



**MINUTES OF THE  
WORKSHOP  
OF  
THE BOARD OF DIRECTORS  
OF  
THE INLAND EMPIRE UTILITIES AGENCY\*  
WEDNESDAY, JUNE 4, 2014  
10:00 A.M.**

**DIRECTORS PRESENT:**

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

**DIRECTOR ABSENT:**

Gene Koopman

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Francis Concemino, Associate Engineer  
Connie Gibson, Acting Administrative Analyst  
Kevin Hongthong, Senior Operations Assistant  
Majid Karim, Deputy Manager of Engineering  
Sylvie Lee, Manager of Planning and Environmental Compliance  
Jason Mareseilles, Senior Operations Assistant  
Jeff Noelte, Deputy Manager of Technical Services  
Brian Noh, Senior Operations Assistant  
Craig Proctor, Pretreatment and Source Control Supervisor  
Travis Sprague, Senior Operations Assistant  
Rocky Welborn, Senior Operations Assistant  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenette, Cihigoyenette, Grossberg, and Clouse

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

President Catlin called the meeting to order at 10:05 a.m., and he led the pledge of allegiance to the flag. A quorum was present.

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

President Catlin asked if there were any changes/additions/deletions to the agenda.

General Counsel Jean Cihigoyenatche stated that he had a Closed Session item to add to today's agenda, which is the case of Sheilds vs. IEUA, Case No. CIVRS 1301638. He said that last Friday (May 30), information arose that the Board will need to address today, as it will affect a deposition that will be taken before the next Board meeting. Mr. Cihigoyenatche stated that this action will require an unanimous vote of the Board to add this item to today's agenda.

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

**M2014-6-1**

MOVED, to ADD PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: Sheilds vs. IEUA, Case No. CIVRS 1301638, TO TODAY'S AGENDA.

**1. NON-RECLAIMABLE WASTEWATER SYSTEM FY 2014/15 PROPOSED RATES WORKSHOP**

Pretreatment and Source Control Supervisor Craig Proctor gave a PowerPoint presentation on the Non-Reclaimable Wastewater System FY 2014/15 proposed rates. He mentioned that as of July 1, 2014, there will be a new agreement with the California Sanitation District of Los Angeles County (CSDLAC), and as part of that agreement, the Agency has been allocated 15,000 new capacity units to assign to our customers. Mr. Proctor reviewed the differences between the current agreement and the new agreement, including the new proposed rates. He briefly explained the capacity unit (CU) allocation, and the IEUA program costs. Mr. Proctor also highlighted the NRW FY 2014/15 IEUA capital outlay recovery and the NRWS solids discrepancy. He reported that the Agency has retained Trussell Technologies to study and help develop a formula to distribute the imbalance charges fairly. Mr. Proctor mentioned that the proposed rates of the Inland Empire Brineline and Etiwanda Waste Line are basically unchanged. He briefly discussed the Recycled Water Usage Credit. He stated that the Agency's plan is to phase out this program through a declining rate over the next 10 years, and the credit will be based on the actual recycled water usage to customers connected to the NRW systems. Mr. Proctor reported that a workshop on the new rates has been scheduled for tomorrow (June 5), for all of the industries.

General Manager Joseph Grindstaff recognized Mr. Craig Proctor for reaching out and visiting each industry to go over the numbers; making sure that the industries understood what was driving the changes; and the impact it would have to each industry. Mr. Grindstaff commended Mr. Proctor for the outstanding efforts on his part.

**2. ASSET MANAGEMENT WORKSHOP**

Deputy Manager of Technical Services Jeff Noelte recognized the following staff for their hard work, dedication, and contributions to the Asset Management Plan.

Francis Concemino, Associate Engineer  
Kevin Hongthong, Senior Operations Assistant  
Jason Marseilles, Senior Operations Assistant  
Brian Noh, Senior Operations Assistant  
Travis Sprague, Senior Operations Assistant  
Rocky Welborn, Senior Operations Assistant  
Matthew Melendrez, Deputy Manager of Operations (absent)

Deputy Manager of Technical Services Jeff Noelte gave a PowerPoint presentation on the Asset Management Plan (AMP). He highlighted the asset life cycle cost, noting that the Agency must take a proactive approach to O&M replacement and rehabilitation and condition assessment as this is an area, which is often ignored. He explain the need for an AMP is to manage risk; quantify the risk by gathering information; communicate the findings on the conditions; and fully fund rehabilitation and repairs. He highlighted the AMP by describing the in-house efforts of staff to develop the first ever formal Agency AMP. Mr. Noelte reviewed the Asset Health Management Program (AHMP), which is an important component of the AMP. Mr. Noelte also described how the AMP ties in with project planning and capital improvement project optimization. He explained that the AMP will communicate to external, as well as internal stakeholders; accurately describe Agency assets and their condition; and communicate future funding requirements and projects to manage assets in a manner appropriate for meeting business goals.

Director Elie expressed the value of monitoring and documenting early detection of problems and cost data savings on timely repairs and rehabilitation. He noted that this type of documentation would be useful for historical analysis.

The Board noted all the work that went into creating the AMP and extended their appreciation to Deputy Manager of Technical Services Jeff Noelte and staff for their efforts.

### **3. CLOSED SESSION**

The Board went into Closed Session at 11:07 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: One (1) Case; B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: Sheilds vs. IEUA, Case No. CIVRS 1301638

The meeting resumed at 11:30 a.m. and General Counsel Jean Cihigoyenette stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Anticipated Litigation:

One Case

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Sheilds vs. IEUA, Case No. CIVRS 1301638

The Board took no reportable action.

With no further business, President Catlin adjourned the meeting at 11:30 a.m.

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Steven J. Elie, Secretary/Treasurer

**APPROVED: JUNE 18, 2014**