cc: Ernest Yeboah, Executive Manager of Operations  
Pietro Cambiaso, Senior Engineer (P&EC)  
Cameron Langner, Manager of Contracts and Procurement  
Javier Lazaro-Chagoyen, Manager of Accounting and Fiscal Management



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**SCE Utility Payments Audit**

**Background**

Agency electricity expense using actual usage (kWh) for the previous three years was as follows:

Entity**	2010*	2011*	2012*
IEUA	\$ 2,383,604	\$ 3,154,955	\$ 3,289,856
RCA	\$ 389,948	\$ 463,568	\$ 484,589
<b>Total*</b>	<b>\$ 2,773,552</b>	<b>\$ 3,618,523</b>	<b>\$ 3,774,445</b>

\*Totals are based on calendar year amounts.

\*\* IEUA is not accountable or responsible for budgeting, accounting or processing of CDA's electricity costs/expenses; this audit's scope did not evaluate CDA's electricity costs/expenses.

During 2010-2012, IEUA's electricity expense slightly increased primarily due to an increase in recycled water pumping. RCA's variance also denotes an increasing trend primarily due to an increase in SCE's distribution cost. Data trends from the table above are displayed in the bar chart below:



The Agency has 51 electricity accounts held with SCE. All SCE accounts when initiated are given an SCE Service Account Number. Of these 51 service accounts, 44 are assigned a meter and are located throughout various Agency facilities. Each meter measures usage for a specific facility. The only accounts where metering is not required are street lighting and miscellaneous charges accounts (pro-rated charges for added facilities). SCE offers a large amount of rate plans to customers. Each account is charged a specific rate based on the type of facility, the maximum demand of the facility

and the agreement between the Agency and SCE. The “GS” plans are designed to provide service for small-to-medium size businesses, such as commercial and industrial customers, small manufacturing and processing firms, retail businesses, churches and schools, using less than 20kwh per billing period. Approximately 2/3 of the Agency’s meters (groundwater recharge accounts) are billed a “GS” rate for electricity. The Agency has two (2) locations on “PA” service plans that are designed for agricultural and pumping customers who use 70% or more of their electricity to provide power for agricultural, water or sewage pumping purposes and who use none of the remaining load for domestic purposes. The remainders of the service accounts are on “TOU” (Time of Use) plans. The “TOU-PA” (Time of Use Agricultural and Pumping) rates are applicable to customers who consume 70% or more of their electricity for agricultural, water or sewage pumping purposes, and who are not using any of the remaining load for domestic purposes. “TOU-PA” customer’s demand must not exceed 500kW per month. “TOU-8” (Time of Use – General Service-Large) rates are mandatory for all customers whose monthly maximum demand exceeds 500kW. Each plan noted in this report has five (5) to six (6) tiers based on kilowatt hours to be consumed and the type of business and electricity demands that the facility will need.

The following is a listing of all of the Agency’s 51 accounts held with SCE\*\*

Service Account #	Meter #	Account Name	Rate	Paid to SCE (April 12-March 13)
3-000-1731-28	ZYA085-134756	RP-2 Liquid	GS-2	\$35,130.58
3-000-6578-01	256000-079281	Prado Dechlor	GS-2	\$9,830.90
3-001-3233-31	349M-010841	Philadelphia LS	TOU-PA-B	\$49,053.33
3-001-3233-37	259000-009159	Montclair LS	PA-2	\$35,179.76
3-001-3233-38	222013-780952	East End Meter	GS-1	\$303.58
3-001-3233-39	256000-079278	Prado LS	PA-1	\$3490.84
3-001-3233-41	V349N-001250	RP-1	TOU-8-B-Standby	\$967,124.07
3-005-9278-55	V349N-006462	RP-2 Solids	TOU-8-B-Standby	\$52,588.61
3-010-5082-78	0	Street Light RP-1	OL-1	\$162.09
3-010-6107-84	V345N-000492	CCWRF	TOU-8-B	\$358,094.80
3-012-3553-79	222013-780405	RP-4 Meter	GS-1	\$5,322.92
3-013-2335-96	V345N-001071	RP-4/IERCF	TOU-8-B	\$1,101,116.92
3-015-7552-51	0	RP-1	MISC CHARGES	\$1,694.66
3-015-7700-35	0	RP-2	MISC CHARGES	\$3,957.67
3-016-8798-71	0	RP-1	MISC CHARGES	\$1,546.46
3-018-4020-51	222014-037992	CCWRF Meter	GS-1	\$794.95
3-023-5829-32	V345N-001824	RP-5	TOU-8-B	\$917,839.57
3-023-8091-46	222012-607061	GWR College Heights	GS-1	\$814.78
3-023-8156-97	222013-781030	GWR Lower Day	GS-1	\$693.54
3-023-8361-81	222011-639345	GWR RP-3	GS-1	\$951.10
3-023-8449-31	222010-627116	GWR Turner Basin 1	GS-1	\$855.20
3-024-5307-25	222010-797490	GWR Montclair Basin	GS-1	\$649.01
3-024-5307-48	222012-614726	GWR Brooks St Basin	GS-1	\$700.19
3-024-6523-08	222013-993767	GWR 8 <sup>th</sup> St Basin	GS-1	\$617.88
3-024-6268-50	222013-994639	GWR Ely Basin	GS-1	\$891.86
3-024-6687-25	222013-600325	GWR Decléz Basin	GS-1	\$533.45
3-024-7067-83	222011-370285	GWR Banana Basin	GS-1	\$689.43
3-024-7097-77	222011-391559	GWR Victoria Basin	GS-1	\$2,076.60

SCE Utility Payments Audit  
 August 29, 2013  
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3-024-7098-22	222011-399349	GWR MWD CB 11	GS-1	\$434.62
3-024-8593-41	222010-673261	GWR Turner 3 & 4	GS-1	\$617.19
3-024-9052-61	222011-369880	GWR MWD Turnout	GS-1	\$467.30
3-025-2061-24	222011-392977	GWR MWD Turnout 18	GS-1	\$433.20
3-025-4800-73	V349N-015452	GWR Jurupa Basin	TOU-PA-A	\$29,397.88
3-025-7723-13	256000-180941	GWR Hickory	PA-2	\$2,423.74
3-025-7737-56	222013-781195	GWR Hickory	GS-1	\$733.87
3-026-1435-32	0	Street Light HQ	LS-2	\$940.51
3-026-1438-01	222012-618295	GWR Turner Basin	GS-1	\$351.02
3-026-2589-89	0	RP-5	MISC CHARGES	\$4,391.66
3-027-4778-44	222012-611829	Ontario LS	GS-1	\$488.30
3-028-0294-82	222013-739368	GWR RP-1 RP-5	GS-1	\$442.10
3-030-0548-41	222013-907695	GWR 8 <sup>th</sup> St Basin	GS-1	\$370.68
3-032-5674-04	222013-629979	Reservoir	GS-1	\$1,552.55
3-032-5714-61	V349N-012419	San Bernardino LS	TOU-PA-B	\$48,827.39
3-032-8808-24	222012-332438	GWR Brooks Turnout	GS-1	\$383.34
3-033-0292-63	222011-378076	GWR MWD CB 14	GS-1	\$596.12
3-033-0292-94	222012-335990	GWR MWD CB 20	GS-1	\$641.95
3-035-4343-17	222013-780758	GWR San Sevaive	GS-1	\$602.65
3-035-4904-19	V349N-016123	1630 East LS	TOU-PA-B	\$112,762.60
3-038-1089-69	222012-004292	1630 West Reservoir	GS-1	\$1,130.33
3-038-8394-79	259000-069310	1630 West LS	TOU-GS-3B	\$52,968.61
3-039-1168-41	0		TOU-8-B-DL	0

*\*\*NOTE: Data in table above was provided by SCE Account Representative ranging from April 2012 – March 2013\*\**

SCE invoices the Agency for each meter separately. The invoices are reconciled by the Maintenance Department Senior Engineer and Intern, and then the invoices are sent for review and approval to the Manager of Maintenance (all IEUA invoices) or the Ground Water Recharge Coordinator (all Groundwater Recharge invoices). Once the appropriate authorized personnel have reviewed and approved the invoice and reconciliation worksheets, the signed invoice or invoice and approval documentation (in email format) are sent to Accounts Payable for payment processing. Accounts Payable personnel will review the invoice for approval or review approval documentation, then process the payment to SCE through SAP. IEUA reconciles and pays the SCE invoices for Inland Empire Regional Composting Authority (IERCF) on a monthly basis.

As Accounts Payable processes the payment of the invoice to SCE within SAP for IERCF invoices, an Accounts Receivable is simultaneously set-up within SAP to bill IERCF for the amount of the invoice payable to IEUA. As IERCF payables are processed and a payment is made to IEUA for the SCE invoice amount, IEUA will clear the Accounts Receivable. All payments for SCE invoices that service the CDA are handled by a separate accounting team outside of IEUA and not included in the 51 SCE accounts listed in this report under IEUA.

Accounting information for the CDA is housed and processed through the same accounting software (SAP) as IEUA, as well as reported on IEUA's CAFR annually; however, day to day accounting procedures are performed by the CDA's accounting team. IEUA is not accountable or responsible for budgeting, accounting or processing of CDA's electricity costs/expenses, therefore, IA did not review any supporting documentation to substantiate the total electricity expense reported in SAP for CDA.

### **Report of Observations & Recommendations**

The review of SCE utilities payments involved several Agency departments and functions performed within each department. Each department and the respective functions performed within the department have been separated into three (3) sections in the following pages under each department's heading.

### **Maintenance and Planning & Environmental Compliance Departments**

#### **Maintenance Department SOP's**

IA reviewed the "Maintenance Department's Electricity Invoice Review and Approval Procedures" and the associated "Flowchart" dated March 2013. IA did not note any conflicts with the wording or procedures. Further, it appears that the written procedures are a 26 page manual developed by Maintenance Department staff, that include screen shots and detailed step by step processes for reviewing and approving SCE invoices. They serve as excellent guidance for new staff or reference material for existing staff.

#### **Invoice Review and Approval Missing**

IEUA's total electricity expense from January 1, 2012 through December 31, 2012 was \$3,289,856.00. For the audit testing, IA selected a sample of 62 individual invoices, totaling \$1,418,344.94 which was 43.11% of IEUA's electricity expense. IA reviewed each invoice and verified that each invoice was reconciled by Maintenance Department personnel. Further, IA reviewed each invoice for evidence of approval, either a physical signature on the invoice or an email approval attached to the invoice, from the appropriate level management personnel indicating that the invoice had been approved for payment.

IA noted that evidence of review and approval by management personnel was missing for 2 (two) out of the 62, or 3%, of total invoices tested, however, the two invoices totaling \$362.99 were still processed and paid.

Agency Policy A-50 "Non-Purchase Order Invoice Approval Procedures" indicates that once invoices are received from the vendor, the invoice is either hand carried to the respective authorized staff or a copy of the invoice is forwarded via email to the respective authorized personnel for approval based on the dollar thresholds set forth within the policy. Invoices paid without the appropriate approval signature (or email), are in direct violation of Agency Policy A-50. IA inquired with staff as to the reason that the invoice was paid without an approval documented. Accounts Payable staff indicated that every attempt is made to obtain an approval on invoices prior to payment, however, invoices for utilities whether approved or not will be paid by the invoice due date in order to avoid late fees and/or service interruption.

***IA recommends that the appropriate authorized personnel sign each SCE invoice, or send a documented approval to Accounts Payable (via email, SAP, or other method), prior to payment processing, as evidence that the invoice was approved and the details of the expenditure have been reviewed by authorized personnel.***

**Utility Bill Approximately \$932.00 a Year is Paid on Behalf of the City of Chino**

IEUA is billed by SCE for electricity service which is the responsibility of the City of Chino. According to Agency and SCE personnel, the electricity used to power the street lights located in front of the HQ-A building should be paid for by the City of Chino. The expense is, on average, approximately \$77 per month and is identified by SCE Service Account# 3-026-1435-32.

Staff had already identified this issue and had already initiated discussions to adequately transfer the account and related expense. Staff believes that when the facility was initially opened, there may have been a temporary agreement in place between IEUA and the City to have the SCE bill paid by IEUA and then eventually transferred to the City. Staff has been working with SCE and the City of Chino to have the account removed from IEUA's SCE account listing and the financial responsibility transferred to the City of Chino. IEUA staff anticipates the transfer of charges will be finalized and effective late October 2013.

Although the financial impact of the extra billing for the street lights is immaterial (on average \$77 monthly/ \$932 annually) the Agency should be diligent in working with the City of Chino and SCE to have the financial responsibility of the street lights transferred from the Agency to the proper responsible party in order to avoid any possible public perception that the Agency is subsidizing electricity expenses for the City of Chino.

***Recommendation***

- 1. IA recommends that Planning & Environmental Compliance and Maintenance Department management work with the City of Chino and SCE to resolve the billing issue related to the street lights in front of IEUA's HQ-A building as the street lights have been identified as the financial responsibility of the City of Chino.***

**Efficiency Audits Performed by SCE**

Typically, SCE Field Engineering staff works with IEUA staff to identify possible energy efficiency and demand response solutions. SCE has also contracted with three third-party engineering firms that specialize in water and wastewater treatment to help identify significant energy-saving projects. These services are available to qualifying SCE customers at no additional charge. The Agency is considered a qualifying customer and can request an Energy Efficiency audit by SCE by contacting the SCE Customer Service department at any time. SCE will also perform a rate analysis on each meter as requested by IEUA. The rate analysis will take the current plan that the meter is on and compare the meter's reading for a 12 month period with two (2) rate

plans that are similar for the type of usage and compare the cost savings calculated against all three (3) rates. The latest rate analysis that the Agency requested was performed in January 2013.

**Review of “Go Gridless By 2020 Strategy” Report**

IA obtained the report from the Manager of Engineering and reviewed the results of the “IEUA Go Gridless by 2020 Strategy Report” performed by third party research firm IHS CERA in August 2012. The review performed by IHS CERA was focused on the “Go Gridless” strategy and its implementation, and not operational or technical issues and risks. IA found the report gives a general overview of IEUA’s strategy to “Go Gridless” and did not discuss in detail the Agency’s execution of the plan to-date. The report did give some generalized recommendations on where the Agency may want to focus time and efforts to achieve goals, for example:

- Formulating an alternative to the Go Gridless Strategy (Status Quo versus Go Gridless; Go Gridless as a self-provider versus Go Gridless using third party vendors)
- Monitor Impact of High Levels of Renewable Energy
- Technology Considerations
- Improve Measurement and Reporting of the Go Gridless Plan
- Energy Conservation and Efficiency Planning

During our meeting with the Audit Committee in June 2013, the Committee was concerned with whether the Agency was on track to be “off the grid” by deadline of 2020, what the project’s payback period was and whether the Agency should utilize PPA’s (Power Purchase Agreements) versus investing in renewable energy sources such as the solar, wind and fuel cell projects. The IHS report did not express explicit opinions nor did it direct the Agency as to whether it would be gridless by the year 2020. The report essentially reviewed program supporting documentation provided by the Agency and determined whether a strategy to meet objectives was in place, as well as the report provided some recommendations to the Agency to improve the current strategy. The Agency paid \$25,000 to have this review performed and report written by IHS CERA in 2012.

Reviewing the “Go Gridless” strategy, as well as determining the “payback period” for the project and whether PPA’s are more cost effective than investing in renewable energy sources are topics beyond the scope of IA’s audit and areas of expertise. In the scope of this audit, IA focused on the cost, procurement processes and payment processes surrounding SCE utility bills. It is recommended that if the Agency is interested in having these specific concerns addressed regarding the “Go Gridless” strategy plan, that an evaluation or consulting engagement be performed by a subject matter expert with expertise in energy production, consumption and technologies available. *IEUA staff should be involved in developing the scope of the evaluation prior to engaging a consultant to ensure the evaluation is thorough and addresses the Agency’s questions and concerns such as the topics discussed by the Audit Committee*

*members.* Per discussion with Planning & Environmental Compliance and Maintenance Department personnel, the Agency does have plans to further evaluate energy costs and consumption in the near future. In doing so, Agency personnel will be developing and implementing a “Comprehensive Energy Plan Strategy”.

The sections that follow provide observations and recommendations for the CAP and AFM Departments related to the process of SCE procurement of services and payment activities.

### **Contracts and Procurement Department (CAP)**

#### **SAP Segregation of Duties**

IA selected employees from each department reviewed that had either of the following job duties: approval and/or authorization of SCE service contracts, preparation and oversight of the preparation of SCE service contracts, approval of SCE invoices for service payments, processing and the supervision of processing payments for services.

There were a total of 19 employees including personnel from Maintenance, P&EC, CAP and AFM. IA performed an analysis of SAP system access and “roles” assigned to those employees. As a result of the analysis IA noted the following:

- A Segregation of Duties conflicts exist over SAP access for one Supervisor in CAP. Employee has access to create and make changes to purchasing vendors (SAP Role: RP\_S\_MM\_TECH), as well as approve purchase requisitions (SAP Role: RP\_S\_MM\_APPROVER), and create purchase orders/contracts (SAP Role: RP\_S\_MM\_APPROVER). IA recommends that access to adding vendors **or** creating purchases orders and/or contracts be removed to eliminate Segregation of Duties conflicts. An employee having access to add vendors, approve requisitions and create purchase orders creates a conflict because without any oversight or additional approvals necessary, the employee can place unauthorized vendors into the system, approve a pending requisition to order from the vendor, and purchase through the vendor by creating a purchase order. *Good internal controls require that at least one other person be involved in a purchasing transaction to ensure purchases are for the benefit of the Agency.*
- SAP role “RP\_S\_WF\_DM” was misassigned to one Supervisor in Contracts and Procurement Administration. The role is normally assigned to department managers, which grants access to review, create and approve contract and procurement documents at a management level. By allowing an employee access beyond what is necessary to perform her job, places the Agency at risk of allowing one employee to perform too many financial transactions without the appropriate management oversight that is needed based on actual job assignment. IA recommends that role be unassigned to the employee as access granted with this role is not in alignment with the employee's job title and not necessary for the employee to perform the duties of the position.



- SAP role “RP\_S\_WF\_PM” was created with the implementation of SAP in 2007, but never used by the Agency. IA verified that although the role is not active within SAP, it is assigned to 54 Agency employees, including two Supervisors, two Contracts/Programs Administrators and one Administrative Assistant specifically reviewed as detailed in the scope of this audit. IA recommends that since a need has not been identified to activate and use this role, then the role should be unassigned from the employees.

#### ***Recommendation***

- 2. IA recommends that CAP management evaluate the entire CAP Department staff’s responsibilities and leverage all department resources to achieve all tasks and at the same time avoid internal control conflicts. In addition, IA recommends that access be modified for employees as noted in report section “SAP Segregation of Duties – Contracts and Procurement Department” to alleviate existing internal control conflicts due to present access granted to each employee.***

#### **SOP’s and Agency Policies Requiring Updates**

IA evaluated Agency policies as well as Department-specific Standard Operating Procedures (SOPs) related to purchasing and processing payments for SCE services. In reviewing all related policies and procedures, we noted the following:

##### **Agency Policy A-32 Authority to Contractually Commit the Agency**

- Ordinance 88 is referenced throughout the body of the document; however, this ordinance was superseded by current versions, most recently by Ordinance 95 on August 21, 2013. The Agency should update the policy with the most current information in order to circulate correct information to users. Additionally, the position of AGM (Assistant General Manager) is referenced throughout the body of this document. The position is currently vacant and has not been filled. The Agency should consider revising the language if the position of AGM has been eliminated or is planned to remain vacant for an extensive period of time to avoid confusion to the reader of the document, as well as to reflect the current nature of the Agency’s Executive Management organizational chart.

The policy was last revised in July 2011 and since that time organizational changes have occurred, as well as a new ordinance was adopted requiring the need for updates to Agency Policy A-32.

##### **Agency Policy A-33 Request For Proposal (RFP) Protocols**

- Ordinance 88 is referenced throughout the body of the document; however, this ordinance was superseded by current versions, most recently by Ordinance 95 on August 21, 2013. The Agency should update the policy with the most current information in order to circulate correct information to users.

The policy was last revised in June 2009 and since that time a new ordinance was adopted requiring the need for updates to Agency Policy A-33.

#### Contract and Agreement Requests (SOP GSC00004)

- Ordinance 85 is referenced throughout the body of the document; however, this ordinance was superseded by current versions, most recently by Ordinance 95 August 21, 2013. The Agency should update the SOP with the most current information in order to circulate correct information to users.

The SOP was last revised in June 2010 and since that time a new ordinance was adopted requiring the need for updates to SOP GSC00004 (Contracts and Agreement Requests).

#### Board Recommendation Procedures (SOP CPP07002)

- Ordinance 85 is referenced throughout the body of the document; however, this ordinance was superseded by current versions, most recently by Ordinance 95 on August 21, 2013. In addition, the document makes reference to the "Excluded Parties List System" website ([www.epls.gov](http://www.epls.gov)) which has been replaced with the "System for Award Management" website, or "SAM" ([www.sam.gov](http://www.sam.gov)) which allows the same functionalities and more to be performed on the site than the predecessor EPLS website. The Agency should update the SOP with the most current information in order to circulate correct information to users.

The SOP was last revised in May 2010 and since that time a new ordinance was adopted requiring the need for updates to SOP CPP07002 (Board Recommendation Procedures).

#### ***Recommendation***

- 3. IA recommends that Contracts and Procurement Department personnel take the lead in working with the responsible Agency personnel to make the necessary updates to Agency Policies A-32 "Authority to Contractually Commit the Agency" and A-33 "Request for Proposal (RFP) Protocols",, and department specific SOP's.***

#### Policy for Non-Purchase Order Transactions

IA recommends that the CAP Department consider developing an Agency policy that relates specifically to the processes and procedures for handling non-purchase order transactions (e.g. contracts and agreements for utilities), or consider incorporating procurement procedures into existing Agency Policy A-50 "Non-Purchase Order Invoice Approval Procedures." Currently, CAP personnel defer to Ordinance 95 as guidance for all contract and procurement procedures; however, **detailed** procedures for handling non-purchase order transactions are not clearly stated in the Ordinance. Additional non-purchase order procedures should explain how the Agency selects a service provider and/or product and further proceeds in developing and entering into a

contract/agreement/purchase, as non-purchase order transactions do not adhere to the same guidelines as purchase order transactions.

Clearly stating and documenting processes and procedures instructs employees on the proper action to take when performing tasks, which in turn establishes consistency, should reduce errors and increase efficiency in that employees will have written guidance to assist them in performing their job duties. If the CAP Department deems that Ordinance 95 is sufficient in detailing the procurement procedures for non-purchase order transactions, then Ordinance 95 should mention explicitly in the language under section "Procurement Instruments" that this area as written applies to non-purchase order transactions as well.

***Recommendation***

- 4. IA recommends that the CAP department management consider developing an Agency policy that relates specifically to the processes and procedures for the procurement of non-purchase order transactions (e.g. contracts and agreements for utilities), or consider incorporating procurement procedures into existing Agency Policy A-50 "Non-Purchase Order Invoice Approval Procedures."***

**Accounting and Fiscal Management Department (AFM)**

**Consistency in Southern California Edison Account Referencing in SAP**

IA recommended that AFM personnel take the lead in working with Maintenance and P&EC personnel, to develop and implement an effective method for entering SCE invoices with multiple meters into SAP that will allow all current and future users the ability to research, retrieve and locate information more efficiently.

Maintenance and P&EC perform detailed and extensive reviews and reconciliations of the SCE bills periodically, in addition to various, additional analysis of the usage, tariff rates, and expense information recorded on the SCE invoices. Based on IA's discussions with Planning and Environmental Compliance and Maintenance personnel, it was noted that they would like to have the ability to research and locate needed information with the greatest efficiency possible. It was noted that the "Service Address" on some invoices received from SCE may not have the correct physical address of the meter location listed on the invoice. It appears that SCE defaults to listing cross streets when generating certain invoices, which is inconsistent with IEUA's location address for the respective meters. A specific instance of this occurred in April 2013, where IEUA staff submitted a letter to SCE requesting that a physical address be added and updated to the Montclair Lift Station account. Often times, these types of invoices received contain multiple meters listed on one invoice with specific meter numbers for each meter. Maintenance personnel expressed that not having the actual physical address noted in the SAP detail ("text" line) makes it difficult to trace a specific invoice if needed for future reference. IA noted that currently entered into the "text" line of SAP when processing payments for these service accounts, is the invoice dates

being billed and general descriptions/abbreviations for meter locations. For example, the invoice received for the College Heights meter contains not only that account's specific information, but also includes three additional accounts for other meters throughout the Agency. The description for all meters on the invoice in the "text" line of SAP is as follows: "ClIlgHqts/LwrDy/RP3Bsn/TrnrBsn1-Mo.XX/Yr.XX", which is entered by Accounts Payable staff when processing the invoice to denote the locations of the meters. For multiple meter invoices, generalizing the description or using abbreviations only familiar to AP staff to identify meter locations, makes it difficult for other users outside of the AFM department to research or locate invoices for a **specific** meter within the system; therefore, creating inefficiencies and confusion.

Utilizing a common identifier, such as the "Service Account Number" and consistently using the same information for all invoices, should establish consistency and prevent confusion when retrieving invoices as well as to promote more efficient searches and tracking within SAP by any current or future user.

***IA recommended that AFM personnel take the lead in working with Maintenance and P&EC personnel, to develop and implement an effective method for entering SCE invoices with multiple meters into SAP that will allow all users the ability to research, retrieve and locate this information more efficiently.***

#### AFM Management Response

Based on IA's recommendation above, the Manager of AFM spoke with P&EC and Maintenance staff to address the issues specific to those departments. It appears that a clarification and resolution to the observation noted above, has been achieved.

#### ***SAP Segregation of Duties***

As indicated above, IA selected employees from each department reviewed that had either of the following job duties: approval and/or authorization of SCE service contracts, preparation and oversight of the preparation of SCE service contracts, approval of SCE invoices for service payments, processing and the supervision of processing payments for services.

There were a total of 19 employees including personnel from Maintenance, P&EC, CAP and AFM. IA performed an analysis of SAP system access and "roles" assigned to those employees based on his or her job title and job duties. As a result of the analysis IA noted the following:

- SAP roles "RP\_S\_PM\_SUPER\_LEAD" and "RP\_S\_PS\_COMMON" were misassigned to one (1) Accounting Intern. These roles are generally granted to supervisory level employees and above. IA recommends that roles be unassigned to the employee as access granted with these roles are not in alignment with the employee's job title and not necessary for the employee to perform the duties of the position. IA advises department management to work

with the Manager of Business Information Systems and his staff to remove the recommended access and associated SAP transaction codes/roles.

- A Segregation of Duties conflicts exist over SAP access for one (1) Supervisor in Accounting. Employee has access to create and make changes to vendors (SAP Role:RP\_S\_AP\_TECHNICIAN), create(SAP Role RP\_S\_MM\_REQUISITIONER) and approve purchase requisitions (SAP Roles: RP\_S\_MM\_APPROVER or RP\_S\_WF\_APPROVALS\_SV), and approve and process payments (SAP Role: RP\_S-AP\_TECHNICIAN). IA recommends that access to creating or approving purchase requisitions be removed, or the ability to process payments be removed to avoid Segregation of Duties conflicts.
- A Segregation of Duties conflicts exist over SAP access for one (1) Supervisor in Accounting. Employee has access to create and make changes to vendors (SAP Role:RP\_S\_AP\_TECHNICIAN),create(SAP Role (RP\_S\_MM\_REQUISITIONER) and approve purchase requisitions (SAP Role: RP\_S\_WF\_APPROVALS\_SV) and approve and process payments (SAP Role: RP\_S\_AP\_TECHNICIAN). IA recommends that access to creating or approving purchase requisitions be removed, or the ability to process payments be removed to avoid Segregation of Duties conflicts.
- A Segregation of Duties conflicts exist over SAP access for one (1) Senior Accounting Technician, three (3) Accounting Technicians and one (1) Accounting Intern. Employees have access to create and make changes to vendors (SAP Role: RP\_S\_AP\_TECHNICIAN), create purchase requisitions (SAP Role: RP\_S\_MM\_REQUISITIONER) as well as process payments to vendors (SAP Role: RP\_S\_AP\_TECHNICIAN). IA recommends that access to adding vendors, or ability to create purchase requisitions or processing payments be removed to avoid Segregation of Duties conflicts (removal of related transaction codes within the role).

**It should be noted that the SAP Segregation of Duties issues are being addressed through the current on-going Accounts Payable follow-up audit and a specific recommendation will be addressed in that report. We defer our recommendation to the “2013 Accounts Payable Follow-Up Audit”.**

**Access to Adding/Modifying Vendor Information In The Vendor Master File**

IA recommends access to modify and/or add new vendor information into the Vendor Master File (VMF) only be granted to one Manager and/or Supervisor for the AFM and CAP departments with only one back up employee, if necessary, due to Segregation of Duties conflicts. Additionally, it is recommended access be removed from all other Agency employees that currently have access. Furthermore, IA suggests that AFM Department management develop a written SOP detailing the processes of adding/maintaining the VMF and the personnel with authorization to perform these duties.

During our testing of SAP “roles” and system access, IA also noted that all four (4) Accounts Payable Technicians, two (2) Accounting Supervisors, one (1) Accounting Intern and one (1) CAP Supervisor have access to add vendors into the SAP system at any time. Additionally, strong controls are not in place to verify that vendors added to the system are valid. The only time that the Accounting Supervisor may catch an invalid vendor is when she is reviewing the check batches “to be processed” weekly, or she is proactive in reviewing vendors within the system by running the “Audit Report” query through SAP and checking it against the SAP database. Furthermore, it was noted that a formal written SOP does not exist over the processes of adding and maintaining the VMF. Although AFM has processes in place, they are all verbal processes and have not been approved and formally adopted by department management.

Limiting system access to adding/modifying vendor information to a small number of individuals and defining appropriate review and approvals procedures is necessary to safeguard assets. In having a limited number of individuals responsible over vendor information, it makes it an easier, more feasible task to monitor new vendors/changes to vendors due to the fact that the employee performing the addition/change within SAP can be traced easier in a small group. Also, with a smaller population of employees with access to the VMF, presents a better sense of personal accountability for changes initiated by the employee and will significantly reduce or likely eliminate fraudulent vendor activity. Lastly, inability to establish clearly defined policies and procedures could lead to departmental confusion, inconsistent application and unnecessary errors.

**It should be noted that the VMF issue is being addressed through the current on-going Accounts Payable follow-up audit and a specific recommendation will be addressed in that report. We defer our recommendation to the “2013 Accounts Payable Follow-Up Audit”.**

**Department SOP’s Requiring Updates**

IA also evaluated Agency policies as well as department-specific Standard Operating Procedures (SOPs) related to purchasing and processing payments for SCE services. In reviewing all related policies and procedures, we noted the following issues listed below:

**Existing AFM Department Policies Requiring Updates**

IA recommends that Accounting and Fiscal Management (AFM) Department personnel take the lead and work with Agency personnel to make the necessary updates to the following department specific SOP’s as they relate to accounts payable procedures over utilities vendors and payments:

Processing of Accounts Payable SAP Regular Contracts, Utilities, etc. (AP PR04)

- The previous accounting software system IFAS is referenced throughout the body of the document. The department has been using SAP since 2007; therefore, these procedures are outdated and no longer apply. AFM should update the SOP with the most current information in order to circulate correct information to users.

The SOP was last revised in July 2004 and since that time new accounting software was implemented by the Agency requiring the need for updates

Processing of Accounts Payable Immediate Pay (AP PR-06)

- The previous accounting software system IFAS is referenced throughout the body of the document. The department has been using SAP since 2007; therefore, these procedures are outdated and no longer apply. AFM should update the SOP with the most current information in order to circulate correct information to users.

The SOP was last revised in July 2004 and since that time new accounting software was implemented by the Agency requiring the need for updates.

Reconciling Accounts Payable to the General Ledger (AP PR-11)

- The previous accounting software system IFAS is referenced throughout the body of the document. The department has been using SAP since 2007; therefore, these procedures are outdated and no longer apply. AFM should update the SOP with the most current information in order to circulate correct information to users.

The SOP was last revised in July 2005 and since that time new accounting software was implemented by the Agency requiring the need for updates.

**It should be noted that the department policies requiring updates are being addressed through the current on-going Accounts Payable follow-up audit and a specific recommendation will be addressed in that report. We defer our recommendation to the “2013 Accounts Payable Follow-Up Audit”.**

**Exhibit A – Table of Exceptions**

**Invoice Review and Approval Missing**

SCE Service Account Number	Meter Number	Invoice Amount
3-023-8091-46	222012-607061	\$285.82
3-026-1435-32	N/A – Street light power is not charged through a meter	\$77.17

**Recommendation #2**

**SAP Segregation of Duties – CAP Personnel**

Employees with Misassigned Roles	5
Employees with Segregation of Duties Conflicts	1

**Recommendation #3**

**Agency Policies Requiring Updates – CAP**

Agency Policy	Last Update	Required & Recommended Updates
Policy A-32 "Authority to Contractually Commit the Agency"	2011	<ul style="list-style-type: none"> <li>References outdated information such as Ordinance 88 and position of AGM</li> </ul>
Policy A-33 "Request for Proposal (RFP) Protocols"	2009	<ul style="list-style-type: none"> <li>References outdated information such as Ordinance 88 and position of AGM</li> </ul>

**Department SOP's Requiring Updates – CAP**

Department SOP	Last Update	Required & Recommended Updates
"Contract and Agreement Requests" (SOP GSC00004)	2010	<ul style="list-style-type: none"> <li>References outdated information such as Ordinance 88 and position of AGM</li> </ul>
"Board Recommendation Procedures" (SOP CPP07002)	2009	<ul style="list-style-type: none"> <li>References outdated information such as Ordinance 88 and "Excluded Parties List System" (<a href="http://www.epls.gov">www.epls.gov</a>)</li> </ul>



**Recommendation #4**  
**Policy for Non-Purchase Order Transactions – CAP**

Agency Policy	Last Update	Required & Recommended Updates
Policy A-50 "Non Purchase-Order Invoice Approval Procedures"	2005	<ul style="list-style-type: none"> <li>Incorporate detailed procurement procedures to existing policy, <b>or</b> develop a new Agency policy that describes the processes and procedures over the procurement of non-purchase order transactions (e.g. utilities contracts and agreements)</li> </ul>

**Department SOP's Requiring Updates – AFM**

Department SOP	Last Update	Required & Recommended Updates
"Processing of Accounts Payable SAP Regular Contracts, Utilities, etc. (AP PR-04)	2004	<ul style="list-style-type: none"> <li>Updates to the language of the document to remove outdated references, such as references to IFAS (prior accounting software)</li> </ul>
"Processing of Accounts Payable Immediate Pay" ( AP PR-06)	2004	<ul style="list-style-type: none"> <li>Updates to the language of the document to remove outdated references, such as references to IFAS (prior accounting software)</li> </ul>
"Reconciling Accounts Payable to the General Ledger" (AP PR-11)	2005	<ul style="list-style-type: none"> <li>Updates to the language of the document to remove outdated references, such as references to IFAS (prior accounting software)</li> </ul>

**Recommendation #5**  
**SAP Segregation of Duties – Accounts Payable Personnel**

Employees with Mis-assigned Roles	1
Employees with Segregation of Duties Conflicts	7

Exhibit B - Recommendations

<b>SCE Utility Payments Audit</b>	
1.	<p><b>P&amp;EC and Maintenance Management should work with the City of Chino and SCE to adequately transfer the electricity expense related to City of Chino property. The street lights in front of IEUA's HQ-A building have been identified by the Agency and SCE as the financial responsibility of the City of Chino. It was noted that over \$900.00 a year is paid for the street lights expense. P&amp;EC and Maintenance previously identified this issue and had initiated discussions to transfer the account and related expense to the City of Chino. It is anticipated that by the end of calendar year 2013 this will be resolved.</b>                      (Refer to section "Utility Bill Approximately \$932.00 a Year is Paid on Behalf of the City of Chino" for more details).</p>
2.	<p><b>CAP management should evaluate the entire CAP Department staff's responsibilities and leverage all department resources to achieve all tasks and at the same time avoid internal control conflicts. In addition, IA recommends that SAP authorized access be modified for employees as noted in the report section "SAP Segregation of Duties – CAP Personnel" to address existing internal control conflicts identified. The report details the specific conflicts. This has previously been recommended in prior CAP Follow-Up Audit Reports dated May 24, 2010 and August 29, 2012.</b>                      (Refer to section "SAP Segregation of Duties – Contracts and Procurement Department" for more details).</p>
3.	<p><b>CAP personnel should take the lead in working with the responsible Agency personnel to make the necessary updates to Agency policies A-32 "Authority to Contractually Commit the Agency" and A-33 "Request for Proposal (RFP) Protocols", and department specific SOP's.</b>                      (Refer to section "SOP's and Agency Policies Requiring Updates" for more details).</p>
4.	<p><b>CAP department management should consider developing an Agency policy that relates specifically to the processes and procedures for the procurement of non-purchase order transactions (e.g. contracts and agreements for utilities) or consider incorporating procurement procedures into existing Agency Policy A-50, "Non-Purchase Order Invoice Approval Procedures."</b>                      (Refer to section "Policy for Non-Purchase Order Transactions" for more details).</p>

## Response from Maintenance and Environmental Compliance



### Memorandum

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<b>Subject:</b>	<b>SCE Utility Payments Audit – Recommendation 1 (Kimball Ave. Street Lights)</b>
<b>To:</b>	<b>Teresa V. Velarde</b>
<b>From:</b>	<b>Ernest Yeboah</b>
<b>Date:</b>	<b>August 21, 2013</b>

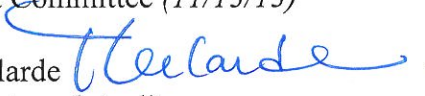
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In response to Recommendation 1 of the SCE Utility Payments Audit, Planning & Environmental Compliance and Maintenance Department are working closely with the City of Chino to resolve the billing issue related to the street lights in front of IEUA's HQ-A building. City of Chino staff has confirmed via email that the annexation of the street light into the maintenance district is tentatively scheduled for City Council approval on October 1<sup>st</sup>, 2013.

Planning & Environmental Compliance and Maintenance Department staff will update Internal Audit Department when the billing issue is resolved.

INFORMATION  
ITEM

**3N**

Date: November 20, 2013  
To: The Honorable Board of Directors  
Through: Special Audit Committee (11/13/13)  
From: Teresa V. Velarde   
Manager of Internal Audit  
Subject: Internal Audit Department Status Report for November 2013

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### **RECOMMENDATION**

This is an information item for the Board of Directors to review.

### **BACKGROUND**

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit Department status report includes a summary of significant internal and external audit activities for the reporting period. Attached is the status report for the period July 2013 through September 2013.

### **PRIOR BOARD ACTION**

On June 12, 2013 the Board of Directors approved the Annual Audit Plan for FY 2013/14.

On March 20, 2013, the Board of Directors reconfirmed the approved Audit Committee Charter.

### **IMPACT ON BUDGET**

None.

## Internal Audit Department Status Report for November 2013

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### **Projects In Progress**

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#### **Audit:     Agency Vehicles – Accountability and Fuel Costs**

##### **Scope:**

The Agency has a significant investment in vehicles. The Agency has 108 vehicles that make up the Agency's fleet and are assigned to Headquarters and the various plant sites. Fuel expense for the vehicles in FY 2012/13 was over \$386,000, which includes the cost for regular unleaded (87 octane) fuel and diesel fuel. The Agency Vehicle Operational Audit will cover:

- Accountability of Vehicles
- Driving logs
- Vehicle Inventory and Security
- Vehicle Maintenance Costs and Fuel Costs
- Vehicle Capitalization Procedures
- Physical Security

##### **Status:     In Progress**

IA coordinated an audit kick-off meeting in mid-September with all responsible managers/supervisors. IA has interviewed and performed inquiries of Agency personnel in relation to most areas of the audit above. IA has obtained the necessary supporting documentation and has performed a majority of the fieldwork in the areas of "Accountability of Vehicles", "Driving Logs" and Vehicle Fuel Costs".

IA anticipates issuing an interim audit report in December 2013 for the sections "Accountability of Vehicles", "Driving Logs" and "Vehicle Fuel Costs". A final report is anticipated for March 2014 and will include the remaining sections: "Vehicle Inventory and Security", Vehicle Maintenance Costs" and "Vehicle Capitalization Procedures".

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#### **Project:     2013 CAFR Quality Control Review**

##### **Scope:**

To perform a quality control review of the financial statements including the Trial Balances for each fund, individual fund statements and consolidated statements. IA reviews for math accuracy, consistency in totals among the narratives and the statements, and professional presentation.

##### **Status:     In Progress**

In September, coordinated meetings to ensure Mr. Nitin Patel, partner with White Nelson Diehl Evans, LLC, the Agency's external audit firm, meet with the chair of the Audit Committee to cover communication requirements under Statement on Auditing Standards No. 114 (SAS 114) where the external auditor is required to communicate to those charged with governance matters related to the audit approach and any other needed concerns related to the audit.

In October, the external auditors, were on-site conducting the final audit work. IA has completed the quality control review of the Trial Balances. Items noted have been communicated to the Finance and Accounting Department for further research. Specifically, IA performed the following:

## Internal Audit Department Status Report for November 2013

- Compared Prior Year Trial Balance ending totals to Current Year Trial Balance beginning balances
- Recalculated totals across and down spreadsheets provided to verify mathematical accuracy

IA's quality control review did not include tests of transactions, or tests of the reliability of the totals and amounts included in the various categories, accounts, funds, statements, etc. Staff relies on the audit work of the external auditors to test the reliability of the financial information reported. IA's review is one of an additional quality control only to ensure a professional presentation of the financial statements. IA anticipates receiving a draft CAFR by November 8, 2013 in order to complete the quality control review.

The quality control review will be completed by December. A final CAFR is anticipated for Audit Committee review and discussion during the December 11, 2013 meeting.

### ***Planned/Future/Additional Projects***

**Project:       EDU Audit**

**Scope:**       The last EDU audit performed by IA was completed in 2010. This audit will evaluate compliance of the seven Regional Contracting Agencies' (RCAs) compliance with the Regional Sewage Fee Contract. And identify key areas to improve the contract and the program. Specifically the 2014 EDU audit will focus on the following:

- Public Service Facilities,
- Appropriate industry categories, purchased EDU's, and discharge levels,
- Commercial business use,
- Changes in commercial business use,
- Extra-Territorial areas,
- Monthly Sewer Billings,
- Connection Fees, and
- CCRA Accounts

Recently there have been various discussions related to the need for an EDU audit for the purpose of identifying key areas for improvement during near future contract discussions and possible contract amendments. The Regional Sewage Contract is set to expire in 2022.

In addition to verifying information reported by the RCAs. The audit process will also involve procedures for cross referencing with independent data sources such as from the County of San Bernardino, etc. IA auditors will plan to perform audit field work at each of the seven RCAs, spending approximately two to three weeks at each location conducting meetings, reviewing supporting documentation, and possibly performing observations of various businesses. Audit fieldwork time will largely depend on the availability, support, and cooperation provided by the RCAs' personnel assigned to the audit efforts. This EDU audit will also require the involvement and assistance of staff from the Planning & Environmental Compliance (P&EC) and other Agency Departments. IA continues to work with P&EC to finalize the audit objectives.

It is anticipated that the EDU audit work will begin approximately in January of 2014 and last through August of 2014. Status reports of the progress of the EDU Audit will be provided at each Audit Committee Meeting.

## Internal Audit Department Status Report for November 2013

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### ***On-Going Projects***

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**Project: Management Requests**

**Scope:** Assist Agency Management with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures or providing review and feedback on new policies or procedures. These services are provided according to the IA Charter, the Annual Audit Plan, and best practices.

The management request projects are short-term projects, typically lasting no more than 60 – 75 hours each where IAD determines it has the necessary staff, skills and resources to provide assistance without having to delay/defer scheduled audits and priority projects. The scope of each review is agreed upon between the department manager requesting the evaluation/review/analysis/assistance and the Manager of the IA and, when deemed appropriate by Executive Management.

During the previous months, IA provided recommendations on Agency related activities. Specifically IA provides continuous assistance with analyzing internal control and adequate segregation of duties within SAP.

During the previous months IA spent several hours working with the Contracts and Procurement Department, evaluating a claim related to procurement practices. IA provided several recommendations related to Agency Policy requirements for properly conducting, monitoring and advising internal customers on vendor/contractor proposal evaluation processes, requirements for documenting the procurement process, communicating questions or concerns to appropriate Agency personnel prior to concluding the procurement.

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### ***Projects Completed***

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**Audit: SCE Utility Bills Audit – Accuracy and Efficiency**

**Scope:** To determine the accuracy of utility bills to ensure Agency is not overbilled for services. Determine efficiencies and identify ways to streamline billing process. Review service contracts with utilities providers to ensure that the Agency is receiving all services and benefits as noted in service agreements.

**Status: Complete**

IA noted that overall the Planning and Environmental Compliance, Maintenance, Contracts and Procurement and Accounting and Fiscal Management Department(s) provide effective oversight over SCE services and billing. IA identified opportunities to further enhance operations and strengthen internal controls; therefore, have provided five (5) recommendations in the audit report.

The first recommendation related to P&EC and Maintenance Management working with the City of Chino and SCE to adequately transfer the electricity expense related to City of Chino property. The street lights in front of IEUA's HQ-A building have been identified as the financial responsibility of the City of Chino; however, after the temporary agreement between the Agency and City of Chino to cover the cost of the street lights during a period of construction ended, the



## Internal Audit Department Status Report for November 2013

street lights were never passed on to the appropriate responsible party. IEUA staff and the City of staff have been in contact to have the SCE account transferred and anticipate this to be complete by the end of 2013. The second recommendation related to removing/modifying unnecessary system access within SAP based on job responsibilities within the CAP department. This would help to reduce the risk of unauthorized transactions.

The third recommendation proposes for CAP to take the lead in working with the responsible Agency personnel to make the necessary updates to Agency Policies A-32 and A-33, and department specific SOPs. Keeping policies and procedures updated closes the gaps in errors occurring. The fourth recommendation was made for CAP management to consider developing an Agency Policy specifically related to the processes and procedures for the procurement of non-purchase order transactions (for example: contracts and agreements for utilities). Clearly stating and documenting processes and procedures instructs employees on the proper action to take when performing tasks, which in turn should reduce errors and increase efficiency in that employees will have written guidance to assist them in performing their job duties. The fifth recommendation was made to AFM relating to referencing SCE "Service Account Numbers" within SAP when processing payments of SCE invoices. Utilizing a common identifier, such as the "Service Account Number" should alleviate any confusion when retrieving invoices and will promote more efficient searches and tracking of invoices within the SAP system.

See the full report for details of the observations and recommendations, under separate item in this Audit Committee Agenda.

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**Project: Accounts Payable Follow-Up**

**Scope:** To determine the implementation status of the 12 outstanding recommendations from the May 12, 2010 and October 25, 2011 audit reports. Recommendations made were designed to assist AFM (Accounting & Fiscal Management) in providing effective payment/disbursement services to the Agency, updating or implementing Agency Policies or SOP's, and modifying SAP system access rights to ensure there are no Segregation of Duties (SOD) conflicts.

**Status: Complete**

Of the 12 recommendations that required follow-up evaluation, AFM implemented three (3) recommendations; progress has been made on six (6) recommendations; and three (3) recommendations remain not implemented. We identified two (2) new recommendations to further enhance AFM operations and strengthen internal controls. The first recommendation related to removing/modifying privileges within SAP based on job responsibilities that are not necessary and removing all user access when an employee resigns with the Agency. This would help to reduce the risk of unauthorized transactions. The second recommendation related to modifying access to the Vendor Master File to only one Manager/Supervisor for AFM and CAP departments with only one back up employee, if necessary, due to SOD conflicts.

This 2013 audit report includes a total of nine (9) outstanding recommendations; the previous 12 recommendations from the 2011 audit have either been satisfied or have been incorporated into the nine (9) recommendations in this report, which include the two (2) new recommendations. See the full audit report for details of the observations and recommendations, under separate item in this Audit Committee Agenda.

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## Internal Audit Department Status Report for November 2013

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**Project:**      **Review of Charters**

**Scope:**      As required by the Internal Audit Department Charter and the Audit Committee Charter, annually, the Manager of Internal Audit must review the charters and determine if updates need to be incorporated to ensure these are aligned with leading practices, new auditing requirements, and the organizations goals. The IAD reviewed and evaluated the Charter and makes no recommendations for updates or changes at this time.

**Status:**      **Complete**

Under separate cover in this Audit Committee Agenda are the Internal Audit Department Charter and the Audit Committee Charter with proposed changes, edits, and revisions. Proposed changes are to ensure the Charters are in agreement with leading practices for charters of internal audit activities and conform to the actual activities IA is responsible for.

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**Project:**      **Review of Internal Audit Department SOP's**

**Scope:**      As required by the Internal Audit Department Charter and the IIA Standards, the Manager of IA is responsible for documenting procedures and review/update procedures periodically to ensure these are aligned with current department practices/procedures, leading practices or new requirements.

**Status:**      **Complete**

During this review, it was determined that a new SOP is necessary SOP No. IA-007 "Procedure for Handling Claims, Allegations, Special Investigations, Special Projects and Management Requests". SOP No. IA-007 provides the needed processes for handling claims brought to IA from within the organization or external for suspected fraud, waste and abuse, establish timeframes needed to begin the necessary evaluation, and reporting requirements.

IA has formally documented seven SOPs. SOPs serve various objectives: provide consistency in the audit methods applied, are an useful training/reference tool, establish ground rules of professional conduct and responsibilities, and provide continuity during staff changes. The seven SOPs and are provided for review and discussion under separate cover in this Audit Committee Agenda.

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**Project:**      **Amended Annual Audit Plan for Fiscal Year 2013/14**

**Scope:**      As required by the Internal Audit Department Charter, annually, the Manager of IA must submit a flexible schedule of proposed audit projects for the year. When necessary, when new/different projects take priority or are warranted or due to unforeseen changes, deviations from the approved plan are necessary, a formal amendment must be submitted for Audit Committee and Board approval.

Due to the priority of the EDU Audit, as explained below, the Annual Audit Plan is amended.

**Status:**      **Complete**

An amended plan is submitted under separate cover in this Audit Committee Agenda.

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**Internal Audit Department  
Status Report for November 2013**

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***Internal Audit Department***

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**Internal Audit Department Staffing:**

The Internal Audit Department is staffed as follows:

- 1 Manager of Internal Audit
  - 2 Senior Internal Auditors
- 

**Internal Audit Staff Professional Development Activities:**

As required by the *International Standards for the Professional Practice of Internal Auditing*, auditors should continue to enhance their knowledge, skills, and other competencies through continuing professional development. During the past quarter, IA staff continues to stay abreast of industry developments through review of industry periodicals. Additionally, staff attended a Governance, Risk and Control conference put on jointly by the Institute of Internal Auditors (IIA) and the Information Systems Audit and Control Association (ISACA) in August 2013. Additional professional development education will be scheduled in the near future.

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**Future Audit Committee Meetings:**

- Wednesday, December 11, 2013 – Regularly Scheduled Audit Committee Meeting
- Wednesday, March 12, 2014 – Regularly Scheduled Audit Committee Meeting
- Wednesday, June 11, 2014 – Regularly Scheduled Audit Committee Meeting

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**4A**



# S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY  
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

## COMMISSION MEETING TUESDAY, NOVEMBER 19, 2013 – 9:30 A.M.

### AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Phil Anthony, Chair)
2. ROLL CALL
3. PUBLIC COMMENTS

Members of the public may address the Commission on any item that is within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

#### 4. NEW BUSINESS

##### A. FY 2012-13 REPORT ON AUDIT (CM#8819)

**Presenter:** Karen Williams and Nitin Patel, Partner of White Nelson Diehl Evans LLP

**Recommendation:** Review the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2013, which includes the Report on Audit prepared by White Nelson Diehl Evans LLP:

1. Accept the CAFR, including the Report on Audit as prepared by White Nelson Diehl Evans LLP;
2. Direct staff to file the Report with the respective government agencies as required by law; and
3. Direct staff to submit the CAFR, with any necessary changes, for the Certificate of Achievement for Excellence in Financial Reporting Award, and the Certificate of Award for Outstanding Financial Reporting.

##### B. ACWA ELECTION OF OFFICERS

**Presenter:** Celeste Cantú

**Recommendation:** Appoint a voting delegate to cast the SAWPA vote at the ACWA Fall Conference.

##### C. PRETREATMENT PROGRAM STATUS UPDATE/PRETREATMENT PROGRAM POSITION (CM#8824)

**Presenter:** Rich Haller

- Staffing
- Remedial Plan

**Recommendation:** Receive and file a presentation on the Pretreatment Program staffing requirements and authorize a second Pretreatment Program staff position.

**5. OLD BUSINESS**

**A. EMPLOYEE COMPENSATION PACKAGE**

**1. CalPERS RETIREMENT PROGRAM (CM#8817)**

**Presenter:** Larry McKenney

**Recommendation:** Considering SAWPA's costs, low benefit formula, and the number of pre-2013 employees, take no action at this time.

**2. COLA/MERIT POOL INCREASES FY 2013/14 (CM#8812)**

**Presenter:** Celeste Cantú

**Recommendation:** Approve a 1.93% COLA increase and a 4% merit pool increase for FY 2013/14.

**3. 2014 MEDICAL INSURANCE CAP (CM#8813)**

**Presenter:** Celeste Cantú

**Recommendation:** Direct staff to adjust the medical insurance cap to \$1,466, which reflects ACWA's annual Kaiser Family Plan rate.

**B. OWOW – PROPOSITION 84, ROUND 2 DWR FUNDING RECOMMENDATION UPDATE**

**Presenter:** Celeste Cantú

**Recommendation:** Receive and file the update.

**6. CONSENT CALENDAR**

All matters listed in the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion in the form listed below. There will be no separate discussion on items prior to the time the Commission votes, unless Commission members, staff, or the public requests those specific items be discussed and/or removed from the Consent Calendar for separate action.

**A. APPROVAL OF THE MINUTES FROM THE MEETING HELD 11-5-13**

**Recommendation:** Approve as mailed.

**B. TREASURER'S REPORT – SEPTEMBER AND OCTOBER 2013**

**Recommendation:** Receive and file.

**7. INFORMATIONAL REPORTS**

**Recommendation:** Receive and file the following oral/written reports/updates.

**A. CASH TRANSACTION REPORT – SEPTEMBER 2013**

**Presenter:** Karen Williams

**B. INTER-FUND BORROWING – SEPTEMBER 2013 (CM#8823)**

**Presenter:** Karen Williams

**C. PERFORMANCE INDICATORS/FINANCIAL REPORTING –SEPTEMBER 2013 (CM#8820)**

**Presenter:** Karen Williams

**D. FIRST QUARTER FYE 2014 EXPENSE REPORTS**

- General Manager
- Employees

**E. LEGISLATIVE REPORT**

**F. GENERAL MANAGER'S REPORT**

G. CHAIR'S COMMENTS/REPORT

H. COMMISSIONERS' COMMENTS

8. CLOSED SESSION

A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9, CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- Castle and Cooke

9. ADJOURNMENT

Any person with a disability who requires accommodation in order to participate in this meeting should contact Commission Secretary Patti Bonawitz at 951.354.4230, at least 48 hours prior to the meeting to request a disability-related modification or accommodation.

**PLEASE NOTE:**

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection in the Authority's office located at 11615 Sterling Avenue, Riverside, during normal business hours. Also, such documents are available on the Authority's Website at [www.sawpa.org](http://www.sawpa.org), subject to staff's ability to post documents before the meeting.

Declaration of Posting

I, Patti Bonawitz, Clerk of the Board of the Santa Ana Watershed Project Authority certify that a copy of this agenda has been posted in the Agency's office at 11615 Sterling Avenue, Riverside, California by 5:30 p.m. on Wednesday, November 13, 2013.

  
Patti Bonawitz

2013 - SAWPA Commission Upcoming Meetings/Events

December

12-3/6-13 ACWA Fall Conference – Los Angeles

12-17-13 Commission Meeting

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**4B**





THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## Adjourned Regular Board Meeting

November 19, 2013

12:00 p.m. -- Board Room

Tuesday, November 19, 2013 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dir's. Computer Training
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&L
12:00 p.m.	Board Room	Board Meeting

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MWD Headquarters Building

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700 N. Alameda Street

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Los Angeles, CA 90012

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### 1. Call to Order

- (a) Invocation: Mojgan Hashemi, Principal Engineer, Water System Operations
- (b) Pledge of Allegiance: Director Russell Lefevre

### 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 October 8, 2013. (A copy has been mailed to each Director)  
Any additions, corrections, or omissions
- B. Report on Directors' meetings attended at Metropolitan expense for month of October
- C. Approve committee assignments
- D. Chairman's Monthly Activity Report

## 6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of Metropolitan's activities for the month of October
- B. General Counsel's summary of Legal Department activities for the month of October
- C. General Auditor's summary of activities for the month of October
- D. Ethics Officer's summary of activities for the month of October

## 7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Authorization to award three-year contract for external audit services to Macias Gini & O'Connell, LLP for the maximum amount of \$915,096. (A&E)

Recommendation:

**Option #1:**

**Adopt the CEQA determination that the proposed action is not subject to CEQA and authorize the General Auditor to enter into a contract for external audit services with the firm of Macias Gini & O'Connell, LLP for annual audits covering the fiscal years ending June 30, 2014 through June 30, 2016. The amount payable under this three-year contract will not exceed \$915,096.**

- 7-2 Appropriate \$680,000; and award \$368,480 contract to Atlas-Allied, Inc. to replace a domestic water pipeline at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)

Recommendation:

**Option #1:**

**Adopt the CEQA determination that the proposed action is categorically exempt and**

- a. Appropriate \$680,000; and
- b. Award \$368,480 contract to Atlas-Allied, Inc. to replace the Weymouth backup water supply pipeline.

- 7-3** Appropriate \$1.4 million; and award \$835,000 contract to Kaveh Engineering & Construction, Inc. for rehabilitation of pipe expansion joints at Gene Pumping Plant (Approp. 15374). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is categorically exempt and**

- a. Appropriate \$1.4 million; and**
- b. Award \$835,000 contract to Kaveh Engineering & Construction, Inc. for rehabilitation of pipe expansion joints at Gene Pumping Plant.**

- 7-4** Appropriate \$1.48 million; and authorize two rehabilitation projects at the F. E. Weymouth Water Treatment Plant (Approps. 15369 and 15440). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is categorically exempt and**

- a. Appropriate \$1.48 million; and**
- b. Authorize gate replacement projects at the Weymouth plant's finished water reservoir and treatment basins.**

- 7-5** Approve amendments to the Metropolitan Water District Administrative Code to conform to current laws, practices and regulations. (L&C)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not a project under CEQA and approve amendments to the Administrative Code set forth in Attachment 2 to the board letter to reflect the changes recommended in the letter.**

**(END OF CONSENT CALENDAR)**

## 8. OTHER BOARD ITEMS — ACTION

- 8-1 Appropriate \$8.2 million; and award \$4,901,567 contract to J. F. Shea Construction, Inc. to replace the hydroelectric turbine at the Yorba Linda Power Plant (Approp. 15446). (E&O)

**Recommendation:**

**Option #1:**

Adopt the CEQA determination that the proposed project is categorically exempt, and

- a. Appropriate \$8.2 million; and
- b. Award \$4,901,567 contract to J. F. Shea Construction, Inc. to replace the hydroelectric turbine at the Yorba Linda Power Plant.

- 8-2 Appropriate \$4.5 million; and award \$2,292,000 contract to Kiewit Infrastructure West Co. for prestressed concrete cylinder pipe repairs on the Second Lower Feeder (Approp. 15471). (E&O)

**Recommendation:**

**Option #1:**

Adopt the CEQA determination that the proposed action is statutorily exempt and

- a. Appropriate \$4.5 million; and
- b. Award \$2,292,000 contract to Kiewit Infrastructure West Co. for PCCP repairs at two locations on the Second Lower Feeder.

- 8-3 Authorize reimbursable agreement with the Los Angeles Department of Water and Power to refurbish solids lagoons; and authorize agreement with MWH Americas for engineering services. (E&O)

**Recommendation:**

**Option #1:**

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2012 Final EIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and

- a. Authorize reimbursable agreement with the Los Angeles Department of Water and Power in an amount not to exceed \$5 million; and
- b. Authorize agreement with MWH Americas in an amount not to exceed \$400,000 for engineering services.

- 8-4 Adopt resolution designating authorized agents to accept federal and state funding for declared disasters and to sign official correspondence for disaster assistance. (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not subject to the provisions of CEQA and approve the Designation of Applicant's Agent Resolution for Non-State Agencies.**

- 8-5 Authorize increase in maximum amount payable under contract with Richard B. Deriso for expert consultant services and litigation support by \$100,000 to a maximum of \$600,000; and report on *Consolidated Delta Smelt Cases*, USDC Case No. 1:09-CV-407 LJO-DLB, and *Consolidated Salmonid Cases*, USDC Case No. 1:09-CV-1053 LJO-DLB. (L&C)  
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]
- 8-6 Report on existing litigation; *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case Nos. CPF-10-510830 and CPF-12-512466; and authorize increase in maximum amount payable under contracts with (1) Bingham McCutchen LLP for legal services by \$3 million to an amount not to exceed \$8 million; (2) Morrison & Foerster LLP for legal services by \$3 million to an amount not to exceed \$6 million; (3) Hanson Bridgett LLP for legal services by \$300,000 to an amount not to exceed \$1.1 million; and (4) Executive Presentations, Inc. for trial and other graphics services by \$600,000 to an amount not to exceed \$950,000.  
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

**9. BOARD INFORMATION ITEMS**

- 9-1 Oral report on the California Water Action Plan Public Review Draft, released by the State on October 31, 2013. (WP&S)

## 10. FUTURE AGENDA ITEMS

## 11. ADJOURNMENT

**NOTE:** At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parentheses at the end of the description of the agenda item e.g. (E&O, F&I). Committee agendas may be obtained from the Board Executive Secretary.

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.

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**4C**



## Regional Sewerage Program Policy Committee Meeting

### AGENDA

Thursday, November 7, 2013

5:00 p.m.

#### Location

Inland Empire Utilities Agency  
6075 Kimball Avenue  
Chino, CA 91708

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*Thursday, November 7, 2013*

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**Call to Order and Roll Call**

**Pledge of Allegiance**

**Public Comment**

- 1. Technical Committee Report – Jim Hill (Oral)**
- 2. Approval of Minutes**
  - A. Minutes of June 6, 2013 Meeting
- 3. Action Items**
  - A. Montclair Lift Station Construction Contract Award (Written)
- 4. Information Items**
  - A. 4<sup>th</sup> Quarter Budget Variance (Written)
  - B. Self-Regenerating Water Softener Local Ordinance Implementation Update (Oral)
  - C. Tech/ Policy Meeting Scheduling (Written)
- 5. Receive and File**
  - A. Building Activity Report (YTD)
  - B. Recycled Water Operations Summary
  - C. 2013 IEUA Business Goals
  - D. Ten Year Growth Forecast
  - E. IEUA Agency Wide Organizational Chart
  - F. San Onofre Nuclear Generating Station Status and Economic Impacts
- 6. Other Business**
  - A. IEUA General Manager's Update
  - B. Committee Member Requested Agenda Items for Next Meeting
  - C. Committee Member Comments

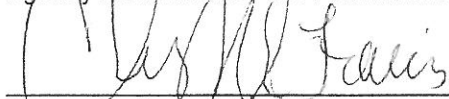


D. Next Meeting – December 5, 2013

**7. Adjournment**

**DECLARATION OF POSTING**

I, Cheyanne Reseck-Francis, Administrative Assistant 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. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, October 31, 2013.



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Cheyenne Reseck-Francis

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**4D**

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – October 24, 2013

**WITH**

*Mr. Bob Kuhn, Chair*

*Mr. Jim 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**

**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. Minutes of the Watermaster Board Meeting held August 22, 2013 (Revised)
2. Minutes of the Watermaster Board Meeting held September 26, 2013

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the Month of August 2013
2. Watermaster VISA Check Detail for the Month of August 2013
3. Combining Schedule for the Period July 1, 2013 through August 31, 2013
4. Treasurer's Report of Financial Affairs for the Period August 1, 2013 through August 31, 2013
5. Budget vs. Actual Report for the Period July 1, 2013 through August 31, 2013

**II. BUSINESS ITEMS**

**A. Budget Amendment Form (A-13-10-01)**

Approve Budget Amendment Form (A-13-10-01) for FY 2013/14 in the amount of \$62,150 for the increased costs associated with the Wineville Proof of Concept Project as presented.

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. City of Fontana Motion
2. CDA Request

**B. CFO Report**

1. Creation of New Account

**C. GM REPORT**

1. New Employee Introduction
2. Safe Yield Recalculation
3. Recharge Master Plan Update Amendment
4. Assessment Package Workshop
5. Joint IEUA-Watermaster Recharge Projects
6. November/December Meeting Dates
7. Other

**IV. INFORMATION**

1. Cash Disbursements for September 2013
2. Update on Wineville Proof of Concept project
3. Update on Archibald South & Chino Airport Plumes

**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. City of Fontana Motion to Revise Section 5 of the Recharge Master Plan Update and Restated Judgment
2. Potential Litigation (one matter)


**VIII. FUTURE MEETINGS AT WATERMASTER**

Wednesday, October 30, 2013	2:00 p.m.	Assessment Package Workshop
Thursday, November 14, 2013	9:00 a.m.	Appropriative Pool Meeting
Thursday, November 14, 2013	11:00 a.m.	Non-Agricultural Pool Meeting
Thursday, November 14, 2013	1:30 p.m.	Agricultural Pool Meeting
Thursday, November 21, 2013	8:00 a.m.	IEUA DYY Meeting
Thursday, November 21, 2013	9:00 a.m.	Advisory Committee Meeting
Thursday, November 21, 2013	11:00 a.m.	Watermaster Board Meeting

**ADJOURNMENT**

Date: November 20, 2013

To: The Honorable Board of Directors

From:  B. Joseph Grindstaff  
General Manager

Subject: General Manager's Report Regarding Agency Activities

**OPERATIONS**  
**IERCF COMPOST SALES UPDATE**

Fiscal year sales volumes increased by over 9,000 cubic yards compared to the previous fiscal year. Revenues were down by 9% due to pricing incentives designed to expand the customer base. There are 6 new contracted customers representing a total of 131,000 cubic yards replacing the volume previously contracted to Kellogg and a total of 41 new customers signed on bringing the total customer base to approximately 100. Compost inventory in the storage facility is at approximately 30,000 cubic yards with capacity for an additional 20,000 cubic yards.

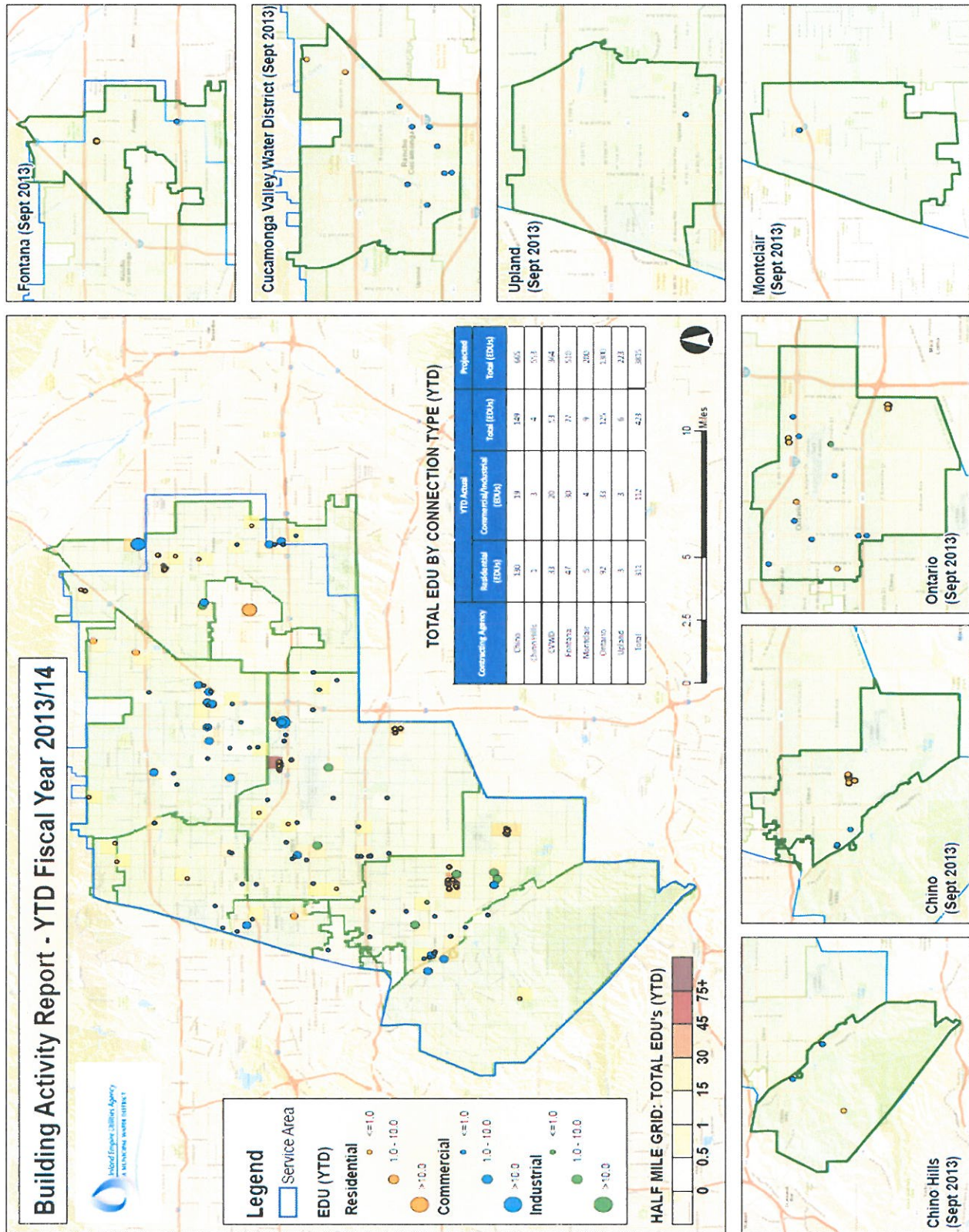
**Monthly Sales Summary October 2013**

Month	Product	Cyds	Av. \$/cyd	Total \$
October	Premium	19,441.08	\$1.30	\$25,260.73
	Base	5,204.82	\$2.42	\$12,604.72
	Top Dressing	388.62	\$7.00	\$2,720.34
<b>Total</b>		<b>25,034.52</b>	<b>\$1.63</b>	<b>\$40,585.79</b>

**YTD Sales Summary through October 2013**

Month	Total Cyds 2013/2014	Total Cyds 2012/2013	Total \$ 2013/2014	Total \$ 2012/2013
July	18,501.14	17,191.32	\$47,324.52	\$48,671.18
August	16,818.50	16,316.26	\$44,837.97	\$42,669.82
September	18,837.71	18,558.67	\$42,131.44	\$47,137.99
October	25,034.52	17,916.13	\$40,585.79	\$53,476.44
<b>Total</b>	<b>79,191.87</b>	<b>69,982.38</b>	<b>\$174,879.72</b>	<b>\$191,955.43</b>
<b>Average</b>	<b>19,797.97</b>	<b>17,495.60</b>	<b>\$43,719.93</b>	<b>\$47,988.86</b>

**PLANNING AND WATER RESOURCES**

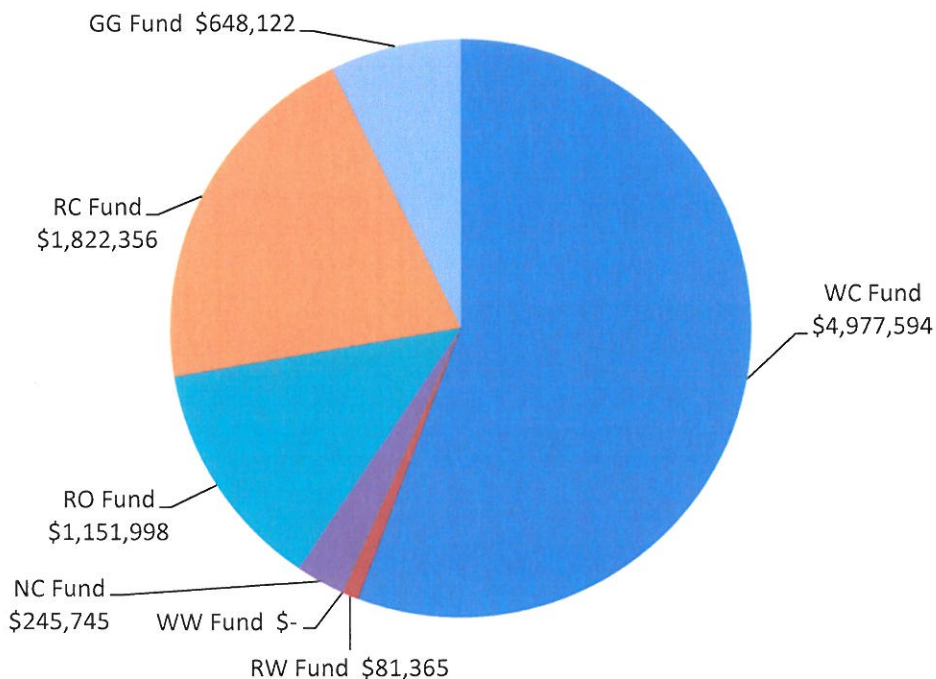


**ENGINEERING AND CONSTRUCTION MANAGEMENT**

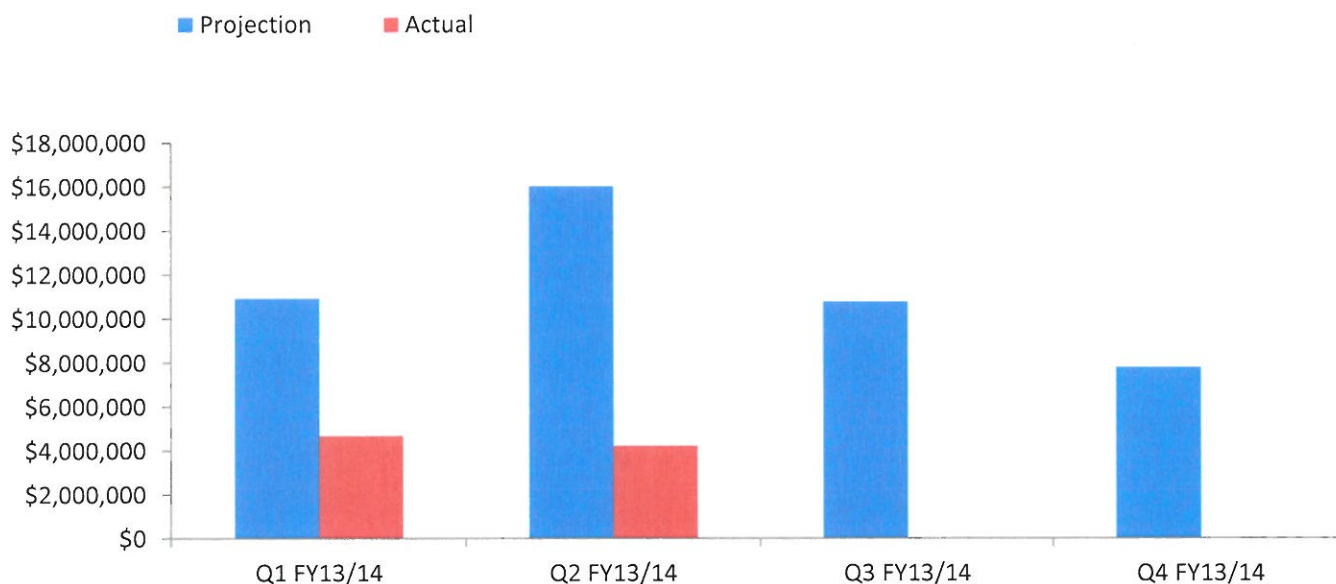
*Fiscal Year 13/14 Actuals and Projections to Date By Fund*

- Fiscal Year Budget: \$61,077,396

**Total Actuals for FY13/14 \$8,927,179**



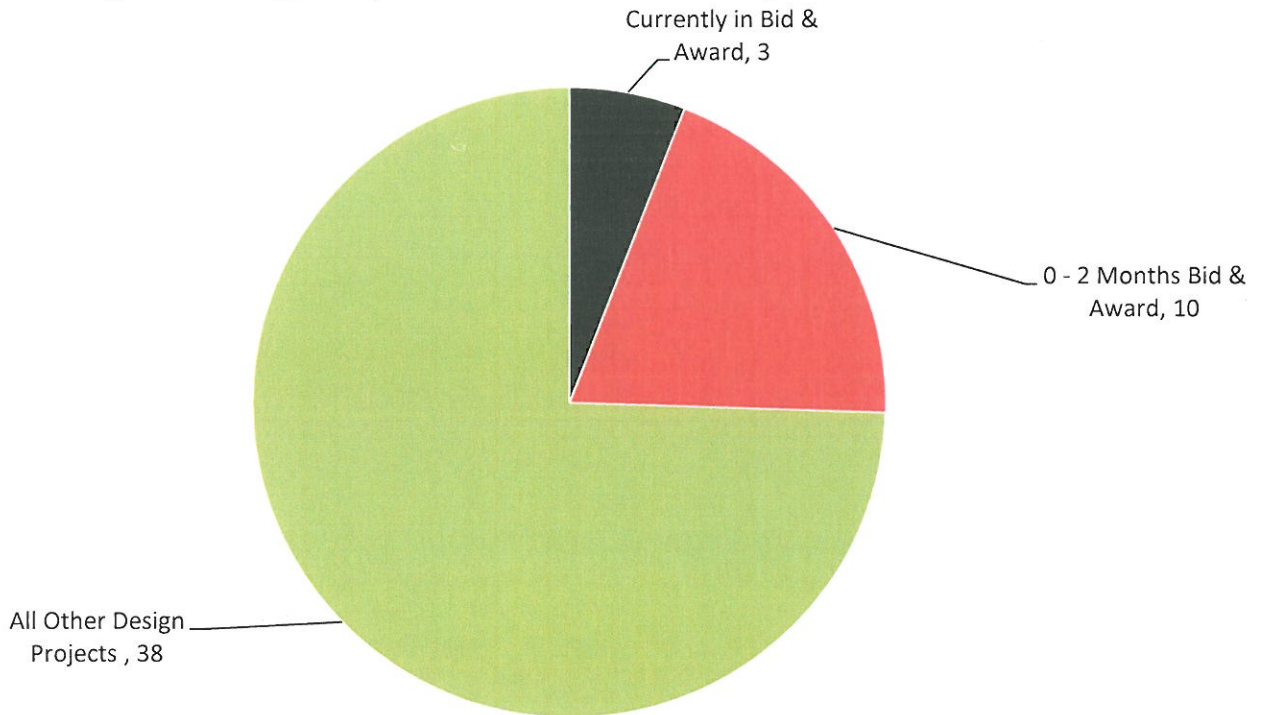
**Total Projections for FY13/14 \$45,510,256**



Engineering Project Status

- 51 Active Engineering Projects

### Engineering Project Status Summary



3 Projects Currently in Bid & Award

- EN12022.00 RP-1 Aeration Ducting
- EN13049.00 RP-2 Digester No. 4 Dome Improvements
- EN13053.00 RP-2 GT Splitter Box Gates Replacement

10 Projects Currently in 0-2 Months Bid & Award

- EN13056.00 Agency-Wide HVAC Improvements- Pckg No. 2
- EN12014.00 East Avenue 1630 E RWP Relocation
- EN13045.00 Wineville RW Extension Segment B
- EN11035.00 Philadelphia Pump Station Upgrades
- EN13054.00 Montclair Lift Station Upgrades
- EN13051.00 1630 E RW Pipeline Surge Tank Replacement
- EN09021.00 RP-4 Headworks Retrofit
- RA14002.00 IERCF Locker Room A/C System Upgrade
- EN12020.00 Chino Creek Invert Repair
- EN13047.00 RP-5 Standby Generators Control Mods



*Engineering & Construction Management Project Status Summary*

Construction Project Status

Project Title	Description	Total Project Budget	Total Cost to Date	Fiscal Year Budget	Fiscal Year Cost to Date	Saprs. COs Processed (\$)	Total Project CO's (%)	% Project Complete	Original Operations I Date	Estimated Operational Date
1 RP-2 Gas Flare Repair	Gas flare repair for RP-2	3,197,006	461,612	360,000	133,141	19,349	9.45%	67%	11/17/2013	5/1/2014
2 CCWRP RW Pump Station Expansion	RW Pump Station Expansion and Modifications	13,113,480	7,684,450	3,750,000	958,283	74,268	9.22%	53%	4/2/2014	6/6/2014
3 RP-1 Primary Clarifier Rehab 1-6	Rehabilitation for Clarifiers 1 through 6	5,490,456	2,667,650	550,000	262,978	0	7.07%	89%	11/20/2013	11/23/2013
4 Headquarters Central Plant Improvements	HQ building and central plant HVAC upgrades and modifications	746,000	238,635	525,074	21,005	0	0.00%	22%	8/23/2014	8/8/2014
5 NRW Collection System Repairs Phase 3	Completion of the recommended repairs of the Northern NRW system	600,000	120,903	679,151	16,517	0	0.00%	0%	4/30/2014	5/29/2014
6 HVAC & Server Room Fire Suppression Improvement	Agencywide HVAC fire suppression improvements	2,821,361	1,037,900	1,200,000	565,366	4,084	0.55%	84%	11/20/2013	12/18/2013
7 RP-1/RP-2 Boiler Replacements	Installation and programming of boilers for RP-1 & RP-2	1,969,266	1,561,566	300,000	48,775	0	8.92%	90%	1/5/2014	11/26/2013
8 Casing Exit for Reg and NRW Crossing UPRR North	Encasement of 27" regional sewer and 6" NRW pipeline	225,000	15,621	213,678	4,901	0	0.00%	11%	2/17/2014	2/28/2014
9 Central Plant for the New Operations Laboratory	Central Plant (rVAC) improvements in the Lab	2,130,000	138,225	1,178,822	12,334	0	0.00%	22%	8/22/2014	5/13/2014
10 RP-4 Grading and Drainage Improvements Phase 3	New curbs, gutters and installation of 18" storm drain for RP-4 Lagoon	902,807	85,461	447,505	34,763	47,297	4.97%	100%	1/16/2014	2/26/2014
11 CCWRP Secondary Clarifier No. 2 Rehab	Secondary Clarifier no. 2 rehabilitation	520,000	141,078	474,666	96,290	981	0.36%	24%	1/1/2014	12/23/2013
12 RP-5 Pond Drainage Improvements	Construct traps & concrete channels to eliminate erosion	380,118	105,220	269,820	32,165	0	0.00%	0%	4/20/2014	5/29/2014
13 Ramona Ave Siphon Lining & Manholes	Repair & reconstruct eroded Ramona Siphons and construct new manhole	8,025,750	2,852,023	5,100,000	1,924,884	0	4.77%	47%	10/24/2014	5/16/2014
14 930 Zone RW Reservoir Construction	5-MG RW welded steel storage reservoir in Chino Hills	7,025,000	1,589,679	6,100,000	1,148,613	0	0.00%	22%	10/20/2014	9/1/2014
15 930 Zone RW Pipeline Construction	13,000 linear feet of 30-inch Recycled Water Pipeline	616,172	96,319	499,539	8,176	0	0.00%	0%	4/30/2014	4/30/2014
16 Mountain Avenue Improvements	Modifications and improvements on Mountain Avenue	168,000	569	110,000	569	0	0.00%	0%	2/17/2014	2/28/2014
17 Casing Extension For NRW Crossing UPRR	Construct a 6" NRW pipeline per UPRR railroad requirements	1,025,000	489,666	616,640	81,506	0	0.00%	84%	12/20/2013	12/6/2013
18 Turner 1 Turnout & Deer Creek Drop-Inlet Mods	New turnout within Basin 1 of approximately 200 linear feet of 16 inch steel pipe	425,000	213,223	325,000	146,553	0	0.00%	53%	12/6/2013	12/13/2013
19 Wineville Proof of Concept	Analyze the possibility of developing Wineville Basin into a GWR basin	50,000	6,327	28,000	1,891	0	0.00%	0%	12/10/2013	11/27/2013
20 1500 E RW Pipeline - Corrosion Repairs	Install pipeline logging system to determine stray current or shift in pipeline	200,000	11,734	191,910	3,644	0	0.00%	96%	1/8/2014	12/20/2013
21 San Antonio & Jurupa Force ARV Replacement	Replacement of 15" ARV Relief Valve	4,800,000	723,956	4,968,565	47,225	0	6.22%	7%	11/26/2014	3/16/2015
22 IERCF Process Improvements	Upgrading the conveyor belts at IERCF	309,100	239,162	121,003	18,967	0	34.89%	100%	2/13/2014	12/11/2013
23 IERCF Receiving Building Door Widening	New door and additional stop-go lighting	1,623,550	823,016	968,696	302,163	0	0.00%	84%	12/20/2013	12/13/2013
24 Turner Basin Recharge Improvements	Recharge improvements	57,068,080	22,080,899	29,328,358	6,101,474	145,979				

- Total construction contracts payments for October 2013: \$2,845,325

High Level Construction Activities/Information

- CCWRF RW Pump Station was taken out of service to facilitate removal and replacement of mechanical and electrical equipment
- RP-2 Gas Flare Control Panel startup and commissioning will begin during November
- IEUA Staff has disputed a claim for Landscaping (irrigation and planting) on the 930 Zone RW Reservoir project issued by Paso Robles Tank. A "Meet and Confer" will be scheduled in November.
- IEUA Staff continues to evaluate and provide information to support a potential change order on the 930 Zone RW Pipeline project for the re-design and jack-and-bore efforts within the Eucalyptus and Pipeline Avenues intersection.

**FINANCE AND ADMINISTRATION**

**Financial Planning Updates**

**Historical Investment Yield Comparison**

Investment Type	Oct 2011	Oct 2012	23-Sep	30-Sep	7-Oct	14-Oct	21-Oct	28-Oct
SWEEP ACCOUNT - CBB	0.40%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
CDARS (1 Yr) - CBB	0.30%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
1 Yr CD - BofA	0.35%	0.20%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
1 Yr CD - Wells Fargo	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
1 Yr CD - Citibank/Chase	0.25%	0.25%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
1 Yr CD - CBB In House CD			0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
Bank of the West	n/a	n/a	0.34%	0.34%	0.34%	0.34%	0.34%	0.34%
CalTrust	n/a	n/a	0.35%	0.35%	0.34%	0.34%	0.41%	0.41%
LAIF	0.38%	0.32%	0.26%	0.25%	0.27%	0.27%	0.27%	0.26%
<b>US TREASURIES:</b>								
US Treasuries - 3 Mos	0.02%	0.11%	0.01%	0.02%	0.02%	0.05%	0.08%	0.04%
US Treasuries - 6 Mos	0.06%	0.15%	0.04%	0.04%	0.04%	0.07%	0.11%	0.07%
US Treasuries - 12 Mos	0.12%	0.19%	0.11%	0.10%	0.11%	0.14%	0.14%	0.11%
US Treasuries - 2 Yrs	0.29%	0.30%	0.36%	0.35%	0.33%	0.37%	0.34%	0.32%
US Treasuries - 3 Yrs	0.48%	0.41%	0.73%	0.66%	0.64%	0.68%	0.64%	0.60%
US Treasuries - 5 Yrs	1.11%	0.78%	1.54%	1.43%	1.39%	1.43%	1.39%	1.32%
<b>US GOVERNMENT SPONSORED ENTITIES BENCHMARK BULLETS:</b>								
2 yr Agency Bullets	0.40%	0.31%	0.28%	0.58%	0.25%	0.29%	0.25%	0.24%
3 Yr Agency Bullets	0.60%	0.40%	0.70%	0.79%	0.62%	0.68%	0.61%	0.58%
5 Yr Agency Bullets	1.26%	0.80%	1.51%	1.50%	1.38%	1.42%	1.35%	1.27%

**LAIF** – The average effective yield for October 2013 is 0.268% compared to the September 2013 yield of 0.257%.

**Investment Portfolio Update** - The average maturity is 655 days for current investments excluding LAIF, CalTrust and SWEEP. Including LAIF, SWEEP, and CalTrust accounts, the average maturity is 165 days (assuming 2 days to liquidate LAIF, SWEEP, and Caltrust account).

**Investment Portfolio Yield** - The current rate of return on the Agency's portfolio as of October 29th is 0.44% or 0.01% lower than yield reported in the September Treasurer's Report of Financial Affairs at 0.45%.

**Key Activities in Process:**

- Coordinated and conducted the FY 2013/14 first quarter budget variance review sessions with all departments

- In the process of realigning departmental wages and O&M budget resulted from the organizational changes implemented in October
- Reviewing and evaluating the Long Range Financial Plan model functions, features, calculations and presentation
- Reviewing and updating financial policies

### **Grants Activities:**

#### **Federal Government Shutdown**

The 16 day shutdown of the federal government has slowed the federal grant payment process. One grant invoice submitted by IEUA in September for the CDA Expansion project (\$274,000) was delayed to December 2013 (normal processing time 30 days).

The federal government originally planned to launch a new paperless grant payment system in October 2013. The new system was delayed to November 2013. No grant invoices will be processed until the system is launched.

#### **The \$500,000 MWD Grant Award**

The Foundational Actions Funding Grant award from MWD was received in October 2013. Staff is working with Western Municipal Water District and Cucamonga Valley Water District on the grant agreements and responsibilities of each party. The three projects funded by this grant are:

- a. The Pilot Scale 3-D Fluorescence Excitation Emission Matrix
- b. The Recycled Water Intertie Permit Study
- c. Pilot Scale Biological Treatment Process (BIOTTTA™)

#### **The SWRCB Prop 84 Stormwater Grant Program**

The SWRCB Prop 84 Stormwater Grant Program solicited concept proposals for projects that will reduce or prevent stormwater contamination of rivers, lakes, and streams by implementing Municipal Separate Stormwater Sewer System (MS4) and Low Impact Development (LID) strategies and Storm Water Best Management Practices (BMPs). IEUA, IERCA, and the City of Ontario jointly submitted two projects:

- a. Wineville Basin Stormwater Management Project, one of the Recharge Master Plan proposed projects. The estimated project cost is \$6,000,000.
- b. City of Ontario Anthony Munoz Park Pervious Concrete Parking Lot Project. The estimated project cost is \$800,000.

If the concept proposals are accepted, full grant applications may be submitted.

#### **SAWPA OWOW Round 2 Prop 84 grant**

The DWR has announced the draft funding recommendation for the Prop 84 Integrated Regional Water Management Program. DWR reduced SAWPA OWOW grant proposal amount by 50%. During the public comment period, SAWPA met with the DWR and expressed strong disagreement about this recommendation.

The major discrepancy is who has the final say on project selection. Based on Public Resources Code Section 75028, SAWPA believes once a region is approved by DWR, the right of final project selection and funding amount should be vested with the local region. DWR should not change local selection. The proponents in the application are being asked to support SAWPA's challenge of this reduction.

**Grant and SRF loan funding assistance to the South Archibald Plume Project**

IEUA has been following the development of the South Archibald Plume project scope, budget and schedule very closely. If the project scope can be defined and 100% design can be completed by December 2013, the California Department of Public Health (CDPH) Prop 50 grant may be a viable funding source for this project.

A State Revolving Fund Loan pre-application was submitted to the CDPH on behalf of the South Archibald MOU group agencies by IEUA for \$30,000,000. This pre-application is now posted on the CDPH website for public comments.

**See Next Page for Grant Activities Table.**

**Inland Empire Utilities Agency**  
**Active Grant and SRF Loan Summary**  
 As of October 31, 2013

Funding Agency	Project Name	Award Amount	Invoiced Through (6/30/12)	Invoiced FY12/13 (07/01/12 - 6/30/13)	Invoiced FY13/14 (07/01/13 - 10/31/13)	Award Balance
<b>FEDERAL GRANTS</b>						
United States Bureau of Reclamation (USBR)	Recycled Water Planning	\$ 980,000	\$ 980,000	\$ -	\$ -	\$ -
	Regional Recycled Water Distribution	950,000	950,000	-	-	-
	Regional Recycled Water Program	4,941,965	4,940,000	-	1,965	-
	North East Area Recycled Water	5,938,454	5,938,454	-	-	(0)
	North West Area Recycled Water	7,871,499	6,392,089	1,479,410	-	(0)
	California Water Wise Landscape	30,000	30,000	-	-	-
	Turner Basin Improvement Project	406,712	45,372	182,080	179,260	(0)
	Regional Residential Landscape Surveys and Retrofit Program	199,000	-	67,926	45,391	85,683
FEMA/Cal-EMA	FEMA Winter Storm 2010 Disaster	585,831	583,960	1,871	-	0
<b>Active Federal Grants</b>		<b>\$ 21,903,461</b>	<b>\$ 19,859,875</b>	<b>\$ 1,731,287</b>	<b>\$ 226,616</b>	<b>\$ 85,683</b>
<b>STATE GRANTS</b>						
Department of Water Resources (DWR)	Chino Basin Conjunctive Use	\$ 15,500,000	\$ 15,500,000	\$ -	\$ -	\$ 0
	Multi-Family ULF Toilet Program	1,650,133	1,482,641	131,425	36,067	(0)
	Landscape Water Audit Program	194,476	194,418	-	-	58
	2008 Urban Drought Program	1,000,000	1,000,000	-	-	-
Department of Parks & Recreation (DPR)	Water Discovery Field Trip & Bus	207,900	24,490	34,843	-	148,567
	Earth Day program	38,500	26,753	8,831	-	2,916
Metropolitan Water District (MWD)	Water Softener Salinity Reduction	95,000	95,000	-	-	-
WaterReuse Foundation	Research for Potable Reuse and Aquifer Storage Projects	479,995	477,912	-	-	2,083
State Water Resources Control Board (SWRCB)	Chino Creek Master Plan	601,362	601,136	-	-	226
	Chino Creek Cleanup (ARRA)	1,471,491	1,397,699	25,617	-	48,175
	North East Area Recycled Water	4,241,635	4,241,631	-	-	4
	Greater Prado Basin Clean-up	76,756	76,756	-	-	0
	Greater Prado Clean-up (ARRA)	298,244	208,644	5,183	-	84,417
	Magnolia Channel Project	181,275	181,275	-	-	(0)
	Magnolia Channel Restart (ARRA)	773,045	773,045	-	-	0
	Southern Area Recycled Water	4,000,000	252,264	269,475	1,263,717	2,214,544
<b>Active State &amp; Local Grant</b>		<b>\$ 30,809,812</b>	<b>\$ 26,533,664</b>	<b>\$ 475,374</b>	<b>\$ 1,299,784</b>	<b>\$ 2,500,990</b>
<b>Total Active Federal, State &amp; Local Grant</b>		<b>\$ 52,713,273</b>	<b>\$ 46,393,540</b>	<b>\$ 2,206,661</b>	<b>\$ 1,526,400</b>	<b>\$ 2,586,673</b>
<b>SRF LOANS</b>						
SWRCB (SRF Loans)	North East Area Recycled Water	\$ 16,630,166	\$ 15,061,170	\$ -	\$ -	\$ 1,568,996
	RW Wells and Lysimeters	1,285,987	998,331	-	-	287,656
	RP-1 Dewatering Facility	27,434,811	25,317,207	2,117,602	-	2
	Southern Area Recycled Water	20,608,638	1,555,072	3,639,463	3,967,606	11,446,497
	New Main Operations Laboratory	-	-	-	-	-
<b>Sub-total Active SRF Loans</b>		<b>\$ 65,959,602</b>	<b>\$ 42,931,780</b>	<b>\$ 5,757,065</b>	<b>\$ 3,967,606</b>	<b>\$ 13,303,151</b>
<b>CDA GRANTS</b>						
United States Bureau of Reclamation (USBR)	CDA Wellfield (Wells 1, 2, 3)	\$ 1,526,095	\$ 362,560	170,747	-	\$ 992,788
Department of Water Resources (DWR)	CDA II Desalter Expansion	2,800,000	2,800,000	-	-	-
United States Bureau of Reclamation (USBR)	1010 Zone Pump Station and New Product Water Pipelines	3,950,000	-	448,196	302,258	3,199,546
California Department Of Public Health	CDA Phase III Expansion Projects	52,005,716	-	-	7,084,013	44,921,703
<b>Sub-total Active CDA Grants</b>		<b>\$ 60,281,811</b>	<b>\$ 3,162,560</b>	<b>\$ 618,943</b>	<b>\$ 7,386,271</b>	<b>\$ 49,114,037</b>
<b>GRAND TOTAL ACTIVE GRANTS &amp; LOANS</b>		<b>\$ 178,954,686</b>	<b>\$ 92,487,879</b>	<b>\$ 8,582,669</b>	<b>\$ 12,880,277</b>	<b>\$ 65,003,861</b>
<b>Active Grants &amp; Loans</b>		<b>\$ 178,954,686</b>	<b>\$ 92,487,879</b>	<b>\$ 8,582,669</b>	<b>\$ 12,880,277</b>	<b>\$ 65,003,861</b>
<b>Closed grants and SRF loans</b>		<b>\$ 172,130,033</b>				
<b>Total Active and Closed Grants &amp; Loans since 2002</b>		<b>\$ 351,084,719</b>				

**Accounting & Fiscal Management Updates**

**Major Revenue**

Major Revenues for the Service Period Ended 9/30/13							
(millions) Target is 25%	FY12/13			FY13/14			
A			Previous Year's	B	C	D	
Major Revenue Categories	Previous Year's Budget	Previous Year's Actual to Date	% of Actual vs Budget	Budget	Actual to Date (SEP 2013)*	% of Actual Vs Budget (Col B/Col C)	Note #
User Charges	\$51.1	\$12.3	24%	\$58.1	\$13.3	23%	
Recycled Water Sales	\$5.7	\$1.6	29%	\$7.2	\$2.7	38%	
Recycled Water Rebates	\$2.1	\$0.0	0%	\$2.1	\$0.0	0%	
Property Tax	\$32.6	\$0.0	0%	\$33.4	\$0.0	0%	
Connection Fees	\$5.4	\$3.2	59%	\$9.0	\$2.1	23%	
<b>Subtotal</b>	<b>\$96.9</b>	<b>\$17.1</b>	<b>18%</b>	<b>\$109.8</b>	<b>\$18.1</b>	<b>17%</b>	
Grants	\$4.3	\$0.7	16%	\$9.2	\$0.9	10%	
SRF Loans	\$13.3	\$0.5	4%	\$22.9	\$2.8	12%	
<b>Subtotal</b>	<b>\$17.6</b>	<b>\$1.2</b>	<b>7%</b>	<b>\$32.1</b>	<b>\$3.7</b>	<b>12%</b>	
<b>Grand Total</b>	<b>\$114.5</b>	<b>\$18.3</b>	<b>16%</b>	<b>\$141.9</b>	<b>\$21.8</b>	<b>15%</b>	

Note: September 2013 service period is billed in the month of October 2013.

**Accounts Receivables**

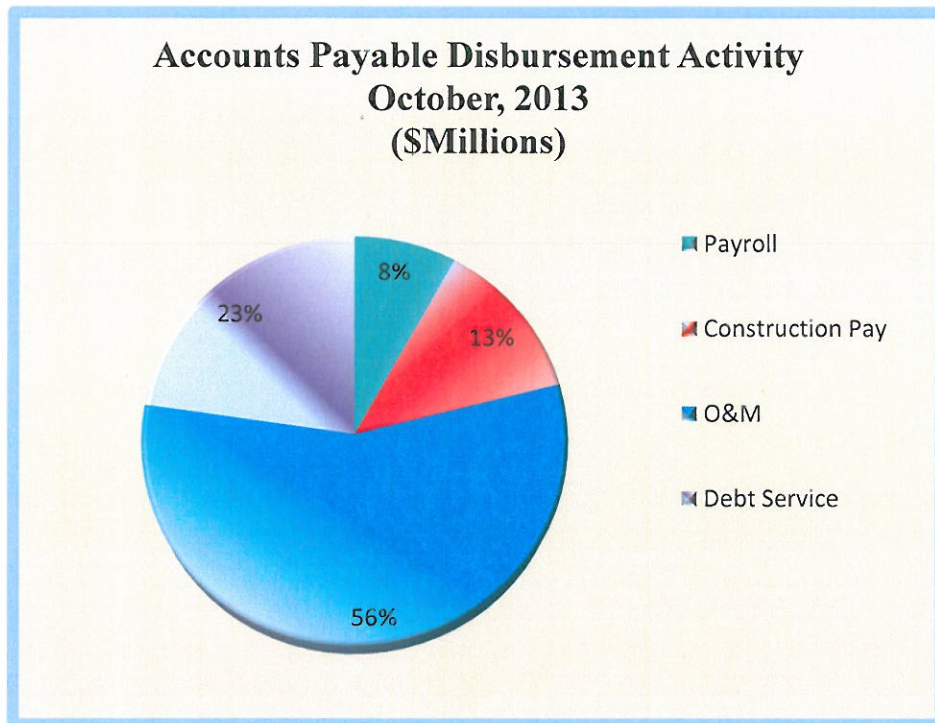
**IEUA Aging Report As of 10/31/2013**

**IEUA Customer's**

- 1) Aging 1-30 days - Invoices recently due
- 2) Aging 31-60 days - Invoice to City of Upland. E-mailed copy of invoice on 11/04/13. Customer will pay as soon as it gets approved.
- 3) Aging 31-60 days - Invoice to Air Liquide. E-mailed copy of invoice on 10/29/13. Per customer payment will be mailed on 11/5/13.
- 4) Aging 31-60 days - Invoice to Gerdau. E-mailed copy of invoice on 10/23/13. Per customer will pay as soon as it gets approved.
- 5) Aging >120 days - Invoice to regional trucker (West Coast Storm); service suspended for failure to pay.
- 6) Aging >120 days - Invoice to Ability. Left messages on various occasions. No reply from customer as of 10/31/13.
- 7) Aging >120 days - Invoice to regional trucker (Sam's Enterprise); Notice of Violation has been issued for failing to provide insurance requirements & pmt.

No. of Days Past Due Between						
Total Outstanding	Current	1 - 30	31 - 60	61 - 90	91-120	> 120
\$ 11,498,014	\$ 11,430,870	\$ 38,300	\$ 28,349	\$ -	\$ -	\$ 496
<b>Customer: CDA (On IEUA Books)</b>						
No. of Days Past Due Between						
Total Outstanding	Current	1 - 30	31 - 60	61 - 90	91-120	> 120
\$ 214,583	\$ 181,202	\$ 31,095	\$ 2,285	\$ -	\$ -	\$ -
<b>Customer IERCA (On IEUA Books)</b>						
No. of Days Past Due Between						
Total Outstanding	Current	1 - 30	31 - 60	61 - 90	91-120	> 120
\$689,186	\$685,550	\$ -	\$ -	\$ 3,636	\$ -	\$ -
<b>Bellevue Memorial Park</b>						
No. of Days Past Due Between						
Total Outstanding	Current	1 - 30	31 - 60	61 - 90	91-120	> 120
\$ 16,000	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -

**Accounts Payable**



- For the period October 1 through October 31, 2013, the Accounts Payable Staff processed:

- ACH Remittances 133
- Wire Remittances 22
- Check Remittances 571
- Vendor Invoices & Credit Memos 1,248

The O&M statistics include the Metropolitan Water District August water purchases of \$4,549,220, and the FY 2012/2013 Annual billings (including the Past 4R's) from County Sanitation Districts of Los Angeles County (CSDLAC) in the combined amount of \$2,986,442.

**Accounts Payable Aging Report for the Period ended 10/31/13:**

No. of Days Past Due Between						
Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$ 500,293	\$ 255,767	\$ 6,025	\$227,201	<\$134>	\$12,059	<\$625>

- > **31 Days:** \$686.86 RSD – Holding for possible return of merchandise;  
\$226,513.79 Shell Energy – ACH to be paid in November.
- > **60 Days:** <\$134.00> Southern California Edison – Credit for Overcharge.
- > **90 Days:** \$12,059.00 Chino Basin Desalter – ACH to be paid in November.

- > **120 Days:** <\$637.07> Harrington – Credit for returns;  
\$23.40 Grainger – waiting for Credit to offset this charge.

**Fiscal Management Activities:**

- In conjunction with the IEUA Risk Management Department, participated in and completed the Agency's Workers Compensation Excess Liability Insurance Audit. The auditor is continuing to analyze the information provided. The final report is pending.
- Timely filed the California State Controllers Reports for IEUA, Chino Basin Desalter Authority, and the Inland Empire Regional Composting Authority.
- Completed and timely filed the 3<sup>rd</sup> quarter Sales & Use Tax Returns for IEUA, and the Inland Empire Regional Composting Authority; and the Fuel Tax Return for IEUA.
- Completed and timely filed the 3<sup>rd</sup> Quarter State and Federal Payroll Taxes.
- Prepared and distributed Sick Buy-Back letters to eligible Agency employees.

**Key Activities in Process:**

- Fiscal Year FY 2012/13 CAFR is in progress for IEUA. Also in progress is the preparation of the Annual Financial Report for the Inland Empire Regional Composting Authority.
- Continuing to work with the Chino Basin Desalter Authority on the transition of the record keeping, and preparation of the Fiscal Year 2012/2013 Annual Financial Report.
- Coordination and preparation of the annual data review for Forms 1099 processing will begin next month with a kick-off meeting on November 13, 2013.

**Human Resources Updates**

**Annual Benefits Fair**

The annual benefits fair was held on September 4<sup>th</sup>. Approximately 82 employees attended and visited the various booths, collected informational brochures and free items. Employees in attendance were entered into a raffle for the opportunity to win a variety of prizes provided by the vendors in attendance. Prizes included gift bags, gift cards, movie tickets and other novelty items. A total of 11 gifts were raffled.

**Affordable Care Act (ACA)**

The Affordable Care Act required employers to provide notice to its employees by October 1, 2013 that they may receive health coverage through the exchange (a.k.a. "Health Insurance Marketplace" or "Marketplace"). California's exchange is called Covered California. Under the Patient Protection and Affordable Care Act, most individuals will be required to have health insurance coverage by January 1, 2014, or they will have to pay a tax penalty. As a result, the Health Insurance Marketplace was created to ensure access to health insurance. In California, individuals will have access through Covered California (also known as the Health Insurance



Exchange or marketplace). Covered California's open enrollment starts October 1, 2013 for coverage beginning January 1, 2014. An onsite session will be held on November 13, 2013.

**Staffing**

<b><u>CURRENT STAFFING</u></b>	
Regular Full-time Employees:	264
Contract/Limited Term Employees:	7
Interns:	15
<b>TOTAL:</b>	<b>286</b>

<b><u>CURRENT REGULAR RECRUITMENT ACTIVITIES</u></b>	
Recruitments in Process/Offer Pending:	4
Placement in Process:	2
No RFVP*; Position on Hold 6.10% Vacancy Factor:	18
No RFVP; Vacant Position:	7
<b>Total Regular Vacancies (Excludes Limited Term &amp; Intern Positions = 10.51% Vacancy Factor):</b>	<b>31</b>

\*RFVP – Request to Fill Vacant Position

<b><u>CURRENT OTHER RECRUITMENT ACTIVITIES</u></b>	
Limited Term Position on Hold:	0
Limited Term Recruitments in Process/Offer Pending:	3
Intern Recruitments in Process/Offer Pending:	3

<b><u>RECRUITMENTS/PLACEMENT IN PROCESS</u></b>							
	<b>Position</b>	<b>Department</b>	<b>RFVP Received</b>	<b>Closing Date</b>	<b>Salary Range</b>	<b>Tentative Placement Date</b>	<b>Notes</b>
1	Sr. Internal Auditor	111100-Internal Audit	9/23/13	10/11/13	UN098	11/13	Recruitment in Process
2	Manager of Human Resources	119100-Human Resources	8/27/13	OUF	UN 104	11/13	Recruitment in Process
3	Construction Inspector	127100-Engineering & Construction Management	6/12/13	8/20/13	UN 096	10/13	Placement Pending
4	Construction Project Manager	127100-Engineering & Construction Management	6/12/13	8/20/13	SU 100	10/13	Placement Pending

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5	Pre-treatment & Source Control I/II or Senior level	129100-Pre-treatment & Source Control	8/22/13	OUF	Varies	11/13	Recruitment in Process
6	Maintenance Supervisor** (Internal Only)	140151-Maintenance	7/23/13	8/30/13	SU 101	11/13	Interviews held 9/30 & 10/1/13
7	Senior Maintenance Technician (Internal Only)	132112-Organics Management	8/20/13	9/6/13	GU 096	11/13	Interviews held 10/1/13
8	Operations Supervisor (Water)	157111-Desalter Operations CDA	8/22/13	OUF	SU 100	11/13	Recruitment in Process
9	Operations Supervisor (Wastewater) (Internal Only)	153154-RP4 Operations	9/12/13	9/27/13	SU 100	10/13	Recruitment in Process

\*\*4 vacancies

<b><u>POSITIONS ON HOLD for 5% Vacancy Factor</u></b>			
	<b>Position</b>	<b>Department</b>	<b>Vacant Since</b>
1	Assistant General Manager	112100-Agency Management	4/13
2	Executive Assistant	112100-Agency Management	8/13
3	Procurement Specialist II	115100-Contracts & Procurement	12/12
4	Senior Accountant	117100- Accounting and Fiscal Mgmt.	6/13
5	Human Resources Analyst	119100-Human Resources	9/10
6	Sr. Water Resources Analyst	124100-Planning & Water Resources	7/08
7	Associate Engineer	127100-Engineering & Construction Management	1/10
8	Associate Engineer	127100-Engineering & Construction Management	4/11
9	Manager of Construction Management	127100- Engineering & Construction Management	1/13
10	Deputy Manager of Construction Management	127100- Engineering & Construction Management	8/08
11	Operations Liaison	127100- Engineering & Construction Management	12/10
12	Construction Inspector/Coordinator	127100- Engineering & Construction Management	10/12
13	Laboratory Technician	131151-Laboratory	10/12
14	Mechanic II	141151-North Maintenance	4/11
15	Mechanic II	141151-North Maintenance	5/12
16	Plant Maintenance Technician II	141151-North Maintenance	7/12
17	Industrial Engine Technician	144155-South Maintenance	4/11
18	Mechanic II	144155-South Maintenance	12/11

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<b><u>NO RFVP; VACANT POSITION</u></b>			
<b>Position</b>		<b>Department</b>	<b>Vacant Since</b>
1	Deputy Manager of Safety	121100-Safety and Risk Management	6/13
2	Administrative Analyst	128100-Operations Administration	8/13
3	Manager of Maintenance	140151-Maintenance	7/13
4	Electrical Technician I	141151-North Maintenance	6/13
5	Mechanic II	144155-South Maintenance	12/11
6	Operator	154155-RP5 Operations	10/13
7	Sr. Maintenance Technician	132112-Organics Management	6/13

**LIMITED TERM VACANCIES**

<b>Position</b>		<b>Department</b>	<b>RFVP Received</b>	<b>Closing Date</b>	<b>Salary Range</b>	<b>Tentative Placement Date</b>	<b>Notes</b>
1	Construction Project Inspector	127100-Engineering & Construction Management	3/1/13	8/20/13	UN096	10/13	Offer Pending
2	Records Management Clerk	121100- Risk, Safety & Support Services	3/13	7/26/13	GU082	10/13	Offer Pending
3	Compliance Accountant	171100-Financial Planning	7/13	8/23/13	UN091	10/13	Offer Pending

**INTERN VACANCIES**

<b>Position</b>		<b>Department</b>	<b>RFVP Received</b>	<b>Closing Date</b>	<b>Salary Range</b>	<b>Tentative Placement Date</b>	<b>Notes</b>
1	Intern	124100-Planning & Environmental Compliance	9/11/13	OUF	UN999 1	11/13	Recruitment in Process
2	Intern	115100-Contracts and Procurement	9/17/13	OUF	UN999 1	11/13	Recruitment in Process
3	Intern	132112-Organics Management	9/23/13	OUF	UN999 1	11/13	Recruitment in Process

**Contracts and Procurement Updates**

CAP, working in collaboration with Human Resources, received four proposals from consulting firms for the classification and compensation study. Interviews were held on October 7, 2013, with invitations for representation sent to each of the bargaining groups. The firm Reward Strategy Group was selected, a total not-to-exceed amount of \$71,395.00 was negotiated. The contract was fully executed and a Notice to Proceed was issued on 10/30/13.