



**MINUTES OF THE REGULAR
MEETING OF
THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS**

**WEDNESDAY, APRIL 19, 2017
10:00 A.M.**

DIRECTORS PRESENT:

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

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Sharmeen Bhojani, Manager of Human Resources
Pietro Cambiaso, Supervisor-Environmental Compliance and Energy
Laura Cashion, Grants Administrator
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Tina Cheng, Budget Officer
Warren Green, Manager of Contracts & Facility Services
Jason Gu, Grants Officer
Randy Lee, Executive Manager of Operations/AGM
Sally Lee, Executive Assistant
Laura Mantilla, Executive Assistant
Jason Pivovarov, Senior Engineer
Jesse Pompa, Senior Engineer
Michelle Reed, Assistant Engineer
Cheyanne Reseck, Administration Assistant II
Joyce Rucker, Senior Accountant
Shaun Stone, Manager of Engineering
Christina Valencia, Chief Financial Officer/AGM
Albert VanBreukelen, Deputy Manager of Maintenance
Teresa Velarde, Manager of Internal Audit
Jeff Ziegenbein, Manager of Regional Composting Authority
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Vivian Castro, Chino Basin Water Conservation District
Jean Cihigoyenette, The JC Law Firm

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

President Elie called the meeting to order at 10:01 a.m. and Chief Financial Officer/AGM Christina Valencia dispensed with the Pledge of Allegiance to the flag. A quorum was present.

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

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

PUBLIC HEARING

PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. 105, BOARD COMPENSATION/BENEFITS

General Counsel Jean Cihigoyenette stated that pursuant to Section 5 of Ordinance No. 98, all compensation/benefits provided to members of the Board are to be reviewed within the first quarter of each calendar year. He stated as provided in Section 20202 of the *California Water Code*, the Board may adjust the amount of the Directors' compensation five percent (5%) per each calendar year following the last adjustment. He noted that the Board's compensation was last adjusted in 2014, to \$225, per day's service. General Counsel Jean Cihigoyenette said that on February 15, 2017, the Board instructed to prepare a new Ordinance (Ordinance No. 105) providing for an upward adjustment to the Board compensation. He noted that the hearing today is to receive public comments for the Board to adopt Ordinance No. 105. General Counsel Jean Cihigoyenette stated that the proposed Ordinance would adjust the Directors' compensation upward 5% from \$225 to \$247.50, beginning July 1, 2017.

President Elie opened the Public Hearing at 10:03 a.m. and hearing no public comments, closed the Public Hearing 10:04 a.m.

Upon motion by Director Hall, seconded by Director Hofer, and the motion carried (5-0):

M2017-4-1

MOVED, to adopt Ordinance No. 105, establishing compensation/benefits, and authorizing reimbursement of expenses for the Board of Directors and their appointed representative to the Metropolitan Water District of Southern California Board of Directors, and outside Committee members.

ORDINANCE NO. 105

ORDINANCE OF THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING COMPENSATION/BENEFITS, AND AUTHORIZING REIMBURSEMENT OF EXPENSES FOR THE BOARD OF DIRECTORS AND THEIR APPOINTED REPRESENTATIVES TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BOARD OF DIRECTORS AND OUTSIDE COMMITTEE MEMBERS

(for full text, see Ordinance Book)

With the following roll call vote:

Ayes:	Hall, Hofer, Camacho, Parker, Elie
Noes:	None
Absent:	None
Abstain:	None

CLOSED SESSION

The Board went into Closed Session at 10:05 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS: General Manager

The meeting resumed at 10:46 a.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matter was discussed in Closed Session, and the Board took the following actions:

Regarding Personnel Matters:

General Manager

The Board took no reportable action.

CONSENT CALENDAR

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. Director Hofer requested that Consent Calendar Items 2G – ADOPTION OF RESOLUTION NO. 2017-4-1, APPROVING THE UPDATE OF THE AGENCY’S INVESTMENT POLICY; and 2K – NRW AND COLLECTION SYSTEMS CONSTRUCTION CONTRACT AWARD be pulled from the Consent Calendar for further discussion.

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

M2017-4-2

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the March 1, 2017 Board Workshop meeting, and the March 15, 2017 Board meeting.
- B. Approved the Amendment No. 6 to the 1975 Joint Exercise of Power Agreement Creating the Santa Ana Watershed Project Authority.
- C. Adopted Resolution No. 2017-4-5, commending the IEUA team members for their outstanding leadership in helping to develop a viable and innovative solution for the South Archibald Plume.

RESOLUTION 2017-4-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, COMMENDING THE FOLLOWING INLAND EMPIRE UTILITIES AGENCY TEAM MEMBERS IN THEIR OUTSTANDING LEADERSHIP IN RESOLVING THE LONG STANDING ENVIRONMENTAL ISSUE IN THE SOUTH ARCHIBALD PLUME
(for full text, see Resolution Book)

- D. Adopted Resolution No. 2017-4-6, honoring the 10th anniversary of the Inland Empire Regional Composting Facility.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY CALIFORNIA, HONORING THE 10TH ANNIVERSARY OF THE INLAND EMPIRE REGIONAL COMPOSTING FACILITY
(for full text, see Resolution Book)

(Continued...)

M2017-4-2, continued.

- E. Adopted Resolution No. 2017-4-7, proclaiming May 7, 2017 through May 13, 2017, as International Compost Awareness Week.

**RESOLUTION 2017-4-7
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY
CALIFORNIA, RECOGNIZES MAY 7-13, 2017, AS INTERNATIONAL
COMPOST AWARENESS WEEK**
(for full text, see Resolution Book)

- F. Approved the total disbursements for the month of January 2017, in the amount of \$11,521,274.26.

G. PULLED.

H. The Board:

1. Approved the master services contract amendments to perform corrosion and condition assessment services for the Agency's physical assets for a total aggregate not-to-exceed amount of \$300,000 over a three-year period to the following:

- Contract No. 4600001614 to V&A Consulting Engineering Inc.
- Contract No. 4600001616 to Lockwood, Andrews, & Newman, Inc.
- Contract No. 4600001622 to HDR Engineering, Inc.; and

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

I. The Board:

1. Adopted Resolution No. 2017-4-2, authorizing IEUA to enter into a financial assistance agreement with the U.S. Department of Interior – Bureau of Reclamation (USBR) for the WaterSMART Grants: Water Marketing Strategy Grants for Fiscal Year 2017; and
2. Authorized the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

**RESOLUTION 2017-4-2
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO
COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE
UTILITIES AGENCY TO ENTER INTO A FINANCIAL
ASSISTANCE AGREEMENT UNDER THE WATERSMART
GRANTS: WATER MARKETING STRATEGY GRANTS FOR FY
2017 WITH THE U.S. DEPARTMENT OF INTERIOR - BUREAU
OF RECLAMATION AND DESIGNATING A REPRESENTATIVE**
(Continued...)

M2017-4-2, continued.

**TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT,
AND ANY AMENDMENTS THERETO FOR THE CHINO BASIN
WATER MARKET PLAN**

(for full text, see Resolution Book)

J. The Board:

1. Adopted an Addendum to the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration for the Fontana Water Company Recycled Water Improvement Project; and
2. Authorized the General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

K. PULLED.

L. The Board:

1. Awarded the consulting architectural services contract for the proposed RP-5 Operations and Maintenance Building, Project No. EN19001, to Gillis & Panichapan Architects, Inc., for the not-to-exceed amount of \$136,510; and
2. Authorized the General Manager to execute the contract.

M. The Board:

1. Ratified the Retainer Agreement for general labor counsel and related legal services with Dorgan Legal Services, LLC. (DLS), subject to the fees, terms and conditions set forth in Exhibit A; and
2. Authorized the General Manager to execute the Retainer Agreement.

N. The Board:

1. Awarded a digester cleaning service contract for the RP-1 Digesters Nos. 1, 6, and 7, Project No. EN17042, to Synagro-WWT, Inc. in the amount of \$1,750,200; and
2. Authorized the General Manager to execute the contract.

PRESENTATION OF COMMENDATION RESOLUTION TO STAFF

President Elie stated that this presentation is to express a special thank-you to certain IEUA team members who worked tirelessly on the settlement of the Plume project and other related matters. He stated that this is a project near and dear to his heart, because of the late Director Koopman and the many others in the agricultural community. He stated that this was a project with a lot of moving parts and everybody who is recognized today has pulled together to do something unique. President Elie stated that he wholly commended everyone recognized who are very deserving of this praise.

The following IEUA team members were recognized for their contribution:

Christopher Berch
Laura Cashion
Joseph Grindstaff
Jason Gu
Jesse Pompa
Michelle Reed
Cheyanne Reseck
Joyce Rucker
Shaun Stone
Ashley Womack (absent)

ADOPTION OF RESOLUTION NO. 2017-4-1, APPROVING THE UPDATE OF THE AGENCY'S INVESTMENT POLICY

Director Hofer commented that the Agency is managing a large amount of money in investments. He stated that, upon his review of the investment policy, it would be worthy to have a discussion regarding the time and effort that the Agency is devoted to investing this money versus the liquidity, and the expense of having an outside management firm investing for the Agency. He noted the differences in a public company and a private company, especially in the world of today's returns. He stated the Agency should consider whether to retain an investment management company, look into non-liquid returns, look at a savings account with minimal returns, and see if perhaps these options provide a better use of staff's time and efforts.

Chief Financial Officer/AGM Christina Valencia responded that she agreed with Director Hofer. She was considering bringing back this subject for the Board's consideration of the option of contracting a portfolio management firm. She stated that she recognizes that this is a large sum of money invested. Management has been done in house but the Agency has been speaking to PFM advisors who have a large investment firm that focuses on public sector investments for many agencies. PFM is running some analysis and will report what the return would have been if PFM had been managing the portfolio. The Agency is currently paying fees when brokers are used so the Agency is comparing that to what would have been paid had a management firm done the investing for the Agency, who are experts in the field. She stated that managing the Agency's portfolio is not the primary focus of Agency's staff. On the occasion when there has been surplus funds, staff has been investing and holding to maturity which is not always the best strategy.

General Manager Joe Grindstaff added that he had spoken to Ms. Valencia about holding a workshop to cover this subject and there should be a discussion on the process that the Agency uses.

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

M2017-4-3

MOVED, to adopt Resolution No. 2017-4-1, approving the update of the Agency's Investment Policy for Fiscal Year 2017/18.

RESOLUTION 2017-4-1

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE ANNUAL UPDATE OF THE AGENCY'S* INVESTMENT POLICY

(for full text, see Resolution Book)

NRW AND COLLECTION SYSTEMS CONSTRUCTION CONTRACT AWARD

Director Hofer commented about the difference between the Agency's engineering estimate for the project cost and the bid that was awarded, which was significantly lower than the other bid that was submitted. He asked when looking at the Agency's estimate from the past couple years, have the estimates been on higher or lower side.

Mr. Grindstaff responded by saying that the Agency's engineering estimates and the bids submitted are typically much closer. He stated that this matter was discussed in the Engineering, Operations, and Water Resources Committee meeting. Executive Manager of Engineering/AGM Chris Berch added that there was a discussion about staff's initial concern when seeing the large difference as well. Both bids were submitted by contractors that the Agency has worked with, so staff was comfortable that both contractors had done a good job in the past. Manager of Engineering Shaun Stone met with the awarded contractor personally to ensure that their bid amount was accurate and gave them the opportunity to review and withdraw if they desired to do so. The contractor remains to stand behind their bid amount. This project is unique in that the cost correlates not so much with the material cost but the means and methods. The contractors feel that they have found a better way to complete the job and the Agency will be watching the project closely. With estimates and bids, the Agency targets to be within 10% and this is an anomaly. Mr. Berch stated that there was a presentation, given about 6 months prior, looking at the comparison of estimate to bids which staff can update and share with Director Hofer.

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

M2017-4-4

MOVED, to:

1. Awarded a construction contract for the Non-Reclaimable Wastewater Manhole Upgrades FY 2016/17 and Collection System Upgrades FY 2016/17, Project Nos. EN17014 and EN17015 respectively, to Ferreira Construction Co. Inc., in the amount of \$284,738; and
2. Authorized the General Manager to execute the construction contract.

ACTION ITEMS

CCWRF CONSULTANT CONTRACT AWARD – 2017 ASSET MANAGEMENT PACKAGE 1

Manager of Engineering Shaun Stone began his presentation by stating the Carbon Canyon plant, located just a mile and a half from IEUA headquarters, was constructed in 1992. There has been general deterioration as common with all wastewater plants in the past 25 years. The plant has not had any significant upgrades or modifications done since its initial construction. Mr. Stone stated that this is package 1, which is the first of three packages. Package 1 will cover the preliminary, primary, and secondary treatments. Package 2 will cover tenant improvements and Package 3 will cover tertiary treatment. The current issues to be addressed in Package 1 will be the inefficient odor control system, deteriorated headworks equipment, blowers that are at the end of service life, and to optimize the operation of the aeration basins. He continued with the overview of the project scope that included condition assessment work between preliminary and primary systems, inspection of all the underground piping, headworks rehabilitation, evaluating a new odor control system, aeration basins modification, replace and automate blowers, and replace backup generator and upgrade controls.

He stated that the Agency received three proposals with the evaluation and selections committee consisting of IEUA Engineering staff, IEUA Operation & Maintenance staff, and a member of Chino Hills. The committee unanimously selected CDM Smith as the consultant of choice. CDM's proposal was for \$3.6 million. It's important to note that \$1.5 million of that fee is related to

condition assessment work. Carbon Canyon itself is at 12 million gallons per day (MGD) with its internal flows and daily average, which the consultants are going to have to move 40 MGD of flow around the plant so that they will be able to get into the pipes to inspect them. Staff is reviewing with operations, methods to reduce that cost by routing flows throughout the system with diversions to RP-1 and RP-5. The total project cost is expected to be \$23.5 million with the total project budget at \$24 million. The current total project budget is \$7 million, put in as an amendment to the proposed for fiscal year 2018 - 2027 TYCIP. Mr. Stone ended his presentation with the timeline of the project.

Director Kati Parker asked if the aeration supply was still the fine bubble aeration panels that was originally installed and maintained. She asked if CDM will have to look at the existing panels. Mr. Chris Berch responded by stating that the Agency will want to look at the evolution of fine bubble diffusion in the last 25 years. Mr. Berch stated that most of the blowers are from old technology that use a lot of power, so there is potentially a large amount of energy savings that can take place by evaluating and replacing the old blowers. Executive Manager of Operations/AGM Randy Lee stated that the blowers that Mr. Berch had mentioned are no longer supported by the manufacturer, so it is difficult to get parts to repair them. The Agency is looking at different ways to control aeration, which is the most energy intensive part of wastewater treatment process. The Agency is looking at exploring using ammonia control versus dissolved oxygen control, which will dramatically reduce energy use for the Agency's treatment plant.

President Elie asked a question about the other contractors that were not selected by the panel and if their pricing was in the same range. Mr. Stone responded by stating the Agency uses a qualification based selection criteria outlined in the government code. All proposals are reviewed first, the most qualified is selected, their fee envelope is opened and then the price is negotiated. If the price is in line with the Agency's estimate then the project is moved forward or items are negotiated in or out of the project. He stated that under this process, the other two contractors fee envelopes were kept sealed and returned, so we do not know what their pricing was.

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

M2017-4-5

MOVED, to:

1. Award a consulting engineering services contract for the CCWRF Asset Management and Improvements Project No. EN17006, to CDM Smith, for the not-to-exceed amount of \$3,631,892; and
2. Authorize the General Manager to execute the consulting engineering services contract.

ADOPTION OF RESOLUTIONS TO AMEND THE MEMORANDA OF UNDERSTANDING AND SALARY MATRICES/SCHEDULES FOR REORGANIZATION AND UNIT MODIFICATION

Manager of Human Resources Sharmeen Bhojani started by stating that the items presented is the recommendation to adopt resolutions amending the Supervisors', General, and Professional Units' Memoranda of Understandings and personnel manuals and amending the respective salary matrices to reflect the reorganization and unit modification. The proposed reorganization plan calls for streamlining management of the Agency's technologies solutions, integrating the grants and records management departments into the new External Affairs and Policy Development division, enhancing the Finance division for critical succession planning, and expanding safety to further promote the Agency safety program. To accomplish this, a proposal is being made to create the position of Chief Information Technology Officer (CITO) to lead the Agency's information systems management efforts. Currently the Agency's information systems management efforts are housed in two different departments that are in two different divisions –

Business Information Systems (BIS) and Integrated System Services (ISS). The proposal is to merge these two sections and directly report to the CITO.

For the purposes of critical succession planning, other proposed positions include the Chief Financial Officer, Manager of Grants, and Deputy Manager of Grants. The incumbent CFO/AGM will be classified as Executive Manager of Finance and Administration/AGM and will oversee the CFO position. The grants group will be transferring from the Engineering division to the new External Affairs and Policy Development division. The records management group will also be transferring from the Finance division to the External Affairs and Policy Development division. Another proposed change includes the creation of Deputy Manager of Safety to support the Agency's goal of achieving the CalOSHA Star Voluntary Protection Program (VPP) Certification, which is a voluntary protection program certification designed to recognize the employers and employees who go above and beyond CalOSHA standards and is the highest designation in workplace safety. To accomplish this goal, additional resources are needed in the safety arena. Another consideration includes the reclassification of incumbent Supervising Contracts and Programs Administrator. Our Supervisor in Procurement retired last year and with that retirement staff recommends to change the incumbents title to Contracts and Procurement Supervisor, combining the Contracts and Procurement roles and compensate the employee accordingly for the addition added duties.

Staff is also asking for approval of some unit modifications with respect to the Agency's bargaining units. As a result of the classification and compensation study that the Agency held a few years prior and subsequent negotiations, the Agency and bargaining units have agreed to unit modifications allowing the transfer of employees to and from Professional and General units to Supervisors' unit and from those units to the Professional unit. Ms. Bhojani concluded her summary of the proposed changes and ask if there were any questions.

Discussion ensued regarding the need for additional information on new positions being created and more clarification in the structural proposal of succession planning. It was suggested to have a PowerPoint in the future in the presentation of the items.

Chief Financial Officer/AGM Christina Valencia mentioned that she planned on bringing the Administrative Services Fund to the May Board meeting which will address employment costs.

No action was taken. The Board tabled this item until the May 17, Board meeting.

(Director Camacho left the meeting room at 11:34 a.m.)

(Director Camacho re-entered the meeting room at 11:36 a.m.)

INFORMATION ITEMS

REVIEW OF PROPOSED BIENNIAL BUDGET FOR FISCAL YEARS 2017/18 AND 2018/19 FOR REGIONAL WASTEWATER, RECYCLED WATER, AND RECHARGE WATER FUNDS AND TEN YEAR CAPITAL IMPROVEMENT PLAN (WRITTEN/POWERPOINT)

Chief Financial Officer/AGM Christina Valencia started her presentation by stating that the Agency has been going over the funds to provide an overview of the various funds of the Agency to give the Board an idea of the trends with respect to major revenues and major expenditures. She stated that today she will be presenting the proposed Ten Year Capital Improvement Plan (TYCIP) and the proposed biennial budget for Recycled Water, Regional Wastewater, and Recharge Water funds. The reason why these funds have been brought forth first is not only because they are the largest programs for the Agency, but also the proposed budget needs to be taken to the Regional Technical and Policy committees for their review and comment. The TYCIP is very much consistent what the Agency has in place today and it remains focused primarily on expansion, rehabilitation, and regulatory compliance. Ms. Valencia showed the long-term planning documents that guide the projects that are included in the TYCIP with growth being a key factor. Our member agencies project to have over 36,000 new EDU's in the next ten years, primarily in

the southern section of the Agency's service area. Over the next 10 years, the Agency is planning to spend about \$850 million to meet this growth. That is about \$72 million more than what has been currently adopted for this year. The reason for this increase was a scope change for the RP-2 and RP-5 expansion, going from 15 mgd to a 30 mgd which increased the cost. Looking at the next 15-year span, the Agency is projected to spend \$1.2 billion. Ms. Valencia went over the major projects and she stated that most of the projects are budgeted in the Regional Wastewater program and Recycled Water program, which make up nearly 70 percent of the total proposed budget. The TYCIP is funded by a combination of pay go, which includes our connection fee revenue, property taxes, fund reserves that the Agency has been able to set aside over time, as well as new debt and grants.

Ms. Valencia continued onto an overview of the proposed biennial budget including all expenditures for the Regional Wastewater, Recycled Water and Recharged Water programs. This included all the proposed operations and maintenance, TYCIP budget, and debt service cost. These programs combined make up 70 percent of the total proposed budget for the Agency. She stated that this would be the emphasis of the budget going forward. She explained that the Agency is transitioning to more preventive maintenance strategy with the goal to be at 30 percent corrective and 70 percent preventive. This strategy will reduce maintenance costs as work done on an emergency basis can cost up to 30 percent more. Transitioning as a more preventive maintenance approach is the most cost effective way of operating. She went over the major projects under the Regional Operations fund and gave an overview of the wastewater operations expenses and revenues. At the request of the Regional Sewerage Technical Committee, the Agency has committed to report how the Agency is tracking against the 2015 projections, which were the basis to the adopted 5 year rates.

Director Hofer asked if the actual Equivalent Dwelling Unit (EDU) charge was the same in every one of our client agency's cities. Ms. Valencia answered by stating for the Agency it is the same, but the respective cities can add rates accordingly.

Mr. Grindstaff pointed out that the cost of service of projected FY 17/18's replacement and repair (R&R) projects is partly driven by projects such as Carbon Canyon Water Recycling Facility (CCWRF) that was presented earlier today. The cost of service for projects like these can be high for a number of years; however, if it is looked at over a 10 or 20 year period, it may decrease again. The Agency will have a more accurate projection with a few more years of tracking all of the numbers and charging rates appropriately.

Ms. Valencia continued her presentation with her overview of the wastewater operations fund reserve and the wastewater capital fund expense, revenues, and reserves. She finished with the timeline of when budget items will be brought to the Board in the coming months.

ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)

Manager of Engineering Shaun Stone gave a PowerPoint presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: EN13048 –RP-1 Power System Upgrades; EN15008 – Water Quality Laboratory; EN14018 – RP-4 Disinfection Facility Improvements; EN16024 – RP-1 Mixed Liquor Return Pumps; EN14043 – RP-5 RW Pipeline Bottleneck.

President Elie noted that he would like the completed percentage of the projects included in the Engineering and Construction Management project updates. Director Hall mentioned that she would like to see the challenges and the positives of the projects noted as well.

MWD & DROUGHT UPDATE (ORAL)

Senior Engineer Jason Pivovaroff reported the Metropolitan Water District of Southern California monthly recap of water conditions and sales. He stated State Water Project allocation increased

to 85%; snowpack is at 185% (47.7 inches water equivalent); North Sierra precipitation is at 209% (92 inches); and an increase in storage forecast of 0.7 to 1.2 million acre feet (MAF).

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/ POWERPOINT)

PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)

LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)

LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)

FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)

STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)

3RD QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE (POWERPOINT)

RECYCLED WATER SEMI-ANNUAL UPDATE FY 2016/17 (POWERPOINT)

SEPTIC TO SEWER FEASIBILITY STUDY UPDATE (POWERPOINT)

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall reported that the SAWPA Commission meeting was fairly routine.

MWD REPORT

Director Camacho had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker reported that staff presented the subject to sewer feasibility study that was presented at the Agency's board workshop on April 5, 2017.

CHINO BASIN WATERMASTER REPORT

Director Elie reported that the judge has come out with another opinion.

GENERAL MANAGER'S REPORT

General Manager Joe Grindstaff stated that he had nothing further to report.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

Director Hall reported that she attended the IEUA Special Districts Dinner, Annual Grove Riverside Conference, Association of Women in Water, and a social mixer where she met SPARKS students. She mentioned that it would be nice to have them come see what a Board meeting is like. She also attended the American Academy of Environmental Engineers and Scientists with President Elie in Washington, D.C.

Director Camacho reported that on March 23 and 24, he attended the WELL Conference, the Water Educations for Latino Leaders in San Diego. It was a great conference and many elected officials in the state of California attend this conference that are not water related, so they were able to hear water perspectives and get educated on water issues.

President Elie reported that he hosted the Special Districts Dinner and had Randall Lewis as the speaker and it was very well received. Last week, he attended the Academy of Environmental Engineers and Scientists Luncheon with Director Hall, Chris Berch, Kathy Besser, and Jesse Pompa to accept three awards for excellence in environmental engineering and science for the battery storage project. The Agency received honorable mentions and three grand prizes for planning, operations maintenance, and environmental sustainability.

CLOSED SESSION

The Board went into Closed Session at 12:10 p.m., B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (2) Martin vs. IEUA, Case No. CIVRS 1000767; (3) Mwembu vs. IEUA, Case No. CIVDS 1415762; (4) Spiniello vs. SAWPA, Case No. BC 616589; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (1) Supplemental Water Transfer/Purchase, Negotiating Party: General Manager P. Joseph Grindstaff, Under Negotiation: Price and Terms of Purchase; D. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION; INITIATION OF LITIGATION: Three (3) Cases; E. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS: Various Positions; F. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION: General Manager.

The meeting resumed at 12:50 p.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

Martin vs. IEUA, Case No. CIVRS 1000767

The Board unanimously approved a settlement agreement in the amount of \$720,000, funded through insurance proceeds, which concludes this matter. The settlement agreement is on file with the Agency.

Regarding Conference with Legal Counsel – Existing Litigation:

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

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Spiniello vs. SAWPA, Case No. BC 616589

The Board did not discuss.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation; Initiation of Litigation:

Two Cases

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation; Initiation of Litigation:

One Case

The Board did not discuss.

Regarding Personnel Matters:

Various Positions


The Board did not discuss.

Regarding Personnel Matters – Public Employee Performance Evaluation:

General Manager

The Board did not discuss.

With no further business, President Elie adjourned the meeting at 12:56 p.m.



Jasmin A. Hall, Secretary/Treasurer

APPROVED: MAY 17, 2017