

NOTICE OF MEETING

OF THE
REGIONAL SEWERAGE PROGRAM
TECHNICAL COMMITTEE

OF THE



WILL BE HELD ON
THURSDAY, AUGUST 25, 2016
3:30 P.M.
BOARD ROOM
AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE, BUILDING A
CHINO, CA 91710



Regional Sewerage Program Technical Committee Meeting

AGENDA **Thursday, August 25, 2016** **3:30 p.m.**

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Call to Order and Roll Call

Additions to the Agenda

1. Action Items

- A. Approval of the May 26, 2016 Meeting Minutes
- B. RP-1 Mixed Liquor Return Pump

2. Informational Items

- A. Regional Contract Facilitation Process
- B. Salinity Update
- C. Sewer Fee Evaluation

3. Receive and File

- A. Pretreatment Committee Meeting Minutes
- B. Draft Regional Policy Committee Agenda
- C. Building Activity Update
- D. Recycled Water Distribution - Operations Summary
- E. Semi-Annual Recycled Water Update

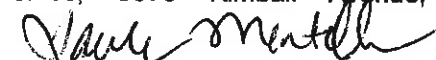
4. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Meeting – September 29, 2016

5. Adjournment

DECLARATION OF POSTING

I, Laura Mantilla, Executive 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 Monday, August 22, 2016.



Laura Mantilla

**ACTION
ITEM
1A**



Regional Sewerage Program Technical Committee Meeting MINUTES OF MAY 26, 2016 MEETING

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, May 26, 2016, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Shaw called the meeting to order at 3:35 p.m.

ATTENDANCE

Committee Members:

Ryan Shaw	City of Ontario
Chuck Hays	City of Fontana
Mike Hudson	City of Montclair
Rosemary Hoerning	City of Upland
John Bolser	Cucamonga Valley Water District
Steve Nix	City of Chino Hills
Jesus Plasencia	City of Chino
P. Joseph Grindstaff	Inland Empire Utilities Agency

Others Present:

Dave Crosley	City of Chino
Gil Aldaco	City of Chino
Dan Chadwick	City of Fontana
Chris Berch	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Lisa Snider	Inland Empire Utilities Agency
Peter Soelter	Inland Empire Utilities Agency

1. ACTION ITEMS

A. Approval of the meeting minutes of April 28, 2016

Motion: By Chuck Hays/City of Fontana and seconded by Mike Hudson/ City of Montclair to approve the minutes of the April 28, 2016 Technical Committee meeting.

Motion carried: Unanimously.

B. Regional Contract Amendment

Sylvie Lee/IEUA stated that the proposed recycled water contract amendment language was changed as previously discussed. Ms. Lee requested that the Committee provide input on how to move forward with the implementation of core components of the Recycled Water Policy Principles. Ms. Lee reviewed the three proposed options:

Option 1: Do Nothing

Option 2: IEUA Board adopts two Resolutions, which addresses the following:

1. Provides the basis for recycled water use that the City of Chino will be grandfathered for the next seven years, and set the definition for surcharge rate for use over base entitlement.
2. Establish surcharge rate for use in excess of entitlement.

Option 3: Regional Contract Amendment as Proposed (Current Notice of Intent)

- This option addresses the changes proposed within the RW Policy Principles as developed with Contracting Agency staff for the last six months.
- Proposed amendment language (Section 15 and 16) is not supported by all Contracting Agencies.
- Proposed method of amendment (Section 30.B) is not supported by all Contracting Agencies.

Jesus Plasencia/City of Chino indicated that they would like to include additional language in a staff memo or resolution on how to handle groundwater recharge and requested another focus meeting to draft the language. Mr. Grindstaff stated the language would be incorporated in a staff memo, which will be sent to everyone for feedback. Mr. Plasencia also requested that another bullet be added to the, Establishing Surcharge Rates for Recycled Water Use Above Entitlement for Fiscal Year 2016/17 Resolution, regarding another source of water other than Chino Basin groundwater that can be utilized as a way to determine the surcharge rate. Mr. Plasencia will provide IEUA the language to be incorporated in the resolution by May 27, 2016. The committee discussed and were in support of option 2.

Motion: By John Bosler/City of CVWD and seconded by Mike Hudson/City of Montclair to support Option 2 with the revisions as discussed.

Motion carried: Unanimously.

C. Fiscal Year 2016/2017 Amended Budget

Christina Valencia/IEUA stated there were no significant changes to the proposed amendments for Fiscal Year 2016/2017 Operation and Maintenance (O&M) since the overview was presented last month, which included all agency funds and the draft water rates. Ms. Valencia presented the proposed amendments to the Fiscal Year 2016/17 adopted budget on the Wastewater Operations and Maintenance (RO) fund, Regional Wastewater Capital Improvement (RC) fund, Recycled Water (WC) fund, and Recharge Water (RW) fund. She highlighted that the total revenue and other sources of funds (RC, RO, WC and RW) was amended from \$183.2 million to \$173.2 million; a decrease of \$10 million, primarily from the revised forecast of new connections which was reduced from 4,580 EDUs to 3,000.

The total expenses and other uses of funds RC, RO, WC and RW was amended from \$156.6 million to \$173.8 million; an increase of \$17.2 million. Ms. Valencia stated that approximately \$10 million of that is in operating expenses and \$5 million was due to the updated ten-year capital improvement plan (TYCIP) recommended for approval by the Committee last month. Ms. Valencia indicated that the details on the changes are provided in the staff report. Ms. Valencia reviewed the total estimated fund balance for RC, RO, WC and RW funds. She explained how property taxes will be used going forward and reviewed the outstanding inter-fund loans.

Motion: By John Bosler/City of CVWD and seconded by Chuck Hays/City of Fontana to make recommendation to the IEUA Board to approve the proposed amendments to the Fiscal Year 2016/17 adopted budget for the Agency's Regional Wastewater Operations and Maintenance (RO) fund, Regional Wastewater Capital Improvement (RC) fund, Recycled Water (WC) fund and the Recharge Water (RW) funds.

Motion carried: Unanimously.

D. City of Chino Hills Regional Connection Request

Shaun Stone/IEUA received a request on April 21, 2016 from the City of Chino Hills for approval of a new regional connection point to the Southwest Chino Trunk Sewer. The connection is required due to grade limitations of a City of Chino Hills sewer located west of Monte Vista Avenue.

Motion: By Mike Hudson/City of Montclair and seconded by John Bosler/City of CVWD to approve the request by the City of Chino Hills for a new connection point to the Regional System (Chino Hills Regional Sewer Connection #CH-10).

Motion carried: Unanimously.

2. INFORMATIONAL ITEMS

A. RP-1/RP-5 Expansion PDR

Shaun Stone/IEUA gave a summary of the RP-1/RP-5 Expansion Pre-Design Report presented to the IEUA Board Workshop on May 11, 2016. He discussed the following objectives: the facilities capacity of RP-5 influent flows and treatment capacity, expansion sizing, secondary treatment alternatives: conventional activated sludge versus membrane bio-reactor (MBR). He also summarized the expansion phasing of RP-5, possible decommissioning of CCWRF, and estimated impact to the total project cost and cost of ownership over 30 years.

B. Strategic Grant Planning

Chris Berch/IEUA gave an overview of the strategic grant plan. He stated that over the last 15 years IEUA has obtained over \$150 million in grants and \$270 million in low interest SRF Loans for the benefit of the region. Mr. Berch stated that in the last couple of years, IEUA has shifted to the use of SRF Loans financing and not looking to fund anything through bonds.

Mr. Berch discussed the opportunities for various programs to receive funding and discussed the applications that IEUA has already submitted, such as, TCE Plume Cleanup Project, Recharge Master Plan and recycled water projects have active grant and loan applications pending. Mr. Berch stated that IEUA wants to continue to be a regional leader in obtaining grant funding for regional projects, as well as projects for member agencies.

C. Response to Regional Contract Audit

Mr. Grindstaff stated that IEUA and member agencies will need to figure out how to address the findings in the Regional Contract Review Final Report. Mr. Hudson asked if the agencies are required to collect all monies from the school district as described in the audit. Mr. Grindstaff replied that when responding to IEUA, the following should be considered:

1. How the current system, such as schools for most agencies, is not working and how we can move forward with options.
2. The agencies should consider going back at least three years when responding to the findings of the audit.
3. The agencies should provide responses to move forward progressively and ensure that all agencies are treated equitably.
4. Each agency needs to address payment deficiencies as identified in the audit report.
5. Address any process changes that are needed within each agency to mitigate future instances

Mr. Grindstaff suggested that Ryan Shaw or another Technical Committee Member attend the IEUA Board meeting to inform the Board that they are working to address the issue and find solutions. Mr. Shaw suggested that IEUA and member agencies meet to discuss the audit response. He also stated that agencies are interested in lease options as a forward-looking solution to some of the issues identified in the audit. Mr. Bosler requested that the group reconvene with IEUA to discuss the

schools and the process moving forward. Mr. Shaw stated that the Technical Committee is working on the response letter.

3. RECEIVE AND FILE

A. Draft Regional Policy Committee Agenda

The draft Regional Policy Committee Agenda was received and filed by the Committee.

B. Building Activity Update

The Building Activity Update Report was received and filed by the Committee.

C. Recycled Water Distribution Summary

The Recycled Water Distribution Summary for April 2016 was received and filed by the Committee.

D. Sewer Fee Evaluation

The Sewer Fee Evaluation was received and filed by the Committee.

E. Recharge Master Plan Update Project Resolutions and Agreements

The Recharge Master Plan Update Project Resolutions and Agreements were received and filed by the Committee.

4. OTHER BUSINESS

A. IEUA General Manager's Update

- Mr. Grindstaff reported that he had a meeting with the Governor's office on the drought. He stated that they are focused on long-term water conservation efficiency standards and there will be a process within the next few months to develop a proposal, which they will take to the state legislature and propose for full implementation.
- Mr. Grindstaff announced that Ernest Yeboah retired and IEUA has appointed Randy Lee as Executive Manager of Operations/Assistant General Manager.

B. Committee Member Requested Agenda Items for Next Meeting

None.

C. Committee Member Comments

None.


D. Next Meeting – July 28, 2016

The meeting for June 2016 was cancelled due to a lack of business transactions.

5. ADJOURNMENT – Meeting adjourned at 4:40 p.m.

**ACTION
ITEM**

1B

Date: August 25, 2016/September 1, 2016
To: Regional Committees
From: Inland Empire Utilities Agency 
Subject: Construction Contract Award for the RP-1 Mixed Liquor Return Pumps and Aeration Basin Panel Repairs

RECOMMENDATION

It is recommended that the Regional Committees authorize the Agency to award the construction contract for the RP-1 Mixed Liquor Return Pumps and Aeration Basin Panel Repairs, Project Nos. EN16024 and EN17040, to the lowest responsive and responsible bidder, J. F. Shea Construction, Inc.

BACKGROUND

Operation of Ground Water Recharge (GWR) facilities has a permit condition for recharged flow to meet 5 mg/L Total Nitrogen (TN) measured at the lysimeters at each GWR basin. In general, this requirement is more stringent than the Agency's 12-month Agency wide average for Total Inorganic Nitrogen (TIN) of 8 mg/L. To ensure consistent recycled water compliance, RP-1 needs to improve nitrogen removal efficiencies in the secondary system. The RP-1 Mixed Liquor Return (MLR) Pumps project is expected to assist RP-1 in meeting nitrogen removal for recycled water use. As stated in the Facilities Master Plan, "RP-1 is near capacity at current flows to meet the 8 mg/L requirement and improvement is needed to meet the 5 mg/L GWR TN permit requirements."

Facilities Master Planning efforts have indicated several projects to improve secondary system capacity which include operational adjustments, large scale construction of system expansions, and smaller scale system improvements to the current secondary system. Due to the schedule of the planned RP-1 expansion, the Agency pursued the implementation of the small scale system improvement by adding MLR to the secondary system. This project provided the most cost effective and timely relief of to the RP-1 capacity challenges.

The Aeration Basin Panel Repairs project is to repair and replace the aeration panels in all six aeration basins. The repair and replacement of the aeration basin panels is a routine maintenance project scheduled for this year by IEUA Maintenance. Since the MLR Pumps project requires a full aeration basin shutdown, the IEUA Operations and Maintenance Departments requested to use the shutdown to complete the aeration basin panel

repair/replacement at the same time that the mixed liquor return pumps were being installed under one contract. Completing both projects under one shutdown would minimize operational disruptions and provides economies of scale in the construction contract.

On July 14, 2016, a request for bids was advertised to the four pre-qualified contractors and on August 16, 2016, the following bids were received:

BID SUMMARY

Contractor Name	Bid for the RP-1 Mixed Liquor Return Pumps (EN16024)	Bid for the RP-1 Aeration Basin Panel Repairs (EN17040)	Lump Sum
J.F. Shea Construction, Inc.	\$4,888,000	\$1,745,000	\$6,633,000
W.M. Lyles Co.	\$4,868,321	\$2,920,000	\$7,788,321
Myers and Sons Construction , LP	\$5,580,000	\$3,408,000	\$8,989,000
Clark Construction, California, LP	\$7,695,000	\$3,095,000	\$10,790,000
Engineer's Estimate	\$4,700,000	\$1,700,000	\$6,400,000

J. F. Shea Construction, Inc. is the lowest responsive and responsible bidder with a bid of \$6,633,000.

The projected costs are as follows:

Description	Estimated Cost	
	EN16024	EN17040
Design	\$675,000	\$15,000
Construction	\$4,888,000	\$1,745,000
Engineering Services During the Construction	\$195,000	\$8,000
Construction Services (~7%)	\$342,000	\$122,000
Construction Contingency (~10%)	\$488,000	\$175,000
Total Estimated Project Cost	\$6,588,000	\$2,065,000

The Project Schedule is as follows:

Project Milestone	Date
Construction Contract Award	September 2016
Construction Completion	January 2018

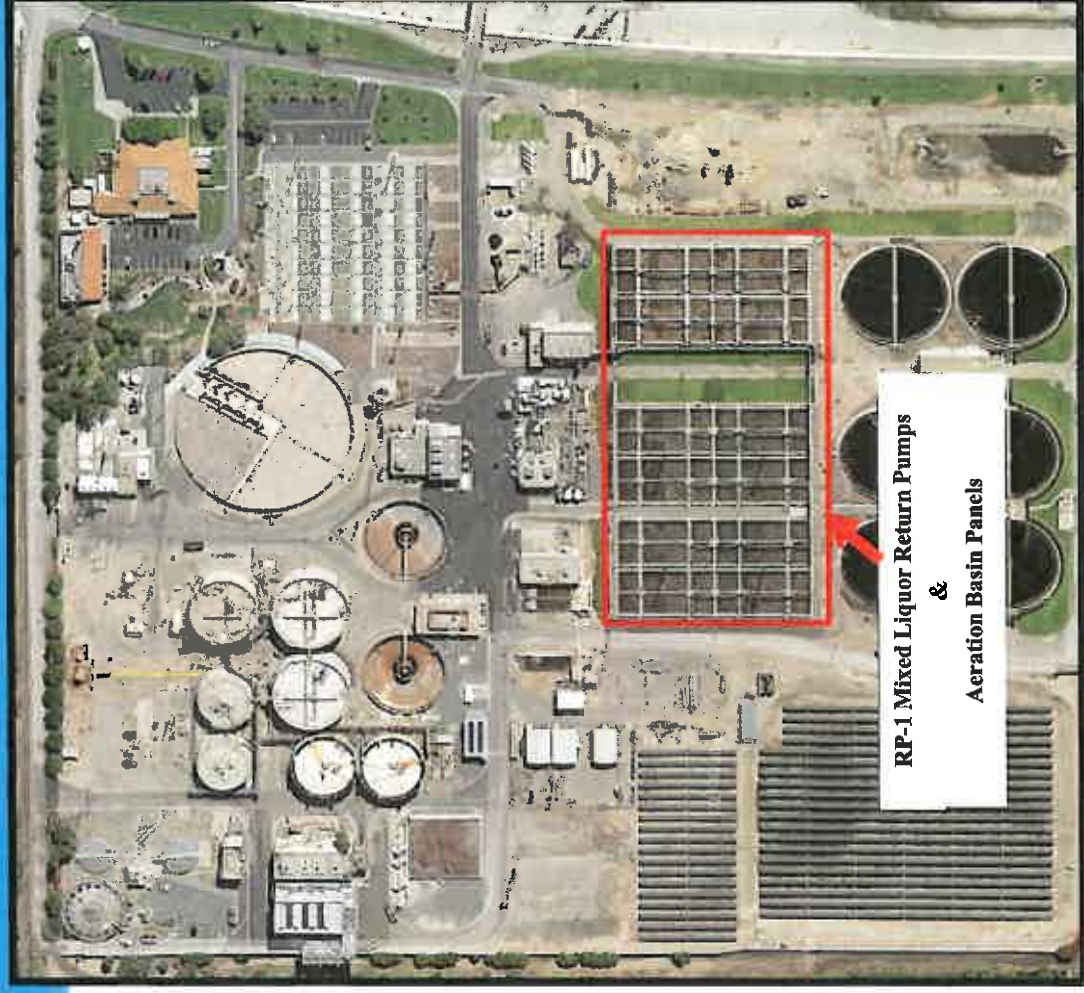
RP-1 Mixed Liquor Return Pumps and Aeration Basin Panel Repairs
August 25, 2016/September 1, 2016
Page 3

These projects are part of the Agency's Wastewater Management Capacity Business Goal to maintain capacity within facilities to meet essential service demands and to protect public health and environment.

RP-1 Mixed Liquor Return Pumps &
Aeration Basin Panel Repairs
Construction Contract Award
Project Nos. EN16024 & EN17040
September 21, 2016



Project Location



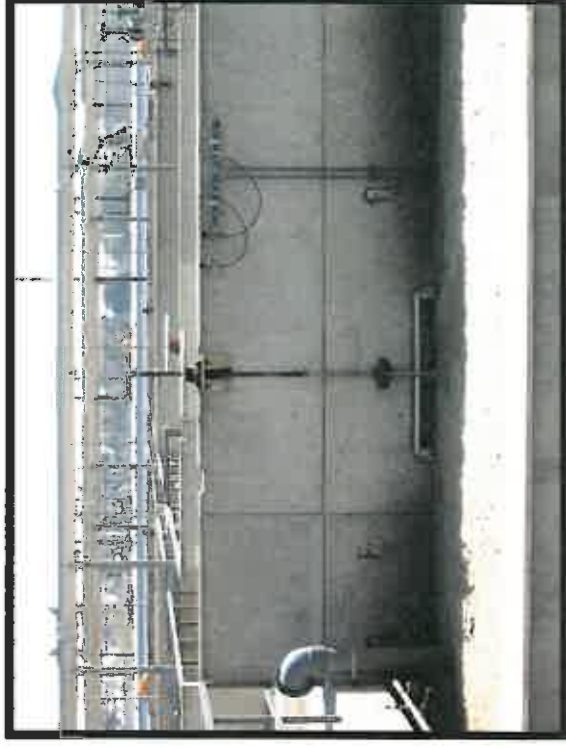
Project Request/Background RP-1

Aeration Basins

- **Stringent current permit limitations:**
 1. Ground Water Recharge (GWR) Permit: 5 mg/L Total Nitrogen (TN) at lysimeters
 2. NPDES Permit: Total Inorganic Nitrogen (TIN) 8 mg/L
- **Facilities Master Planning 2015:**
 - RP-1 is near capacity at current flow to meet the TIN and TN requirements
- **Repair and replacement of the aeration panels is a routine maintenance project**
 - Scheduled every 3 to 5 years based on decline in the performance of the aeration panels

Project Scope

- Add mixed liquor return functionality to all 6 trains
- Repair and replace the existing aeration panels



Bid Summary

- On July 14, 2016, a request for bids was advertised to the four prequalified contractors
- On August 16, 2016, the following bids were received.

Bidder's Name	Mixed Liquor Return Pump	Aeration Basin Panel Repairs	Lump Sum
J.F. Shea Construction, Inc.	\$4,888,000	\$1,745,000	\$6,633,000
W.M. Lyles Co.	\$4,868,321	\$2,920,000	\$7,788,321
Myers and Sons Construction, LP	\$5,580,000	\$3,408,000	\$8,989,000
Clark Construction, California, LP	\$7,695,000	\$3,095,000	\$10,790,000
Engineer's Estimate	\$4,700,000	\$1,700,000	\$6,400,000

Project Cost/Schedule

Description	Mixed Liquor Return Pump	Aeration Basin Panel Repairs
Design	\$675,000	\$15,000
Construction	\$4,888,000	\$1,745,000
Construction Services (~7%)	\$342,000	\$122,000
Engineering Services During Construction	\$195,000	\$8,000
Construction Contingency (~10%)	\$488,000	\$175,000
Total Project Cost	\$6,588,000	\$2,205,000

Project Milestone	Date
Construction Contract Award	September 2016
Construction Completion	January 2018


Recommendation

It is recommended that the Regional Committees authorize the Agency to award the construction contract for the RP-1 Mixed Liquor Return Pumps and the RP-1 Aeration Basin Panel Repairs, Project Nos. EN16024 and EN17040, to the lowest responsive and responsible bidder, J.F. Shea Construction, Inc.

Projects are part of the Agency's **Wastewater Management Capacity** Business Goal to maintain capacity within facilities to meet essential service demands and to protect public health and environment.

**INFORMATION
ITEM**

2A

Date: August 25/September 1, 2016
To: Regional Committees
From: Inland Empire Utilities Agency 
Subject: Regional Sewage Service Contract Negotiations

RECOMMENDATION

This is an informational item for the Regional Committees to provide input on the next steps for the update/renewal of the Regional Sewage Service Contract.

BACKGROUND

In July 1972, the Inland Empire Utilities Agency (IEUA) and the Regional Contracting Agencies (Member Agencies) entered into the Regional Sewage Service Contract (the Contract). Since that time, the Contract has been amended several times. The Contract currently consists of eighty-seven pages with an additional ten exhibits ("A" through "J"), a Regional Pretreatment Agreement and Wastewater Ordinance.

The IEUA has evolved dramatically since the inception of the Regional Program. Producing high-quality renewable products such as recycled water, compost, and energy have become core business objectives, to name just a few. During this period, new policies and procedures have been implemented to accommodate the changing environment and reflect improved effectiveness and efficiencies of the Regional Program.

While the Contract in its current state has worked well for the IEUA and Member Agencies for the last 40+ years, it does not accurately reflect IEUA's expanded operations, business practices and key policy principles. As the service area needs have changed, there is a need to streamline the Contract for procedures, language and better understanding. IEUA and the Member Agencies have the opportunity to make transformational adjustments to the approach to meet the regional needs for the next 50 years.

In 2015, IEUA and the Member Agencies began discussions on the goal to amend the contract and extend beyond the 2023 expiration date. At that time, IEUA communicated to the Member Agencies the concern that failure to extend the Contract will impact the ability of IEUA to fund the capital needs to meet growth and economic development of the region. Lending institutions have informed IEUA that without a long term contract, IEUA will be unable to reliably secure low interest loans to meet this development need. Therefore, it is critical that IEUA can demonstrate a plan for long term revenue generation prior to soliciting project financing.

While IEUA and the Member Agencies have different ideas and positions regarding the items that must be amended within the Contract, it is generally accepted that the Contract needs to be extended to support future capital debt concerns raised by IEUA as well as bring closure to several of the discussion points identified during the regional contract audit. Through a series of meetings and workshops with the Technical Committee over the last year, several key areas were identified as needing to be addressed as part of the contract negotiations. These items include:

- IEUA's use of property taxes
- Role of the Regional Committees
- Future contract amendments
- Budgets and reporting
- Equivalent Dwelling Unit determination (Exhibit J)
- Connection fee collection
- User fee collection
- Right to audit

While meaningful discussion has taken place during the recent workshops, there is general disagreement amongst IEUA and Member Agencies on the next steps moving forward to amend the current contract. After extensive discussions, IEUA and the Technical Committee agreed that to keep the process moving forward it would be beneficial to all parties to have a third party facilitator help define the roadmap to complete the contract negotiation process in a well-organized, efficient and timely manner. The Technical Committee requested that IEUA conduct a search to identify potential facilitators to support this effort. In response to this request ten firms were contacted based on not having worked with IEUA in the past to ensure an impartial position. IEUA requested proposals be submitted by August 5th to be considered for this project. IEUA received three proposals:

1. Bert Michalczyk Consulting Engineers
2. Kearns & West
3. Sharon Browning & Associates

IEUA is seeking input from the Regional Committees on the attached proposals and process moving forward. After receiving input from the Technical Committee, IEUA will coordinate interviews with the facilitators over the next several weeks.

Attachments: 1. Request for Proposal for Facilitation of RC Update
2. Bert Michalczyk Consulting Engineers Proposal
3. Kearns & West Proposal
4. Sharon Browning & Associates Proposal

Request for Proposal for Facilitation of Regional Contract Update/Renewal

Inland Empire Utilities Agency (IEUA) is a wholesale water, wastewater and recycled water provider for a service area of about 800,000 people in the western portion of San Bernardino County. Retail service is provided through six different cities and one water district. IEUA entered into a 50-year sewage contract with these public entities in 1973. Although a few significant amendments were made over time, the contract has generally remained in effect with little debate for its duration. In the next several years, IEUA is planning some significant capital expenditures to meet planned growth (hence wastewater needs) within our collective service area. Prior to committing to long term debt issuance for these projects, IEUA believes that the regional contract must be amended (as appropriate) and extended.

As you can imagine, IEUA and each member agency has different ideas and positions regarding the items that must be amended within the regional contract; however, it is generally accepted that the contract needs to be extended to support the future capital debt concerns raised by IEUA. Through a series of discussions and workshops (with both technical and policy level leadership), several key areas were identified as needs to be addressed within the renegotiations. Some of the key items include, but are not limited to, Technical/Policy Committee roles and oversight vs. IEUA Board authority, how IEUA uses property taxes and roles/responsibilities for fee collection (through member agency or through IEUA).

The parties would like to get a facilitator onboard as quickly as possible to help guide IEUA and the member agencies through this renegotiation process. We anticipate that it will take a couple structured meetings a month with technical staff and/or policy members as well as numerous individual calls/meetings to fully understand conditions and concerns. IEUA would like to have a "term sheet" developed by the end of this calendar year. IEUA anticipates that following term sheet development, it will still take 6 months to get incorporated into an agreement and get through the various public bodies for adoption. It is important for IEUA to have this process complete by summer 2017 to support the SRF applications we will be submitting near that same time.

IEUA staff has not been involved in coordinating the solicitation and selection of a facilitator for a project such as this. Although IEUA staff could potentially facilitate the discussion and negotiations for the contract renewal through in-house resources, we tend to think that it would take too long and would likely not be as balanced and positive experience compared to getting some outside help to guide this process. If you are interested in leading this effort, please provide the following:

1. Summary of your experience and ability to help our region through this negotiation
2. Your ability to support this type of effort on the general timeline outlined above
3. Any thoughts you have on how we should structure the process
4. Estimated level of effort (hours/costs)

IEUA would like to get at least two interested facilitators in front of technical staff within 2-weeks and have the selected facilitator on contract by late August. Therefore, I would appreciate proposals by 8/5/16.

BERT L. MICHALCZYK, CONSULTING
ENGINEERS, INC.

PROPOSAL FOR

WASTEWATER AGENCY CONTRACT
FACILITATOR

PREPARED FOR

INLAND EMPIRE UTILITIES AGENCY

August 5, 2016

In response to request for proposal of July 24, 2016

Bert L. Michalczyk Consulting Engineers, Inc.
32 Leeds Court East
Danville, CA 94526

Bert.Michalczyk@gmail.com
925-570-8830

August 5, 2016

Inland Empire Utilities Agency
6075 Kimbal Ave.
Chino, CA 91708

Attention: Mr. Chris Berch, Executive Manager of Engineering / Assistant General
Manager
cberch@ieua.org

Subject: Proposal for Wastewater Agency Contract Facilitator

Dear Mr. Berch:

I am pleased to offer this proposal to the Inland Empire Utilities Agency for facilitation services for your wastewater contract renewal as outlined in your email of July 24, 2016 and related documents provided.

I have recently retired from the Dublin San Ramon Services District (DSRSD) with over 25 years of service and served for the last 15 years as General Manager. During my time at DSRSD I was directly involved in the development and negotiation of many complex wastewater, water and recycled water agreements with multiple and diverse parties. As such I believe I am very well qualified to take on the Wastewater Agency Contract Facilitator role. With my background, experience and successful track record I am certain that I can successfully guide the wastewater agency contract discussions to a successful conclusion.

Thank you for taking the time to discuss this opportunity with me over the past few weeks. If there is anything else you need to evaluate my qualifications please contact me at your convenience.

Sincerely,



Bert Michalczyk, President
Bert L. Michalczyk, Consulting Engineers, Inc.

Cc: Craig Proctor cproctor@ieua.org

PART 1

RESUME, QUALIFICATIONS AND RELEVANT EXPERIENCE

The professional services under this engagement would be provided directly by Bert Michalczyk, President of Bert L. Michalczyk, Consulting Engineers, Inc. His qualifications and relevant experience are presented below.

Professional Resume

Mr. Michalczyk's professional resume is appended to this proposal.

Qualifications

Mr. Michalczyk, has practiced Civil Engineering in the State of California since 1979 in both the public and private sectors. He holds a Bachelor of Science in Civil Engineering degree (University of Toledo) together with a Master of Science in Civil Engineering degree (Purdue University). He is a Registered Civil Engineer (C 33332) in the State of California. Over the course of his career he has held a series of positions with progressively increasing responsibility. In those positions he has recent and relevant experience in the development of new and revised agreements for service in multi-agency scenarios and on extremely complex wastewater and water issues as will be needed to successfully carry out this Wastewater Agency Contract Facilitation effort.

Mr. Michalczyk's most relevant engagement was with the Dublin San Ramon Services District (DSRSD). He spend over 25 years in various leadership rolls and assignments and served as General Manager from 2001 through 2015.

During his tenure, DSRSD steadily grew to its current size serving about 20,000 water accounts, collecting and treating 10.5 mgd of wastewater treatment flows and delivering almost 3,500 acre feet of recycled water. DSRSD also operates facilities for two Joint Powers Agencies. Given its geographic situation the District could never provide cost effective service by itself; it must do so in partnership with others. Key partnerships in which DSRSD and Mr. Michalczyk were involved include:

- Wastewater treatment services (City of Pleasanton and DSRSD);
- Wastewater disposal services (LAVWMA – Joint Powers Agency of DSRSD, Livermore and Pleasanton);
- Recycled water services (DERWA – Joint Powers Agency of DSRSD and EBMUD members with Pleasanton under subcontract); and
- Potable water services (Zone 7 Water Agency and DSRSD).

Mr. Michalczyk was directly involved with the creation of many of these partnerships, negotiating the agreements and amendments needed to carry out their intended purpose, administering the agreements and maintaining the ongoing relationships.

Relevant Experience

In order for the above referenced partnerships to fulfill their intended purposes, various agreements are in place involving DSRSD and its partners. Some of these agreements were negotiated using an interest based approach, others were positional and contentious while some were done as an adjunct to or directly as a result of ongoing litigation and were extremely adversarial. While Mr. Michalczyk's preferred style is positive, interest based discussions, it is recognized that circumstances surrounding complex contract negotiations are not always conducive to that approach. He has experience negotiating agreements under all circumstances. Mr. Michalczyk had a direct role in negotiating and drafting the specific agreements in the table below which is a sampling of the various utility contracts he has developed over the course of his career.

Agreement / Parties / Year / Term	Aspects
<u>Regional Wastewater Treatment Agreement</u> (and 6 Supplemental Agreements) <ul style="list-style-type: none">• DSRSD and Pleasanton• 1990 with most recent amendment 2015• Indefinite term but no shorter than life of bonds	<ul style="list-style-type: none">• Decision making• Facility Planning, Design and Construction Review• Capacity Allocations• Cost sharing• Review of expenses• Rate setting• Connection fee setting• Debt financing• Reserve account management
<u>LAVWMA Amended and Restated JPA</u> <ul style="list-style-type: none">• DSRSD, Pleasanton, Livermore• 1999• Indefinite term but no shorter than life of bonds	<ul style="list-style-type: none">• Governance of and decision making within JPA• Budgeting procedures and approvals• Capacity Allocations• Cost Apportionment• Facility operations• Service area limitations• Flow restrictions• Financing
<u>DERWA JPA</u> <ul style="list-style-type: none">• DSRSD and EBMUD• 1995• Indefinite	<ul style="list-style-type: none">• Governance of and decision making within JPA• Budgeting procedures and approvals• Facility planning, design and construction procedures• Administrative cost sharing
<u>DERWA Water Sales and Water Supply Agreements</u> <ul style="list-style-type: none">• DERWA, DSRSD, EBMUD• 2003• 35 years	<ul style="list-style-type: none">• Terms and conditions of service• Apportionment of operating and capital costs• Physical facility capacity rights• Rights to recycled water• Shortage provisions• Operating and construction responsibilities• Sharing State and Federal grant and loan funding

Agreement / Parties / Year / Term	Aspects
<p><u>Water Supply Agreement</u> <i>(and Ancillary agreements)</i></p> <ul style="list-style-type: none"> • DSRSD and Zone 7 (but negotiated in parallel with similar agreements with three other retailers) • 1994 (with amendments) • 2024 	<ul style="list-style-type: none"> • Terms and conditions of service • Rate setting • Operating criteria • Planning criteria • Groundwater pumping allocations • Shortage provisions • Service area restrictions • Water delivery obligations • Collection of user charge revenue • Collection of connection fee revenue • Wellhead demineralization brine disposal
<p><u>Pleasanton Recycled Water Agreements</u></p> <ul style="list-style-type: none"> • DSRSD, Pleasanton, DERWA, EBMUD • 2015 • 2045 	<ul style="list-style-type: none"> • Capital cost buy-in provisions • Cost sharing • Rights to recycled water • Obligations to deliver recycled water • Facility sharing provisions
<p><u>SWRCB Statewide Recycled Water Policy</u>¹</p> <ul style="list-style-type: none"> • Adopted by SWRCB; developed by Stakeholder group of representatives consisting of a representative from water agencies², wastewater agencies, recycled water entities, cities, NGO's and State regulatory staff (DOHS, SWRCB) • 2009 • Remains in effect 	<ul style="list-style-type: none"> • Statewide recycle water use goals • Statewide recycled water use mandates • Statewide consistent recycled water permitting • Streamlined permitting for recycled water projects • Landscape irrigation projects • Groundwater recharge projects • Anti-degradation • Constituents of Emerging Concern and Blue Ribbon Panel and research program
<p><u>Berrenda Mesa Water Transfer</u> <i>(collection of several agreements to implement a 7,000 AFA transfer of State Water Project entitlements for an 11,000 unit development project)</i></p> <ul style="list-style-type: none"> • DSRSD, Berrenda Mesa, Zone 7, DWR, Kern County Water Agency, Semitropic Water Storage District, City of Livermore, Citizens for Balanced Growth, two private developers • 1999 • Remain in effect 	<ul style="list-style-type: none"> • Transfer amount • Capital cost • Water storage • Water conveyance and treatment • Water accounting • Place of use provisions • Shortage provisions

¹ Really a negotiated agreement to unify and make consistent diverse recycled water use and permitting policy throughout the State

² Mr. Michalczyk represented the Association of California Water Agencies

PART 2

APPROACH

The development of every contract for utility services is different. The process that is used depends upon the issues involved and how complex they may be, the people involved and the relationships that already exist among the parties. Having said this, there are certain, demonstrated techniques that will contribute to an efficient process and which engender positive outcomes. However, the approach must be flexible and adaptable as the discussions progress. In my experience, the development and negotiation of complex agreements such as this Wastewater Agency Contract essentially can be thought of as occurring in six distinct phases. The duration of each phase cannot be predicted. Some phases may be completed in a very short time with a minimal amount of discussions. Other phases may become protracted.

1 – Introducing the Facilitator

The initial phase of the work entails my developing rapport with and trust by the parties. To be effective, I must be viewed as a person whose goal it is to develop a contract that every party can support rather than as a person who is in any way aligned with one party or the other.

This will start with a joint introductory meeting with a goal of developing some ground rules for the process, an approximate schedule, soliciting commitment from the involved parties to stay involved and establishment of a common “high level” goal (for example “Have a contract in place by a certain date”). After that introductory meeting, I would schedule a series of one on one meetings with each party to listen and learn what their concerns and interests are. It is also a time where a few very preliminary ideas may start to surface for resolution of the issues.

2 - Developing a Common Understanding among the Parties

The agencies involved have already identified a number of issues of concern: (among those are rates and charges, property tax use, budgeting and reporting procedures, collection of connection fees, collection of user fees, examination of financial records, decision making by IEUA).

After the first kickoff meeting and the time I spent with each agency, the effort then will focus on developing a common understanding. At this stage the group must start “going deep” with their understanding not only of what the issues are but why each agency desires the positions they adopt for each issue. The focus will be on understanding the other participants’ viewpoints without necessarily agreeing with those views at this time. Linkages between the issues will also be explored. Honest, constructive dialogue must be encouraged among representatives at various levels at each agency (for example, I have seen vastly different importance assigned to a given issue by people at different levels at the same agency).

The only practical way to achieve this understanding is through a series of joint, small group and individual meetings and discussions. This phase can feel to the participants as if it were a waste of time (“I know my position and I’m right, why don’t they understand me?”). However, what it really does is encourages each party to clearly articulate what they would like to see in the contract and more importantly why. This phase is characterized by seeking to truly understand rather than by advocacy. It naturally leads to

certain issues rising up to be more important than others for a given party. This, then sets the stage for the give and take that will be needed to develop a contract which everyone can support.

3 - Identifying Possible Resolutions

This will start to happen naturally after each party understands other's viewpoints. It is also at this stage that my role would shift from pure facilitation to more of a mediator: proposing alternative ideas that might be acceptable, researching how other agencies may have resolved similar issues, putting a new issue on the table (sometimes an agreement feels unbalanced and by introducing another issue a better balance can be achieved) breaking the group into subgroups involving those who may be most passionate about a given issue, having frank one on one conversations with a party that shows no movement to resolution, assessing the resolve of a party regarding their position, etc.

This is the most critical phase in the overall effort. Parties will feel uneasy and emotions sometime start to come into play. However, if the parties are committed to the initial objective set at the very start, I can then begin to appeal to the higher goal of achieving agreement and focus on what each party needs in the contract versus what is wanted. It is my experience that it is at this point in the process that the parties start to accept compromise offers.

4 – Finalizing the Term Sheet

At this point an outline of a term sheet will start to take form. It will start to capture on paper the concepts which have been discussed. Some items may only be a place holder while others will have complete, early-on agreement. It is important at this phase to maintain a focus on concepts and resolutions rather than on trying to draft a legal document.

The development of a term sheet still will require some meetings. However, at this point in the process, my experience is that the development of a term sheet can be more efficient by sharing and circulating written drafts for comment and editing. It will be natural for one or two parties to take the lead in drafting the term sheet but it will be very important to keep everyone fully informed so there are no surprises. It is my experience that the participants will be able to get close to a final version but the final work will need to be done in person in a last real time facilitated meeting.

Once the term sheet is prepared it is important that each participant take whatever internal to their agency measures they feel are appropriate to have a solid commitment from their agency before drafting starts on the actual contract. This will likely take a different form at each agency. In some cases a General Manager may be authorized to initial the term sheet while at other agencies an endorsement of the governing body might be needed. I would be available to support management at each agency during this process

5 – Drafting the Contract

Once the term sheet is accepted by the parties as the basis for a contract legal counsel can begin drafting the contract language. This must be done under the close direction of management at each agency to stay true to the term sheet. As is always the case, during the drafting phase new issues will surface or legal problems with some particular provision of the term sheet will surface.

My role, when such issues arise and assuming there is not a quick agreement among the principles, would be to very quickly engage the principles to resolve the issue. This would be done in a very condensed version of the above four steps resulting in a revision to the term sheet for the problematic provision.

6 – Approving the Contract

Thought must be given to the approval process for the contract (which agency considers first? Does it matter? What if one agency's governing body, despite the recommendation of the manager, votes against the agreement? Etc.

At this point, my role would be to facilitate such any such needed discussion if it cannot be resolved by the agency principles. Once again, this would be accomplished using a very condensed version of the first four steps in the process.

PART 3

SCHEDULE, LEVEL OF EFFORT, AVAILABILITY AND PROPOSED CONTRACT TERMS

SCHEDULE

Efforts such the renegotiation of the Wastewater Agency Contract are notoriously difficult to schedule with any degree of certainty. The exact time needed will depend on many factors most notably the underlying motivation of the parties to complete the discussions in a timely manner. Adding to the complexity and therefore the schedule will be the reality that eight separate agencies (including IEUA) are involved.

Nevertheless, based on my experience with complex contracts such as this, a reasonable expectation would be that the parties should be able to agree on a term sheet in approximately six months. This would be followed by detailed contract discussions and approvals that could span up to another six months.

LEVEL OF EFFORT

It is anticipated that the majority of the facilitation efforts related to this effort would occur during the development of the term sheet. This is the time where the conceptual, policy level issues will need to be put forth, thoroughly discussed for understanding among the parties and solutions developed that can satisfy the parties.

A reasonable estimate of the time needed during development of the term sheet over the approximate six month period would be an average of eight to twelve hours per week which would be weighted towards the beginning of the process.

Once a term sheet is developed to everyone's satisfaction the burden will shift to legal counsel at each agency to incorporate the term sheet provisions into a binding contract. Issues always surface during this period that will likely require additional facilitation effort to resolve. However, the average time needed per month should be less. A reasonable estimate would be 12-16 hours per month.

In summary:

- Term Sheet Development: 8-12 hours per week on average for 6 months
- Contract Development: 12-16 hours per month on average for 6 months

AVAILABILITY

Over the course of the Wastewater Agency Contract Facilitation effort, Mr. Michalczyk can, on average, be available approximately up to 30% of his time. This is with the understanding that peaks and lulls will occur from time to time during the course of the work. Mr. Michalczyk can accommodate those swings in the needed time commitments.

PROPOSED CONTRACT TERMS

It is proposed that, if selected, Wastewater Agency Contract Facilitation services would be provided under a negotiated agreement between the Inland Empire Utilities Agency and Bert L. Michalczyk, Consulting Engineers, Inc. in general accordance with the following terms:

Hourly rate, Bert Michalczyk, President	\$220 / hour
Reasonable and necessary direct costs	Cost
Air fare, car rental, lodging	Cost plus 5%
Mileage for non-rented vehicles	IRS rate

PART 4 REFERENCES

Mr. Michalczyk has worked closely with the following individuals on efforts relevant to this proposal for Wastewater Agency Contract Facilitator Services. Listed for each reference is a sampling of the various agreements with which they and Mr. Michalczyk were involved.

Jeffrey G. Hansen Board Member (Retired)	Dublin San Ramon Service District Location: Dublin, CA
Phone: 925- 963-8599	Period of Working Relationship:
Email: jhesq@earthlink.net	Approx. 1990 to 2012
<ul style="list-style-type: none"> • DSRSD / Pleasanton Regional Agreement for Wastewater treatment services • Amended and Restated JPA (DSRSD, Pleasanton, Livermore) for wastewater disposal services • DSRSD / Zone 7 Water Supply Agreement • Berrenda Mesa Water District, Water transfer agreements 	
Robert Maddow Partner	Bold Polisner Maddow Nelson and Judson Location: Walnut Creek, CA
Phone: 925-933-7799	Period of Working Relationship:
Email: maddow@bpmnj.com	Approx. 2001 to Present
<ul style="list-style-type: none"> • DERWA Joint Powers Agreement (DSRSD and EBMUD) • DERWA Recycled Water Sales Agreement • DERWA Recycled Water Supply Agreement 	
Daniel Smith Public Works Director (Retired)	City of Pleasanton Location: Pleasanton, CA
Phone: 209-629-7203	Period of Working Relationship:
Email: grizzlyrider0@gmail.com	Approx. 2005 to Present
<ul style="list-style-type: none"> • Various amendments to Regional Agreement for wastewater service between DSRSD and Pleasanton • Pleasanton / DERWA agreement for recycled water service 	
Clark Morrison Partner	Cox, Castle & Nicholson Location: San Francisco, CA
Phone: 415-392-4200	Period of Working Relationship:
Email: Cmorrisson@coxcastle.com	Approx. 1995 to Present
<ul style="list-style-type: none"> • Settlement agreements related to Berrenda Mesa Water transfer • Areawide Facility Agreements for water service to Dougherty Valley 	
Gary Wolff Appointed SWRCB Board Member	State Water Resources Control Board³ Location: Sacramento, CA
Phone: 510-538-4156	Period of Working Relationship:
Email: garywolff@sbcglobal.net	Approx. 2007-2009
<ul style="list-style-type: none"> • Statewide Recycled Water Policy 	

³ Most relevant position for working relationship (SWRCB Recycled Water Policy).

APPENDIX

PROFESSIONAL RESUME

Bert L. Michalczyk

32 Leeds Ct E.
Danville CA 94526
Registered Civil Engineer in California (C33332)

Professional Profile

- Knowledgeable in principles and practices of civil engineering with an emphasis on water, wastewater and recycled water planning, design, construction, operations and management
- Knowledgeable in all aspects of management and administration of public agencies
- Over 37 years of professional civil engineering experience in California

Education

Purdue University; West Lafayette, Indiana

Master of Science Civil Engineering – 1979

Thesis: *Mass Balance Fate and Transport of Seven Heavy Metals around the Kokomo Indiana Wastewater Treatment Plant (Published by U.S. E.P.A)*

Internship: City of Indianapolis, Belmont WWTP

University of Toledo; Toledo, Ohio

Bachelor of Science Civil Engineering - Summa Cum Laude - 1976

Certifications

Registered Civil Engineer in California – C33332

Professional Experience

James M. Montgomery, Consulting Engineers, Inc. 1979 - 1985

- Planning, design and construction management of wastewater treatment facilities for various municipal and industrial clients. Sample Projects:
 - City of Palm Springs wastewater facilities
 - Chino Basin Municipal Water District wastewater facilities
 - Monterey Regional Wastewater Management Agency wastewater facilities
 - Bendix Corporation industrial wastewater facilities
 - Unocal industrial water treatment facilities

Central Contra Costa Sanitary District 1985-1990

- *Supervising Engineer:* Responsibilities included master and facility planning for various unit processes at a 35 mgd activated sludge wastewater treatment plant as well planning of collection system projects: Sample Projects:
 - Dewatering System Improvements (Centrifuges)
 - Recycled water treatment facilities
 - Wet weather flow management
 - Equalization basin improvements
 - Incinerator rehabilitation

- West Pleasant Hill collection system improvements

Dublin San Ramon Services District 1990-2015 (Retired)

- Technical Services Manager (1990-1997)
 - Management of long term utility planning
 - Operational responsibility for potable water distribution, wastewater collection and building and grounds maintenance
 - Management of construction inspection
- Assistant General Manager (1997-2001)
 - Intergovernmental coordination and relations
 - Water resources manager
 - Zone 7 water supply agreement
 - Berrenda Mesa Water District water transfer
 - Development / utility planning manager
 - Human resources, labor relations and public information
- Finance Officer (2001)
 - \$55 M Variable rate bond for wastewater treatment plant expansion
 - District share of \$143 million fixed rate bond for expansion and rehabilitation of export pipeline to San Francisco Bay
- General Manager (2001-2015)
 - Responsible for all aspects of District operations; reported to five member elected Board of Directors
 - Guided a seven-fold expansion of the District's service area during tenure with the District

DSRSD-EBMUD Recycled Water Authority 1995-2001

- Authority Manager (In parallel with DSRSD employment)
 - Negotiated JPA between DSRSD and EBMUD
 - Developed water supply and water sales agreements between and among the JPA and its member agencies
 - Oversaw Facility Plan and Environmental Impact Report for 5,700 Acre foot per year recycled water project in San Ramon Valley

California Sanitation and Risk Management Authority (2001-2015)

- Member of Board of Directors
- Member of Executive Board
- Chair of Pooled Liability Committee

Bert L. Michalczyk, Consulting Engineers, Inc. (2015 to Present)

- President
 - Utility planning, management consulting and strategic guidance to private companies and public agencies related to the water, wastewater and recycled water industries.

August 5, 2016

Via email

Chris Berch
Assistant GM/Executive Manager of Engineering
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Sacramento, CA
Portland, OR
San Francisco, CA
Washington, DC

Keams & West, Inc.
409 Third Street, Suite C
Davis, CA 95616

530.231.5680
www.keamswest.com

Subject: *Facilitation Support for Regional Sewage Contract Renegotiation*

Dear Chris:

Kearns & West is pleased to submit this proposal to support upcoming negotiations among IEUA and member agencies regarding the current regional sewage contract. We are a small, woman-owned business with a 30 year track record of success. Our professional staff work from a main office in San Francisco and locations in San Diego, Los Angeles, and Davis, CA; Washington, DC; Norfolk, VA; and Portland, OR. Our experienced mediators and facilitators have over a century of combined experience supporting efforts of people to solve problems and build meaningful, lasting agreements. We have extensive knowledge of water resource issues inside and outside California, and have worked successfully with parties at all levels of government: local, state, and federal.

J. Michael Harty is the Project Director for this opportunity. Mike is a Principal with K&W and supervises our Davis, CA office. He has over 20 years of experience supporting successful multi-party negotiations, and is deeply knowledgeable about water resource challenges around California through his work on Integrated Regional Water Management, salmonid survival and the Endangered Species Act, development of the Delta Plan, and implementation of the Sustainable Groundwater Management Act. Mike brings his prior experience as a practicing attorney to bear on complex negotiations that rely on careful drafting and involve legal counsel.

Additional team members are Larry Chung, a Senior Associate located in Los Angeles, and Briana Seapy, a Senior Associate located in Davis, CA. Larry has extensive knowledge of Southern California from a variety of experiences that include running the Clean Cities Coalition on behalf of the Western Riverside Council of Governments. Briana has previous experience with recycled water issues from her work with the Urban Water Conservation Council and, with Larry, will ensure our consistent availability to the parties and our support for an ambitious schedule.

Resumes for Mike, Larry, and Briana are attached. We offer the following sketches of three relevant project examples:

State Water Project Contract Extension (2013-2014). Mike was part of a K&W team that supported public negotiations to extend the term of the State Water Project contract. The

negotiations involved a large team from the State Water Project Contractors and a team from the Department of Water Resources, and were open to the public. Contract extension involves amending the water supply contracts between DWR and 29 SWP Contractors beyond the current contract cost repayment period that terminates in December 2035. The parties were able to reach a preliminary agreement that was moved forward for further administrative, regulatory, and legal action.

Yuba Salmon Forum and Yuba Salmon Partnership Initiative (2010-current). Since 2011 Mike has been facilitating two related forums focused on reaching agreements to support salmonid recovery and reintroduction efforts in the Yuba Watershed. The Yuba Salmon Forum is a large, multi-party forum that includes state and federal agencies, water agencies including Yuba County Water Agency and Placer County Water Agency, and environmental advocacy groups. The YSF parties agreed on a set of actions to pursue in April 2014. The YSPI is a smaller group drawn from the YSF that announced agreement on a Term Sheet in 2015 and is now working on a Settlement Agreement.

U.S. v. Abeyta Water Rights Settlement Negotiations (2003-2006). Mike was hired by the U.S. Bureau of Reclamation to prepare an assessment of prospects for mediating a resolution of the Taos Pueblo Indian water rights adjudication in New Mexico (*U.S. v. Abeyta*). Following the assessment and presentation of his recommendations in August 2003 Mike was retained to serve as mediator. Parties included the Taos Pueblo, the United States (as trustee), the State of New Mexico, the Town of Taos, and multiple local water entities and users. In May 2006 the non-U.S. parties signed an historic local agreement to complete the initial phase of settlement negotiations. The parties had been negotiating intermittently for 15 years in an effort to settle the litigation prior to Mike's involvement. The U.S. Congress subsequently passed settlement legislation.

Based on our initial conversation on July 26, our proposal covers three topics:

1. A preliminary negotiation approach
2. A preliminary schedule and work plan
3. A preliminary LOE based on our proposed approach

We appreciate this opportunity and are happy to discuss any additional information with you and the Technical Committee. We look forward to hearing from you.

Sincerely,



J. Michael Harty
Principal/Senior Mediator
Kearns & West, Inc.

Attachments

1. PROPOSED APPROACH

Kearns & West Approach: Collaborative Problem Solving and Decision Making

Our working assumption is that the member agencies would approach the contract negotiation as an exercise in collaborative problem solving. We would confirm this assumption as part of the Assessment step described below and report back to member agencies with specific process recommendations. Collaboration in negotiation requires effective advocacy for one's own needs and interests and a commitment to (1) understanding the needs and interests of other parties, and (2) developing solutions that are responsive to diverse interests. Our clients have negotiated agreements on a wide range of issues, including water resources management, by minimizing confrontation and prioritizing listening and education about what is most important. We understand the potential for successful collaborative decision making as well as the need for adaptability based on circumstances. We emphasize and take primary responsibility for a negotiation process, but also learn the substance of issues in order to support effective decision making by parties. Our mediators and facilitators also appreciate the importance of efficiency and the value of time; we strive to ensure that a process design is in the service of progress, and is flexible and adaptive.

Project Understanding

The purpose for this project is to renegotiate the current 50-year sewage treatment contract, which took effect in 1973. A successful negotiation will result in a revised and extended contract; this in turn will support financing needed for future capital projects. The time remaining on the current contract (seven years) does not provide desired flexibility for project financing. The initial deliverable would be an agreement on a Term Sheet that would provide the basis for a revised and extended contract. The assumed timeframe for reaching agreement on a Term Sheet is late 2016 or early 2017.

State Water Project Contract Extension Parallels

The anticipated sewage contract renegotiation work resembles the 2013-2014 public negotiation process to extend the term of the State Water Project in which K&W helped a State Water Project Contractors team and Department of Water Resources team successfully negotiate a preliminary agreement.

Process Assumptions

The negotiation would involve representatives of six cities, one water district, and IEUA. The substantive issues for discussion likely would include contract extension, Technical and Policy Committees roles and oversight, IEUA Board authority, use of property taxes by IEUA, and roles and responsibilities for fee collection; this is not a comprehensive list. The primary forum for discussions would be the existing Technical Committee; representatives to that Committee would participate actively in the negotiations. Policy guidance would be provided as needed by the existing Policy Committee, which includes representatives of all parties in the contract negotiations. Higher level policy decisions would be elevated as appropriate.

Assumptions about the Kearns & West Role

K&W's team would provide comprehensive facilitation support for the negotiations. Specific tasks include:

- Conduct an initial assessment to identify key interests and objectives of each member agency and inform process design
- Assume responsibility for process recommendations, logistics, schedule, and management to free up participants to focus on issues, problem solving, and progress toward agreements
- Structure meetings and discussions to promote understanding of interests and constructive problem solving
- Establish guidelines to ensure consistent participation and avoid revisiting topics
- Take responsibility for a clear and reliable written record of discussions, interests, agreements, and “to do” items
- Prepare agendas and supporting materials that will encourage focus and efficiency

Our approach to staffing this project is to ensure that the experience and skill of our Project Director is consistently available to the agencies, and that we can support an ambitious negotiation schedule with our Senior Associates. Mike Harty will play a lead role throughout the project, beginning with the kickoff, then the assessment, and through multiple negotiation sessions. He also will play an active role working with agencies as needed between meetings. Larry Chung and Briana Seapy will ensure that all work needed to support the negotiations is completed in a timely manner and that member representatives can communicate with us as needed. Larry’s presence in Los Angeles provides the ability to meet in person to address issues or concerns; Briana’s knowledge of recycled water issues and ability to support complex negotiations will provide additional value. Our staffing for negotiation sessions would be two people: Mike and either Briana or Larry. This could be adjusted in response to process needs and input from the agencies.

Sewage Treatment Contract Renegotiation – Preliminary Negotiation Approach

We have designed the following preliminary negotiation approach with two purposes in mind: (1) assist the member agencies and IEUA in thinking about process expectations and needs, and (2) serve as the basis for a preliminary Level of Effort and budget estimate for facilitation services. This preliminary approach is based on an initial conversation with IEUA and is not intended as a final recommendation. If K&W is selected to support the negotiation effort, we would work with all member agencies and IEUA to refine the negotiation approach (and associated budget) to maximize alignment with key interests, expectations, and relevant dynamics.

Our approach has *three* key components/phases:

1. An introductory conversation with the Technical Committee (and others designated to participate in the negotiation process);
2. A focused, efficient assessment involving confidential interviews with each member agency and IEUA, followed by a summary report back to all assessment participants;
3. Structured, issue-focused meetings of the Technical Committee as the principal forum for problem-solving and building agreement, complemented by work between meetings as needed to address issues, promote problem solving, and maximize prospects for reaching agreement on a Term Sheet.

Each component of our approach is discussed below in further detail and depicted graphically in the following section.

1. Introduction and Kickoff

- **Purpose:** Formally initiate the K&W facilitation role in support of contract negotiations
- **Type of Discussion:** Joint meeting of Technical Committee representatives (and others as appropriate) with K&W team
- **Focus Topics:**
 - K&W role supporting negotiations
 - Assessment process steps and deliverables
 - Member representation and expectations
- **Outcomes:**
 - Understanding of K&W role and assessment
 - Short-term schedule
 - Green light to proceed
- **Timeframe:** As soon as contracting is completed and agency representatives are available

2. Assessment

- **Purpose:** Provide an opportunity for confidential discussions to educate the K&W team about key interests, needs, and objectives for the negotiations to inform process design and facilitation approach.
- **Type of Discussion:** Member agency confidential interviews with K&W team
- **Focus Topics for Interviews:**
 - Overarching goals for contract negotiation effort
 - Key interests, concerns, or needs related to contract renegotiation and extension for each member agency
 - What works for member agencies – how to build on past successes in the next contract
 - Test proposed process approach and identify suggested adjustments or modifications
 - Identify priority issues and related interests and desired outcomes and test potential for effective categorization
 - Review representation and participation
- **Deliverables/Outcomes:**
 - Summary of Assessment Findings and Recommendations
 - Key interests and needs summary
 - Potential shared goals
 - Proposed approach to negotiations
 - Refined work plan and schedule
 - Confirmed representation for each agency
 - Draft charter and meeting guidelines
 - Proposed issue sequencing
- **Timeframe:** two weeks (subject to availability of agency representatives)

3. Shared Goals and Issue-focused Problem Solving

This phase is expected to require at least seven meetings of the Technical Committee as well as other discussions and related work between meetings. The following description groups Technical Committee meetings based on their primary purpose or intended outcomes.

Technical Committee: Meetings 2-3

- **Purpose:** Define shared goals based on assessment and move into issue resolution
- **Focus Topics:**
 - Review assessment findings and recommendations
 - Identify and agree on shared goals
 - Agree on negotiation process approach
 - Review/adopt draft charter if appropriate and guidelines
 - Set initial work plan and schedule
 - Approve issue resolution template draft
 - Set legal liaison role
 - Categorize and prioritize issues for negotiation
 - Begin issue negotiation and resolution
- **Outcomes:**
 - Agreements on negotiation process
 - Issue prioritization
 - Progress on initial issue(s)
- **Timeframe:** Two weeks

Technical Committee: Meetings 4-8

- **Purpose:** Clarify priority issues, develop options, build agreements for Term Sheet
 - Progress on issue resolution based on prioritization
 - Term sheet development
- **Focus Topics:**
 - Prioritized issues – see example *Issue Resolution Template* in the following section
 - Input from Policy Committee or decision makers
 - Input from legal counsel as needed
- **Outcomes:**
 - Issue resolution consistent with milestones and work plan
- **Timeframe:** A bi-weekly meeting schedule for the Technical Committee with ability to adapt

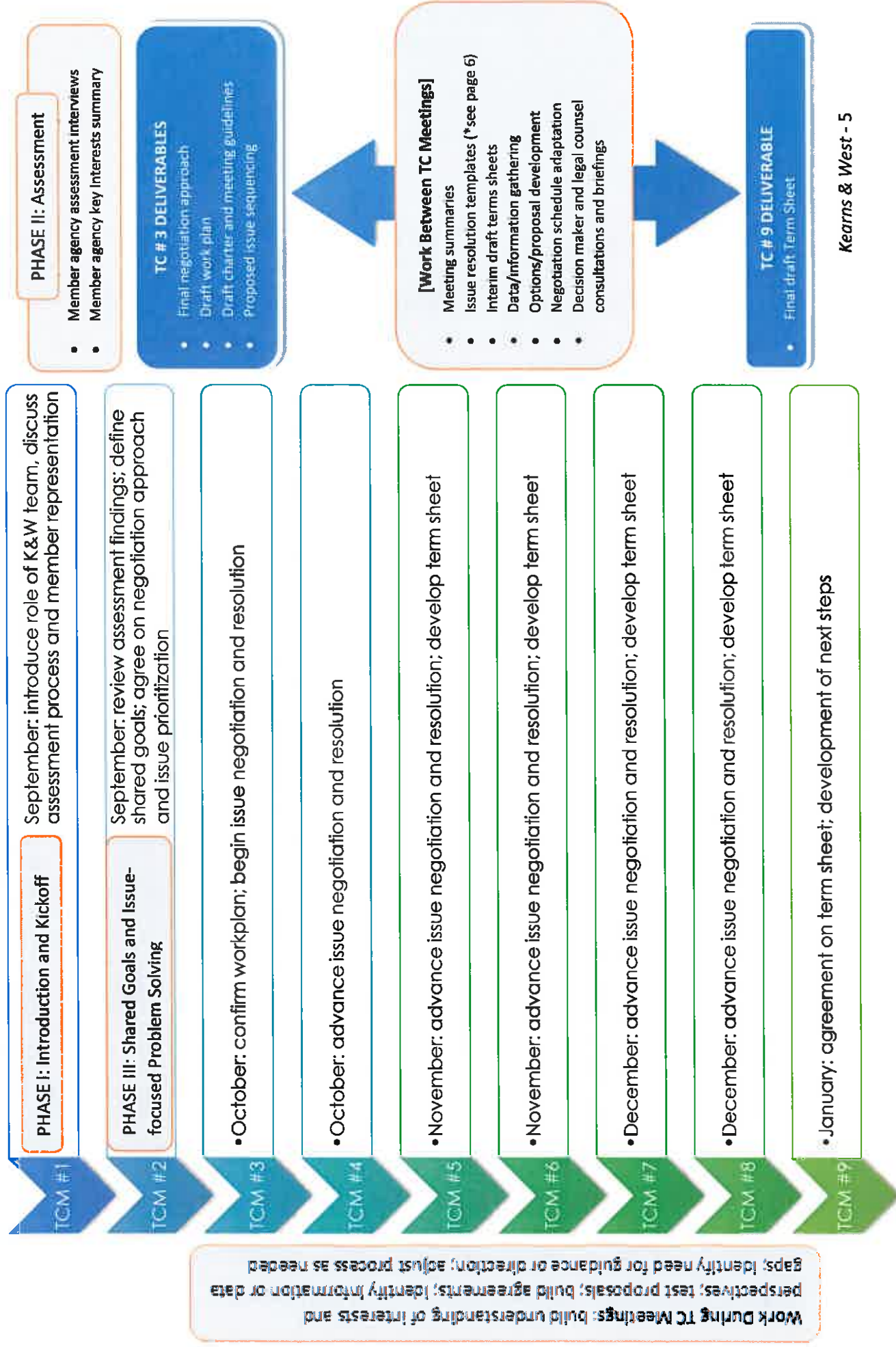
Technical Committee: Meeting 9

- **Purpose:** Finalize Term Sheet
- **Focus Topics:** Term Sheet
- **Outcomes:** Agreement on Term Sheet and next steps

This basic negotiation approach can be modified in response to different assumptions or requirements. For example, one or more meetings with Policy Committee representatives can be added. One or more workshop-style forums could be designed if that type of interaction is more likely to yield desired results. A sub-group could be designated to work on specific issues and bring back recommendations to the full group. Needed interaction with legal counsel can also be accommodated.

We offer a graphic overview of our proposed approach on the next page.

2. IEUA TECHNICAL COMMITTEE MEETINGS (TCM): PRELIMINARY SCHEDULE AND WORK PLAN



***EXAMPLE ISSUE RESOLUTION TEMPLATE**

One of the topics we would cover as part of the assessment is the potential for using a standard template to address issues in negotiation. Because this project involves renegotiation of an existing contract there is an opportunity to benefit from that contract structure and familiarity with many issues, and create a standard way of addressing key issues. We offer this example of an Issue Resolution Template to encourage early consideration of this kind of tool, and also with an open mind about other options.

Issue Name:

Issue Summary:

Location or treatment in current contract:

Issue Category:

Key interests, concerns, or objectives of member agencies:

Chino

Chino Hills

Ontario

Upland

Montclair

Cucamonga Valley Water District

Fontana

IEUA

Linkage(s) to other contract issues:

Options or Proposals:

Status:

3. PRELIMINARY LOE

IEUA LOE K&W					
Task	Mike	Larry	Briana	Total Hours	Total Cost by Task
	\$200	\$155	\$125		
Nine (9) Technical Committee Meetings				Assumes 9 TC Meetings	\$22,800
Meeting Preparation & Scheduling (agendas, materials, etc)	9	10	8	27	\$4,350
Facilitation	40	20	20	80	\$13,600
Meeting Summaries	9	10	12	31	\$4,850
Between Meeting Issue Resolution				Assumes 9 TC Meetings	\$18,520
Between Meeting Issue Resolution (meetings, calls, emails, etc.)	80	9	9	98	\$18,520
Member Agency Assessments				Assumes 7+ Assessments	\$8,480
Develop Assessment Tool	4	2	2	8	\$1,360
Conduct Assessment	15	2	2	19	\$3,560
Prepare Assessment Report Back	15	2	2	19	\$3,560
Supporting Deliverables/Tools					\$9,280
Negotiation Approach	2	1	1	4	\$680
Work Plan + Schedule	2	2	2	6	\$960
Draft Charter	5	2	2	9	\$1,560
Issue Resolution Templates & Sheets	5	7	7	19	\$2,960
Term Sheet	10	4	4	18	\$3,120
TOTAL HOURS	196	71	71	TOTAL	\$59,080
ODCS					
ODCs for Nine (9) Technical Committee Meetings	Mike	Larry	Bri	Unit Cost	Total
Flights SMF-ONT	9	0	4	\$250.00	\$3,250
Car Trips from LA (80 miles/trip)	0	5	0	\$43.20	\$216
Travel Time (50% travel hours)	22.5	5	10	(see rates)	\$6,525
Days/nights hotel + food	3		1	\$200.00	\$800.00
Webinar/Phone					\$500
				TOTAL	\$10,791
TOTAL COST (labor + ODCs)					\$69,871

Key LOE Assumptions

Five (5) 2-hour meetings at unit cost of \$2,073

Four (4) 3-hour meetings at unit cost of \$3,109

Each member agency participates in a 90 minute assessment interview

Additional conversations outside of member agencies will be necessary to complete assessment (~3.5 hours)

There is no travel required for between TC meeting issue resolution subject to project needs

Briana attends four 3-hour meetings

Larry attends five 2-hour meetings

10 hours available for issue resolution between TC meetings

NOTE: See key personnel resumes on the following pages.

Discipline/Specialty

- Assessment and process design
- Environmental mediation/facilitation
- Public Engagement Planning and Implementation
- Policy and Regulatory Analysis
- Policy Evaluation
- Natural Resource Management

Education

- J.D. *cum laude*, Georgetown University Law Center
- B.A. *cum laude*, Political Philosophy, Kenyon College

Professional Affiliations and Awards

- Roster Member, U.S. Institute for Environmental Conflict Resolution
- American Bar Association
- Bar admissions: NY (inactive), CO (inactive)

Summary of Qualifications

J. Michael Harty is a Principal with Kearns & West and oversees the Sacramento regional office located in Davis, California. He has over 20 years of direct experience in the field of conflict management, mediation, facilitated decisionmaking, and public outreach and engagement, and was a practicing attorney for eight years before turning full time to dispute resolution.

Mike has substantive experience with water rights, water quality, conjunctive water management, groundwater, flood risk management, oceans, mining, ecosystem restoration and endangered species issues, among others. He has worked with numerous local, state, and federal agencies, both internally and in multi-agency contexts. He also has worked with a wide range of stakeholders in and around the Sacramento-San Joaquin Delta. Mike is familiar with CERCLA, the Clean Water Act, the Clean Air Act, NEPA, and the Endangered Species Act, and with some state natural resource and environmental statutes, particularly those in California including the MLMA, MLPA, CESA, and CEQA. He is also familiar with water rights frameworks around the Western United States.

The following projects are provided as examples, generally in chronological order. Please contact Kearns & West to discuss any of these projects or learn about others not listed here.

SGMA Implementation (2015 – ongoing)

K&W has worked in two sub-basins over the past year conducting assessments intended to develop recommendations for local decision makers about options for forming Groundwater Sustainability Agencies under the Sustainable Groundwater Management Act (SGMA). The SGMA-relevant contexts in Butte County (four sub-basins) and in the Merced Sub-basin portion of Merced County are significantly different and K&W worked with convenors to design and carry out assessment processes suited to local circumstances. Mike served as the project lead for both efforts and prepared and presented findings and recommendations in early 2016. K&W has been asked to continue providing facilitation services in both areas to support GSA formation negotiations.

California Water Foundation Groundwater Project (2014-2015)

In early 2014 the California Water Foundation engaged Kearns & West to assist with design and facilitation of a Stakeholder Dialogue process to support development of a report to Governor Brown and the Legislature on sustainable groundwater management. The project timeframe was short: eight weeks from initiation to finalizing a report with policy recommendations. Mike worked with CWF to design the Dialogue's three-track process: a Steering Committee, a round of Interest Group meetings that combined in-person and webinar participation, and one-on-one meetings. In addition to its Findings and Recommendations, the CWF report highlighted areas of agreement across stakeholder groups, along with differences in views on key issues to be addressed in the policy process. Mike subsequently was hired by CWF to facilitate a series of public

J. Michael Harty

Principal/Senior Mediator

meetings sponsored by legislators and the Governor's office designed to gather input on pending legislative proposals for groundwater management. Following adoption of California's Sustainable Groundwater Management Act (SGMA) late in 2014, Mike served as project lead for a Kearns & West team that assisted multiple co-sponsors in designing, planning, and facilitating three educational workshops on the unique local governance requirements of the SGMA. As a final task for CWF, Mike led a K&W team that worked with four counties, local agencies, and other stakeholders across the Colusa Sub-basin to convene, design, and conduct a well attended meeting in July 2015 that explored opportunities for collaborative groundwater governance.

State Water Project Contract Extension Negotiations (2013-2014)

The California State Water Project provides water to 25 million Californians and 750,000 acres of agricultural land. It is a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants, the main purpose of which is to store water and distribute it to 29 urban and agricultural public water agencies in Northern California, the San Francisco Bay Area, the San Joaquin Valley, the Central Coast, and Southern California. Contract extension involves extending and amending the water supply contracts between the Department of Water Resources (DWR) and 29 State Water Project (SWP) Contractors beyond the current contract cost repayment period that terminates in December 2035. The formal phase of these complex negotiations was required to be conducted in public. Mike was part of a Kearns & West team that provided process support, including facilitation, for the public negotiation process. K&W also advised DWR about preparations for the public negotiations.

South Delta Salmonid Research Collaboration (2014-ongoing)

Uncertainty about factors affecting survival of salmonids that migrate through the Sacramento-San Joaquin system, particularly the effect of exports, has had a significant effect on water project operations. In 2013 a group of federal and state managers endorsed creation of a forum that would focus on identifying the most promising research into salmonid survival: the South Delta Salmonid Research Collaboration. Mike served as the SDSRC's co-facilitator, partnering with a salmon biologist to organize and lead the group. The SDSRC prepared a Progress Report in late 2013 that documented, among other key steps, agreement on a conceptual model for evaluating research proposals, development and evaluation of multiple research proposals, and convergence on a limited set of desktop and field studies. In 2014 the SDSRC was integrated into the Collaborative Adaptive Management Team (CAMT) and Collaborative Science and Adaptive Management Process and continues its work as the Salmonid Scoping Team. The SST is finalizing a "gap analysis" report to the CAMT that is intended to highlight areas of scientific agreement and disagreement related to the effects of hydrodynamics on salmonid survival in the South Delta.

Delta Stewardship Council Outreach and Engagement (2010-2013)

Mike was the project manager for a Kearns & West team that support outreach and public engagement for the Delta Stewardship Council and also provided internal support for organizational transition. As part of that role, Mike worked with Council staff during 2010 to organize and conduct a series of stakeholder work group sessions on key issues of importance for development of both an interim plan and Delta Plan. He later worked with staff to gather input about organizational transition issues and plan and conduct an initial all-staff conversation.

J. Michael Harty

Principal/Senior Mediator

Yuba Salmon Forum and Yuba Salmon Partnership Initiative (2009-ongoing)

Convened in 2009, the Yuba Salmon Forum (YSF or Forum) is a multi-stakeholder effort to develop and implement a collaborative process to address anadromous fish restoration and water management issues in the Yuba River Watershed. Kearns & West conducted an initial assessment that led to convening, process design, and facilitation services for the Forum; Mike has served as the Forum's facilitator since late in 2011. The National Oceanic and Atmospheric Administration provides financial support for the Kearns & West facilitation role. Stakeholders include representatives from state, federal, tribal, NGO, and public water agencies, including the CA Department of Water Resources, CA Department of Fish and Wildlife, Yuba County Water Agency, and American Rivers. The Forum focused intensively on gathering and analyzing technical data involving salmonid habit and cost estimates for various actions to support species recovery in order to support future decision making about restoration activities. YSF participants reached agreement in 2014 on a set of actions to pursue. The Yuba Salmon Partnership Initiative (YSPI) formed in early 2014 and involves a subset of the Forum participants. YSPI parties announced agreement on a Term Sheet to implement a plan for salmonid restoration in parts of the Yuba watershed in 2015, and currently are negotiating terms of a Settlement Agreement. YSPI discussions are subject to a confidentiality agreement.

***U.S. v. Abeyta* Water Rights Settlement Negotiations (2003-2006)**

Mike was hired by the U.S. Bureau of Reclamation to prepare an assessment of prospects for mediating a resolution of the Taos Pueblo Indian water rights adjudication in New Mexico (*U.S. v. Abeyta*). Following the assessment and presentation of his recommendations in August 2003 Mike was retained to serve as mediator. Parties included the Taos Pueblo, the United States (as trustee), the State of New Mexico, the Town of Taos, and multiple local water entities and users. In May 2006 the non-U.S. parties signed an historic local agreement to complete the initial phase of settlement negotiations. The parties had been negotiating intermittently for 15 years in an effort to settle the litigation prior to Mike's involvement. The U.S. Congress subsequently passed settlement legislation.

***Kansas v. Nebraska and Colorado, No. 126 Original*, Settlement Negotiations (2001-2002)**

The states of Kansas, Nebraska, and Colorado are signatories to the Republican River Compact, an interstate water compact apportioning the waters of the Republican River. In 1998 Kansas sued Nebraska in the U.S. Supreme Court over alleged violations of the Compact; the Supreme Court subsequently appointed a Special Master to oversee the case. Mike and a colleague were hired in 1996 to assist the states in initial settlement discussions, and were invited by the parties to continue working with them in 2001 following several years of Supreme Court litigation. On December 16, 2002, the parties announced they had reached a settlement that ultimately was approved by the Special Master and the Supreme Court. A key issue in the negotiations was the relationship of surface and groundwater in the basin. Development of a joint groundwater model is a key element of the settlement.

Bar Admission

Colorado (no longer active), New York (no longer active)

Contact Information

jmharty@kearnswest.com

530-298-7111 (o)

530-902-4322 (c)

Discipline/Specialty

Strategic Communications
 Stakeholder Engagement
 Civic Engagement Programs
 State Government Policy
 Expertise
 Issue and Policy Research
 Media Relations
 Message Development
 Project Management and
 Support
 Social Media
 Public Affairs
 Event planning/Coordination

Education

B.A., Political Science,
 University of California,
 Riverside

Summary of Qualifications

Larry Chung joined Kearns & West in 2014. He maintains focus in Kearns & West's strategic communications practice with a specialty in the field of government and politics and community outreach. He is a public relations professional with 7 years of experience in legislative and policy issues, infrastructure planning, air quality and the environment, water policy, telecommunications, political campaigns, and civic engagement projects.

Larry brings together a diverse background of experiences from government, technology, non-profit, business, public communications, and labor sectors. He is experienced in planning and putting together local and statewide campaigns for community engagement and educational outreach around major infrastructure projects and statewide campaigns. He has worked closely with municipal staff and elected officials at all levels (federal, state, local), traditional and non-traditional media, community members, non-profit agencies, and the private sector. Larry was raised in the Inland Empire and deeply understands the communities serviced by the Inland Empire Utilities Agency.

Relevant Experience
Environmental Youth Conference Educational Outreach Program, Western Riverside Council of Governments, Riverside, CA

Larry helped relaunch an effort to educate youth in Riverside County about water conservation, recycled water use and renewable energy use. Larry helped cut budget by 20% for WRCOG while improving the efficacy of outreach by 200%. In the first year, Larry engaged over 300 youth, up from 150 in WRCOG's previous effort. The Environmental Youth Conference is now the marquee youth education event and initiative in Western Riverside County for educating youth on good environmental stewardship including to a great extent, water conservation.

Cell Site Infrastructure Siting/ Stakeholder Engagement, AT&T California, Southern California, CA

AT&T has committed billions of dollars into upgrading LTE cell sites throughout Southern California in the next few years. Larry is tasked with heading all public affairs efforts in conjunction with AT&T CA's Director of Public Affairs. There are numerous stakeholders involved from the general public, elected offices, AT&T's union workforce, and a variety of stakeholder interests that must be catered to in order achieve the clients goals for network modernization. Larry works with municipalities and stakeholder groups throughout the Inland Empire

including Rancho Cucamonga, Chino Hills, Fontana, Montclair, Ontario, and Upland.

Water Conservation/Community Engagement Plan, AT&T California, Greater Los Angeles, CA

In response to the historic California drought AT&T CA has moved toward an aggressive public education campaign around company water conservation efforts. Larry has been tasked with helping to design and carry out a public education amplification campaign on behalf of AT&T's water conservation efforts. Larry has worked directly with the Governor's Office and municipalities statewide on water conservation mandates/goals. In this role, Larry successfully developed messaging for the public, collateral material, numerous public outreach meetings throughout the state.

Civic Engagement/Community Engagement Plan, City of West Hollywood, West Hollywood, CA

Kearns & West engaged a multitude of highly polarized stakeholder groups to produce a strategic community engagement plan for the City of West Hollywood. During this process, Larry was instrumental in conducting focus groups for various stakeholder groups including elected officials, community activists, business owners, and residents. The City of West Hollywood recently published the report for their many stakeholders as a guide to become or remain civically engaged and informed of city happenings.

Ten West Link Transmission Line Project Stakeholder Engagement, Starwood Energy / Abengoa T&I, Eastern Riverside County, CA

Larry currently supports stakeholder identification, public engagement, and meeting and event facilitation for the Ten West Link Transmission Line project, a proposed 500kv electrical connection that would transmit energy between Southeast California and Southwest Arizona. Larry brings his extensive experience with local and state politics, an in-depth knowledge of energy and air quality policy, and experience engaging local community groups. The project is based in Riverside County and required coordination between the client and Riverside Department of Planning as well as various Riverside County stakeholder groups.

Community Educational Outreach Program, South Coast Air Quality Management District, Diamond Bar, CA

Larry provided support to public affairs staff at South Coast Air Quality Management District by helping to develop messaging, and collateral materials for a public education campaign around air quality issues, specifically in lower income and majority minority communities. Larry worked to organize several public events including town halls, which included Q&A sessions and helped with rolling out an air quality iOS app for public outreach.

Electric Vehicle Charging Station Infrastructure Public Outreach Program, City of Riverside, Riverside, CA

The City of Riverside under the leadership of Mayor Roland O. Loveridge set a goal to be one of the greenest cities in the nation. Part of that effort was to incentivize the use of alternative fuel vehicles. Working with the Mayor's Office and the public, Larry designed and implemented a public outreach campaign to recruit public support for the largest simultaneous installation of electric charging stations in the state at that time. 13 electric vehicle charging stations were installed throughout the City of Riverside with full public support.

Discipline/Specialty

- Water Resource Management
- Environmental Science
- Project Management
- Meeting Planning
- Stakeholder Outreach

Education/Training

- B.A., International Relations; B.A., Middle Eastern Studies; Tufts University, 2011
- M.E.S.M., Environmental Science and Management - Water Resources; The Bren School of Environmental Science and Management, University of California, Santa Barbara, 2013

Summary of Qualifications

Briana Seapy has two years of project management experience in institutional water planning and urban water conservation. Beyond project management, Briana has served as an effective leader both in the office and in the field. From facilitating a state-wide urban landscape water committee to modeling in-stream pollutant-loading, Briana brings a diverse set of skills to each challenge she undertakes. Briana's natural resources knowledge combined with her interpersonal acumen and leadership experience enable her to drive creative problem-solving processes and foster meaningful collaboration.

Relevant Experience**Central Valley Flood Protection Program – 2017 Central Valley Flood Protection Plan Update (2016)**

Briana is part of a Kearns & West team that provides facilitation and process assistance to the CA Department of Water Resources (DWR) to support development of the 2017 Central Valley Flood Protection Plan (CVFPP) update. The initial CVFPP was adopted by the Central Valley Flood Protection Board in 2012, and Kearns & West now works on extensive stakeholder communication and engagement to advance the update that espouses an outcome-based approach to flood planning and that incentivizes multiple-benefit projects. DWR's CVFPP update considers many parallel planning processes including Regional Flood Management Plans, Basin-Wide Feasibility Studies, and the Conservation Strategy.

Sustainable Groundwater Management – Merced Subbasin Assessment (2016)

Briana is part of a Kearns & West team that helps the County of Merced assess stakeholder groundwater interests and perspectives in the Merced Groundwater Basin. The stakeholder assessment is funded through the CA Department of Water Resources in support of Sustainable Groundwater Management Act implementation. The Kearns & West team identifies and engages with key groundwater stakeholders in the basin to assess the range of perspectives on groundwater governance and planning. Based on broad stakeholder assessment, the team offers Merced County and the Merced Irrigation District outreach, communication, and process recommendations for the formation of one or more Groundwater Sustainability Agencies.

Yuba Salmon Partnership Initiative (2016)

Briana is part of a Kearns & West team that supports the Yuba Salmon Partnership Initiative (YSPI), a collaboration between the CA Department of

Fish and Wildlife, National Marine Fisheries Service, Yuba County Water Agency, American Rivers, Trout Unlimited, and California Sportfishing Protection Alliance to return spring-run Chinook salmon and possibly steelhead to more than 30 miles of the North Yuba River. Through the YSPT's monthly plenary meetings and frequent working group meetings, the team works to advance a critical fish passage settlement and best-outcome fish passage projects on the North Yuba River.

South Delta Salmon Research Collaboration – Salmon Scoping Team (2016)

Briana is part of a Kearns & West team that supports the Salmon Scoping Team (SST), a team of salmonid researchers developing a comprehensive assessment of the state of scientific information on the effects of hydrodynamics on salmonid survival in the South Delta. The SST reports to the Collaborative Adaptive Management Team (CAMT) – a group comprised of high level managers and senior scientists who advance scientific investigation the South Delta region of California's Sacramento-San Joaquin Bay Delta, following in large part the recommendations contained in the Delta Science Plan and the Adaptive Management steps of the Council's Delta Plan. This effort is co-sponsored principally by the National Marine Fisheries Service and CA Department of Water Resources. Participating researchers represent both federal and state agencies and project water users.

California Urban Water Conservation Council – Sustainable Landscape Program (2014-2015)

Briana served as the Council's Sustainable Landscape Program Manager and facilitated the creation of the Landscape Conversion Criteria Matrix through a consensus-seeking process with the Council's state-wide Landscape Committee. The Landscape Committee comprises a wide array of stakeholders including water utility staff; environmental advocacy groups; landscape professionals; horticulturalists and ecologists; private manufacturers; and state agency staff including representatives from the CA Department of Water Resources, the CA State Water resources Control Board, The CA Department of Pesticide Regulation, CalEPA, and the US EPA. The Committee's final product in 2015 – the Landscape Conversion Criteria Matrix – is a tool structured to help landscape rebate program managers design effective and progressive turf rebate criteria.

Morro Bay National Estuary Program – Chorro Valley Watershed Report (2013)

Through work as an independent contractor for the Morro Bay National Estuary Program (MBNEP), Briana produced a report entitled *Water in Chorro Valley: Water Landscape & Water Rights*. The report lays the foundation for a collaborative, multi-year, in-stream water conservation project, the report details the following: 1) watershed characteristics including climate, land use, hydrology, water quality, and fish habitat; 2) watershed water rights landscape including a legal history of complex water rights proceedings and maps of current water rights holders displaying relative size of diversions; 3) a preliminary watershed budget; 4) fish habitat resources and restoration efforts; and 5) data gaps. The creation of this report required GIS map-production, detailed legal record review, and data collection from the state-wide water rights database (eWRIMS).

University of California, Santa Barbara – Water Action Plan (2011-2013)

Briana led a team of five graduate school colleagues in the development of a Water Action Plan (WAP) for the University of California, Santa Barbara (UCSB). The first of its kind in the UC system, the UCSB WAP project resulted in increased on-campus water awareness, a centralized document chronicling UCSB's water history, and immediate university action on top water efficiency recommended actions including a retrofit of on-campus toilets, expansion of recycled water use in on-campus irrigation, and the hiring for a new university position - a water manager. A high degree of coordination with internal University staff and external water system stakeholders was critical to plan development – both to generate buy-in and to ensure a thorough evaluation of interests.



August 5, 2016

Mr. Chris Berch
Executive Manager of Engineering/
Assistant General Manager
Inland Empire Utilities Agency
6075 Kimball Ave., Chino, CA 91708

RE: PROPOSAL TO PROVIDE WASTEWATER AGENCY MEETING FACILITATION SERVICES

Dear Chris:

Per your inquiry, Sharon Browning & Associates (SB&A) is pleased to submit the following proposal to provide the Inland Empire Utilities Agency (IEUA) with consulting services pursuant to renewing the Chino Basin Regional Sewage Service Contract (Contract).

Consulting Assignment

IEUA is a wholesale water, wastewater and recycled water provider for a service area of approximately 800,000 people in the western portion of San Bernardino County. Retail service is provided through six different cities and one water district. IEUA entered into a 50-year sewage contract with these public entities in 1973. Although a few significant amendments were made over time, the contract has generally remained unchanged for its duration.

In the next several years, IEUA is planning significant capital expenditures to meet planned growth within the collective service area. Prior to committing to long term debt issuance for these projects the regional contract needs to be appropriately amended and extended to support the future capital debt considerations that must be made by IEUA and the member agencies. Technical and policy committees have identified the key items/questions that need to be addressed to achieve a contract revision and renewal.

IEUA and the member agencies seek the assistance of an experienced consultant to assist them in designing and guiding a process that results in a balanced, positive experience for all participants and successfully addresses the key items/questions required for a renewed contract. Specifically, IEUA and the member agencies want to produce a "term sheet" by December 31, 2016 that lists terms and conditions for incorporation into the Contract. This deliverable date will facilitate the Contract moving through the required approval process with a target completion time frame of summer 2017.

SB&A will work with IEUA, its member agencies and Technical and Policy committees to design and implement a discussion process that achieves its goal of a “term sheet” that can be incorporated into a renewed Contract by December 31, 2016.

Scope of Work

SB&A proposes that its scope of work include but not be limited to the following activities and services:

1. Plan and conduct a series of one-on-one confidential interviews with Technical Committee (TC) members, IEUA staff and designated others to:
 - a. Review the already established list of items/questions requiring resolution in order to ensure the list is complete, accurate and commonly understood.
 - b. Understand the interests of each respective party that need to be considered in a successfully renewed Contract.
 - c. Gather input related to the ultimate design of the discussion process, decision-making and information needed for decision-making.
 - d. Gather input related to issues or concerns that may impact the discussion and/or approval process.
 - e. Understand each respective party’s “definition of success” for the discussion process and its outcomes.
2. Plan and conduct a meeting with the Policy Committee (PC) to inform it about SB&A’s scope of work and gather its collective input about what needs to be considered through the discussion process including input about process design and content related to the key items/questions requiring resolution.
3. Based upon the confidential interviews and collective PC input, SB&A will prepare a DRAFT process design for consideration by the TC including a proposed meeting schedule, agenda topics and timeline. The TC will then discuss, modify and mutually agree to a finalized discussion process. Further, the committee will mutually agree to discussion guidelines, decision-making guidelines and what information will be generated by whom for the TC deliberations and discussions.
 - a. The number of meetings required to achieve resolution is projected to include two meetings a month with the TC in addition to status report meetings as needed with the PC for an approximate total of 10-12, two or three-hour structured meetings.
 - b. Additional “as needed” phone and/or in-person meetings may be necessary to ensure that work continues between and in preparation for structured meetings. The number of these meetings will vary according to circumstances but typically

require one hour of preparation for every hour of a structured meeting. (E.g. agenda preparation and approval, preparation of discussion process outlines, preparation of meeting support materials and information/data, preparation of meeting notes, consultation phone meetings, etc.).

4. Inform the PC about the finalized discussion process and timeline as directed by the TC.
5. Conduct 10-12, two or three-hour meetings with the TC to discuss and resolve key Contract items and develop a mutually acceptable "term sheet."
6. Meet and confer with the PC as appropriate and/or requested.
7. Upon request, assist with preparation for securing approval of the "term sheet".

Professional Fees

In order to complete the proposed scope of work, SB&A expects to devote an estimated 204 hours at a billing rate of \$215/hour. SB&A's time will be distributed approximately as follows:

TASK	HOURS
• Plan and conduct 10 confidential phone interviews.	22.00
- Preparation of interview questions/outline.	
- Conduct 1.5-hour interview.	
- Half-hour between interviews to refine/clarify notes and prepare for the next interview	
- (Assumes IEUA staff schedules phone meetings over 2-3 days.)	
• Conduct content analysis of interview input.	10.00
• Prepare DRAFT Discussion Process and Meeting Timeline	5.00
• Plan and facilitate 12, 3-hour TC meetings.	120.00
- Prepare agendas and discussion process outlines.	
- Prepare wall charts as appropriate.	
- Facilitation and recording of meeting.	
- Meeting facility set-up and take-down.	
• Prepare meeting minutes (optional)	22.00
• Off-line consultation, individual communications to augment Structured meetings (estimate)	25.00
Projected total hours:	204
Maximum Project Fee: 204 hours @ \$215/hour	<u>\$43,860.00</u>

SB&A's hourly fee includes costs associated with one-hour travel time in each direction for in-person meetings, meeting recordation supplies, parking and administrative overhead.

IEUA will assume responsibility for scheduling one-on-one interviews, TC and PC meetings and other administrative tasks associated with this assignment.

Predicting the precise number of hours required to complete the scope of work depends upon the complexity of the items requiring resolution and the degree of flexibility available to and state of "readiness" of the respective discussion participants. More time and expense are required when there is greater complexity and less flexibility and state of readiness. These variables are difficult to predict until discussions are underway and thus, a precise budget is difficult to project at the outset of the process.

As is SB&A's practice, every effort will be made to complete the scope of work in as few meetings and hours as are required to provide reliable, quality outcomes. Invoices and detailed time sheets for services provided will be submitted on a monthly basis.

Changes in SB&A's maximum project fee arising from subsequent changes in the project, scope of work or completion timeline will be mutually agreed upon by IEUA and SB&A.

Staffing and Project Coordination

The IEUA Contract project and scope of work will be implemented and managed exclusively by Sharon Browning, Principal of SB&A.

Proposed Schedule

Sharon Browning is prepared to commence work on this assignment upon receipt of a signed letter of agreement. Sharon Browning will make every effort to complete the scope of work by December 31, 2016 but is unavailable October 17 -29 and November 21-25.

In the event that delays occur that are beyond SB&A's control, IEUA and SB&A will mutually agree to a revised completion schedule.

Confidentiality

SB&A will maintain all sensitive information provided by IEUA and its member agencies in the strictest confidence. Further, any information gathered from sources during the course of this consulting assignment is the exclusive property of IEUA and its member agencies. While information provided SB&A on a confidential basis will be maintained by SB&A as confidential, the essence of the information may be provided without attribution.

Potential Conflicts of Interest

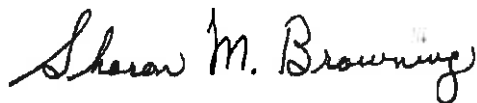
In the unlikely event that the interests of IEUA or its member agencies potentially appear to be in conflict with the interests of other SB&A clients, SB&A will immediately advise IEUA of the potential conflict and will seek to resolve the potential conflict in a mutually acceptable manner.

Term of Consulting Agreement

This agreement will remain in effect through completion of the scope of work or until IEUA notifies SB&A that its services are no longer required. SB&A will provide IEUA with a minimum four weeks' notice prior to unilaterally terminating its services. IEUA may terminate this agreement, without cause, at any time upon providing SB&A written notification.

SB&A welcomes the opportunity to work with IEUA and its member agencies, and to contribute to the successful renewal of the Chino Basin Regional Sewage Service Contract.

Sincerely,



Sharon M. Browning
Sharon Browning & Associates, Principal

Accepted for the Inland Empire Utilities Agency by:

Name

Date

Title

About Sharon M. Browning

Sharon M. Browning, principal of Sharon Browning & Associates, Los Angeles, has specialized in issues management and consensus planning for over twenty-five years.

An experienced professional with one of the most successful performance records in Southern California, Sharon has served a wide array of major firms, governmental agencies and organizations. Clients have included The Irvine Company, University of California at Irvine, California Building Industry Association, Association of California Cities-Orange County, Local Agency Formation Commission- Orange County, Environmental Management Agency of Orange County, Loyola Marymount University, St. Vincent Medical Center, Los Angeles Community Redevelopment Agency, Southern California Edison, Pershing Square Management Association, Walt Disney Imagineering as well as numerous Los Angeles and Orange County Supervisors and City Council members.

Sharon holds an undergraduate degree in Sociology and a masters' degree from UCLA where she specialized in group work at the School of Social Welfare and Public Policy. While practicing social work she was a licensed clinical social worker and accredited by the Academy of Social Work. During her tenure as Assistant Director of Training and Programs for the CORO Foundation she developed a unique approach to researching and bringing frequently disparate constituencies together (including the public and private sectors) to achieve "win/win," interest-based agreements that have proven to successfully endure. As an experienced practitioner she offers extensive, practical experience in strategic planning, organizational development, leadership advancement, meeting facilitation and working directly with a variety of constituencies including those relating to organizational change, internal corporate management, staff alignment, governing agencies and community groups.

In addition to incorporating leadership support in her consulting approaches, Sharon Browning serves as an executive coach for individual clients and serves as an executive coach for the James Irvine Leadership Advancement Grant. In this capacity, she works with clients to help them identify leadership growth and organizational development goals as well as strategies for achieving both sets of goals.

This experience serves as the basis for her consulting firm which serves clients throughout Southern California

Sharon Browning & Associates Relevant Experience

- **Orange County Waste and Recycling**

- Regional Landfill Options for Orange County (RELOOC) (2003-2004)
SB&A's research and findings provided the basis for working with a fifteen-member steering committee, which guided the planning process for the successful approval of the 40-year RELOOC Strategic Plan.
- SB&A facilitated the 2014-19 OCWR Internal Strategic Plan.
- SB&A is currently facilitating the updating of the 2019-2024 OCWR Internal Strategic Plan.

- **Rancho Santa Margareta Water District**

- SB&A facilitated staff and Board of Director meetings to develop District reserves and investment policies. 2015

- **Local Agency Formation Commission – Orange County (LAFCO-OC)**

- SB&A Planned and facilitated the 2015 South County Visioning Process which engaged the Cities of San Clemente, San Juan Capistrano, Rancho Santa Margarita, County of Orange, County unincorporated areas of Coto de Caza, La Brea, Los Flores and the Rancho Mission Viejo Company in discussions to envision what governance structures will be needed for the future. The meetings resulted in findings and recommendations for use in the next South County Municipal Service Review.
- SB&A planned and facilitated consensus planning meetings with the City of La Brea, County of Orange and related planning agencies for the annexation of Tonner Hills. The meetings resulted in a completed annexation.
- SB&A planned and facilitated meetings for the annexation of Fool Hill Ranch to the City of Lake Forest. The meetings resulted in a completed annexation.

- **Foothill Eastern Transportation Corridor Agency**

- SB&A conducted the community ascertainment study for the potential extension of the 241 Toll Road in South Orange County. The research findings and recommendations are the basis for the current consensus building work with the elected city officials working group and the community outreach plan. SB&A currently is in a consulting role on the project.

- **Municipal Water District of Orange County (MWDOC)**

- SB&A conducted a pilot study of the needs of cities seeking to change their water rates and the types of issues requiring resolution in order to generate public understanding and support. The purpose of the study was to explore potential services that might be provided by MWDOC to member agencies.

- SB&A researched, planned and facilitated meetings to build consensus among MWDOC member retail agencies. This led to the successful formation of a managers' advisory committee and endorsement of the MWDOC five year strategic plan.
- SB&A researched, planned and facilitated meetings to achieve consensus regarding the dissolution of the Tri-Cities Water District.
- SB&A researched, planned and facilitated meetings to secure consensus regarding the feasibility and appropriateness of consolidating the MWDOC and Coastal water districts. The meetings concluded with a recommendation to propose consolidation to the Orange County Local Formation Agency.
- **Orange County Environmental Agency**
 - SB&A researched, planned and facilitated meetings to secure consensus agreement on the widening and realignment of Laguna Canyon Road for the County of Orange. SB&A planned and facilitated discussions with Cal Trans, City of Laguna Beach, City of Irvine, Leisure World, County of Orange and local business and environmental groups. SB&A assisted staff in planning and facilitated all of the public hearings associated with the public review and approval of the project's EIR. The project was approved and is in service.

References

- **Rancho Santa Margarita Water District**
 - Joyce Crosthwaite
 - Assistant General Manager
 - 949-459-6507
 - joyce@smwd.com
- **Local Area Formation Commission of Orange County**
 - Carolyn Emery
 - Executive Director
 - 714-834-2556
 - 714-380-0096
 - cemery@oclafco.org
- **Orange County Waste and Recycling**
 - Dylan Wright
 - Director
 - 714-834-5514
 - Dylan.Wright@ocwr.ocgov.com
- **Foothill Eastern Transportation Corridor Agency**
 - Mike Kraman (or Barbara Daly if Mike Kraman is not available)
 - Chief Executive Officer
 - (949) 754-3413 office
 - mkraman@thetollroads.com

Consensus Decision-making

When the consensus process is simple, straightforward, applied equally, respectfully and in response to the group members' direction it fosters increased empathy, confidence and the ability to listen, understand different points of view, innovate, creatively problem-solve, embrace the risk-rewards of change and effectively lead in the implementation of the ultimate decision.

SB&A's consensus decision-making process:

- All group members agree to make consensus decisions as often as possible.
- Further, the group agrees that if it finds that a particular consensus decision is too time consuming it can use a different process for that one decision (E.g. 2/3 vote). The group understands the consequences of departing from consensus on the ultimate outcome of its entire process.
- Consensus decisions mean that every person in the group agrees to allow the decision to be made and thus move forward. The decision requires a clear and active "yes" from everyone in order to move forward.
- A "yes" response means the participant will fully support the decision or, at a minimum, will do nothing to undermine it or its success. An abstention is considered the same as a "yes."
- A "no" response is given only if the participant feels he/she is prepared to stop the group from further considering the decision option or making the decision.
- If a "no" response prohibits the group from resolving the overarching issue or project that caused it to form, the group will then decide how it will proceed.

Effective consensus decision-making requires dialogue, sometimes rigorous and respectful debate, time, thought and energy. In the initial stages, consensus decision-making may be a slower process than a win/lose voting process but with practice consensus decisions are typically as fast or faster. This is because the participants have come to fully understand one another's interests and needs and have learned to generate solutions that accommodate everyone's interests rather than just their own and to generate solutions that are far more creative. The benefits of working through the consensus process is that it typically results in decisions that have a greater chance of enduring, a greater sense of accomplishment by the group members, a greater sense of team and a greater commitment to seeing the decision succeed.

SB&A recommends that client groups operate by consensus. However, from the beginning, group's members decide their own decision-making process and assume responsibility for the definition of success for their work outcomes.

**INFORMATION
ITEM**

2B

Salinity Update



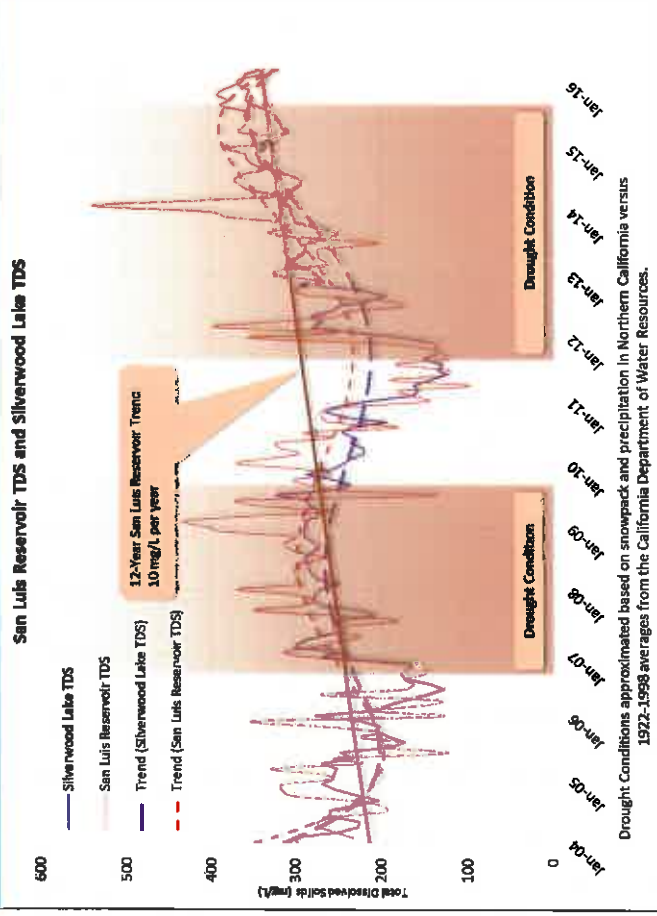
Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

August 25, 2016 & September 1, 2016
IEUA Regional Sewerage Program
Technical & Policy Committees

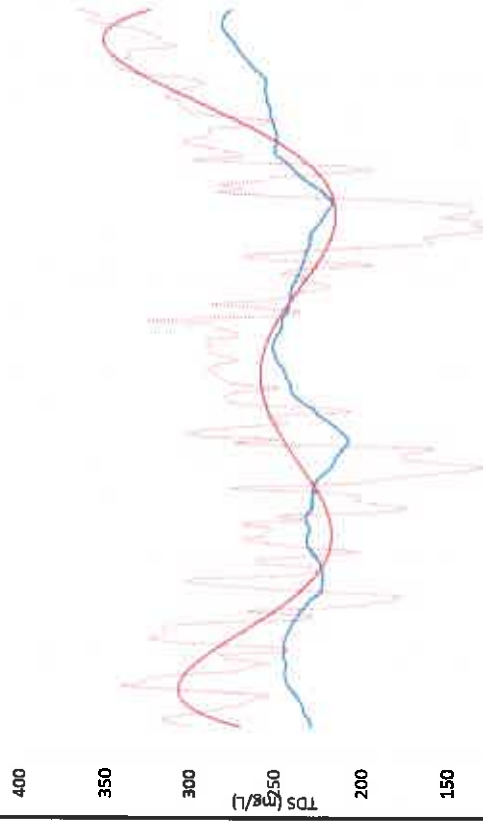
Regional Commitment to Salinity Management Key to Recycled Water

- Maximum Benefit Plan enables use of recycled water (irrigation & GWR)
- Commitment to RWQCB/SWRCB to implement regional programs to manage/reduce TDS as part of the OBMP and Maximum Benefit Plan
- Region has been working for past 15+ years to meet this commitment
 - Chino Basin Desalters (40,000 AF)
 - Self-generating water softener use ordinance
 - Brine line discharge requirements for high TDS industrial users
 - Chemical use optimization in the WWTP
 - Securing high quality supplemental water

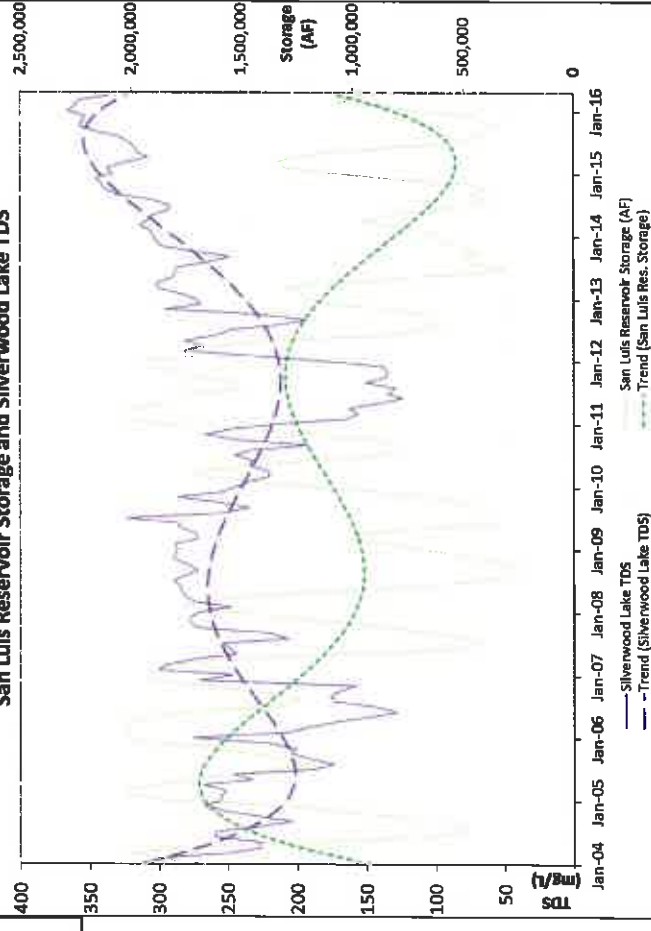
Salinity in the water supply



Imported Water TDS and Agency-Wide Water Supply TDS



San Luis Reservoir Storage and Silverwood Lake TDS

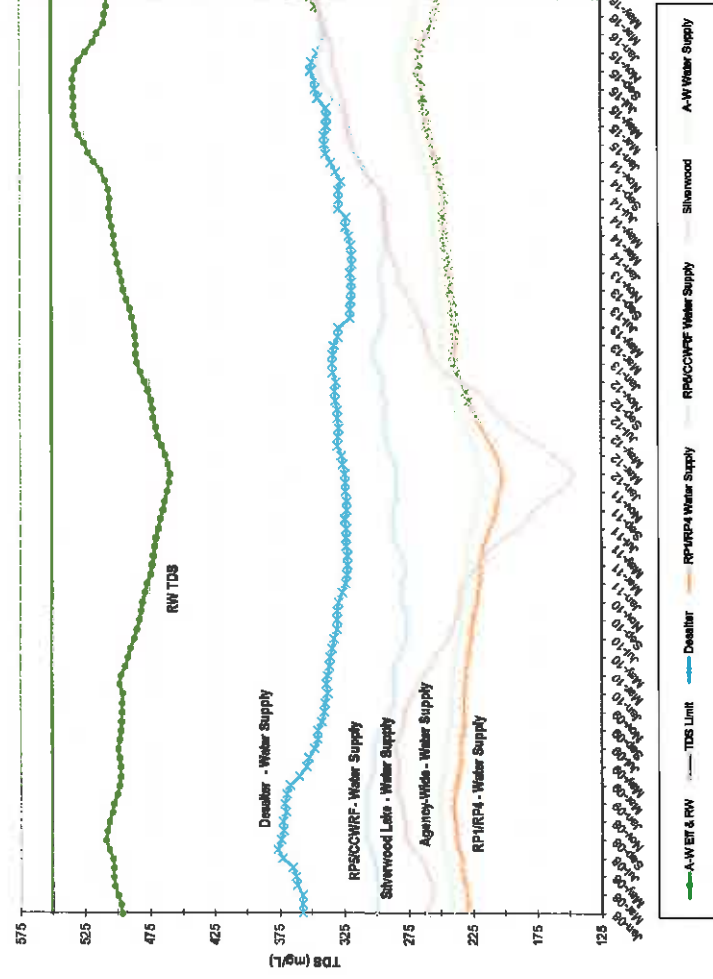


- Local water supply TDS is affected by SWP TDS
- 12-year SWP average: +10 mg/L per year
- SWP +10 mg/L results in +2 mg/L in local water supply*

*assumes 50,000 AFY of SWP, and total demand of 200,000 AFY

SWP impacts local water supply TDS ...

	State Water Project TDS	IEUA Water Supply (local +SWP)TDS	Effluent TDS
2014	285	238	499
2016	370	285	507
Potential	450	302	550

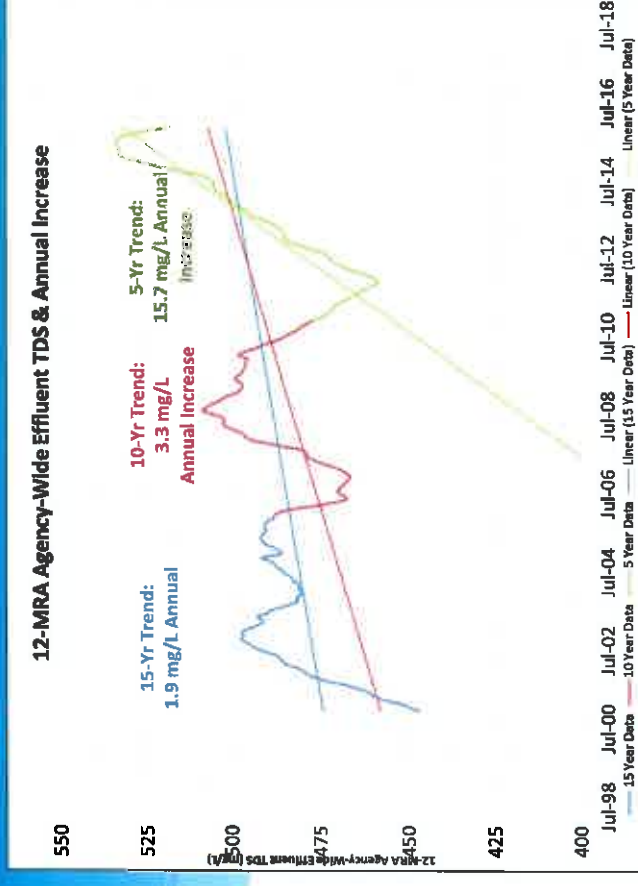
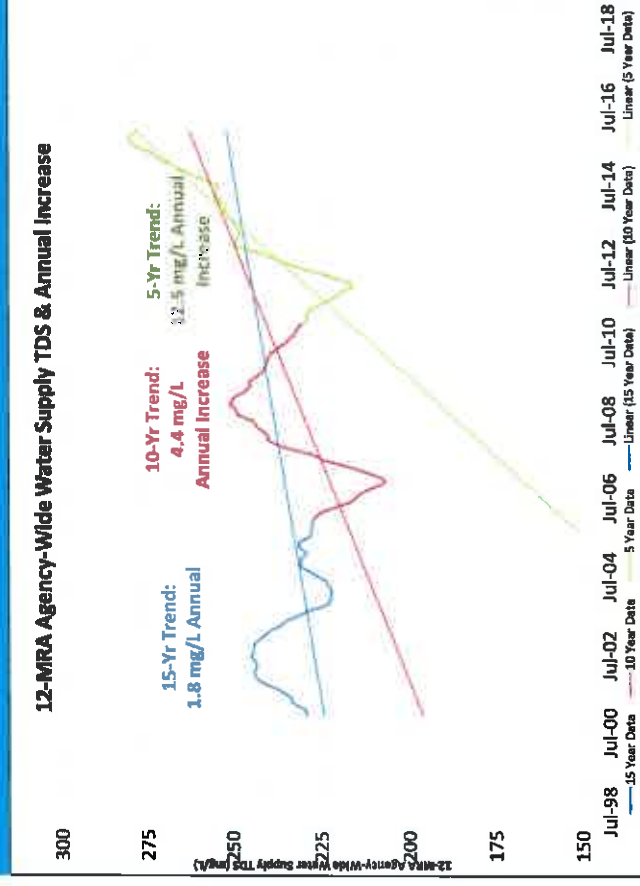


■ SWP is 20 - 30% IEUA supply

■ Total RW TDS **cannot** exceed 550 mg/L

August 25, 2016 & September 1, 2016
IEUA Regional Sewerage Program
Technical & Policy Committees

TDS is an inclining trend...



TDS Trend	Water Supply TDS Annual Increase	Effluent TDS Annual Increase	Year Effluent TDS Limit of 550 mg/L is Reached
15 Years	1.8 mg/L	1.9 mg/L	2026 - 2027
10 Years	4.4 mg/L	3.3 mg/L	2020 - 2022
5 Years	12.5 mg/L	15.7 mg/L	2017 - 2018

What happens if RW TDS exceeds 550 mg/L?

Could result in:

- Mandatory penalties/ Notice of Violation
- Cease and desist order from RWQCB
- Prohibition on use of recycled water for groundwater recharge
- Requirements for additional TDS management:
 - Construction of additional groundwater desalters
 - Desalting of recycled water (advanced treatment)

Alignment with planning initiatives

Options for long term salinity management

- Manage source water supply portfolio
 - Investment opportunities:
 - SARCCUP & Groundwater Banking
 - Low Impact Development/rainwater infiltration
 - Local projects to increase groundwater yield
 - Advanced treatment of recycled water
- IRP Phase 2 discussions

**INFORMATION
ITEM**

2C

Sewer User Fee Evaluation Update



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Ken Tam

August 25, 2016
IEUA Regional Sewerage Program
Technical Committee

Project Goals

- New Method to Calculate Equivalent Dwelling Unit (EDU)
- Revenue collection methodologies
 - Sewer use factor survey
 - Functional cost allocation
 - Fee collection process
 - Revenue impacts and transition plan
- Public service facilities
- Sewer capacity lease
- Ease of data collection

Progress Update

- Meeting with Member Agencies (8/15/16 – 8/17/16)
 - Connection & Fee Collection Process
 - IT/Billing Support
 - EDU Calculations
 - Additional Information Request
- Alternative Methods of Sewer Connection Fee Calculation

Project Schedule

- ✓ Contract Award to Carollo
- ✓ Kick-Off Meeting
- ✓ Member Agency Meetings
 - Alternative Methods of Connection Fee Calculation: 8/22/16
 - Alternative Collection Process Methods: 9/5/16
 - Implementation Impacts & Transition: 9/26/16
 - Monthly Sewer User Process: 11/16/16
 - Leasing of Capacity: 12/8/16
 - Public Service Facilities: 1/10/17

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**REGIONAL SEWERAGE PROGRAM
PRETREATMENT SUBCOMMITTEE**

August 2, 2016
1:30 PM
IEUA HQ Building A, Rains Conference Room
6075 Kimball Avenue
Chino, CA 91710

Minutes

Members Present

Braden Yu.....	CVWD
Ruben Valdez.....	City of Chino
Andy Zummo.....	City of Chino Hills
Tony Mata.....	City of Fontana
Nicole deMoet.....	City of Montclair
Michael Birmelin.....	City of Ontario
Craig Proctor.....	IEUA

Absent

Robert Herbster.....	City of Upland
----------------------	----------------

Others Present

Nancy Dacumos.....	City of Fontana
Ken Tam.....	IEUA
Julio Im.....	IEUA

1. Introductions

Introductions of those present were given.

2. Informational Items & Updates

a. Tech Meeting Report

At the May Regional Technical Committee Meeting, the Committee approved to support the recommendation to adopt two Resolutions in lieu of amending Chapters 15 and 16 of the Regional Contract. The Resolutions addressed the recycled water entitlement issues and established surcharge rates for use in

excess of entitlement. The Resolutions were subsequently adopted by the IEUA Board at the May 2016 Board meeting.

b. Treatment Plants

RP-1/RP-4:

- RP-1/RP-4 met all the NPDES requirements during the months of March through June 2016.

RP-5:

- RP-5 met all the NPDES requirements during the months of March through June 2016.

CCWRF:

- CCWRF met all the NPDES requirements during the months of March through June 2016.

Agency-wide:

- The Agency-Wide 12-month running average TDS for the months of March through June 2016 were 509 mg/L, 508 mg/L, 507 mg/L and 508 mg/L respectively, which did not exceed the 550 mg/L Agency-wide 12-month running average limit.
- The Agency-wide 12-month running average incremental increase between secondary effluent and water supply TDS for the months of February through May 2016 were 206 mg/L, 205 mg/L, 207 mg/L and 209 mg/L respectively, which did not exceed the 250 mg/L Agency-wide 12-month running average limit.

Collections System:

- No SSOs occurred during the months of March through June 2016.

Recycled Water:

- No unauthorized discharges of more than 50,000 gallons of disinfected tertiary recycled water into the waters of the state occurred during the months of March through June 2016.
- No agricultural runoff events were reported to IEUA by member agencies during the months of March through June 2016.

c. Pretreatment Programs

American Beef Packers (ABP), in the City of Chino, was issued a Notice of Non-Compliance for exceeding its permitted discharge limit for TDS, fixed in July 2016. Results of industries investigation is pending. Resampling has been conducted and results are pending.

Cliffstar California, LLC, in the City of Fontana, was issued a Notice of Violation for exceeding its permitted discharge limit for TDS, fixed in May 2016. As a result of repeated violations Cliffstar was required to attend a compliance meeting in June 2016. During the compliance meeting Cliffstar management noted they are evaluating sources of TDS, fixed as well as cleaning and sanitation practices as a means to reduce TDS, fixed in its wastewater. They are also looking closely at pretreatment system operations and chemical usage throughout the plant. Cliffstar committed to having its investigation completed by the end of August. Resampling conducted in June and July indicated compliance.

Inland Powder Coating in the City of Ontario was issued Notices of Violation in June and July for exceeding its permitted federal daily and monthly average discharge limit for zinc and the daily local limit for TDS in May and June 2016. Results of industries investigation determined the automated fill system for the wash line malfunctioned leading to an operator manually filling the first stage of the wash line. The operator forgot to turn off the water and the tank overflowed. As a corrective action the automated float system was repaired. Resampling has been conducted and results are pending.

Jewlland-Freya Health Sciences, LLC, in the City of Montclair, completed installation of its additional pretreatment equipment in June 2016 and since that time has been inconsistently meeting compliance. Notices of Violation were issued in June and July for continued violation of the local limit for TDS. IBN is making adjustments to the system to meet compliance. IBN is required to continue with weekly sampling until further notice. Additional enforcement is pending.

Scott Brothers Dairy in the City of Chino, was issued a Notice of Non-Compliance for exceeding its permitted daily discharge limit for TDS, fixed in July 2016. Results of industries investigation is pending. Resampling has been conducted and results are pending.

3. Discussion Items

a. Dioxin Evaluation

As previously reported, the revised IEUA NPDES Permit was approved by the RWQCB on October 30, 2015. The new permit contained limits for Dioxin which includes not only the commonly known form 2,3,7,8-TCDD (Dioxin), but also the other congeners. During the last several months IEUA has been monitoring

source water samples in the southern service area and found some levels of Dioxin above the NPDES permit limit. IEUA reached out to the Regional Board to discuss alternative methods of evaluating the compliance with the dioxin discharge limit and proposed to base compliance on the evaluation of the congeners based on either the reporting limit of the lab or minimum level of the EPA test method instead of solely the concentration of dioxin reported. Over the next several weeks pretreatment staff will be conducting sampling of residential areas only to gather additional information and hopefully demonstrate that a dioxin local limit is not needed.

b. Dental Amalgam Rule

IEUA provided an update to the committee on the proposed Dental Amalgam Rule. Based on information provided at the last SCAP pretreatment meeting, it is believed the Rule may be completely rewritten and could be delayed. The committee agreed the best approach is to just wait until the Rule is finalized after which the committee can work collaboratively to implement any requirements established by the Rule.

c. Exhibit J Evaluation – Carollo Engineering

IEUA provided an update to the committee on the current status of the Carollo study and next steps. As previously noted IEUA will be contacting each of the member agencies to set up meetings with Carollo to better understand the member agencies internal process for collection of connection and sewer fees.

d. Salinity Update

IEUA provided a copy of the salinity update that was recently presented at the Water Managers/Technical Committee meeting. The committee was reminded that as source water TDS continues to increase it will be more difficult for new industries to meet the current 550 mg/L Local Limit for TDS. IEUA encouraged the committee to remind potential customers about the Brine Lines available for discharge of high saline wastewater.

e. Annual Pretreatment Program Report

The Committee was reminded that the annual pretreatment program report is due by September 30th to the Regional Board and EPA. Those cities operating as a delegated control authority on behalf of IEUA will need to submit their reports to IEUA by the end of August. Publication for industries in significant non-compliance with pretreatment program requirements will be published in the Inland Valley Daily Bulletin in August.

4. Other Items

None

The next Pretreatment Committee is tentatively scheduled for October 2016.

The meeting adjourned at 2:25 p.m.

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Regional Sewerage Program Policy Committee Meeting

AGENDA

**Thursday, September 1, 2016
4:30 p.m.**

Location

Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91710

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

Additions to the Agenda

- 1. Technical Committee Report (Oral)**
- 2. Action Item**
 - A. Approval of the June 2, 2016 Meeting Minutes
 - B. RP-1 Mixed Liquor Return Pump
- 3. Informational Items**
 - A. Salinity Update
 - B. Sewer Fee Evaluation
- 4. Receive and File**
 - A. Building Activity Update
 - B. Recycled Water Distribution – Operations Summary
 - C. Semi-Annual Recycled Water Update
- 5. Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – October 6, 2016
- 6. Adjournment**

DECLARATION OF POSTING

I, Laura Mantilla, Executive 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 Monday, August 29, 2016.

Laura Mantilla

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Building Activity Report - YTD Fiscal Year 2015/16



Legend

- Service Area
- Unincorporated
- EDU (YTD)
- Residential
 - ≤1.0
 - 1.0 - 10.0
 - >10.0
- Commercial
 - ≤1.0
 - 1.0 - 10.0
 - >10.0
- Industrial
 - ≤1.0
 - 1.0 - 10.0
 - >10.0

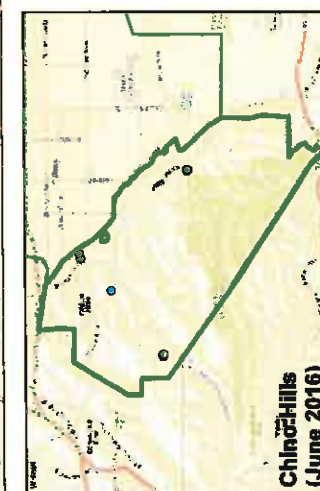
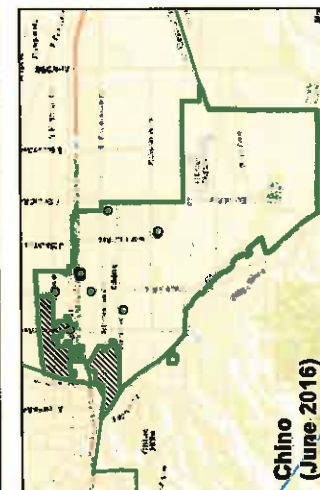
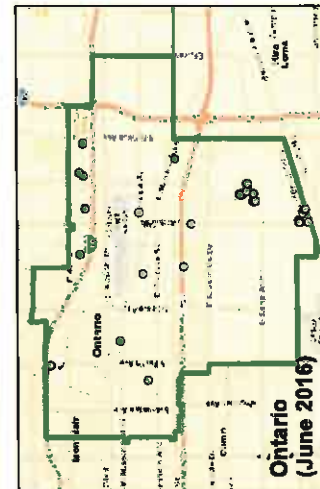
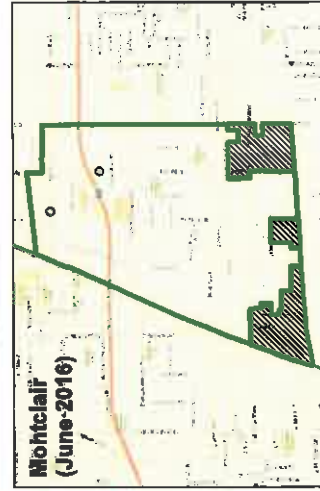
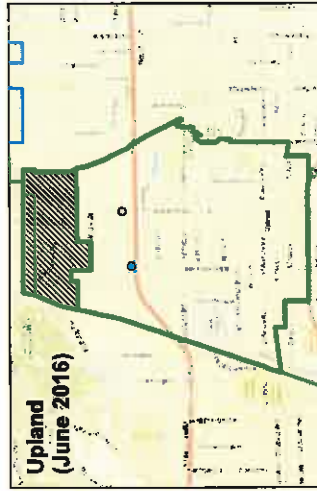
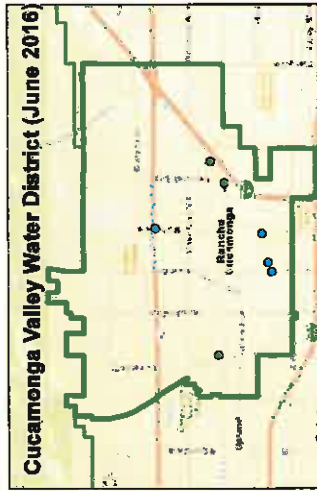
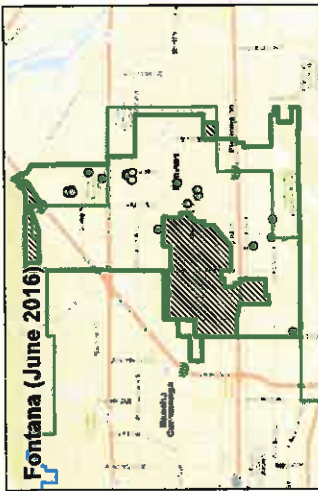
HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Projected	
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)	Total (EDUs)	Total (EDUs)
Chino	523	57	1	581	842
Chino Hills	464	105	0	569	691
CVWD	361	195	650	1208	364
Fontana	676	705	24	1405	445
Montclair	54	20	0	74	134
Ontario	485	110	136	731	3000
Upland	171	37	0	208	353
Total	2734	1230	811	4775	5649

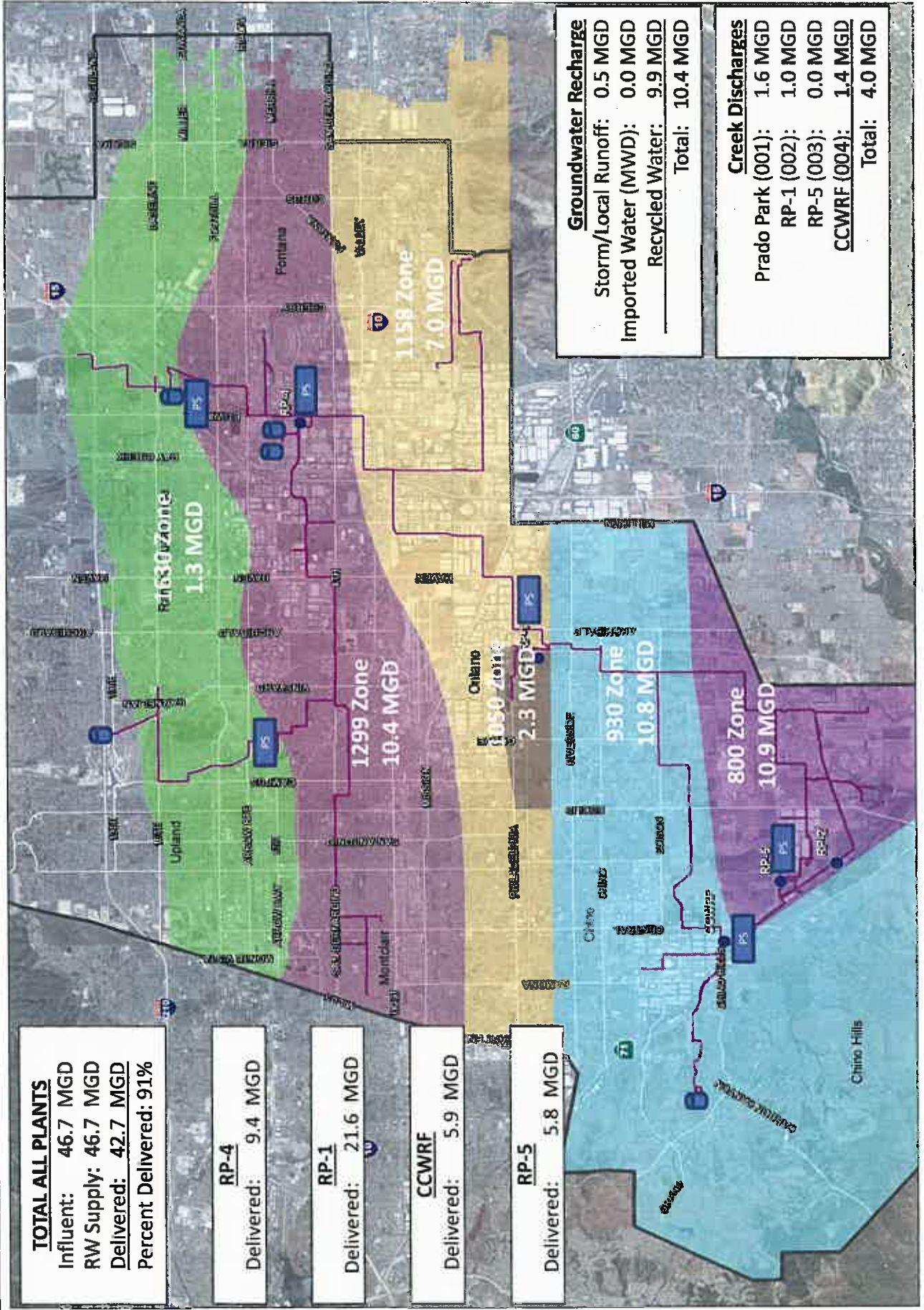
* Excl EDUs pending FY15/16 Reconciliation



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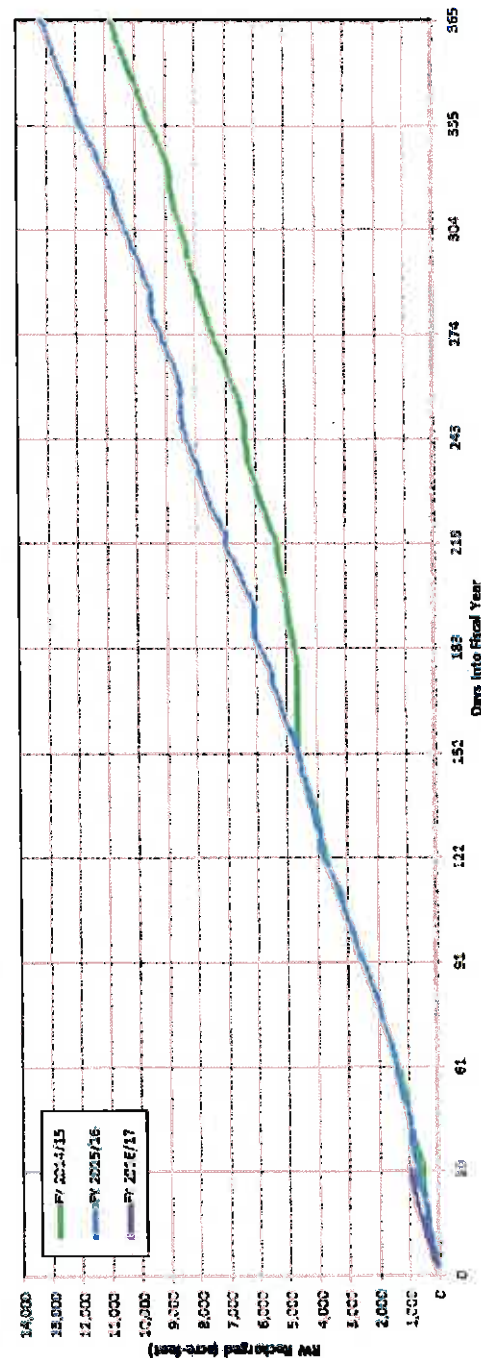
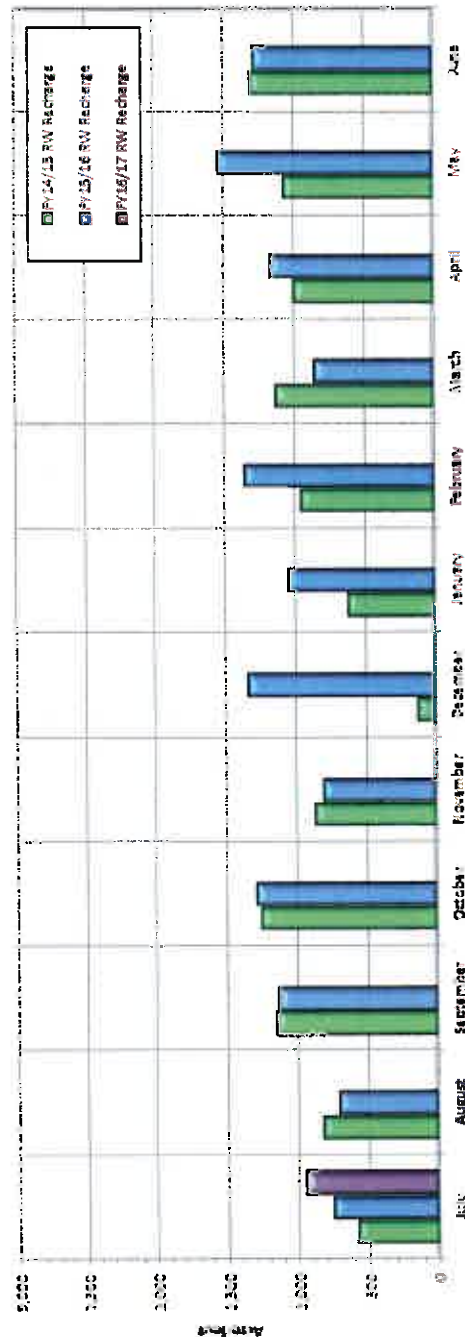
IEUA RECYCLED WATER DISTRIBUTION – JULY 2016



Deliveries are draft until reported as final.

Recycled Water Recharge Actuals / Plan - July 2016 (Acre-Feet)

Basin	7/1-7/8	7/9-7/15	7/16-7/22	7/23-7/31	Month Actual	Month Plan	FY To Date Actual
Fly	518	22.5	16.5	22.1	112.9	150	113
Banana	45.2	39.2	42.9	56.1	183.3	50	183
Hickory	0.0	0.0	0.0	0.0	0.0	150	0
Turner 1&2	32.4	30.6	20.8	1.3	85.2	50	85
Turner 3&4	0.0	0.0	0.0	0.0	0.0	0	0
8th Street	71.7	53.9	61.6	65.9	253.4	200	259
Brooks	0.0	0.0	0.0	0.0	0.0	0	0
FP3	34.8	33.4	7.3	23.2	98.8	100	99
Deleaz	47.2	81.9	24.1	48.1	201.3	150	201
Victoria	0.0	0.0	0.0	0.0	0.0	0	0
San Seavine	0.0	0.0	0.0	0.0	0.0	0	0
Total	283.1	267.6	173.4	216.7	940.8	850	940
					150 AF, Previous FY End of Month Actual		



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Recycled Water Semi-Annual Update FY 2015/16



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

Andy Campbell

August 25, 2016 & September 1, 2016
IEUA Regional Sewerage Program
Technical & Policy Committees

RW Project- Wineville Pipeline

■ Wineville Extension to RP3

- Capital Improvements Complete
- Approx. 3,000 AFY RW Capacity
- Increased RP3 Delivery Capacity
 - 4 cfs to 20 cfs
 - Initiated Sept. 9 2015
 - RP3 RW 15/16 delivery was 3282 AF
- Allows Declez Basin RW Start-Up
 - 4 to 8 cfs
 - Initiated Dec. 23, 2015
 - Declez RW 15/16 delivery was 969 AF



RW Project- San Sevaine

- San Sevaine 5 Pump Station & Pipeline to upper 3 Basins
 - 85% design August 2016
 - January 2017 Bid & Award
 - 1 year Construction
 - Estimated Completion January 2018
 - Approx. 4,000-6,000 AFY RW Capacity



RW Projects

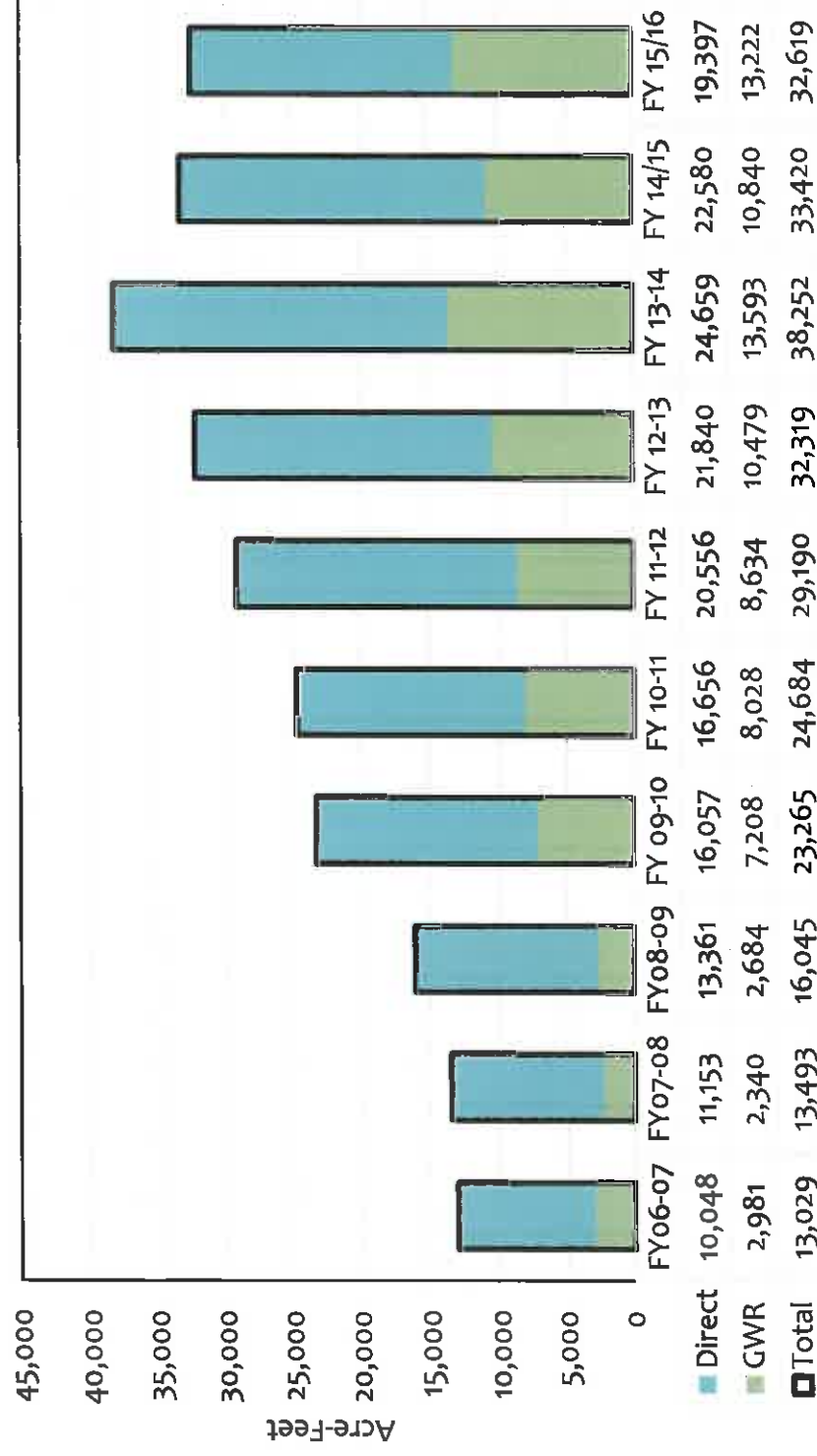
- Prop 1 Grant Projects
 - State Board requested additional CEQA Information
 - Pending Award Notifications (1) December 2016 and (2) February 2017

Project Name	Status	Estimated Completion Date	Project Benefit (AFY)	Prop 1 Group
San Sevaine Basin Improvements	Design	Jan-18	4,000 - 6,000	1
Napa Lateral	Pre Design	Dec-18	1,000	1
RP-1 1158 PS Upgrades	Pre Design	Jul-19	Reliability	2
RP-5 RW Pipeline Bottleneck	Pre Design	Dec-18	Reliability	2
Pressure Sustaining Valve Installation	Pre Design	Dec-18	Reliability	2
RP-1 Parallel Outfall Pipeline	Pre Design	Dec-18	Reliability	2
Baseline RW Extension	Pre Design	Dec-18	100	2
City of Ontario Euclid/Riverside Pipeline	Design	Dec-18	600 - 1,200	2

■ 1630 W and 1630 E Surge Projection Projects

- Estimated completion: October 2016

FY15/16 RW Demand



RW GWR Allocations

Agency	Pro Rata Share	Recharge Allocation (Acre-Feet) FY15/16
Chino	10.6%	1,319
Chino Hills	8.9%	1,112
CVWD	25.2%	3,140
Fontana	19.2%	2,399
Montclair	4.5%	556
Ontario	21.7%	2,703
Upland	10.0%	1,243
Total	100.0%	
JCSD's Allocation:		750
Total Amount Recharged:		13,222