



**MINUTES OF THE
WORKSHOP
OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, DECEMBER 7, 2016
10:00 A.M.**

DIRECTORS PRESENT:

Michael Camacho, Vice President
Steven J. Elie, Secretary/Treasurer
Jasmin A. Hall
Paul Hofer
Kati Parker

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/Assistant General Manager
Randy Lee, Executive Manager of Operations/Assistant General Manager
Christina Valencia, Chief Financial Officer/Assistant General Manager
Kathy Besser, Manager of External Affairs
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Sylvie Lee, Manager of Planning & Environmental Resources
Tina Cheng, Budget Officer
Jason Gu, Grants Officer
Shaun Stone, Manager of Engineering
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Vivian Castro, CBWCD
Jean Cihigoyenette, JC Law Firm
Benjamin Lopez, West Valley Mosquito & Vector
Bob Ooten, CMSD
Steve Pontell, National Core
Joanna Valenzuela, Assemblymember Freddie Rodriguez

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

Vice President Camacho called the meeting to order at 10:07 a.m., and Director Hofer led the pledge of allegiance to the flag. A quorum was present.

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

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

Director Elie stated that he would like to add an Action Item to today's agenda. He stated that there were circumstances that came to his attention after the posting of the agenda on December 1, related to Resolution No 2016-8-1, adopted at the August 17, 2016 Board meeting. He said that Resolution No. 2016-8-1, requested the Local Agency Formation Commission (LAFCO) of San Bernardino County to initiate proceedings for the consolidation of the Chino Basin Water Conservation District (CBWCD) with Inland Empire Utilities Agency (IEUA). He reported that if the Board does not act today, some deadlines might pass, if the Board waits until the December 21 Board meeting. Director Elie noted that General Counsel Cihigoyenatche stated that this is the appropriate venue and would require a 4/5 vote to add this item today's agenda.

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

M2016-12-1

MOVED, to add an Action Item to today's agenda entitled *ADOPTION OF RESOLUTION NO. 2016-12-4, RESCINDING RESOLUTION NO. 2016-8-1, WITHDRAWING APPLICATION 3212, AND TERMINATE FURTHER CONSOLIDATION PROCEEDINGS WITH CBWCD.*

1. WORKSHOP

FINANCE WORKSHOP

Chief Financial Officer Christina Valencia gave a PowerPoint presentation during the Finance Workshop. She stated that this is the first of several Finance Workshops that will be held, as we proceed with the preparation of the biennial budget.

She stated that for the benefit of the new Board members, the workshop will focus on two key areas; an overview of the Agency's funds and the refinancing of 2008A Revenue Bonds. Ms. Valencia provided a general overview of each the Agency's seven funds, purpose, major funding sources, and major expenses.

Ms. Valencia stated that the 2008A Bonds Refinancing Board letter was pulled from the November 16, Board meeting agenda, as requested by the Regional Technical Committee members. She said that the members requested additional time to review the different scenarios considered by the IEUA staff and the Agency's financial team. She also noted that the Regional Technical Committee members requested that IEUA staff meet with the Regional Committees, which occurred on December 1 with the Technical Committee, and December 6 with the Policy Committee. She reported that the majority of Committee members were in favor with staff's recommendation of Scenario 3. She noted that staff received one comment from the City of Ontario, which basically states that Ontario favors the full refinancing scenario (Scenario 4). Ms. Valencia reviewed the four scenarios, which includes 1) Baseline/Do nothing; 2) 5-Year Pay Down; 3) Partial Refinancing/Cash Pay Down; and 4) Full Refinancing. Ms. Valencia stated that this item will be presented as an Action Item at the December 21, Board meeting. Discussion ensued regarding the different scenarios. Director Elie stated that it is important when the Board is thinking about the scenarios, that the Board consider the big picture agency-wide, and determine what is fair and equitable. He stated the fact that Capital Construction Reimbursement funds is available for this very purpose, and the Agency has an obligation to stakeholders to determine the best use of funds for the entire region.

ADOPTION OF RESOLUTION NO. 2016-12-4, RESCINDING RESOLUTION NO 2016-8-1, WITHDRAWING APPLICATION 3214, AND TERMINATE FURTHER CONSOLIDATION PROCEEDINGS WITH CBWCD

Director Elie stated that Resolution No. 2016-12-4, was drafted this morning to reflect what he will propose. He stated that there were circumstances that have happened and have changed since the time that the Agency passed Resolution 2016-8-1. He stated that late yesterday, the Agency received a copy of a letter prepared by Supervisor Hagman that was mailed to the LAFCO Commission. Director Elie stated that there have been significant developments since August, which has been an ongoing issue. He further stated that for the good of the Agency, we need to focus on many things and while at the time the Agency passed the Resolution in August, he was in favor of it, circumstances and times change and we need to be nimble, and we need to be quick because there could be some actions taken that might be irrevocable in the short term. Director Elie stated that he is recommending to the Board that we adopt Resolution No. 2016-12-4, to rescind the action the IEUA Board took in August, and drop the matter and move on as an Agency. He further directed staff to deliver a copy of the adopted Resolution No. 2016-12-4 to LAFCO immediately, if adopted by the Board. He stated that this is for the good of the Agency. He noted IEUA is a great Agency that does great things and continues to do great things. However, the events surrounding this LAFCO application have been a distraction for staff and the Board, and for the good of the region the Agency needs to focus on other things and move on. He stated that it is the right thing to do.

Director Hofer commented, "Well done, thank you".

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

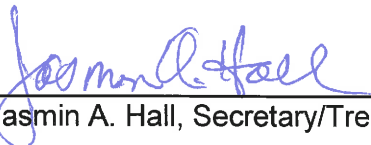
M2016-12-2

MOVED, to adopt Resolution No. 2016-12-4, rescinding Resolution No. 2016-8-1 and withdrawing Application 3212, terminating the proceeding for the consolidation of the Chino Basin Water Conservation District with the Inland Empire Utilities Agency

RESOLUTION NO. 2016-12-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY RESCINDING RESOLUTION NO. 2016-8-1 AND WITHDRAWING APPLICATION 3212 BEFORE THE LOCAL AGENCY FORMATION COMMISSION OF SAN BERNARDINO COUNTY AND TERMINATING PROCEEDINGS FOR THE CONSOLIDATION OF THE CHINO BASIN WATER CONSERVATION DISTRICT WITH THE INLAND EMPIRE UTILITIES AGENCY *(for full text, see Resolution Book)*

With no further business, Vice President Camacho adjourned the meeting at 11:20 a.m.



Jasmin A. Hall, Secretary/Treasurer

APPROVED: JANUARY 18, 2017