

NOTICE OF MEETING

OF THE

**REGIONAL SEWERAGE PROGRAM
TECHNICAL COMMITTEE**

OF THE



WILL BE HELD ON

THURSDAY, JULY 27, 2017

2:00 P.M.

**BOARD ROOM
AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE
CHINO, CA 91710**



Regional Sewerage Program Technical Committee Meeting

AGENDA
Thursday, July 27, 2017
2:00 p.m.

Location

Inland Empire Utilities Agency
Boardroom
6075 Kimball Avenue
Chino, CA 91708

Call to Order and Roll Call

Additions/Changes to the Agenda

1. Action Items

- A. Approval of the June 29, 2017 Meeting Minutes
- B. SCADA Enterprise System (Regional Water Recycling Plant No. 4 & 5)
Design Build Construction Contract Award

2. Informational Items

- A. Regional Contract Facilitator Update (*Oral*)
- B. RP-2 Microturbine Contract Cancellation
- C. City of Upland Billing Error

3. Receive and File

- A. Draft Regional Policy Committee Agenda
- B. Building Activity Report
- C. Recycled Water Distribution - Operations Summary
- D. Engineering Project Updates

4. Previous Technical Committee Items Requested

- A. IEUA Letter to Member Agencies – Regional Contract Negotiations

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 – August 31, 2017

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, July 24, 2017.


Laura Mantilla #1317

**ACTION
ITEM**

1A



Regional Sewerage Program Technical Committee Meeting MINUTES OF JUNE 29, 2017 MEETING

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, June 29, 2017, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Chuck Hays called the meeting to order at 2:04 p.m.

ATTENDANCE

Committee Members:

Jesus Plasencia	City of Chino
Ron Craig	City of Chino Hills
John Bosler	Cucamonga Valley Water District
Chuck Hays	City of Fontana
Derek Wieske	City of Montclair
Katie Gienger	City of Ontario
Rosemary Hoerning	City of Upland
Chris Berch	Inland Empire Utilities Agency

Others Present:

Dan Chadwick	City of Fontana
Nicole deMoet	City of Montclair
Mark Wiley	City of Chino Hills
Braden Yu	Cucamonga Valley Water District
Javier Chagoyen-Lazaro	Inland Empire Utilities Agency
Michael Dias	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Ken Tam	Inland Empire Utilities Agency

ADDITIONS/CHANGES TO THE AGENDA

Chairman Hays asked if there were any changes/additions/deletions to the agenda. There were none.

1. ACTION ITEMS**A. APPROVAL OF THE MAY 25, 2017 MEETING MINUTES**

Motion: By Rosemary Hoerning/City of Upland and seconded by Jesus Plasencia/City of Chino to approve the minutes of the May 25, 2017 Technical Committee meeting.

Motion carried: Unanimously, with Derek Wieske /City of Montclair abstaining.

B. CUCAMONGA VALLEY WATER DISTRICT (CVWD) REGIONAL CONNECTION REQUESTS

Shaun Stone/IEUA recommended approval from the Committee for two new connection points to the Regional System (CVWD Regional Sewer Connections #CW-19 & CW-20).

Motion: By Ron Craig /City of Chino Hills and seconded by Rosemary Hoerning/City of Upland to approve the request by CVWD for two new connection points to the regional system.

Motion carried: Unanimously.

2. INFORMATIONAL ITEMS**A. REGIONAL CONTRACT**

Chris Berch/IEUA indicated that the member agencies should have received the response letter from IEUA regarding the Regional Contract negotiations. He explained the importance of developing a process to move forward in renewing the contract in earnest or potentially doing something different if so desired, such as an ordinance. Mr. Berch indicated that IEUA is planning significant capital projects to meet expected growth in the region and need the certainty of a future contract to issue debt. In addition, there are the technical and policy issues that need to be worked through.

Mr. Berch explained the value of hiring a consultant to facilitate the process and asked the committee if there was a desire to do so. Discussion ensued and the consensus was to hire a facilitator and do a workshop. Mr. Berch indicated that he would obtain the consultant's credentials along with an outline and will forward the information to the Committee. The Committee discussed the desire to meet and potentially move forward with the consultant recommended by Mr. Craig last month. Mr. Berch said that he had followed up with contacting the consultant, who seems very qualified and interested in supporting this effort. Mr. Berch said that IEUA staff was prepared to issue a request for proposal (RFP) if desired by the Committee. The Committee discussed that they were comfortable moving forward and meeting with the recommended consultant without the RFP. Katie Gienger/City of Ontario recommended that a couple of the Technical Advisory Committee, along with IEUA staff meet with the consultant to get them up to speed before the workshop; Ms. Gienger, John Bosler/CVWD, and Mr. Craig volunteered. Ms. Hoerning stated she would attend if she was available.

B. CITY OF UPLAND EQUIVALENT DWELLING UNIT (EDU) REVIEW

Sylvie Lee/IEUA stated that IEUA received a request for a refund (for overpayment) from the City of Upland. The request is for a reconciliation of some of the accounts on how the residential and commercial EDUs were reported to IEUA. Per the regional contract, if IEUA receives such a request and is not resolved within 30 days, IEUA is required to provide a written notice of the error to the

Technical Committee. IEUA is currently in the process of working with the City of Upland to obtain the data to perform a validation process.

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 REPORT

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

C. RECYCLED WATER DISTRIBUTION - OPERATIONS SUMMARY

The Recycled Water Distribution Operations Summary was received and filed by the Committee.

4. PREVIOUS TECHNICAL COMMITTEE ITEMS REQUESTED

None.

5. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

Mr. Berch provided the following update on behalf of Joseph Grindstaff.

- Compliance Update - IEUA had briefed the Committee regarding two sources (popsicle manufacturer and slaughterhouse) of bromide discharging to CCWRF causing non-compliance with discharge permit. The popsicle manufacturer has changed their process. The slaughterhouse is in the process of converting to a non-bromide sanitation chemical pending USDA approval to be in August 2017. Therefore, IEUA has been in and out of compliance three out of the last four months.
- Water Data for Exhibit J – IEUA is still awaiting complete data sets from a couple of the member agencies. If the entire data is not received by July 6, we will be moving forward. Ms. Gienger stated they are working with Carollo and will be submitting data next week.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

None.

C. COMMITTEE MEMBER COMMENTS

- Ms. Hoerning thanked IEUA for having a representative attend the ribbon cutting of their landscape transformation project. The City of Upland appreciates their support and the money that went into the project.
- Mr. Wieske announced that Mike Hudson is retiring after a 42-year career and stated that Mr. Hudson enjoyed working with the Committee. Mr. Wieske is looking forward to working with the Committee.
- Mr. Craig commented that he appreciated the information provided by Mr. Grindstaff at the Water Managers meeting regarding the update on the Santa Ana River Habitat Conservation.

D. NEXT MEETING – JULY 27, 2017

6. ADJOURNMENT – The meeting adjourned at 2:54 p.m.

Transcribed by:
Laura Mantilla, Executive Assistant

**ACTION
ITEM**

1B



Date: July 27, 2017
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Design-Build Contract Award for the SCADA Enterprise System
RP-4 & RP-5 Migration

RECOMMENDATION

It is requested that the Regional Committees recommend to the IEUA Board of Directors to award the design-build contract for the SCADA Enterprise System (RP-4 & RP-5) Project Nos. EN13016.03 & EN13016.04, to CDM Smith in the amount of \$5,192,864.

BACKGROUND

Inland Empire Utilities Agency's (IEUA) existing Supervisory Control and Data Acquisition (SCADA) System is comprised of a wide variety of equipment located at various facilities throughout the Agency's service area. This system has been instrumental in enabling IEUA staff to maintain outstanding plant compliance while reducing the operation shift coverage from 24-hours per day to single shift coverage. IEUA has separate control systems for wastewater treatment plants, recycled water, and the groundwater recharge system. The control system is approximately a 60/40 mix of Foxboro's Distributed Control System (DCS) and Rockwell Automation's SCADA system, respectively (the DCS has been in service for more than 20 years and has reached its end-of-life). The SCADA Master Plans (approved in 2012) established the need for a migration from the existing Invensys Foxboro DCS to Rockwell Automation's PlantPax SCADA Enterprise System.

As identified in the Master Plan, the Carbon Canyon Water Recycling Facility (CCWRF) was the first facility to be migrated to the PlantPax system. In May of 2013, the consultant contract was awarded to the engineering team of Westin Engineering Inc. (Westin), Rockwell Automation, and Parsons to perform design services for all facilities to be migrated. In December 2014, Technical Systems, Inc. was awarded the construction contract to integrate the PlantPax system into CCWRF's controls strategy. The CCWRF migration was successfully completed in March 2016.

The second phase of the SCADA project focuses on the migration of Regional Plant Nos. 4 (RP-4) and 5 (RP-5). Beginning in June 2016, Westin performed pre-design work for the RP-4 and RP-5 migrations by developing a scope of work and supporting documents for a Design-Build Request for Proposals (RFP).

On March 27, 2017, IEUA advertised on *PlanetBids* the RFP to three pre-qualified contractors in compliance with Senate Bill 785, which allows public agencies to select design-build contractors based on the best value (qualifications and costs) to the Agency rather than low bid. This project delivery method was preferred due to the sensitivity of the controls systems to ongoing treatment plants operations and the significant impact that quality experience can have on the success of this project. All three contractors participated in the job walk on April 17, 2017.

On May 31, 2017, the following proposals were received:

Contractor's Name	Total Price
Tesco Controls	Non-Responsive
CDM Smith	\$5,192,864
Technical Systems, Inc.	\$5,603,500
Engineer's Estimate	\$5,900,000

The proposal from Tesco Controls was determined to be non-responsive due to non-compliance with State Revolving Fund (SRF) loan requirements. The State Water Resources Control Board issued a determination of non-compliance because the proposal did not demonstrate good faith efforts in soliciting the Disadvantaged Business Enterprise program.

The proposals were reviewed by a selection committee consisting of the City of Chino Hills and IEUA staff from Engineering, Integrated Systems Services, Contracts and Procurement, and Grants. Pursuant to SB 785, the proposals were evaluated based on technical experience, capital and life-cycle costs, schedule, proposed work plan, and safety record. Based on these criteria, the committee determined that CDM Smith provided the best value to IEUA for this project. During the prequalification process, IEUA staff evaluated CDM Smith's financial statements and verified references and found them to be in good standing.

The following table is the projected project cost:

Description	Estimated Cost
Design Services	\$2,942,296
Consultant Predesign Contract	\$225,000
Detailed Design (this action)	\$2,377,296
IEUA Design Services	\$250,000
Project Development	\$90,000
Construction Services	\$501,000
Design Consultant Construction Services	\$215,000
IEUA Construction Services (10%)	\$260,000
Construction Services Contingency (10%)	\$26,000
Construction	\$2,882,231
Construction (this action)	\$2,620,231
Contingency (10%)	\$262,000
Total Project Cost	\$6,325,527
Total Project Budget (for all four treatment facilities)	\$13,900,000
Expended to Date	\$5,416,613
Remaining Budget	\$2,157,860

The following is the project schedule:

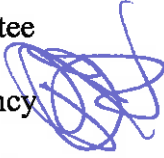
Project Milestone	Date
Design-Build Contract Award	August 2017
RP-5 Construction Completion	September 2018
RP-4 Construction Completion	May 2019

The SCADA Enterprise System Project is consistent with IEUA's *Business Goal of Business Practices and Asset Management* that strives to apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public and will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

INFORMATION

ITEM

2B

Date: July 27, 2017
To: Regional Technical Committee
From: Inland Empire Utilities Agency 
Subject: RP-2 Microturbine Contract Termination

RECOMMENDATION

This is an informational item for the Regional Technical Committee to review.

BACKGROUND

Since 1990, Regional Water Recycling Plant No. 2 (RP-2) has produced renewable energy by fueling a cogeneration engine with digester gas. Due to stringent emissions limits imposed by South Coast Air Quality Management District (SCAQMD) Rule 1110.2, the engine is no longer able to operate in compliance. In anticipation of the engine shutdown, IEUA evaluated alternative technologies that could comply with environmental regulations while beneficially and cost effectively utilizing the digester gas produced on site in consideration of RP-2's scheduled decommissioning in January 2023.

Analysis showed that a digester gas-fueled microturbine was the most cost effective option. A prerequisite of the project's evaluation criteria was to achieve a return on investment within the remaining life of RP-2. On November 21, 2016, an RFP was advertised on *PlanetBids* to all microturbine suppliers. On February 15, 2017, IEUA awarded a design-build contract to Geveden Industrial to install a microturbine power plant at RP-2.

To mitigate the economic risks of this project, a termination clause was included in the contract. Under this provision, IEUA has the ability to stop all design and construction work on the project and terminate the contract in the event that Self-Generation Incentive Program (SGIP) funding cannot be secured through the California Public Utilities Commission (CPUC). Without the SGIP funding, the project would not be able to achieve the desired return on investment.

IEUA initiated the SGIP application process in February 2017 with the expectation of submitting an application when the program opened in April 2017. Shortly before the program opened, the CPUC released an updated program handbook detailing existing and new SGIP requirements. One of the new requirements limited the amount of funding that

RP-2 Microturbine Installation Contract Termination

July 27, 2017

Page 2 of 2

self-generating projects could receive if they also planned to export a portion of the power back to the grid. Since the RP-2 microturbine would consistently export to the grid, it was determined that the SGIP funding available for the project would be significantly less than the original business case estimated, thereby inflating the return on investment beyond the remaining life of the facility. IEUA entered into negotiations with Geveden Industrial to determine if the capital costs could be reduced, but the two sides were unable to reach a mutually beneficial agreement so the contract will be terminated.

The RP-2 Microturbine contract termination is consistent with the *Agency's Business Goal of Business Practices* by applying fiscal responsibility in energy management projects.

INFORMATION

ITEM

2C

Date: July 27, 2017
To: Regional Technical Committee
From: Inland Empire Utilities Agency
Subject: City of Upland Sewage Billing Reimbursement

RECOMMENDATION

Based on the results of the validation effort by IEUA and Upland on July 12 and July 17, 2017, it is recommended that IEUA reimburse Upland's monthly service charge account for \$412,535.12 as calculated in the Upland Sewage Billing Memorandum (Memorandum) for the overpayment of sewage service charges over fiscal years 2013/14, 2014/15 and 2015/16.

BACKGROUND

On May 18, 2017, IEUA received a written request from the City of Upland (Upland) for reimbursement of \$440,083 due to an overpayment of monthly sewage service charges over fiscal years 2013/14, 2014/15 and 2015/16. As stated in their request, Upland discovered discrepancies in their billing system which resulted in a miscalculation of the number of volumetric equivalent dwelling units (EDUs) reported to IEUA. On June 6, 2017 (the first available date), Upland and IEUA staff met to discuss the request and allow Upland to present the details to support their calculations. After the meeting, Upland agreed to work with IEUA to validate their calculations.

IEUA Internal Audit and Planning staff met with Upland on June 12, 2017 to begin the review and validation of the data and calculations. IEUA notified the Technical Committee of Upland's request for reimbursement on June 29, 2017 with the anticipation to complete the validation process within the next month. IEUA and Upland staff completed the validation on July 17, 2017. Through this validation process, IEUA and Upland staff were able to verify the overpayment of \$412,535.12 to IEUA. IEUA was not able to substantiate overpayment associated with the San Antonio Heights portion of the request (\$27,204.90) and is therefore not including it in the recommended reimbursement. If validated in the future, an additional reimbursement recommendation will be brought forth to the Technical Committee at a later date.

Attachment:

Upland Sewage Billing Memorandum

Date: July 20, 2017
To: File
From: Inland Empire Utilities Agency
Subject: City of Upland Sewage Billing Memorandum

BACKGROUND

On May 18, 2017, IEUA received a written request from the City of Upland (Upland) for reimbursement of \$440,083 for the overpayment of monthly sewage service charges over fiscal years 2013/14, 2014/15 and 2015/16. As stated in the request, Upland discovered discrepancies in their billing system which resulted in a miscalculation in the number of volumetric equivalent dwelling units (EDUs) reported to IEUA. On June 6, 2017 (the first available date), Upland and IEUA staff met to discuss the request and allow Upland to present the details to support their calculations. After the meeting, Upland agreed to work with IEUA on a process to validate the amount for reimbursement. On June 12, 2017, IEUA Internal Audit and Planning staff met with Upland to initially begin the validation of the data. IEUA Planning staff met again with Upland Public Works and Utility Billing staff on July 12 and 17, 2017 to complete the validation. This memorandum summarizes the information reviewed and the results of the joint validation process. The scope of the validation is confined to only the items that Upland noted in their reimbursement request and did not evaluate other contract compliance, such as items identified in the 2015 IEUA Regional Contract Audit.

SEWER BILLING PROCESS

According to Upland staff, bills are sent to customers on a bi-monthly basis (approximately half the customers one month and the other half the following month). Upland follows the *Procedures for Establishing a Regional Sewer Billing Formula* document that is utilized by all Regional Contracting Agencies to calculate sewer bills by using water usage data for commercial accounts.

The water usage is acquired by Upland Water Meter Reader staff through specific meter reading routes within Upland. The data consoles are then brought back and uploaded into Upland's utility billing database (Data Now). Upland staff performs an exception report on the water meter readings to ensure that the data recorded is accurate. If there are any errors or outliers, the water meter reader staff returns to the location to verify the water usage.

The water usage is then used to calculate both the water and sewer bills. Data Now calculates and generates the bill to the customer by using the stored sewer billing factors, water usage, and IEUA rates. On a monthly basis, the Upland Utility Billing staff also generate a sewer billing spreadsheet that summarizes all EDU billing for submittal to IEUA. The commercial EDUs are calculated by

using an export from Data Now to a separate commercial EDU spreadsheet. The data in this spreadsheet is sorted and tabulated to provide the overall number of commercial EDUs. The EDU totals are then inputted into the IEUA sewer billing spreadsheet and reported to IEUA. IEUA invoices Upland for the amount noted on the IEUA sewer billing spreadsheet.

REVIEW AND VALIDATION OF COMMERCIAL EDU DATA

Upland's reimbursement request is based on errors that were made by the previous Utility Billing staff on both the commercial EDU spreadsheet and the IEUA sewer billing spreadsheet. These errors included incorrect sewer billing factors and doubling of the number of reportable EDUs in the IEUA sewer billing spreadsheet.

As part of the validation process IEUA and Upland staff reviewed Upland's reimbursement calculation worksheets. As a result of the review, the group was able to validate the issues identified by Upland and identify some additional minor discrepancies.

The first item confirmed was the incorrect sewer billing factors which were used in the commercial EDU spreadsheet. After choosing several entries to verify Upland's calculations, IEUA found that these reported errors were consistent with Upland's request and that by FY 15/16, the sewer billing factors had been corrected.

The next item IEUA staff confirmed was the doubling of the number of EDUs reported in the IEUA sewer billing spreadsheet. A review of the IEUA sewer billing spreadsheets on file versus the Upland revised EDU calculations showed that previous Utility Billing staff had doubled the EDUs for the commercial accounts even though the water meter readings were taken on two month intervals. After reviewing the data, IEUA found that these reported errors were consistent with Upland's request and that by FY 15/16, the sewer billing factors had been corrected.

IEUA staff also confirmed the recategorization of Western Christian School. Upland staff displayed information in Data Now that showed the facility was appropriately reclassified as Category 9 with the correct billing factor and is no longer included as part of the commercial EDU billing calculations.

There were also three additional items that IEUA and Upland staff found that were not identified in Upland's calculations. The first was instances where the water usage in Data Now and the customer billing were correct, yet the water usage during the export into the commercial EDU spreadsheet showed the usage was doubled. After reviewing the data provided, it appears that Upland corrected the issue during FY 15/16. The second item IEUA staff found was that Upland's reimbursement calculations used the incorrect Category 7 sewer billing factor of 0.0336. The correct sewer billing factor in the *Procedures for Establishing a Regional Sewer Billing Formula* document is 0.0335. The last item identified was the number of EDUs reported to IEUA in February 2016. Upland's calculations showed that 1,959 EDUs were reported when the actual signed report submitted shows 1,927 EDUs.

IEUA ADJUSTMENTS TO REIMBURSEMENT TOTAL

Based on the items validated and identified, the Upland reimbursement calculations have been updated to correct the error for the Category 7 sewer billing factor and the February 2016 EDUs reported.

SAN ANTONIO HEIGHTS (SAH) REIMBURSEMENT REQUEST

During the review of data with Upland Utility Billing staff, it was explained to IEUA that the request for the SAH's reimbursement of sewer fees was based on an assumption that all 118 homes were overbilled. Upon further review of records for four homes in SAH, it was apparent that all four homes were overbilled for the IEUA sewer fees. However, the billing for three out of the four homes did not span the entire three fiscal years that Upland had requested for reimbursement and it was not clear if the overbilling was passed onto IEUA.

After further discussion, Upland Utility Billing staff recognized that the reimbursement request for SAH would require additional internal review. Upland Utility Billing staff expressed that they were committed to reviewing the SAH sewer billing with IEUA to validate the correct amount for reimbursement and submit a separate request to IEUA for consideration at a later date.

RECOMMENDATION

Based on the results of the validation effort by IEUA and Upland, it is recommended that the overbilled amount for reimbursement to Upland's monthly service charge is \$412,535.12. This total does not include the SAH reimbursement request of \$27,204.90.

IEUA also recommends that Upland staff review Data Now to ensure that the correct billing factors and water usage is correctly exported to their commercial EDU spreadsheet for calculation of the overall EDUs and charges due to IEUA.

Attachments:

Upland Validation Spreadsheet

	Month	Upland Reported to IEUA (EDUs)	Upland Audited Sum (EDUs)	Corrected Upland Audited Sum (Cat 7)	IEUA Rate
FY 13-14	Jul-13	2,569	1,483	1,483	\$13.39
	Aug-13	4,007	2,601	2,600	\$13.39
	Sep-13	2,965	2,491	2,491	\$13.39
	Oct-13	4,237	2,820	2,819	\$13.39
	Nov-13	2,168	1,957	1,957	\$13.39
	Dec-13	3,097	2,005	2,004	\$13.39
	Jan-14	2,213	1,753	1,753	\$13.39
	Feb-14	3,577	2,206	2,205	\$13.39
	Mar-14	2,010	1,682	1,682	\$13.39
	Apr-14	3,336	1,998	1,998	\$13.39
	May-14	2,425	1,926	1,926	\$13.39
	Jun-14	3,537	2,261	2,261	\$13.39
FY 14-15	Jul-14	2,406	2,022	2,022	\$14.39
	Aug-14	4,002	2,535	2,534	\$14.39
	Sep-14	2,847	2,449	2,449	\$14.39
	Oct-14	4,429	2,759	2,758	\$14.39
	Nov-14	2,804	2,114	2,114	\$14.39
	Dec-14	3,250	1,966	1,966	\$14.39
	Jan-15	2,529	1,780	1,780	\$14.39
	Feb-15	3,399	1,964	1,963	\$14.39
	Mar-15	2,482	1,706	1,706	\$14.39
	Apr-15	3,832	1,973	1,973	\$14.39
	May-15	2,626	1,833	1,833	\$14.39
	Jun-15	3,904	1,996	1,995	\$14.39
FY 15-16	Jul-15	2,435	1,544	1,543	\$14.39
	Aug-15	4,654	2,320	2,319	\$14.39
	Sep-15	2,643	1,642	1,641	\$14.39
	Oct-15	3,340	2,099	2,099	\$15.89
	Nov-15	1,195	1,368	1,368	\$15.89
	Dec-15	1,711	1,739	1,738	\$15.89
	Jan-16	1,321	1,444	1,444	\$15.89
	Feb-16	1,927	1,962	1,962	\$15.89
	Mar-16	1,320	1,367	1,367	\$15.89
	Apr-16	1,776	1,781	1,780	\$15.89
	May-16	1,328	1,403	1,403	\$15.89
	Jun-16	2,293	2,309	2,308	\$15.89

Total:

Upland Audited I
Corrected Upland Audited I

Upland Reported Data x IEUA Rate (\$)	Upland Audited Sum x IEUA Rate (\$)	Corrected Upland Audited Sum x IEUA Rate (\$)
\$34,394.63	\$19,856.58	\$19,852.55
\$53,647.30	\$34,823.97	\$34,813.19
\$39,700.55	\$33,358.53	\$33,358.11
\$56,739.05	\$37,756.86	\$37,743.99
\$29,032.20	\$26,204.72	\$26,204.23
\$41,468.83	\$26,847.50	\$26,838.89
\$29,630.20	\$23,477.47	\$23,477.09
\$47,898.71	\$29,536.27	\$29,527.80
\$26,918.99	\$22,516.01	\$22,515.55
\$44,673.32	\$26,759.05	\$26,751.44
\$32,476.64	\$25,794.11	\$25,793.69
\$47,361.23	\$30,279.44	\$30,270.37
\$34,620.04	\$29,103.21	\$29,102.62
\$57,585.04	\$36,476.92	\$36,465.70
\$40,974.95	\$35,240.13	\$35,239.41
\$63,733.02	\$39,701.16	\$39,689.22
\$40,351.57	\$30,426.86	\$30,426.79
\$46,773.54	\$28,288.47	\$28,285.44
\$36,396.91	\$25,616.11	\$25,614.49
\$48,914.49	\$28,256.05	\$28,248.58
\$35,713.97	\$24,551.62	\$24,549.77
\$55,146.22	\$28,393.40	\$28,388.89
\$37,783.25	\$26,374.90	\$26,373.99
\$56,183.74	\$28,716.04	\$28,707.07
\$35,043.68	\$22,211.30	\$22,210.53
\$66,967.32	\$33,384.07	\$33,373.39
\$38,038.53	\$23,621.49	\$23,620.45
\$53,077.37	\$33,357.20	\$33,357.20
\$18,983.62	\$21,732.96	\$21,731.66
\$27,191.60	\$27,629.34	\$27,620.31
\$20,992.44	\$22,943.10	\$22,941.52
\$30,621.46	\$31,179.85	\$31,170.70
\$20,971.78	\$21,720.55	\$21,716.95
\$28,221.91	\$28,297.57	\$28,289.34
\$21,096.52	\$22,293.14	\$22,289.56
\$36,442.60	\$36,682.47	\$36,671.62
\$1,435,767.22	\$1,023,408.44	\$1,023,232.10

Reimbursement Total: \$412,358.78

Reimbursement Total: \$412,535.12

**RECEIVE AND
FILE**

3A



Regional Sewerage Program Policy Committee Meeting

AGENDA
Thursday, July 27, 2017
5:30 p.m.

Location

Rossa's Cucina
425 N. Vineyard Avenue
Ontario, CA 91764

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

Changes/Additions/Deletions to the Agenda

- 1. Technical Committee Report (*Oral*)**
- 2. Action Item**
 - A. Approval of the June 2, 2017 Meeting Minutes
 - B. SCADA Enterprise System (Regional Water Recycling Plant No. 4 & 5) Design Build Construction Contract Award
- 3. Informational Items**
 - A. Regional Contract Update/Renewal (*Oral*)
- 4. Receive and File**
 - A. Building Activity Update
 - B. Recycled Water Distribution – Operations Summary
 - C. IEUA Letter to Member Agencies – Regional Contract Negotiations
- 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 – September 7, 2017
- 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 and Rossa's Cucina, 425 N. Vineyard Avenue, Ontario, CA on Monday, July 24, 2017.

Laura Mantilla

**RECEIVE AND
FILE**

3B

Building Activity Report - YTD Fiscal Year 2016/17



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

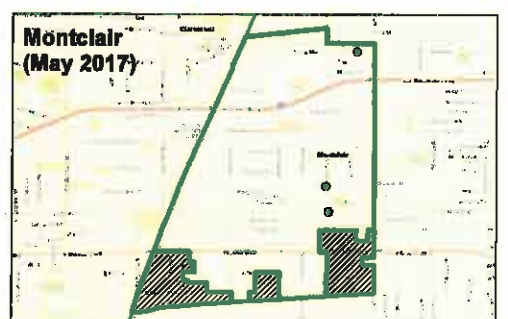
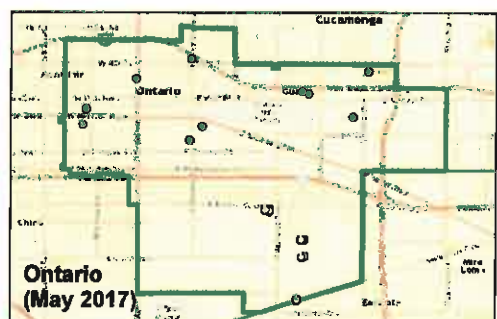
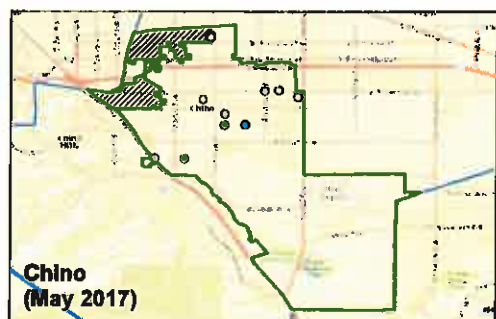
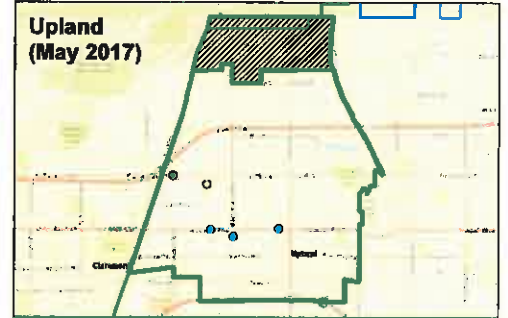
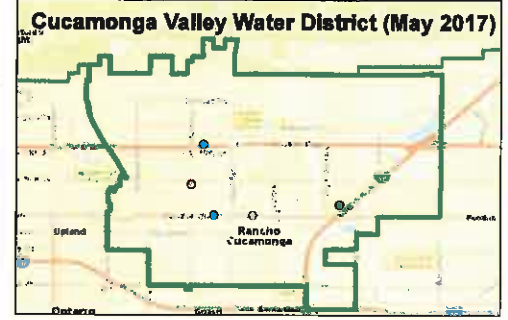
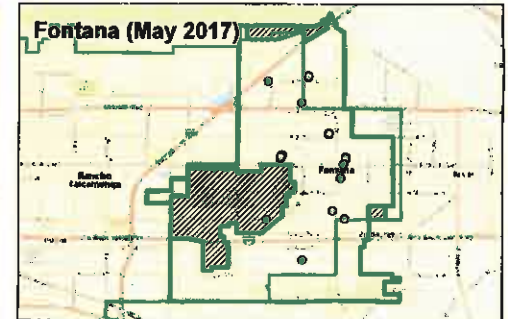
- ≤1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY CONNECTION TYPE (YTD)

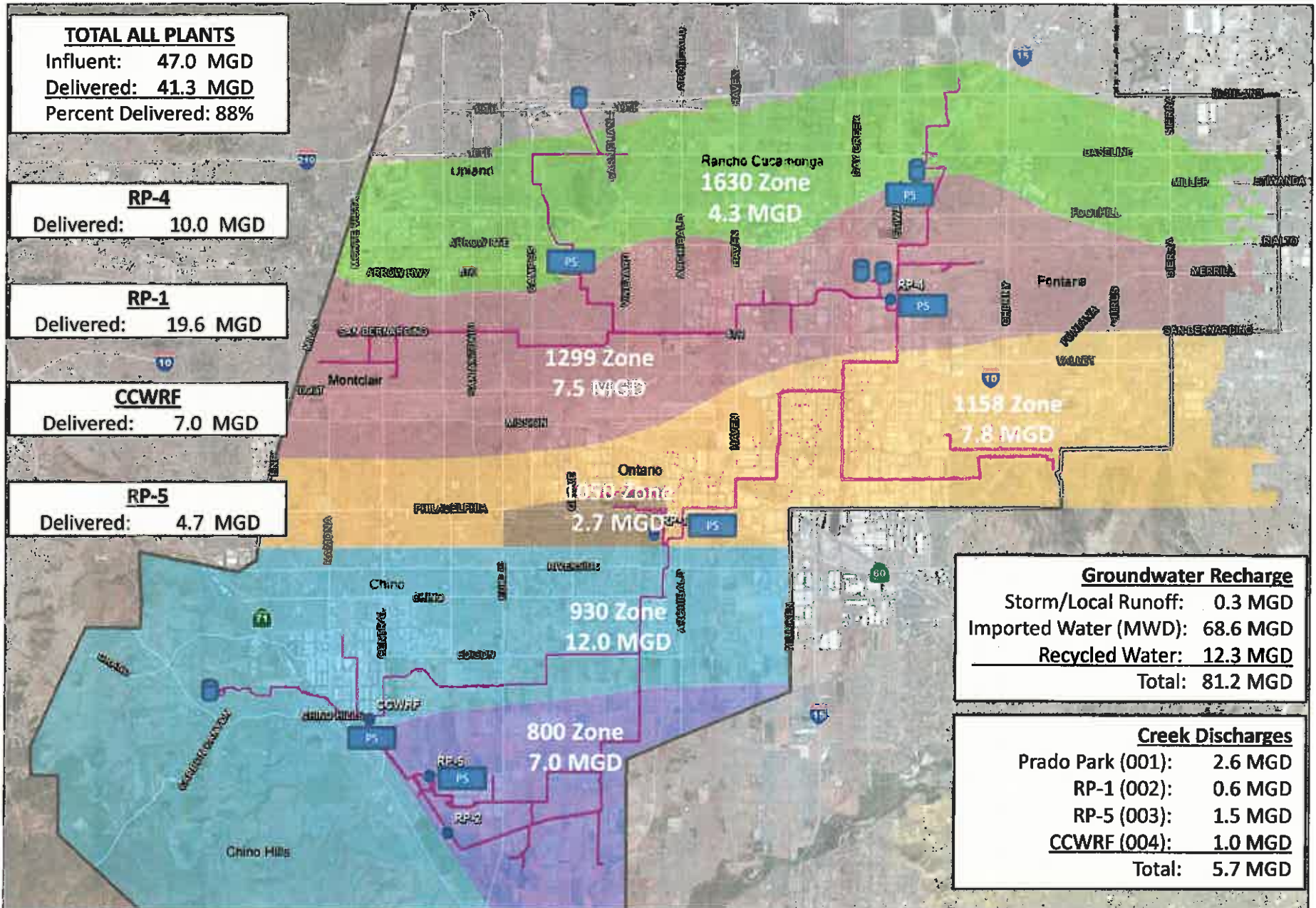
Contracting Agency	YTD Action			Total (EDUs)	Previous
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)		
Chino	414	155	4	573	610
Chino Hills	872	18	0	890	1236
CVWD	364	80	1	445	364
Fontana	504	118	4	626	695
Montclair	87	45	8	140	85
Ontario	1410	215	217	1842	2050
Upland	126	31	0	157	237
Total	3777	662	235	4674	5277



**RECEIVE AND
FILE**

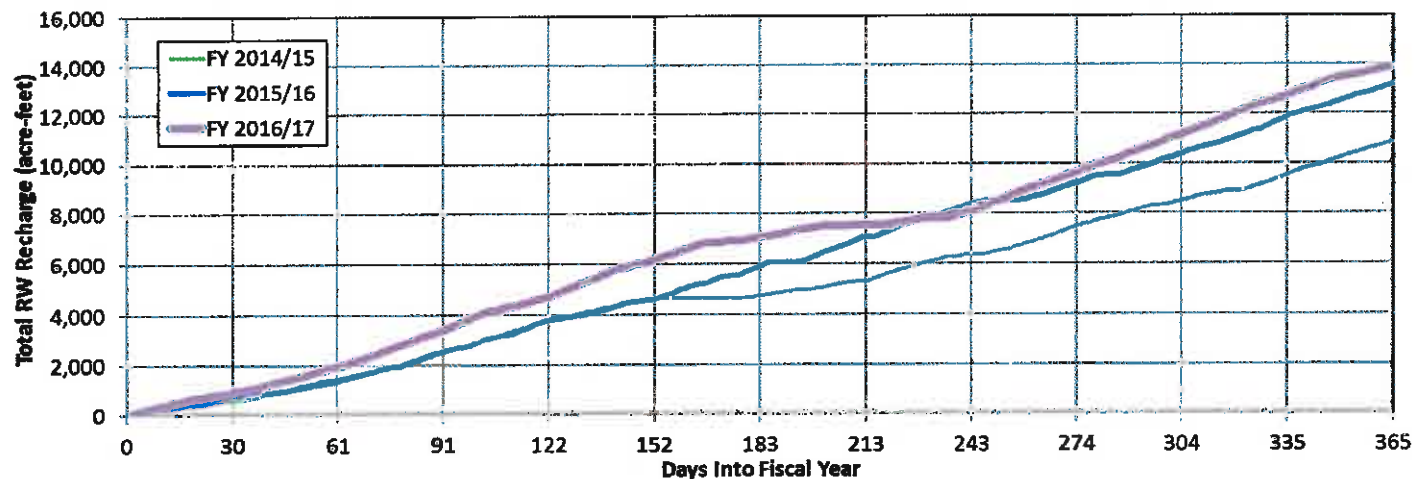
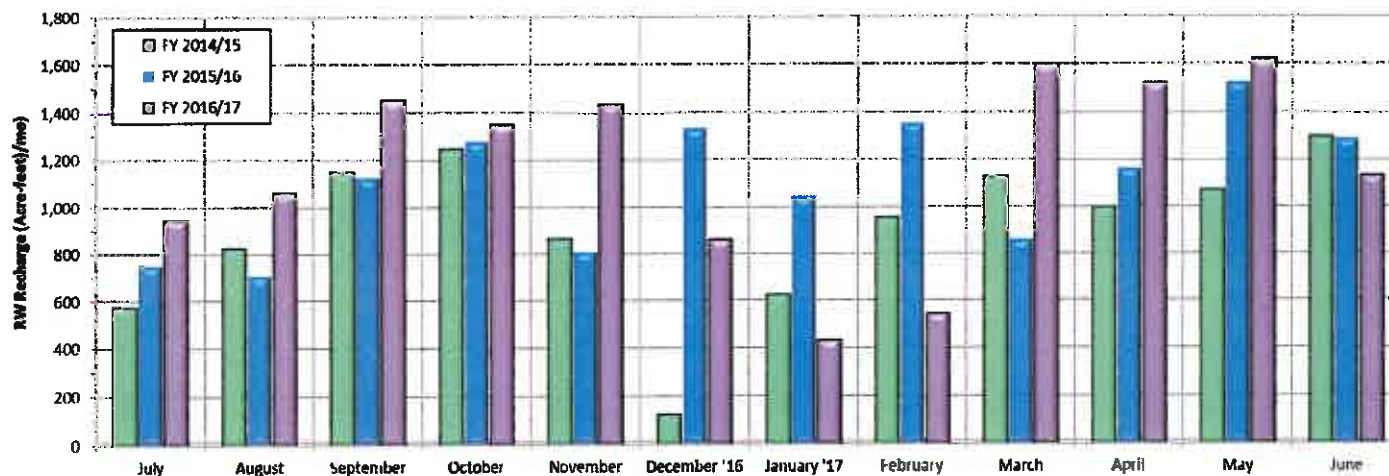
3C

IEUA RECYCLED WATER DISTRIBUTION – JUNE 2017



Recycled Water Recharge Deliveries / Plan - June 2017 (Acre-Feet)

Basin	6/1-6/8	6/9-6/15	6/16-6/22	6/23-6/30	Month Actual	FY To Date Actual			
Ely	84.0	55.4	8.9	0.3	149	1,491			
Banana	0.0	0.0	0.0	0.0	0	500			
Hickory	0.0	0.0	0.0	0.0	0	136			
Turner 1 & 2	14.9	37.9	21.3	16.0	90	1,236			
Turner 3 & 4	9.7	0.0	0.0	0.0	10	0			
8th Street	44.2	68.1	56.3	20.0	189	2,271			
Brooks	0.0	0.0	0.0	30.4	30	385			
RP3	203.1	90.5	64.4	105.2	463	5,770			
Declez	0.0	0.0	0.0	0.0	0	514			
Victoria	81.0	49.5	39.1	31.0	201	1,621			
San Sevaine	0.0	0.0	0.0	0.0	0	0			
Total	436.9	301.4	190.0	202.9	1,131	13,924	13,222	AF, Previous FY End of Month Actual	

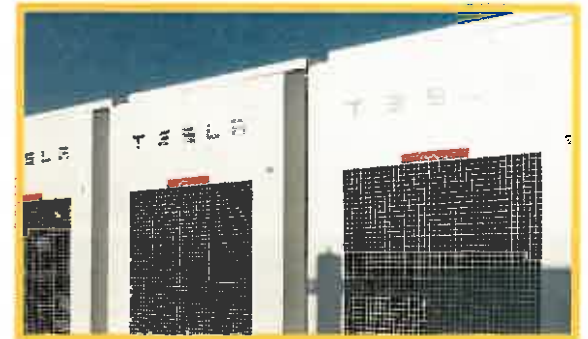


**RECEIVE AND
FILE**

3D

Engineering and Construction Management Project Updates

Board Meeting



EN14019 – RP-1 Headworks Primary and Secondary Upgrades

- Design Engineer: RMC Water and Environment
- Current Contract (Design): \$819 K
- Total Project Budget: \$10.4 M
- Project Completion: October 2018
- Percentage Complete: 85%
- Scope of Work:
 - Rehabilitate the grit removal systems
 - Install submersible scum pumps and mixer
 - Design a bypass for System C flow meter
- Current Activities:
 - Final design complete
 - Advertise to bid
- Focus Points:
 - Enhancing the instrumentation and control drawings



Grit Processing Equipment



Corroded Concrete

EN16024 – RP-1 Mixed Liquor Return Pumps

- Contractor: J.F. Shea Construction
- Current Contract (Construction): \$5 M
- Total Project Budget: \$6.6 M
- Project Completion: January 2018
- Percentage Complete: 35%
- Scope of Work:
 - Add mixed liquor pumping
 - Upgrade electrical system
- Current Activities:
 - Start-up Train No. 2 (back in service)
- Focus Points:
 - Assessing equipment compatibility issues
 - Develop action plan for corrective measures



Drained Aeration Train No. 2



Aeration Basin New Conduit Installation

EN17052 – RP-1 and RP-4 Safety Improvements

- Design Engineer: Ferreira Construction
- Current Contract (Design): \$635 K
- Total Project Budget: \$949 K
- Project Completion: December 2017
- Percentage Complete: 3%
- Scope of Work:
 - Widen access route through RP-1 (east side of channel)
 - Complete south property line wall at RP-4
- Current Activities:
 - Reviewing and approving submittals
- Focus Points:
 - Submittals



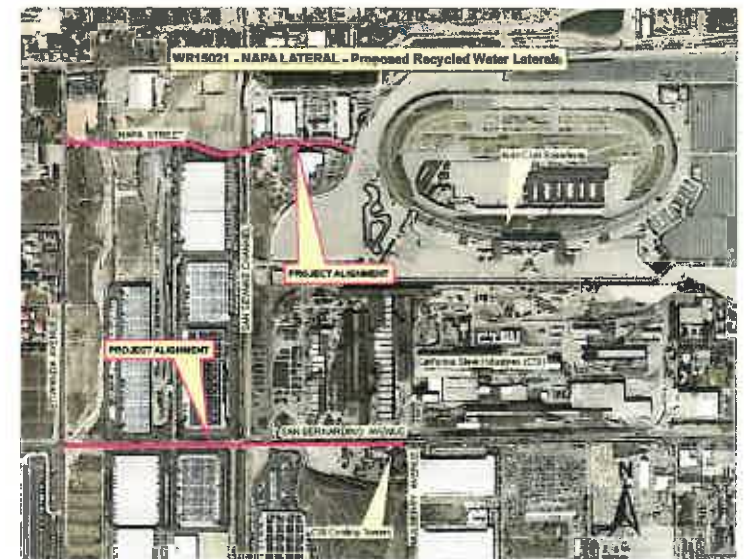
RP-1 North Access Road to be Widened



RP-4 Wall to be Completed

WR15021 – Napa Lateral

- Design/Build: TBD
- Current Contract (Design/Build): TBD
- Total Project Budget: \$6 M
- Project Completion: August 2019
- Percentage Complete: 2%
- Scope of Work:
 - Design-build approximately 10,000 linear feet of 16-inch recycled water pipeline
- Current Activities:
 - Finalize design-build specifications
 - Include updated SWRCB Proposition 1 State Revolving Fund requirements
- Focus Points:
 - Coordinate Proposition 1 SRF requirements



Plan View of Pipe Alignment

EN17110.01 – RP-4 Trident Filters Rehabilitation and Replacement

- Design Engineer: Carollo Engineers
- Current Contract (Design): \$1.3M
- Total Project Budget: \$4.5M
- Project Completion: December 2018
- Percentage Complete: 3%
- Scope of Work:
 - Rehab and replace trident filter equipment and media
 - Replace entire process air system
 - Install secondary clarifiers effluent channel weir covers
- Current Activities:
 - Issuing contractor Request for Qualification
 - Finalizing design
- Focus Points:
 - Schedule, speed – urgently needed



Filter Offline



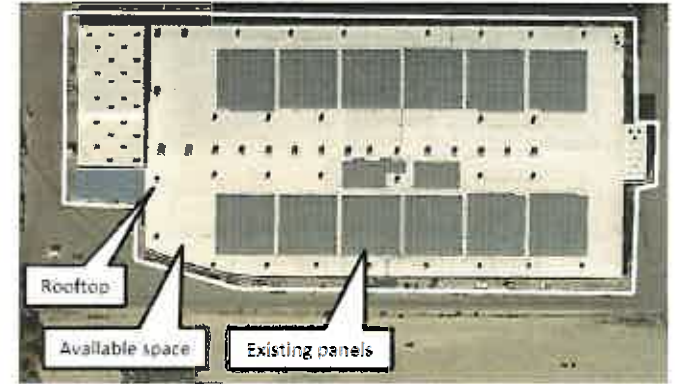
Filter Online

EN0000000016 – RP-4 Battery Storage

- Design Engineer: Core States
- Current Contract (Design): \$0
- Total Project Budget: \$150K (internal labor only)
- Project Completion: March 2018
- Percentage Complete: 10%
- Scope of Work:
 - Install 1.5 MW battery storage system at RP-4
 - Install 1.5 MW of solar on IERCF roof
- Current Activities:
 - 30% design underway
 - Southern California Edison interconnection application complete
- Focus Points:
 - Finalize energy storage services amendment to add solar and increase battery storage capacity



Proposed Battery Storage Location at RP-4



IERCF Roof Layout

**PREVIOUS TECH COMMITTEE
ITEMS REQUESTED**

4A



6075 Kimball Avenue • Chino, CA 91708
P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 993-1983

www.ieua.org

June 30, 2017

The Honorable Jesse Armendarez
Regional Sewerage Program Policy Committee Chair
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335

Mr. Chuck Hays
Regional Sewerage Program Technical Committee Chair
Public Works Director
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335

Re: Regional Contract Negotiations

Dear Council Member Armendarez and Mr. Hays:

Inland Empire Utilities Agency (IEUA) is addressing this letter to all agencies contracted under the Regional Sewerage Service Agreement (Regional Contract) in the hopes of establishing a process whereby the terms and conditions of the Regional Contract can be renegotiated in earnest. While preliminary discussions of renegotiation have taken place, IEUA hopes that the parties can now implement a more rigorous negotiating process.

The Regional Contract was first executed in January 1973. Prior to that, local agencies by and large had handled their own wastewater treatment. However, during that timeframe, with the implementation of the Clean Water Act, the regulatory framework was changing and treatment compliance was becoming more difficult. Additionally, in 1963 Orange County had filed a lawsuit seeking an adjudication of water rights within the upper Santa Ana River watershed, naming over 2,500 party defendants, including the local agencies who would ultimately become parties to the Regional Contract.

Ultimately, it was decided that these issues were best addressed by consolidating wastewater treatment responsibilities with one entity. While IEUA (Chino Basin Municipal Water District) had not been involved with treatment up to that time, the local agencies determined to consolidate wastewater treatment services, and entered into a series of agreements which vested that authority in IEUA. First, the local agencies agreed to a settlement of the Orange County lawsuit in 1969 whereby the local agencies were dismissed from the lawsuit but agreed to be bound by a physical solution reached between IEUA, Orange County and other municipal defendants. The physical solution, known as the Prado Settlement, called for the delivery of a specified amount of water from the Chino Basin to the Prado Basin. The Prado Settlement also noted that the source of IEUA's contribution would be effluent from treatment facilities serving the local agencies. Soon thereafter the Regional Contract was consummated.

The term of the Regional Contract will lapse in 2023; however, anticipated growth and development within the jurisdictions of contracting agencies has prompted the need for significant and immediate capital improvements to increase treatment capacity. Additionally, regulatory enforcement requires the relocation of operations currently conducted at RP- 2 to the RP-5 site. While the IEUA Board of Directors and staff are prepared to implement this significant undertaking, the financial institutions funding these projects require a long-term, stable and reliable revenue stream in order to issue debt. The remaining short-term of the Regional Contract provides neither the term, reliability or stability needed for long-term financing.

Accordingly, time is of the essence in establishing a commitment between the parties for long-term wastewater treatment services. In order to implement these capital projects, so as to accommodate the contracting agencies' planned capacity requirements, a new long-term agreement must be in place no later than March 2018.

SUBJECT MATTER FOR NEGOTIATION

IEUA believes that the subject matter for discussion between the parties can be divided, generally, into two categories: technical issues and policy issues. Examples of technical issues would include the calculation of Equivalent Dwelling Units (EDUs) which are currently calculated under Exhibit J to the Regional Contract. Meter points and responsibility, sewer design standards for collection facilities, and pretreatment programs are also technical in nature.

Policy issues include governance, the authority to establish rates, fees and charges and the process of contract amendment. Also included in this category would be the authority to determine property tax allocation, authority over approval of capital projects, the sale of recycled water and the terms and conditions upon which an agency can withdraw from the Regional Contract. These are examples only and are not intended to be an exhaustive list of issues to be negotiated.

IEUA feels that the negotiation process also affords the perfect opportunity to reconsider the very structure and manner of providing wastewater treatment services to our region. Many wastewater treatment agencies such as the County Sanitation Districts of Los Angeles County and Western Municipal Water District, provide services under the terms of an ordinance as opposed to a contract. IEUA believes that an ordinance provides the best method to deliver wastewater treatment services and can be drafted in such a way to preserve benefits provided under the Regional Contract, including the option to purchase recycled water.

SUGGESTED PROCESS

We recommend that each contracting agency establish a negotiating team comprised of one member with policymaking authority and one member with technical expertise. Meetings can be held every two weeks at a designated location beginning on August 15, 2017, until an agreement is reached. We still believe it would be beneficial to all parties to have an independent third-party facilitator help complete the contract negotiation process in a well-organized, efficient and timely manner. IEUA is prepared to offer the names of candidates to serve in that capacity and enter into a contract to provide such services prior to the start of these meetings.

Water Smart – Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael E. Camacho
Vice President

Jasmin A Hall
Secretary/Treasurer

Paul Hofer
Director

Kati Parker
Director

P. Joseph Grindstaff
General Manager

COOPERATION

Renegotiating regional wastewater services will require the cooperation and commitment of all parties. Recently a "Term Sheet" enumerating discussion topics was submitted to IEUA under the auspices of the Regional Technical Committee. It was later determined that several members of that committee were not in support of much of what was put forth in the Term Sheet. The Term Sheet also suggests that some contracting agencies wish to preserve their right to withdraw sewer flows from IEUA treatment facilities. Although the Regional Contract provides for withdrawal under certain terms and conditions, it seems prudent that the member agencies decide whether they intend to withdraw from regional services prior to IEUA incurring significant debt to expand facilities, which may not be needed. Alternatively, the right to withdraw, if preserved, must recognize the withdrawing agency's continuing obligation to the repayment of debt incurred on its behalf and ongoing impacts to existing agencies.

Recently, IEUA undertook the project of evaluating and restructuring how EDUs are calculated under Exhibit J to the Regional Contract. It seems to be the consensus of all contracting parties that this work needs to be done. Carollo Engineers was retained to do this work; however, almost one year into the process, IEUA still awaits information on flows from some of the contracting agencies. We need to improve the level of cooperation if the goals and needs of all the parties are to be met. IEUA seeks to re-initiate the negotiation process so that it may proceed in earnest within the prescribed time limits.

NEXT STEPS

This letter will be included in the next Technical and Policy Committee meeting agendas for discussion.

Respectfully,
Inland Empire Utilities Agency


P. Joseph Grindstaff
General Manager

cc: Honorable Earl Elrod, City of Chino
Honorable Kathy Tiegs, Cucamonga Valley Water District
Honorable Peter Rogers, City of Chino Hills
Honorable Kati Parker, Inland Empire Utilities Agency
Honorable Paul Eaton, City of Montclair
Honorable Jim W. Bowman, City of Ontario
Honorable Debbie Stone, City of Upland
Jesus Plasencia, City of Chino
John Bosler, Cucamonga Valley Water District

Council Member Armendarez

June 30, 2017

Page 4

Ron Craig, City of Chino Hills
Michael Hudson, City of Montclair
Scott Burton, City of Ontario
Rosemary Hoerning, City of Upland

Water Smart – Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael E. Camacho
Vice President

Jasmin A Hall
Secretary/Treasurer

Paul Hofer
Director

Kati Parker
Director

P. Joseph Grindstaff
General Manager