



MINUTES

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

WEDNESDAY, SEPTEMBER 10, 2014
11:00 AM

COMMITTEE MEMBERS PRESENT

Gene Koopman, Chair
Steven J. Elie

COMMITTEE MEMBERS ABSENT

None

STAFF PRESENT

P. Joseph Grindstaff, General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Ernest Yeboah, Executive Manager of Operations/Assistant General Manager
Sharmeen Bhojani, Manager of Human Resources
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Tina Cheng, Budget Officer
Francis Concemino, Associate Engineer
Majid Karim, Acting Manager of Engineering
Craig Proctor, Pretreatment & Source Control Supervisor

April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

John Bosler, CVWD
Linda Daniels, City of Rancho Cucamonga
Fabian Villegas, City of Rancho Cucamonga

The meeting was called to order at 11:00 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Finance, Legal, and Administration Committee meeting minutes of August 13, 2014.
- ◆ Recommended that the Board approve the total disbursements for the month of July 2014 in the amount of \$23,450,803.58;

as a Consent Calendar Item on the September 17, 2014 Board meeting agenda.

- ◆ Recommended that the Board approve the carry forward of open encumbrances and related budget in the amount of \$19,353,882 from FY 2013/14 to FY 2014/15;

as a Consent Calendar Item on the September 17, 2014 Board meeting agenda.

- ◆ Recommended that the Board:

1. Approve the Compensation Agreement with the City of Rancho Cucamonga (City) approving the transfer of real property from the City's Successor Agency to the City for governmental use;
2. Approve the Memorandum of Understanding between the City, Cucamonga Valley Water District (CVWD), and the Agency to work collaboratively to promote and enhance water conservation measures to ensure water sustainability and reliability now and in the future; and
3. Authorize the General Manager to execute the Compensation Agreement and MOU;

as an Action Item on the September 17, 2014 Board meeting agenda.

- ◆ Recommended that the Board:

1. Approve enrollment of the County Supervisors' Association of California Excess Insurance Authority (CSAC EIA) pool for dental, life insurance/accidental death and dismemberment, and long-term disability benefits through Delta Dental and Cigna; and
2. Adopt Resolution No. 2014-9-1, to join the CSAC EIA pool;

as a Consent Calendar Item on the September 17, 2014 Board meeting agenda.

- ◆ Recommended that the Board:

1. Award the construction contract for the RP-2 Drying Beds Rehabilitation, Project No. EN14012, to Environmental Construction, Inc. for their low bid of \$714,822; and
2. Authorize the General Manager to execute the construction contract;

as an Action Item on the September 17, 2014 Board meeting agenda.

- ◆ Recommended that the Board:

1. Award the service contract to repair the internal coating of Digester No. 4 for Regional Water Recycling Plant No. 1 (RP-1), to Industrial Coating and Restoration Services, for a not-to-exceed amount of \$158,390 including sales tax, payment and performance bonds, and contingency cost; and
2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the September 17, 2014 Board meeting agenda.

INFORMATION ITEMS

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

- ◆ Treasurer's Report of Financial Affairs
- ◆ Regional Wastewater System Draft Ordinance No. 97

GENERAL MANAGER'S COMMENTS

Chief Financial Officer Christina Valencia reported that in May 2014, the Agency adopted a policy for continuing disclosure to comply with new requirements from the Security Exchange Commission (SEC). The SEC is taking a more proactive approach in auditing municipalities' compliance to their bondholders. She stated at that time, staff reported to the Board that the Agency had complied with all of the material disclosure requirements per the existing bond covenants. She said that approximately two weeks ago, Citigroup, the underwriter for all of the Agency's outstanding bonds, notified the Agency that, as underwriters, they are also required to go through an extensive audit in order to identify any non-compliance issues. Citigroup discovered two incidents of non-compliance for the Agency; one being the late filing of the FY 2004/05 Agency's audited financial statement and no filing found for FY 2006/07. Ms. Valencia stated that staff went back and searched the records in a national database, and confirmed the 2007 filing was posted in compliance with the disclosure requirements. She stated regarding the 2005 late filing, the financial statements were prepared on time; however, staff was late in posting them by 89 days. She reported a more extensive investigation is being conducted and plans to present this item to the Board in November for direction on how to proceed with the 2005 late filing.

COMMITTEE MEMBER COMMENTS

None.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

None.

With no further business, the meeting adjourned at 11:40 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: OCTOBER 8, 2014