



**MINUTES OF THE REGULAR  
MEETING OF  
THE BOARD OF DIRECTORS  
OF  
THE INLAND EMPIRE UTILITIES AGENCY\*  
WEDNESDAY, AUGUST 20, 2014  
10:00 A.M.**

**DIRECTORS PRESENT:**

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

**DIRECTOR ABSENT:**

Terry Catlin, President

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Ernest Yeboah, Executive Manager of Operations/Assistant General Manager  
Andrea Carruthers, Community Outreach and Education Coordinator II  
David Mendez, Deputy Manager of Construction Management  
Jason Gu, Grants Officer  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
Kathryn Besser, Manager of External Affairs  
Liza Munoz, Senior Office Engineer  
Pietro Cambiaso, Senior Engineer  
Tina Cheng, Budget Officer  
Warren Green, Manager of Contracts and Facilities Services  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenetche, Cihigoyenetche Grossberg & Clouse  
Dave Weiman, Agricultural Resources

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

Vice-President Camacho called the meeting to order at 10:02 a.m., and he led the pledge of allegiance to the flag. A quorum was present.

Vice-President Camacho stated that members of the public may address the Board. Mr. Dave Weiman requested to provide the Board with a presentation regarding the drought.

Vice-President Camacho asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

### **NEW HIRE INTRODUCTION**

Senior Engineer Pietro Cambiaso introduced Ms. Tiffany Tran, Assistant Engineer, who was hired on July 21, 2014.

The Board welcomed Ms. Tran to the IEUA team.

### **1. CONSENT CALENDAR**

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

#### **M2014-8-3**

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the July 16, 2014 Board meeting, and the August 6, 2014 Board meeting/workshop.
- B. The Board approved the total disbursements for the month of June 2014, in the amount of \$22,291,758.38.
- C. The Board:
  - 1. Adopted Resolution No. 2014-8-1, ratifying the SAWPA One Water One Watershed 2.0 Integrated Regional Water Management Plan (OWOW 2.0 Plan); and

**RESOLUTION NO. 2014-8-1  
RESOLUTION OF THE INLAND EMPIRE UTILITIES  
AGENCY, A MUNICIPAL WATER DISTRICT, SAN  
BERNARDINO COUNTY, CALIFORNIA, RATIFYING  
THE ONE WATER ONE WATERSHED INTEGRATED  
REGIONAL WATER MANAGEMENT PLAN 2.0 AND  
AUTHORIZING THE AGENCY TO APPLY AND  
EXECUTE GRANT AGREEMENTS WITH SAWPA**  
*(for full text , see Resolution Book)*

- 2. Authorized the General Manager or his designees to execute financial assistance agreements with SAWPA for Proposition 84 grant funding through the Department of Water Resources (DWR).
- D. The Board:
  - 1. Approved a two-year master contract for Minor Construction, Maintenance, and Emergency Contract Program to the following companies with three one-year extensions; and

*Continued...*

**M2014-8-3, continued.**

- 1) ACS Engineering, Inc.
- 2) Atom Engineering Construction
- 3) BH Electric, Inc.
- 4) Big Sky Electric, Inc.
- 5) Braughton Construction
- 6) C.P. Construction
- 7) Cico Electric Contractors
- 8) Coonstruction, Inc.
- 9) David T. Wasden, Inc.
- 10) Ferreira Construction
- 11) Genesis Construction
- 12) GJR Electric
- 13) Goodwest Lining & Coating
- 14) Humphrey Constructors
- 15) Jeremy Harris Construction
- 16) JR Filanc
- 17) Manley's Boiler, Inc.
- 18) Mike Bubalo Construction
- 19) Mladen Buntich Construction
- 20) Norman Olsson Construction
- 21) Paulus Engineering
- 22) Sancon Engineering
- 23) Trautwein Construction
- 24) VCI Construction
- 25) W.A. Rasic

2. Authorized the General Manager to execute and issue said contracts.

**E. The Board:**

1. Approved a contract amendment to Golden State Labor Compliance, LLC, for labor compliance services, for an additional \$300,000; and
2. Authorized the General Manager to execute the consultant contract amendment.

**F. The Board:**

1. Approved a contract amendment to UtiliQuest, LLC, for dig alert locating services, for a not-to-exceed amount of \$335,000 and extended the contract term two years through March 2017; and
2. Authorized the General Manager to execute the contract amendment.

*Continued...*

***M2014-8-3, continued.***

G. The Board:

1. Approved the construction contract award for the NRW Collection System Repairs Phase IV, Project No. EN14035 and for the Sewer Collection System Manhole Rehabilitation, Project No. EN14037, to Genesis Construction for their low bid of \$495,777; and
2. Authorized the General Manager to execute the contract.

H. The Board:

1. Pledged to contribute \$50,000 to WateReuse Research Foundation to assist in completion of the California Direct Potable Reuse Initiative; and
2. Authorized the General Manager to execute the pledge confirmation.

I. The Board:

1. Approved the Memorandum of Understanding between Inland Empire Utilities Agency, Jurupa Community Services District, and Western Municipal Water District of Riverside County for the development of a Recycled Water Interconnection; and
2. Authorized the General Manager to make non-substantive changes and execute the final MOU.

J. The Board approved the rejection of both proposals for the RP-1 Preliminary Treatment Rehabilitation Project submitted by Coonstruction, Inc. and Environmental Construction, Inc.

K. The Board:

1. Approved a contract amendment to Aqua Ben Corporation, for a two-year period through October 31, 2016, for supply of Hydrofloc 748E polymer at a firm-fixed price of \$1.085/pound, inclusive of all sales tax and delivery charges; and
2. Authorized the General Manager to execute the contract amendment.

L. The Board:

1. Approved a contract amendment to Royal Wholesale Electric, for a two-year period, not-to-exceed amount of \$400,000 through June 30, 2016; and

*Continued...*

**M2014-8-3, continued.**

2. Authorized the General Manager to execute the contract amendment.

M. The Board:

1. Approved a three-year contract for construction inspection, soils testing, and material testing services on an "as needed" basis to Heider Engineering Services, Inc., for a not-to-exceed amount of \$2,100,000 with two optional one-year extensions;
2. Approved a three-year contract for construction inspection, soils testing, and material testing on an "as needed" basis to RMA Group, for a not-to-exceed amount of \$2,100,000 with two optional one-year extensions; and
3. Authorized the General Manager to execute the consultant contracts.

N. The Board:

1. Approved the new recharge project, the Lower Day Basin Improvements RMPU, Project No. RW15004, within the Recharge Water Fund with a total budget of \$2,480,000 and a \$70,000 allocation in FY 2014/15 to initiate the design and construction activities under Task Order No. 2 of the Master Cost Sharing Agreement; and
2. Authorized the General Manager to make non-substantive changes and execute the eight new Task Orders under the Master Cost Sharing Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster.

## **2. ACTION ITEMS**

### **A. RP-1 OUTFALL RELOCATION AND UPSIZING BUDGET AMENDMENT**

Deputy Manager of Construction Management David Mendez gave a PowerPoint presentation in reference to the RP-1 outfall relocation and upsizing budget amendment. Mr. Mendez went through the projects background from 2011 to current, stating that a bid opening was held in July 2014. Mr. Mendez provided a brief overview of the project scope and stated that two bids were received: one at \$5.79M and the other at \$5.9M, both of which exceeded the engineer's estimate of \$3,000,000. Staff did hire a third party consultant, GK & Associates, to validate the costs. GK & Associates estimate amounted to a total of approximately \$5.7M, showing that the bids received were accurate. Executive Manager of Engineering Chris Berch stated that \$1M is a reimbursement of the developer; Forestar's portion of the pipeline, IEUA is paying the incremental left above the \$1M due to the upsizing of the project pipeline. Mr. Mendez stated that a budget amendment of \$3.2M is needed to complete this project.

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

**M2014-8-4**

MOVED, to:

1. Approve an amendment to the FY 2014/25 Recycled Water Capital (WC) Fund to increase the budget for the RP-1 Outfall Relocation and Upsizing, Project No. EN14038, from \$2,000,000 to \$5,200,000; and
2. Authorize the General Manager to execute the Holding Escrow Agreement with Forestar Development Company and Foremost Communities for the project.

**1. INFORMATION ITEMS**

**A. 2014 STATE LEGISLATIVE TRACKING MATRIX**

Manager of External Affairs Kathryn Besser provided an update on the legislative tracking matrix, stating that the Water Bond had passed through state legislature. Staff is currently watching two groundwater legislative bills. The bills are separate bills, with no overlaps; however, they must both be passed in order for either to be enacted. ACWA's position is currently to support if amended. Mr. Grindstaff stated that IEUA has not yet taken a position in regards to the Water Bond; it is the decision of the Board to decide whether or not to take a formal position prior to the election.

**B. MWD UPDATE**

Executive Manager of Engineering/Assistant General Manager Chris Berch provided an update on MWD's water resource related activities. Stating that MWD is emphasizing the work towards water conservation over the past 30 years and how it has affected the current drought situation; that despite 45 percent population growth in the service area, water consumption has not changed drastically. Mr. Berch stated that MWD is estimating their water conservation expenditures will be drastically higher than previous years. The Local Resource Program (LRP) was also discussed, Mr. Berch stated that MWD is working on revamping this program and that both IEUA and CDA have benefited from this MWD program in the past. Mr. Berch stated that water supply planning is being discussed, and there is a high likelihood of it being an allocation next year.

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

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

**D. PUBLIC OUTREACH AND COMMUNICATION**

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

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

**G. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES**

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

**I. 2014 FEDERAL LEGISLATIVE TRACKING MATRIX**

**J. ENGINEERING AND CONSTRUCTION MANAGEMENT FY 2013/14 MONTHLY UPDATE**

**K. LABORATORY SEMI-ANNUAL UPDATE**

**PUBLIC COMMENT**

Dave Weiman of Agricultural Resources, provided a presentation of the drought monitor, showing the drought in motion. A monthly snap shot of the drought within the United States since 1999. He stated that through this drought in motion picture you begin to see the drought in a different way. He stated that in the water industry individuals tend to think of the drought as a toggle switch, "in drought, out of drought". A little over a decade ago, the drought began to form in the Pacific Northwest, slowly growing down to the South. Mr. Weiman reviewed from 1999 through early 2014, showing the different conditions throughout the years. Mr. Weiman stated that IEUA thought about the drought, and put programs in place to prepare, making investment in drought proofing. Mr. Weiman stated that now that there is a water bond that will be put on the ballot, there is a greater potential for drought bills to be enacted. He stated that the President of the WaterReuse Association would like to push for more money to be used to expand the Title 16 program.

**4. AGENCY REPRESENTATIVES' REPORTS**

**A. SAWPA REPORT**

Director Hall reported that she had no additional comments.

**B. MWD REPORT**

Director Camacho reported that he had no additional comments.

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

The August 7 meeting was cancelled. The next meeting is scheduled for September 4.

**D. CHINO BASIN WATERMASTER REPORT**

Director Elie reported that the safe yield discussions are ongoing. Director Elie gave a brief update on the storage agreement.

**5. GENERAL MANAGER'S REPORT**

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

General Manager P. Joseph Grindstaff began by discussing the Vulcan pit project; he stated that the state has indicated that they are willing to extend the \$9.9M grant that was potentially allocated to the Vulcan pit. The state has not set a deadline; however they would like to see progress made. IEUA has informed the state of an alternative project, the state is in agreement with moving forward with the alternative project. Mr. Grindstaff stated that he received a request from the City of Fontana, Manager of Public Works Chuck Hays, requesting that the project list be adjusted slightly. Due to the grant being held in the City of Fontana's name, the State will not work with IEUA on the project list until the City of Fontana appropriately directs them to do so; a meeting with all involved parties is currently being scheduled to resolve this issue. Mr. Grindstaff clarified that in working with alternative projects; the Vulcan pit project will no longer be funded by this grant. Mr. Grindstaff gave an overview of the daily operations of the facilities, highlighting issues experienced over the past month.

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

None.

## **10. BOARD OF DIRECTORS' COMMENTS**

Vice-President Camacho welcomed Mike Touhey, Board Member for Upper San Gabriel Valley Municipal Water District.

Director Hall attended a reception for the new MWD Chairman Randy Record on July 16, 2014. On July 17, 2014, Ms. Hall attended a tour with Assemblywoman Cheryl Brown at IEUA and on July 21, 2014, took a tour of the Fontana wastewater treatment facility. On July 31, 2014, Ms. Hall attended the IEUA leadership breakfast and stated it was well attended.

Vice-President Camacho stated that he also attended the IEUA leadership breakfast on July 31, 2014, it was well attended and very informative.

## **11. CLOSED SESSION**

The Board went into Closed Session at 10:45 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (2) Martin vs. IEUA, Case No. CIVRS 1000767; (3) Sheilds vs. IEUA, Case No. CIVRS 1301638; (4) Desaddi vs. IEUA, Case No. CIVRS 1304617; (5) Kaveh Engineering and Construction Inc. Corp vs. IEUA, Case No. CIVRS 1402048 B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Three (3) Cases; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (1) Property: 117.509036, 34.076044 (Prologis Lagoon), Negotiating Parties: General Manager P. Joseph Grindstaff, Under Negotiation: Price and Terms of Purchase; (2) Supplemental Water Transfer/Purchase; Negotiating Parties: General Manager P. Joseph Grindstaff, Under Negotiation: Price and Terms of Purchase; D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION: General Manager

The meeting resumed at 11:35 p.m. and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

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

### **M2014-8-5**

MOVED, to:

1. Approve the Change Order Request between IEUA and MNR General Construction Inc., (MNR) for the 930-Zone Recycled Water Pipeline, Project No. EN13023, for the not-to-exceed amount of \$2,882,910;
2. Approve a budget amendment in the amount of \$4,008,791;
3. Authorize the General Manager to execute a change order for the not-to-exceed amount of \$2,882,910 following validation and substantiation; and
4. Authorize the General Manager to execute the Budget Amendment.



Regarding Conference with Legal Counsel – Existing Litigation:

Sheilds vs. IEUA, Case No. CIVRS 1301638

Desaddi vs. IEUA, Case No. CIVRS 1304617

Kaveh Engineering and Construction Inc. Corp. vs. IEUA, Case No. CIVRS 1402048

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Martin vs. IEUA, Case No. CIVRS 1000767

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

The Board did not discuss this item.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Case No. 1, 2 and 3

The Board took no reportable action.

Regarding Conference with Real Property Negotiator:

Property: 117.509036, 34.076044 (Prologis Lagoon)

Supplemental Water Transfer/Purchase

The Board took no reportable action.

Regarding Personnel Matters – Public Employee Performance Evaluation

General Manager

The Board took no reportable action. .

With no further business, Vice-President Camacho adjourned the meeting at 12:17 p.m.

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Steven J. Elie, Secretary/Treasurer

**APPROVED: SEPTEMBER 17, 2014**