



**AGENDA
MEETING OF THE
INLAND EMPIRE UTILITIES AGENCY
BOARD OF DIRECTORS**

**WEDNESDAY, DECEMBER 20, 2017
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
BOARD ROOM
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708**

CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. NEW EMPLOYEE INTRODUCTIONS

- Eva Brown, Records Specialist, hired 12/04/17, Records Management (Kathy Besser)
- Krystle Suetani, Laboratory Scientist I, hired 12/04/17, Laboratory Department (Chris Berch)
- Abel Hernandez, Electrical & Instrument Technician I, hired 12/18/17, Organics Management (Randy Lee)

2. CONSENT ITEMS

NOTICE: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

The Board will be asked to approve the minutes from the November 15, 2017 Board meeting.

B. ADOPTION OF RESOLUTION NO. 2017-12-1, COMMENDING GENERAL MANAGER P. JOSEPH GRINDSTAFF FOR HIS 5 YEARS OF SERVICE WITH THE INLAND EMPIRE UTILITIES AGENCY

Staff recommends that the Board adopt Resolution No. 2017-12-1, commending General Manager P. Joseph Grindstaff for his 5 years of service with the Inland Empire Utilities Agency.

C. REPORT ON GENERAL DISBURSEMENTS (*Fin & Admin*)

Staff recommends that the Board approve the total disbursements for the month of October 2017, in the amount of \$15,532,023.67.

D. INVESTMENT ADVISORY AND MANAGEMENT SERVICES CONTRACT AWARDED (*Fin & Admin*)

Staff recommends that the Board:

1. Award Contract No. 4600002440 to PFM Asset Management LLC for an initial three-year period with two, one-year options to extend, for investment advisory and management services;
2. Pursuant to the Agency's Risk Management Ordinance, Section 8, approve PFM's Self-Insured Retention (SIR) for Professional Liability Insurance in the amount of \$1,000,000; and
3. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

E. POLICY FOR DISCLOSURE PROCEDURES

Staff recommends that the Board adopt the updated Policy for Disclosure Procedures effective December 21, 2016.

F. AMENDING THE SALARY SCHEDULE/MATRIX FOR UNREPRESENTED, EXECUTIVE, GENERAL UNIT, LABORATORY UNIT, OPERATORS ASSOCIATION, AND PROFESSIONAL UNIT

Staff recommends that the Board adopt Resolution No. 2017-12-4, amending the salary schedule/matrix for Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association, and Professional Unit employees.

G. FISCAL YEAR (FY) 2016/17 SINGLE AUDIT REPORT FOR FEDERAL GRANT PROGRAMS (Audit)(Fin & Admin)

Staff recommends that the Board:

1. Approve the Single Audit Report for FY 2016/17; and
2. Direct staff to distribute the report, as appropriate, to the State Controller's Office, the Federal Audit Clearing House, and other interested parties.

H. INTERNAL AUDIT DEPARTMENT CHARTER AND AUDIT COMMITTEE CHARTER (Audit)

Staff recommends that the Board reconfirm the Audit Committee Charter and the Internal Audit Department Charter and direct staff to implement the charters.

I. ADOPTION OF RESOLUTION NO. 2017-12-2, IEUA-SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT SPHERE ADJUSTMENT & REORGANIZATION (Eng/Ops/WR)

Staff recommends that the Board adopt Resolution No. 2017-12-2, requesting LAFCO to initiate a sphere adjustment and reorganization of the area to detach the 4.81 acres from IEUA and annex into SBVMWD.

J. REGIONAL PRETREATMENT AGREEMENT WITH THE CITY OF FONTANA (Eng/Ops/WR)

Staff recommends that the Board:

1. Approve the Regional Pretreatment Agreement (Agreement) between IEUA and the City of Fontana; and
2. Authorize the General Manager to execute the Agreement, subject to non-substantive changes.

K. RP-1 AERATION BASIN PANEL REPAIR CONSTRUCTION CONTRACT CHANGE ORDER (Eng/Ops/WR)

Staff recommends that the Board:

1. Award a construction contract change order to J.F. Shea for the RP-1 Aeration Basin Panel Repairs, Project Nos. EN17040/PA17006.01, for the not-to-exceed amount of \$115,218; and
2. Authorize the General Manager to execute the construction contract change order.

L. ON-CALL DESIGN AND CONSTRUCTION SURVEYING MASTER SERVICES CONTRACT AWARDS (Eng/Ops/WR)

Staff recommends that the Board:

1. Approve a two-year On-Call Design and Construction Surveying Master Services Contract to WestLAND Group, Inc., for a not-to-exceed amount of \$750,000;
2. Approve a two-year On-Call Design and Construction Surveying Master Services Contract to CASC Engineering and Consulting, Inc., for a not-to-exceed amount of \$750,000; and
3. Authorize the General Manager to execute the Master Services Contracts subject to non-substantive changes.

M. HEADQUARTERS BUILDINGS ROOFING REPLACEMENT CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR) (Fin & Admin)

Staff recommends that the Board:

1. Award a construction contract for the Headquarters Buildings Roofing Replacement, Project No. CP16003, to Best Contracting Services Inc., in the amount of \$1,024,070;
2. Approve a project budget reclassification in the amount of \$1,311,000 in the Administration Services (GG) Fund from O&M to Capital Project; and
3. Authorize the General Manager to execute the contract and budget reclassification.

N. RP-5 AERATION DIFFUSER REPLACEMENT CONSTRUCTION CONTRACT AWARD

(Eng/Ops/WR)(Fin & Admin)

Staff recommends that the Board:

1. Award a construction contract for the RP-5 Aeration Diffuser Replacement, Project No. PA17006.02, to Genesis Construction in the amount of \$2,987,654; and
2. Authorize the General Manager to execute the contract.

O. IEUA FISCAL YEAR (FY) 2016/17 AUDITED COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) (Audit)(Fin & Admin)

Staff recommends that the Board:

1. Approve the Inland Empire Utilities Agency Comprehensive Annual Financial Report for fiscal year ended June 30, 2017; and

2. Direct staff to distribute the report as appropriate, to the various federal, state, and local agencies, financial institutions, bond rating agencies, and other interested parties.

3. **PRESENTATION OF RESOLUTION NO. 2017-12-1, COMMENDING GENERAL MANAGER P. JOSEPH GRINDSTAFF FOR HIS 5 YEARS OF SERVICE WITH THE INLAND EMPIRE UTILITIES AGENCY**

4. **ACTION ITEMS**

A. **RP-1 CAPACITY RECOVERY PROJECT CONSULTANT CONTRACT AWARD (Eng/Ops/WR)(Fin & Admin)**

Staff recommends that the Board:

1. Award a consultant contract for the RP-1 Capacity Recovery, Project Nos. EN24001 and EN24002, to Carollo Engineers Inc., for the not-to-exceed amount of \$13,637,633; and
2. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

B. **BASELINE RECYCLED WATER PIPELINE EXTENSION CONSULTANT CONTRACT AWARD (Eng/Ops/WR)**

Staff recommends that the Board:

1. Award a consultant contract for the Baseline Recycled Water Pipeline Extension, Project No. EN17049, to Carollo Engineers, Inc., for the not-to-exceed amount of \$394,766; and
2. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

C. **ADOPTION OF RESOLUTION NO. 2017-12-3, ESTABLISHING A POLICY FOR ROTATION OF BOARD OFFICERS**

Staff recommends that the Board adopt Resolution No. 2017-12-3, establishing a policy for rotation of Board officers.

5. **INFORMATION ITEMS**

A. **ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)**

B. **MWD UPDATE (ORAL)**

RECEIVE AND FILE INFORMATION ITEMS

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

- D. FISCAL YEAR 2017/18 FIRST QUARTER BUDGET VARIANCE, PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS (WRITTEN/POWERPOINT)
- E. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)
- F. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)
- G. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)
- H. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)
- I. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)
- J. PAYROLL OPERATIONS AUDIT & COMPARABLE AGENCIES' SURVEY (WRITTEN/POWERPOINT)
- K. SOUTHERN CALIFORNIA EDISON UTILITY PAYMENTS FOLLOW-UP AUDIT (WRITTEN)
- L. AUDIT COMMITTEE FINANCIAL ADVISOR CONTRACT EXTENSION (WRITTEN)
- M. INTERNAL AUDIT DEPARTMENT STANDARD OPERATING PROCEDURES (SOP) (WRITTEN)
- N. INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT (WRITTEN)
- O. SEPTIC TO SEWER FEASIBILITY STUDY UPDATE (WRITTEN/POWERPOINT)
- P. UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN AND INTEGRATED RIVER MODEL UPDATE (POWERPOINT)
- Q. SARCCUP UPDATE (POWERPOINT)
- 6. AGENCY REPRESENTATIVES' REPORTS
 - A. SAWPA REPORT (WRITTEN)
Meeting Agenda not available at the time of printing.
 - B. MWD REPORT (WRITTEN)
 - C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)
 - D. CHINO BASIN WATERMASTER REPORT (WRITTEN)

- 7. GENERAL MANAGER'S REPORT (WRITTEN)
- 8. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS
- 9. DIRECTORS' COMMENTS
 - A. CONFERENCE REPORTS

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

- 10. CLOSED SESSION
 - A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010
 - B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION; INITIATION OF LITIGATION
One Case
 - C. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATIONS
Meet and Confer Negotiations – All Bargaining Units
Negotiating Parties: General Manager Halla Razak

11. ADJOURN

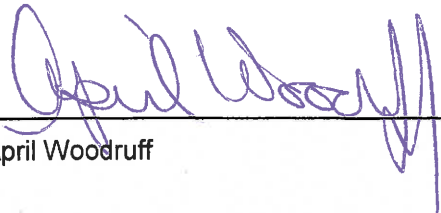
**A Municipal Water District*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: JK

Declaration of Posting

I, April Woodruff, Board Secretary/Office Manager 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. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, December 14, 2017.



 April Woodruff

**CONSENT
CALENDAR
ITEM**

2A



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

**WEDNESDAY, NOVEMBER 15, 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 and Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance and Administration/AGM
Sharmeen Bhojani, Manager of Human Resources
Jerry Burke, Deputy Manager of Engineering
Lucia Diaz, Facilities Program Supervisor
Warren Green, Manager of Contracts & Procurement
Sally Lee, Executive Assistant
Sylvie Lee, Manager of Planning and Environmental Resources
Laura Mantilla, Executive Assistant
Kenneth Monfore, Deputy Manager of Maintenance
Lisa Morgan-Perales, Senior Water Resources Analyst
Jason Pivovaroff, Senior Engineer
Susannah Shoaf, Contract & Procurement Supervisor
Shaun Stone, Manager of Engineering
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, General Counsel
Mark Kinsey, Monte Vista Water District
Steve Sentes, Chino Basin Water Conservation District

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. A, Chino, California on the above date.

President Elie called the meeting to order at 10:00 a.m. and General Manager Joe Grindstaff led 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.

NEW EMPLOYEE INTRODUCTION

Executive Manager of Finance and Administration/AGM Christina Valencia introduced Ms. Susannah Shoaf, Contract & Procurement Supervisor, hired October 23, 2017.

The Board of Directors welcomed Ms. Susannah Shoaf to the IEUA team.

PRESENTATIONS

INTRODUCTION AND COMMENTS BY CHINO BASIN WATER CONSERVATION DISTRICT EXECUTIVE DIRECTOR MR. STEVE SENTES

Mr. Steve Sentes introduced himself to the Board of Directors as the new Executive Director of the Chino Basin Water Conservation District. He gave a background of his knowledge and experience.

CONSENT ITEMS

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 Item 3E – *RP-1 TRAINING ROOM CONSTRUCTION CONTRACT AWARD* and Director Hall requested that Consent Calendar Item 3F – *FLOW EQUALIZATION AND EFFLUENT MONITORING CONSTRUCTION CHANGE ORDER* be pulled from the Consent Calendar for further discussion.

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

M2017-11-1

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the October 18, 2017 Board meeting.
- B. Adopted Resolution No. 2017-11-5, nominating General Manager Halla Razak as the Agency's representative to the five-member Santa Ana Watermaster Committee.

RESOLUTION 2017-11-5

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), SAN BERNARDINO COUNTY, CALIFORNIA, NOMINATING AN AGENCY REPRESENTATIVE TO THE SANTA ANA RIVER WATERMASTER COMMITTEE IN THE MATTER OF ORANGE COUNTY V. CITY OF CHINO, ET AL. (for full text, see Resolution Book)

- C. Approved the total disbursements for the month of September 2017, in the amount of \$18,087,402.66.

Continued...

D. The Board:

1. Adopted Resolution No. 2017-11-1, authorizing participation in the Local Agency Investment Fund (LAIF) and designating signatories for the deposit and withdrawal of funds;

RESOLUTION 2017-11-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING PARTICIPATION IN THE LOCAL AGENCY INVESTMENT FUND AND DESIGNATING SIGNATORIES FOR THE DEPOSIT AND WITHDRAWAL OF FUNDS *(for full text, see Resolution Book)*

2. Adopted Resolution No. 2017-11-2, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, check, and withdrawal of funds;

RESOLUTION 2017-11-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS, DEPOSITS, TRANSFERS, CHECKS, AND WITHDRAWALS OF FUNDS *(for full text, see Resolution Book)*

3. Adopted Resolution No. 2017-11-3, authorizing and designating signatories investment agreements, investment authorizations, and investment fund transfers to fund investment transactions; and

RESOLUTION 2017-11-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES OF INVESTMENT AGREEMENTS, INVESTMENT AUTHORIZATIONS, AND INVESTMENT FUND TRANSFERS TO FUND INVESTMENT TRANSACTIONS *(for full text, see Resolution Book)*

4. Adopted Resolution No. 2017-11-4, authorizing and designating signatories for transfer documents for the movement of funds and investment securities to safekeeping with a third-party Custodian.

RESOLUTION 2017-11-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AND DESIGNATING SIGNATORIES OF TRANSFER DOCUMENTS FOR THE MOVEMENT OF FUNDS AND INVESTMENT SECURITIES TO SAFEKEEPING WITH A THIRD-PARTY CUSTODIAN *(for full text, see Resolution Book)*

Continued...

M2017-11-1 continued.

E. PULLED

F. PULLED

G. The Board:

1. Awarded a three-year service contract with additional two, one-year options, to Cintas Corporation, for uniforms and related services for a not-to-exceed amount of \$600,000; and
2. Authorized the General Manager to execute the service contract.

H. The Board:

1. Approved the consulting engineering services contract amendment for the RP-4 Rehabilitation, Projects Nos. EN17043 and EN17110, to Carollo Engineers for a not-to-exceed amount of \$356,236; and
2. Authorized the General Manager to execute the consulting engineering services contract amendment subject to non-substantive changes.

ACTION ITEM

RP-1 TRAINING ROOM CONSTRUCTION CONTRACT AWARD

Director Hofer asked how often the RP-1 Maintenance Building Training Room would be used. Executive Manager of Operations/AGM Randy Lee stated that the room would be used on a weekly basis for ongoing training for staff such as ramp up training, skills training, safety tailgate training and recently it was agreed upon with the bargaining unit that the level of training will be increased. The implementation of the reliability center maintenance will require the skill levels of the mechanics, electricians, and instrumentation staff be increased. Currently, a portion of the RP-1 Maintenance Bay is being utilized for training. The RP-1 Training Room will provide a permanent location designated for this purpose.

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

M2017-11-2

MOVED, to:

1. Awarded a construction contract for the RP-1 Maintenance Building Training Room, Project No. EP17003, to New Millennium Construction in the amount of \$266,890; and
2. Authorized the General Manager to execute the construction contract.

FLOW EQUALIZATION AND EFFLUENT MONITORING CONSTRUCTION CHANGE ORDER

Director Hall asked if the fiber optics would be installed or if existing fiber optics will be replaced or repaired. Manager of Engineering Shaun Stone stated the new pumps offer greater control of

the SCADA system and provide more feedback data. This would be a new fiber optic run that is serving to repair the interference caused by the sensitivity of the new pumps.

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

M2017-11-3

MOVED, to:

1. Awarded a three-year service contract for the RP-1 and RP-2 boilers semi-annual cleaning and annual tune-up services to R.F. MacDonald, in the amount of \$122,154; and
2. Authorized the General Manager to execute the service contract.

ACWA 2017 PRESIDENT AND VICE PRESIDENT ELECTION

General Manager Joe Grindstaff stated that there will be elections taking place at the ACWA Conference in November. As of today, there are only two candidates for the President and Vice President of ACWA. Brent Hastey has been the Vice President of ACWA and is being nominated as the President. Steve LaMar, who works with IEUA President Steve Elie through the Southern California Water Committee, is being nominated as Vice President. They have both asked IEUA for support and General Manager Grindstaff is proposing to pass a resolution in IEUA's support. IEUA will also have to designate a voting representative, which in the past has been Director Jasmin Hall.

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

M2017-11-4

MOVED, to:

1. Designated Director Jasmin A. Hall as the IEUA voting representative, who must be present at a November ACWA 2017 Fall Conference, by completing the proxy designation form; and
2. Adopt Resolution No. 2017-11-7, supporting the nomination of Mr. Brent Hastey as the ACWA President, and Mr. Steven E. LaMar as the ACWA Vice President.

RESOLUTION 2017-11-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY CALIFORNIA, SUPPORTING THE NOMINATIONS OF MR. BRENT HASTEY AS THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' PRESIDENT, AND MR. STEVEN E. LAMAR AS THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' VICE PRESIDENT (for full text, see Resolution Book)

CHINO BASIN WATER BANK PLANNING AUTHORITY: JOINT POWERS AUTHORITY AGREEMENT

Manager of Planning & Environmental Resources Sylvie Lee stated that she is presenting this action item asking the Board to approve the establishment of the Joint Powers Authority (JPA) Agreement (Agreement) for the Chino Basin Water Bank Planning Authority. The Chino Basin Water Bank is consistent with the Agency’s mission of providing imported water supplies and business goals of securing water supply from various sources. Since 2016, IEUA has been working with its partners – Cucamonga Valley Water District, Monte Vista Water District, and the City of Ontario, to establish a planning JPA to agree on how the Chino Basin Water Bank would work. There have been several workshops, the last one held on October 31, 2017, with the Basin parties to discuss and receive feedback on the Chino Basin Water Bank proposed structure. The approval of the Agreement would help in meeting some project goals in queue, such as SARCCUP and the Proposition I application. On December 13, 2017, a presentation will be made to the California Water Commission to discuss the Prop 1 application for \$480 million. Staff finds that it’s an appropriate time to have some governance structure in place. At any time in the future, the Chino Basin Water Bank Planning Authority JPA will be able to change into a Chino Basin Water Bank Operational JPA. She presented a revised JPA agreement, incorporating comments from all partners with the fundamental concepts remaining the same. At this time, it is intended for each of the four parties to appoint one governing Board member as a voting member for the JPA. Discussion ensued on how to inform all related water entities of this project, the importance of this project, structure of the JPA, and the Prop 1 application process. Ms. Lee stated that the next workshop is scheduled for February 1, 2018. She concluded by stating that the parties’ council’s may have non-substantive changes, so staff is asking for authorization for the General Manager to execute the Agreement, subject to non-substantive changes.

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

M2017-11-5

MOVED, to:

1. Approved the Chino Basin Water Bank Planning Authority: Joint Powers Authority Agreement; and
2. Authorized the General Manager to execute the Agreement, subject to non-substantive changes.

RP-1 TRIDENT FILTERS CONSTRUCTION CONTRACT AWARD

Manager of Engineering Shaun Stone stated that this project is an urgent project at RP-4 and is required to meet the operational and permit requirements. During the field walks with staff for a larger project, it was discovered that the trident filters that were originally identified for work to be scheduled in 2014, had degraded faster than anticipated. Three of the eight filters are currently offline and one is exhibiting early signs of failure. If the fourth filter goes offline, the plant’s filtering capacity will be down 25 percent. The project also includes weir covers to the secondary clarifiers, which will shade the portion of the still water to prevent algae growth. In early September of this year, four bids were received. J.F. Shea was the lowest bidder at \$3.8 million dollars, which was way below the engineers estimate. Staff reached out to J.F. Shea to discuss the project scope, to ensure that they had captured everything. J.F. Shea responded in writing that they were comfortable with their bid and ready to execute the work. He gave an overview of the project budget and schedule.

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

M2017-11-6

MOVED, to:

1. Awarded a contract for the RP-4 Trident Filters, Project No. EN17110.01, to J.F. Shea Construction, Inc. in the amount of \$3,799,000;
2. Approved a contract amendment to Carollo Engineers for engineering services, project management, and construction management for a not-to-exceed amount of \$454,858; and
3. Authorized the General Manager to execute the construction contract and consulting engineering services amendment subject to non-substantive changes.

INFORMATION ITEMS

ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATE

Deputy Manager of Engineering Jerry Burke gave a PowerPoint presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: EN18006 – RP-1 Flare Improvements; EN19006 – RP-5 Biosolids Facility; EN14043 – RP-5 RW Pipeline Bottleneck; and REEP Engine Upgrades.

Discussion ensued about the focus of the RP-1 Flare Improvement Project and SCAQMD new requirements for flares.

MWD UPDATE

Senior Engineer Jason Pivovarovoff gave an update on Lake Oroville's Phase I repairs, which will allow 30-40 percent capacity of the main spillway. Being the largest reservoir on the State Water Project system, it will impact this year's State Water Project water allocation. It has been voiced that the Agency will see 10 to 20 percent of the initial allocations, consistent to the prior years despite the wet hydrology received. The Agency will receive the first initial allocation on December 1, 2017. A confirmation from DWR will be received at that time. The state has primarily been looking at the financial plans for CA WaterFix on how to finance the project. The State Water Contractors who are supporting the current project are going back to their Boards for JPA support approval on financing construction and design project costs. He closed with an MWD map on the seismic risk to imported water conveyance system. Director Parker asked approximately how much water has been recharged through the Dry Year Yield program through MWD to date. Executive Manager of Engineering/AGM Chris Berch stated that the Agency's obligation was 25,000 acre feet (AF), currently the Agency is at about that point, and anticipating to take 50,000 AF during this fiscal year.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

WORKERS' COMPENSATION SELF-INSURED ANALYSIS 2017

PUBLIC OUTREACH AND COMMUNICATION

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES

LEGISLATIVE REPORT FROM WEST COAST ADVISORS

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

FEDERAL LEGISLATIVE TRACKING MATRIX

STATE LEGISLATIVE TRACKING MATRIX

FY 2016/17 RECYCLED WATER ANNUAL REPORT

REGIONAL WATER USE EFFICIENCY PROGRAM ANNUAL REPORT – FY 2016/17

SARCCUP UPDATE

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall reported that on the November 7, 2017 SAWPA meeting, they authorized the contract to prepare a new Inland Empire Brine Line Rate Model. They also received an update that they have completed the pepperweed removal and restoration project for the Inland Empire Brine Line Repair Project.

MWD REPORT

Director Camacho had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker reported that on November 2, 2017, the Policy Committee had one major action item, the RP-4 Trident Filter Rehabilitation Construction Contract Award, which was unanimously approved.

CHINO BASIN WATERMASTER REPORT

President Elie reported that on October 26, 2017, the CBWM held a meeting. Majority of the meeting was held in closed session. Mr. Grindstaff reported on the Proposition 1 Water Bank, which was also covered at the meeting today.

GENERAL MANAGER'S REPORT

General Manager Joe Grindstaff stated that this is his last meeting as General Manager at an IEUA Board meeting. He thanked the Board for the opportunity to serve.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

Director Hall stated that on November 6, 2017, she attended the Dedication of an Acorn into a Tree with John Anderson at Inland Empire Regional Composting Facility.

President Elie stated that on October 26, 2017, he attended the Southern California Water Committee's Annual Dinner meeting, where Secretary Laird spoke about the CA WaterFix. As a founding member, the Agency had two tables at the event and had the opportunity to invite people from non-profit organizations and from our member agencies to attend. He also helped staff give a tour of the Agency facilities to City of Chino Councilmembers Rodriguez and George on October

30, 2017. He also attended the Chino Valley Unified School District State of the District event on November 14, 2017.

President Elie ended with an appreciative statement of General Manager P. Joseph Grindstaff. He stated that he will close the meeting in his honor for his great service to the Agency.

CLOSED SESSION

The Board went into Closed Session at 10:59 a.m., A. 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) Mwembu vs. IEUA, Case No. CIVDS 1415762; B. 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; C. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer Negotiations – All Bargaining Units, Negotiating Parties: General Manager P. Joseph Grindstaff.

The meeting resumed at 12:23 p.m., and General Counsel Martin 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:

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 Anticipated Litigation; Initiation of Litigation:

Supplemental Water Transfer/Purchase

The Board took no reportable action.

Regarding Conference with Labor Negotiator:

Meet and Confer Negotiations – All Bargaining Units

Negotiating Parties: General Manager P. Joseph Grindstaff

The Board took no reportable action.

With no further business, President Elie closed the meeting in the honor of General Manager P. Joseph Grindstaff and adjourned the meeting at 12:23 a.m.

Jasmin A. Hall, Secretary/Treasurer

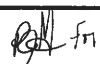
APPROVED: DECEMBER 20, 2017

CONSENT
CALENDAR
ITEM

2B

Date: December 20, 2017

To: The Honorable Board of Directors


From: Halla Razak, General Manager

Committee:

Board Contact: Steven J. Elie, Board President

Subject: Adoption of Resolution No. 2017-12-1, Commending General Manager P. Joseph Grindstaff for His 5 Years of Service with the Inland Empire Utilities Agency

Executive Summary:

General Manager P. Joseph Grindstaff is retiring from the Inland Empire Utilities Agency after 5 years of exemplary service. He has 35 years of experience in management and planning in the field of water, wastewater and resource management. His extensive knowledge and experience in water and resource management have been valuable in maintaining IEUA's mission and vision.

He has been a visionary leader at IEUA and has been instrumental to the success of attaining many milestones within the Agency such as being the first agency to implement an innovative renewable energy technology by installing the Battery Storage Project at the Regional Water Recycling Plan No. 5, the regional leadership in the development of the South Archibald Plume Cleanup Project, the establishment of the Chino Basin Water Bank Joint Powers Authority, the building of the Water Quality Laboratory, the strengthening of the Agency's financial standing by increasing the Agency's credit rating, the awarding of grant funding for various projects, and the implementation of facility and water resources planning documents, all of which has paved the path for the Agency for decades to follow.

Staff's Recommendation:

Adopt Resolution No. 2017-12-1, commending General Manager P. Joseph Grindstaff for his 5 years of service with the Inland Empire Utilities Agency.

Budget Impact *Budgeted (Y/N):* Y *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Full account coding (internal AP purposes only): - - - Project No.:

Prior Board Action:

N/A

Environmental Determination:

Not Applicable

Business Goal:

Attachments:

Attachment 1 - Resolution 2017-12-1

RESOLUTION NO. 2017-12-1

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, COMMENDING GENERAL MANAGER P. JOSEPH GRINDSTAFF FOR 5 YEARS OF PUBLIC SERVICE WITH THE INLAND EMPIRE UTILITIES AGENCY

GENERAL MANAGER P. JOSEPH GRINDSTAFF

WHEREAS, General Manager P. Joseph Grindstaff is retiring from the Inland Empire Utilities Agency after 5 years of exemplary service; and

WHEREAS, General Manager P. Joseph Grindstaff's 35 years of experience in management and planning in the field of water, wastewater and resource management. His extensive knowledge and experience in water and resource management have been valuable in maintaining IEUA's mission and vision; and

WHEREAS, General Manager P. Joseph Grindstaff has served as the Executive Officer for the Delta Stewardship Council, where he organized the Delta Stewardship Council and helped establish the Delta Conservancy and has served as Director of the California Bay-Delta Authority and Deputy Secretary for Water Policy for the Natural Resources Agency, where he took part in the historic 2009 legislative reform package, coordinated water policy, supported Delta Vision, helped CALFED transition to the new paradigm of co-equal goals, and oversaw many resource management activities for the State; and

WHEREAS, General Manager P. Joseph Grindstaff has been a visionary leader at the Inland Empire Utilities Agency and has been instrumental to the success of attaining many milestones within the Agency such as being the first agency to implement an innovative renewable energy technology by installing the Battery Storage Project at the Regional Water Recycling Plan No. 5, the regional leadership in the development of the South Archibald Plume Cleanup Project, the establishment of the Chino Basin Water Bank Joint Powers Authority, the building of the Water Quality Laboratory, the strengthening of the Agency's financial standing by increasing the Agency's credit rating, the awarding of grant funding for various projects, and the implementation of facility and water resources planning documents, all of which has paved the path for the Agency for decades to follow.

NOW, THEREFORE, BE IT RESOLVED, that the Inland Empire Utilities Agency's Board of Directors does hereby publicly extend its most sincere appreciation to General Manager P. Joseph Grindstaff for his 5 years of dedicated public service to the Inland Empire Utilities Agency and his 35 years of public service in the field of water, wastewater and resource management. His exemplary work ethic and dedication to the Inland Empire Utilities Agency and to the public of the County of San Bernardino are to be commended.

ADOPTED this 20th day of December, 2017.

Steven J. Elie, President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Jasmin A. Hall, Secretary/Treasurer of the
Inland Empire Utilities Agency* and of the
Board of Directors Thereof

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2017-12-1, was adopted at a regular
Board Meeting on December 20, 2017, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

**CONSENT
CALENDAR
ITEM**

2C



Date: December 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration

[Signature] for
From: Halla Razak, General Manager

12/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Report on General Disbursements

Executive Summary:

Total disbursements for the month of October 2017 were \$15,532,023.67. Disbursement activity included check payments of \$3,683,309.74 to vendors and \$2,105.91 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$3,445,218.30 and wire transfers (excluding payroll) of \$6,955,520.71. Total payroll was \$1,439,713.60 for employees and \$6,155.41 for the Board of Directors.

Staff's Recommendation:

1. Approve the total disbursements for the month of October 2017, in the amount of \$15,532,023.67.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

The report on general disbursements is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for general disbursements associated with operating requirements.

Attachments:

Attachment 1 - Background

Attachment 2 - Details of General Disbursements

Background

Subject: Report on General Disbursements

Table 1 summarizes the disbursements detailed in each of the six attachments affixed to this letter. Table 2 lists the disbursements in excess of an aggregated \$500,000 per vendor, and is presented in largest to smallest dollar value.

Table 1: Disbursement Details

Attachment	Payment Type	Amount
1	Vendor Checks	\$3,683,309.74
2	Workers' Comp Checks	\$2,105.91
3	Vendor ACHs	\$3,445,218.30
4	Vendor Wires (excludes Payroll)	\$6,955,520.71
5	Payroll-Net Pay-Directors	\$6,155.41
6	Payroll-Net Pay-Employees	\$1,439,713.60
Total Disbursements		\$15,532,023.67

Table 2: Disbursements in Excess of \$500,000 per Vendor

Vendor	Amount	Description
MWD	\$5,144,110.56	Aug 2017 Water Purchase
KEMP BROS CONSTR INC	\$1,468,150.36	EN15008- Water Quality Laboratory- Pay Estimate #13
I R S	\$944,192.57	P/R 21, 22, Pyrl Taxes
PERS	\$668,800.89	10/17 Hlth Ins; P/R 20, 21,22; DIR 010 PERS Cont
SO CALIF EDISON	\$648,248.59	9/17 Electricity Costs
PARSONS WATER & INFRASTRUCTURE	\$534,638.98	EN19006 -RP-5 Biosolids Facility / EN19001- RP-5 Expansion to 30 mgd - 6/2-8/4 Svc's

Attachment 1

Vendor Checks

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key		122234149				
Acct number		CHECK 231167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
221110	2200085980	10/05/2017	USD	506.96	ACCUSTANDARD INC NEW HAVEN CT	10/12/2017
221111	2200085989	10/05/2017	USD	290.00	AEROTEK INC ATLANTA GA	10/12/2017
221112	2200085970	10/05/2017	USD	2,008.09	AIRGAS WEST INC PASADENA CA	10/10/2017
221113	2200086004	10/05/2017	USD	12,870.14	ALLIED UNIVERSAL SECURITY SERV PASADENA CA	10/10/2017
221114	2200086005	10/05/2017	USD	388.85	ALTA FOODCRAFT COFFEE LONG BEACH CA	10/12/2017
221115	2200086028	10/05/2017	USD	239.14	AMERICAN HERITAGE LIFE INSURANCE DALLAS TX	10/24/2017
221116	2200086019	10/05/2017	USD	1,268.90	AMERICAN OFFICE PROFESSIONALS RANCHO CUCAMONGA CA	10/11/2017
221117	2200085982	10/05/2017	USD	262.00	AMERICAN WATER WORKS ASSOC DALLAS TX	10/12/2017
221118	2200086020	10/05/2017	USD	300.00	ANDIAMO ENTERTAINMENT LLC LAS VEGAS NV	10/30/2017
221119	2200085974	10/05/2017	USD	6,549.06	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	10/12/2017
221120	2200086006	10/05/2017	USD	771.73	ASAP INDUSTRIAL SUPPLY FONTANA CA	10/11/2017
221121	2200086010	10/05/2017	USD	53.77	AUTOZONE INC ATLANTA GA	10/13/2017
221122	2200086011	10/05/2017	USD	718.27	BERLIN PACKAGING LLC CHICAGO IL	10/13/2017
221123	2200086034	10/05/2017	USD	87.21	BOUGHAN, ARIN CHINO HILLS CA	10/10/2017
221124	2200086012	10/05/2017	USD	17,341.79	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	10/10/2017
221125	2200085988	10/05/2017	USD	3,000.00	CAL POLY POMONA POMONA CA	10/23/2017
221126	2200085997	10/05/2017	USD	300.00	CAL POLY POMONA FOUNDATION INC POMONA CA	11/07/2017
221127	2200086016	10/05/2017	USD	3,624.73	CHEMTRADE CHEMICALS US LLC DETROIT MI	10/10/2017
221128	2200085977	10/05/2017	USD	1,125.00	CHINO BASIN WATER CONSERVATION MONTECLAIR CA	10/13/2017
221129	2200085981	10/05/2017	USD	204.00	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	10/31/2017
221130	2200086021	10/05/2017	USD	3,371.28	CITY OF CHINO CHINO CA	10/10/2017
221131	2200086009	10/05/2017	USD	1,650.00	CIVIC PUBLICATIONS INC LA VERNE CA	10/12/2017
221132	2200085962	10/05/2017	USD	551.99	COLE FARMER INSTRUMENT CO CHICAGO IL	10/13/2017
221133	2200085993	10/05/2017	USD	129.00	COUNTY OF RIVERSIDE RIVERSIDE CA	10/17/2017
221134	2200086017	10/05/2017	USD	417.55	DAISY IT SUPPLIES SALES & SERV RANCHO CUCAMONGA CA	10/12/2017
221135	2200085976	10/05/2017	USD	10,692.66	DELL MARKETING L P PASADENA CA	10/10/2017
221136	2200085991	10/05/2017	USD	2,901.80	DESERT PUMPS AND PARTS INC BELLA VISTA AR	10/11/2017
221137	2200085986	10/05/2017	USD	274.91	E Z PARTY RENTALS POMONA CA	10/24/2017
221138	2200086014	10/05/2017	USD	11,960.00	ECOTECH SERVICES INC MONROVIA CA	10/16/2017
221139	2200086033	10/05/2017	USD	300.00	ELIE, STEVE CHINO HILLS CA	10/11/2017
221140	2200085985	10/05/2017	USD	150.72	EXPRESS PIPE & SUPPLY INC ANAHEIM CA	10/12/2017
221141	2200085964	10/05/2017	USD	850.34	FISHER SCIENTIFIC LOS ANGELES CA	10/11/2017
221142	2200086025	10/05/2017	USD	930.29	FONTANA WATER COMPANY FONTANA CA	10/13/2017
221143	2200086027	10/05/2017	USD	1,291.95	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	10/13/2017
221144	2200085971	10/05/2017	USD	5,578.12	GRAINGER PALATINE IL	10/10/2017
221145	2200085965	10/05/2017	USD	853.49	HOME DEPOT CREDIT SERVICES DES MOINES IA	10/16/2017
221146	2200086026	10/05/2017	USD	22,134.71	INLAND BIOENERGY LLC FONTANA CA	10/12/2017
221147	2200085994	10/05/2017	USD	8,002.72	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	10/18/2017
221148	2200086002	10/05/2017	USD	1,150.00	JB'S POOLS & PONDS INC UPLAND CA	10/11/2017
221149	2200085972	10/05/2017	USD	55,069.26	JWC ENVIRONMENTAL LOS ANGELES CA	10/10/2017
221150	2200086015	10/05/2017	USD	3,766.50	KNOWBEA INC CLEARWATER FL	10/11/2017
221151	2200085979	10/05/2017	USD	2,328.70	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	10/11/2017
221152	2200085995	10/05/2017	USD	9,360.00	KVAC ENVIRONMENTAL SERVICES IN RANCHO CUCAMONGA CA	10/12/2017
221153	2200086031	10/05/2017	USD	255.10	LEGALSHIELD ADA OK	10/16/2017

Bank		CBB	CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key		122234149					
Acct number		CHECK	231167641				
Check							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
221154	2200086030	10/05/2017	USD	14,778.11	LIFE INSURANCE COMPANY OF PHILADELPHIA PA	10/11/2017	
221155	2200086000	10/05/2017	USD	7,125.00	LINKO DATA SYSTEMS INC WHEAT RIDGE CO	10/26/2017	
221156	2200086003	10/05/2017	USD	249.57	MARS ENVIRONMENTAL INC ANAHEIM CA	10/16/2017	
221157	2200085975	10/05/2017	USD	3,004.39	MISCO WATER FOOTHILL RANCH CA	10/11/2017	
221158	2200085996	10/05/2017	USD	994.80	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	10/11/2017	
221159	2200085992	10/05/2017	USD	1,040.00	NATIONAL THEATRE FOR CHILDREN MINNEAPOLIS MN	10/31/2017	
221160	2200085963	10/05/2017	USD	3,535.63	OFFICE DEPOT PHOENIX AZ	10/11/2017	
221161	2200086001	10/05/2017	USD	15,374.15	ORACLE AMERICA INC SAN FRANCISCO CA	10/10/2017	
221162	2200085987	10/05/2017	USD	1,969.20	PALM AUTO DETAIL INC COLTON CA	10/16/2017	
221163	2200086035	10/05/2017	USD	300.00	PAPROCKI, BOGDAN FONTANA CA	10/20/2017	
221164	2200086029	10/05/2017	USD	96.54	PERS LONG TERM CARE PROGRAM PASADENA CA	10/11/2017	
221165	2200086007	10/05/2017	USD	5,208.13	RDO TRUST # 80-5800 LAKESIDE CA	10/12/2017	
221166	2200085984	10/05/2017	USD	193.94	RED WING SHOE STORE CORONA CA	10/13/2017	
221167	2200085983	10/05/2017	USD	370.08	RED WING SHOE STORE UPLAND CA	10/16/2017	
221168	2200085966	10/05/2017	USD	13,675.25	RMA GROUP RANCHO CUCAMONGA CA	10/19/2017	
221169	2200085967	10/05/2017	USD	13,800.08	ROYAL WHOLESALE ELECTRIC ORANGE CA	10/11/2017	
221170	2200086018	10/05/2017	USD	9,836.25	SHARON BROWNING & ASSOCIATES PACIFIC PALISADES CA	10/26/2017	
221171	2200086022	10/05/2017	USD	317.62	SO CALIF EDISON ROSEMEAD CA	10/12/2017	
221172	2200086023	10/05/2017			voided by SHEATH - Check not needed	10/30/2017	
221173	2200086024	10/05/2017	USD	469.66	SOUTHERN CALIFORNIA EDISON ROSEMEAD CA	10/11/2017	
221174	2200086008	10/05/2017	USD	200.00	TECHNICAL ASSOCIATES OF CHARLOCHARLOTTE NC	11/01/2017	
221175	2200086013	10/05/2017	USD	17.00	THE SHREDDERS LOS ANGELES CA	10/23/2017	
221176	2200085998	10/05/2017	USD	30,960.96	TRAUWEIN CONSTRUCTION INC RANCHO CUCAMONGA CA	10/12/2017	
221177	2200085978	10/05/2017	USD	3,000.00	UC REGENIS RIVERSIDE CA	10/13/2017	
221178	2200085999	10/05/2017	USD	18,667.79	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA	10/11/2017	
221179	2200085990	10/05/2017	USD	9,080.23	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	10/11/2017	
221180	2200085973	10/05/2017	USD	255.00	WATER ENVIRONMENT FEDERATION BOSTON MA	10/27/2017	
221181	2200085968	10/05/2017	USD	6,974.22	WAXIE SANITARY SUPPLY LOS ANGELES CA	10/12/2017	
221182	2200085969	10/05/2017	USD	42,942.84	WEST VALLEY MOSQUITO AND ONTARIO CA	10/11/2017	
221183	2200086032	10/05/2017	USD	145.20	ZIEGENBEIN, JEFF CHINO HILLS CA	10/20/2017	
221184	2200086056	10/12/2017	USD	155.96	ACCUSTANDARD INC NEW HAVEN CT	10/20/2017	
221185	2200086079	10/12/2017	USD	614.26	ALTA FOODCRAFT COFFEE LONG BEACH CA	10/18/2017	
221186	2200086053	10/12/2017	USD	2,049.50	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	10/17/2017	
221187	2200086049	10/12/2017	USD	1,175.79	APPLEBONE EMPLOYMENT SERVICES GLENDALE CA	10/17/2017	
221188	2200086075	10/12/2017	USD	859.86	ARROWHEAD MOUNTAIN SPRING WATERLOUVILLE KY	10/20/2017	
221189	2200086083	10/12/2017	USD	2,034.04	AUTOZONE INC ATLANTA GA	10/19/2017	
221190	2200086060	10/12/2017	USD	5,842.46	BRAGG CRANE SERVICE LONG BEACH CA	10/17/2017	
221191	2200086100	10/12/2017	USD	1,422.15	BURRTEC WASTE INDUSTRIES INC FONTANA CA	10/18/2017	
221192	2200086085	10/12/2017	USD	24,610.53	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	10/17/2017	
221193	2200086115	10/12/2017	USD	246.90	CAMACHO, MICHAEL CHINO HILLS CA	10/16/2017	
221194	2200086112	10/12/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	10/17/2017	
221195	2200086057	10/12/2017	USD	159,364.94	CAROLLO ENGINEERS INC SALT LAKE CITY UT	10/17/2017	
221196	2200086050	10/12/2017	USD	259,544.88	CDM SMITH INC LOS ANGELES CA	10/16/2017	
221197	2200086065	10/12/2017	USD	391.81	CHINO MFG & REPAIR INC CHINO CA	10/17/2017	

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key		122234149				
Acct number		CHECK 231167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
221198	2200086073	10/12/2017	USD	2,514.73	CINTAS CORPORATION LOC#150 PHOENIX AZ	10/23/2017
221199	2200086110	10/12/2017	USD	415.00	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	10/17/2017
221200	2200086080	10/12/2017	USD	12,500.00	CIVIC PUBLICATIONS INC LA VERNE CA	10/20/2017
221201	2200086081	10/12/2017	USD	12,512.12	CONSERV CONSTRUCTION INC MENIFEE CA	10/16/2017
221202	2200086094	10/12/2017	USD	118.50	CRAFTSMAN BOOK COMPANY CARLSBAD CA	11/02/2017
221203	2200086076	10/12/2017	USD	2,938.78	CRB SECURITY SOLUTIONS WESTMINSTER CA	10/16/2017
221204	2200086093	10/12/2017	USD	10,000.00	DECISIONWISE LLC SPRINGVILLE UT	10/18/2017
221205	2200086051	10/12/2017	USD	10,142.17	DELL MARKETING L P PASADENA CA	10/16/2017
221206	2200086090	10/12/2017	USD	27,700.58	DORGAN LEGAL SERVICES LLP PASADENA CA	11/06/2017
221207	2200086082	10/12/2017	USD	4,146.78	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	10/17/2017
221208	2200086101	10/12/2017	USD	1,106.21	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	10/20/2017
221209	2200086068	10/12/2017	USD	4,475.75	GOLDEN STATE LABOR COMPLIANCE PALMDALE CA	11/01/2017
221210	2200086048	10/12/2017	USD	7,204.77	GRAINGER PALATINE IL	10/17/2017
221211	2200086106	10/12/2017	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	10/17/2017
221212	2200086071	10/12/2017	USD	9,230.00	INTEGRATED DESIGN SERVICES INCIRVINE CA	10/16/2017
221213	2200086055	10/12/2017	USD	290.93	KONICA MINOLTA PASADENA CA	10/16/2017
221214	2200086087	10/12/2017	USD	796.24	MANAGED MOBILE INC PLACENITA CA	10/17/2017
221215	2200086113	10/12/2017	USD	288.00	MARIA FRESQUEZ N LAS VEGAS NV	10/17/2017
221216	2200086114	10/12/2017	USD	92.02	MEDELROS, SHAWN CHINO HILLS CA	10/19/2017
221217	2200086052	10/12/2017	USD	298.68	METTLER-TOLEDO PASADENA CA	10/16/2017
221218	2200086084	10/12/2017	USD	24,578.95	MICROAGE PHOENIX AZ	10/17/2017
221219	2200086061	10/12/2017	USD	220.40	MIDPOINT BEARING ONTARIO CA	10/16/2017
221220	2200086088	10/12/2017	USD	8,644.89	PACIFIC COURIERS INC ORANGE CA	10/20/2017
221221	2200086089	10/12/2017	USD	6,642.40	PATCHETT & ASSOCIATES CARLSBAD CA	10/23/2017
221222	2200086111	10/12/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	10/17/2017
221223	2200086117	10/12/2017	USD	75.22	PIVOVAROFF, JASON CHINO HILLS CA	10/17/2017
221224	2200086062	10/12/2017	USD	225.00	RED WING SHOE STORE CORONA CA	10/17/2017
221225	2200086078	10/12/2017	USD	5,311.49	RUSSELL SIGLER INC LOS ANGELES CA	10/16/2017
221226	2200086072	10/12/2017	USD	1,375.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	10/23/2017
221227	2200086092	10/12/2017	USD	4,491.24	SHAW HR CONSULTING INC NEWBURY PARK CA	10/17/2017
221228	2200086102	10/12/2017	USD	506.34	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	10/26/2017
221229	2200086095	10/12/2017	USD	9,951.65	SO CALIF EDISON ROSEMEAD CA	10/19/2017
221230	2200086096	10/12/2017	USD	78,913.25	SO CALIF EDISON ROSEMEAD CA	10/16/2017
221231	2200086097	10/12/2017	USD	811.02	SO CALIF GAS MONTEREY PARK CA	10/18/2017
221232	2200086054	10/12/2017	USD	1,277.04	SOLINST CANADA LTD GEORGETOWN ON	10/24/2017
221233	2200086070	10/12/2017	USD	42,410.39	SWRCB ACCOUNTING OFFICE SACRAMENTO CA	10/18/2017
221234	2200086086	10/12/2017	USD	89.25	TRIPEPI SMITH AND ASSOCIATES, IRVINE CA	10/23/2017
221235	2200086064	10/12/2017	USD	1,068.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	10/16/2017
221236	2200086046	10/12/2017	USD	556.15	UNDERGROUND SERVICE ALERT/SC CORONA CA	10/24/2017
221237	2200086077	10/12/2017	USD	9,933.09	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	10/18/2017
221238	2200086108	10/12/2017	USD	243.33	US DEPARIMENT OF EDUCATION ATLANTA GA	10/18/2017
221239	2200086063	10/12/2017	USD	1,692.21	VERTIZON WIRELESS DALLAS TX	10/18/2017
221240	2200086069	10/12/2017	USD	284.04	WORLDWIDE EXPRESS ALBANY NY	10/17/2017
221241	2200086174	10/19/2017	USD	2,585.35	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	10/25/2017

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221245	2200086190	10/19/2017	USD	100.00	ARMENDAREZ III, JESUS M FONTANA CA	11/07/2017
221246	2200086204	10/19/2017	USD	300.00	ARZATE, BRANDY UPLAND CA	10/25/2017
221247	2200086169	10/19/2017	USD	100.00	BOWMAN, JIM W ONTARIO CA	10/23/2017
221248	2200086158	10/19/2017	USD	5,513.33	BRAGG CRANE SERVICE LONG BEACH CA	10/24/2017
221249	2200086186	10/19/2017	USD	15,779.29	BUSINESS CARD WILMINGTON DE	10/23/2017
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221251	2200086185	10/19/2017	USD	4,091.92	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	10/24/2017
221252	2200086189	10/19/2017	USD	100.00	CETTINA, LUIS H. RANCHO CUCAMONGA CA	10/30/2017
221253	2200086170	10/19/2017	USD	6,326.45	CINTAS CORPORATION LOC#150 PHOENIX AZ	10/30/2017
221254	2200086161	10/19/2017	USD	1,894.76	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	10/26/2017
221255	2200086194	10/19/2017	USD	3,213.81	CITY OF CHINO CHINO CA	10/23/2017
221256	2200086150	10/19/2017	USD	110.82	CITY RENTALS INC ONTARIO CA	10/26/2017
221257	2200086196	10/19/2017	USD	55.20	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	10/24/2017
221258	2200086166	10/19/2017	USD	9,377.00	DAVIS ELECTRIC INC YUCAIPA CA	10/25/2017
221259	2200086176	10/19/2017	USD	1,150.40	DOWNS ENERGY CORONA CA	10/24/2017
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221261	2200086180	10/19/2017	USD	3,890.00	EPI-USE AMERICA INC ATLANTA GA	10/30/2017
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221266	2200086177	10/19/2017	USD	25,238.00	GHD PASADENA CA	10/23/2017
221267	2200086188	10/19/2017	USD	1,885.00	GILLIS + PANICHAPAN ARCHITECTS COSTA MESA CA	10/25/2017
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221270	2200086193	10/19/2017	USD	33,254.10	HCI SYSTEMS INC ONTARIO CA	10/24/2017
221271	2200086151	10/19/2017	USD	2,121.57	HOME DEPOT CREDIT SERVICES DES MOINES IA	10/30/2017
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221275	2200086198	10/19/2017	USD	916.97	LEVEL 3 COMMUNICATIONS LLC DENVER CO	10/25/2017
221276	2200086203	10/19/2017	USD	85.22	MARKOWSKI, EDWARD CHINO HILLS CA	10/26/2017
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221279	2200086159	10/19/2017	USD	1,411.74	MIDPOINT BEARING ONTARIO CA	10/23/2017
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221281	2200086155	10/19/2017	USD	2,205.28	MOTION INDUSTRIES INC LOS ANGELES CA	10/23/2017
221282	2200086164	10/19/2017	USD	26,000.00	NATIONAL THEATRE FOR CHILDREN MINNEAPOLIS MN	10/24/2017
221283	2200086195	10/19/2017	USD	12,085.94	ONTARIO MUNICIPAL UTILITIES CO ONTARIO CA	10/23/2017
221284	2200086191	10/19/2017	USD	15,000.00	PC CONSULTING SERVICES INC SANTA ANA CA	10/24/2017
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221288	2200086202	10/19/2017	USD	115.73	SMITH, JASON D CHINO HILLS CA	10/24/2017
221289	2200086197	10/19/2017	USD	538,785.98	SO CALIF EDISON ROSEMEAD CA	10/23/2017
221290	2200086183	10/19/2017	USD	100.00	STONE, DEBRA KAYE UPLAND CA	
221291	2200086175	10/19/2017	USD	100.00	ULLOA, EUNICE M CHINO CA	
221292	2200086182	10/19/2017	USD	22,894.50	UTILIQUEST LLC ATLANTA GA	10/23/2017
221293	2200086200	10/19/2017	USD	380.00	VELARDE, TERESA CHINO HILLS CA	10/30/2017
221294	2200086187	10/19/2017	USD	62,697.85	VIRAMONTES EXPRESS INC CORONA CA	11/06/2017
221295	2200086163	10/19/2017	USD	47,965.96	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	10/24/2017
221296	2200086229	10/23/2017	USD	77,271.07	BANNER BANK SACRAMENTO CA	10/27/2017
221297	2200086239	10/23/2017	USD	350.00	BECKER, NIKI CHINO HILLS CA	10/25/2017
221298	2200086225	10/23/2017	USD	182,546.53	FERREIRA COASTAL CONSTRUCTION BRANCBURG NJ	10/27/2017
221299	2200086218	10/23/2017	USD	29,868.23	HACH COMPANY CHICAGO IL	10/26/2017
221300	2200086215	10/23/2017	USD	1,980.50	INDUSTRIAL HEARING & PULMONARYUPLAND CA	10/30/2017
221301	2200086214	10/23/2017	USD	214,984.71	J F SHEA CONSTRUCTION INC WALNUT CA	10/26/2017
221302	2200086237	10/23/2017	USD	299.99	KING, JUSTIN CHINO HILLS CA	10/26/2017
221303	2200086241	10/23/2017	USD	140.00	MAKOWSKI, EDWARD CHINO HILLS CA	10/26/2017
221304	2200086236	10/23/2017	USD	350.00	MALKANI, SURESH CHINO HILLS CA	10/24/2017
221305	2200086220	10/23/2017	USD	1,417.90	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	10/26/2017
221306	2200086230	10/23/2017	USD	195,620.70	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	10/27/2017
221307	2200086224	10/23/2017	USD	65,060.00	POWER ENGINEERING SERVICES INC BREA CA	11/02/2017
221308	2200086232	10/23/2017	USD	5,795.00	PRO-CRAFT CONSTRUCTION INC REDLANDS CA	10/26/2017
221309	2200086234	10/23/2017	USD	350.00	RIVERA, VINCENT CHINO HILLS CA	10/27/2017
221310	2200086211	10/23/2017	USD	11,301.74	ROYAL WHOLESALE ELECTRIC LOS ANGELES CA	10/25/2017
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221312	2200086233	10/23/2017	USD	350.00	SANTA CRUZ, VICTOR CHINO HILLS CA	11/07/2017
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221314	2200086221	10/23/2017	USD	59,640.60	SCW CONTRACTING CORPORATION FALLBROOK CA	10/26/2017
221315	2200086213	10/23/2017	USD	120.51	SIGMA-ALDRICH INC ATLANTA GA	10/27/2017
221316	2200086240	10/23/2017	USD	161.61	SMITH, JEANNETTE CHINO HILLS CA	10/26/2017
221317	2200086219	10/23/2017	USD	249,945.37	STANTEC CONSULTING INC CHICAGO IL	10/26/2017
221318	2200086212	10/23/2017	USD	150.76	SUNSHINE FILTERS OF PINELLAS ILARGO FL	10/30/2017
221319	2200086226	10/23/2017	USD	37,847.38	SUPERIOR ELECTRIC MOTOR SERVICEVERNON CA	11/01/2017
221320	2200086216	10/23/2017	USD	19,000.00	TRIMAX SYSTEMS INC BREA CA	11/03/2017
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221324	2200086244	10/24/2017	USD	100.00	SAM'S CLUB BENIONVILLE AR	10/27/2017
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221326	2200086260	10/26/2017	USD	1,995.54	AIRGAS WEST INC PASADENA CA	11/06/2017
221327	2200086291	10/26/2017	USD	476.36	ALITA FOODCRAFT COFFEE LONG BEACH CA	10/31/2017
221328	2200086269	10/26/2017	USD	400.22	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	10/31/2017
221329	2200086290	10/26/2017	USD	3,300.00	AMP MECHANICAL INC COSTA MESA CA	11/01/2017

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221336	2200086326	10/26/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	10/31/2017	
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221342	2200086251	10/26/2017	USD	46.72	CITY RENTALS INC ONTARIO CA	10/31/2017	
221343	2200086311	10/26/2017	USD	294.47	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	10/31/2017	
221344	2200086293	10/26/2017	USD	8,138.83	DOWNES ENERGY CORONA CA	10/31/2017	
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221346	2200086295	10/26/2017	USD	5,570.00	EUROFINS EATON ANALYTICAL, INCGRAPEVINE TX	10/31/2017	
221347	2200086252	10/26/2017	USD	4,577.22	FLO SYSTEMS INC ANAHEIM HILLS CA	10/31/2017	
221348	2200086267	10/26/2017	USD	297.41	FLW INC HUNTINGTON BEACH CA	10/31/2017	
221349	2200086315	10/26/2017	USD	208.09	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	11/06/2017	
221350	2200086266	10/26/2017	USD	318.48	GENERAL BOTTLE INC LOS ANGELES CA	11/01/2017	
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221361	2200086327	10/26/2017	USD	288.00	MARIA FRESQUEZ N LAS VEGAS NV	10/31/2017	
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221368	2200086261	10/26/2017	USD	1,014.65	PETTY CASH EXPENDITURES CHINO CA	10/30/2017	
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221370	2200086256	10/26/2017	USD	153.00	RMA GROUP RANCHO CUCAMONGA CA	11/07/2017	
221371	2200086316	10/26/2017	USD	282.81	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	11/07/2017	
221372	2200086312	10/26/2017	USD	20,280.09	SO CALIF EDISON ROSEMEAD CA	10/30/2017	
221373	2200086307	10/26/2017	USD	644.28	STORETRIEVE LLC MONTEBELLO CA	11/07/2017	

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register
 CBB Disbursement Account - October 2017

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221385	2200086465	10/30/2017	USD	1,571.74	BOOT BARN INC IRVINE CA	11/06/2017
221386	2200086462	10/30/2017	USD	901.00	BRAG CRANE SERVICE LONG BEACH CA	11/03/2017
221387	2200086474	10/30/2017	USD	172.48	BREIG, ANNA VICTORVILLE CA	11/09/2017
221388	2200086471	10/30/2017	USD	384.78	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	11/03/2017
221389	2200086473	10/30/2017	USD	5,897.48	BURRTEC WASTE INDUSTRIES INC FONTANA CA	11/06/2017
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221398	2200086480	10/30/2017	USD	3,000.00	HANSON, MATTHEW CHINO HILLS CA	11/02/2017
221399	2200086477	10/30/2017	USD	472.96	HOBBS, DIANA APPLE VALLEY CA	11/07/2017
221400	2200086475	10/30/2017	USD	472.96	HORNE, WILLIAM YUCCA VALLEY CA	11/03/2017
221401	2200086476	10/30/2017	USD	746.37	MILLER, ELMER L BLUE JAY CA	11/03/2017
221402	2200086472	10/30/2017	USD	2,885.60	PATCHETT & ASSOCIATES CARLSBAD CA	11/06/2017
221403	2200086463	10/30/2017	USD	438.33	RED WING SHOE STORE UPLAND CA	11/13/2017
221404	2200086470	10/30/2017	USD	452.55	SNAP GRAPHICS & DESIGN RANCHO CUCAMONGA CA	11/03/2017
221405	2200086478	10/30/2017	USD	25.00	ZIEGENBEIN, JEFF CHINO HILLS CA	
* Payment method Check			USD	3,683,309.74		

Total of all entries

Check Register
CBB Disbursement Account - October 2017

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User: CCAMPEEL

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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	3,683,309.74		

Attachment 2

Workers' Comp Checks

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register

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 User: CCAMPBRL
 Page: 1

Bank		CBB		CITIZENS BUSINESS BANK		ONTARIO CA 917610000	
Bank Key		122234149					
Acct number		WCOMP		231159290			
Checks created manually							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
04831	2200086481	10/11/2017	USD	356.20	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/16/2017	
04832	2200086482	10/11/2017	USD	327.20	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/16/2017	
04833	2200086483	10/11/2017	USD	351.83	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/17/2017	
04834	2200086484	10/11/2017	USD	60.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/17/2017	
04835	2200086486	10/11/2017	USD	12.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/17/2017	
04836	2200086571	10/18/2017	USD	204.62	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/19/2017	
04837	2200086572	10/18/2017	USD	250.27	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/23/2017	
04838	2200086573	10/18/2017	USD	78.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/23/2017	
04839	2200086576	10/25/2017	USD	103.48	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/30/2017	
04840	2200086577	10/25/2017	USD	75.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	10/31/2017	
04841	2200086578	10/25/2017	USD	23.04	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	11/06/2017	
04842	2200086579	10/25/2017	USD	17.01	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	11/06/2017	
04843	2200086580	10/31/2017	USD	247.26	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	11/14/2017	
* Payment method Checks created manually			USD	2,105.91			

Total of all entries

Check Register

11/20/2017 / 11:37:13

User: CCAMPBEL

Page: 2

Check number from to	Payment	Prnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	2,105.91		

Attachment 3

Vendor ACHs

Check	Payee / Description	Amount
-------	---------------------	--------

ACH	AQUA BEN CORPORATION		
	DAFT-6,900 Lbs Polymer 748E	36237	6,096.50
	RP2-23,000 Lbs Polymer 748E	36316	20,321.65
	DAFT-6,900 Lbs Polymer 748E	36305	6,096.50
	RP1-16,100 Lbs Polymer 750A	36306	21,608.36
	DAFT-4,800 Lbs Polymer 748E	36334	4,064.33
	RP1-16,100 Lbs Polymer 750A	36335	21,608.36

	AQUA BEN CORPORATION	\$	79,795.70
ACH	HASCO OIL COMPANY, INC.		
	RP5/CCWRP-Mobil DTE 25-1 Drum	0213234-IN	1,336.04

	HASCO OIL COMPANY, INC.	\$	1,336.04
ACH	NAPA GENUINE PARTS COMPANY		
	CCWRP-Red-Tacky Greases	4584-232990	257.95
	FltMnt-Fuel Filter	4584-233035	11.02

	NAPA GENUINE PARTS COMPANY	\$	268.97
ACH	SANTA ANA WATERSHED		
	FY 17/18 Indirect Discharge Permit Fees	9130	1,750.00

	SANTA ANA WATERSHED	\$	1,750.00
ACH	MCMASTER-CARR SUPPLY CO		
	Slip-On Framing, Connectors, Tees, Elbows	45543902	2,514.24
	RP4Ops-Jet Pump, On/Off Valves, Hose Coupl	45398483	1,578.71

	MCMASTER-CARR SUPPLY CO	\$	4,092.95
ACH	SCHNEIDER ELECTRIC SYSTEMS INC		
	Conductivity Sensors	93616832	1,625.30
	8/17-8/18 Foxray System Auditor	93628641	6,042.02

	SCHNEIDER ELECTRIC SYSTEMS INC	\$	7,667.32
ACH	SUNGARD AVAILABILITY SERVICES		
	10/17 Disaster Recovery Svc	152661484	4,152.00

	SUNGARD AVAILABILITY SERVICES	\$	4,152.00
ACH	JC LAW FIRM		
	8/17 RCA Legal	00329	750.00
	8/17 General Legal	00328	39,235.00
	8/17 Regional Contract	00330	14,555.00
	8/17 Santa Ana River	00332	4,440.00
	8/17 IEUA vs Spicer-EN17018	00333	1,825.00
	8/17 Watermaster	00334	2,025.00
	8/17 SAWPA General	00331	660.00

	JC LAW FIRM	\$	63,490.00
ACH	AMAZON BUSINESS		
	RP2-Killer Filter Replacement f/LENZ Boo	1CXR-YHNJ-9XC	224.81
	RW-Spray Adhesive, Foil Tape	1KXD-WR3W-3PP	30.59

Check	Payee / Description	Amount
	AMAZON BUSINESS	\$ 255.40
ACH	SOLAR STAR CALIFORNIA V LLC RP5/TP5/HQA/B-8/1-8/31 6075 Kimball Ave M0614-1388174 RP1-8/1-8/31 2450 Phila St M0615-1388175 RP1-8/1-8/31 2450 Phila St M0616-1388176	10,515.73 19,396.90 4,025.77 - - - - - SOLAR STAR CALIFORNIA V LLC \$ 33,938.40
ACH	ICMA RETIREMENT TRUST 457 P/R 21 10/13 Deferred Comp Ded HR 0060600	15,000.59 - - - - - ICMA RETIREMENT TRUST 457 \$ 15,000.59
ACH	LINCOLN NATIONAL LIFE INS CO P/R 21 10/13 Deferred Comp Ded HR 0060600	24,243.37 - - - - - LINCOLN NATIONAL LIFE INS CO \$ 24,243.37
ACH	ICMA RETIREMENT TRUST 401 P/R 21 10/13 Exec Deferred Comp HR 0060600	8,298.62 - - - - - ICMA RETIREMENT TRUST 401 \$ 8,298.62
ACH	MCMASTER-CARR SUPPLY CO Pipe/Conduit Tread Repairing Tap/Dies 45802259 Chain,Slide Bolt,Connector Link 45970138 Aluminum Slip-on Rail Fittings 45693983	256.93 294.77 339.22 - - - - - MCMASTER-CARR SUPPLY CO \$ 890.92
ACH	SCHNEIDER ELECTRIC SYSTEMS INC 8/14/17-11/13/17 IA/DCS Tech Support Svc 93614813	19,259.76 - - - - - SCHNEIDER ELECTRIC SYSTEMS INC\$ 19,259.76
ACH	PARSONS WATER & INFRASTRUCTURE EN19006/EN19001-6/2-8/4 Prof Svcs 1709A795	534,638.98 - - - - - PARSONS WATER & INFRASTRUCTURE\$ 534,638.98
ACH	GK & ASSOCIATES INC 46-2054-8/17 Prof Svcs 17-066 46-2054-8/17 Prof Svcs 17-065 46-2054-8/17 Prof Svcs 17-064	24,278.00 16,744.00 22,997.00 - - - - - GK & ASSOCIATES INC \$ 64,019.00
ACH	AMAZON BUSINESS RP1Ops-45 Qt HD Cooler-Commercial Grade 1JHQ-7XCH-FLT RP1-Circuit Breaker Lockout-Single Pole 1KLC-1H6H-339 RP1-Rainbird 200pesb B35213 17TT-M3NM-44D RP2-Circiut Breaker Blanks 191T-WW1V-VJY RP1Ops-Flashlight Belt Holders 19Q4-GHRX-9D3 RP1Ops-Strion LED Flshlghts w/Chrgr,Phn 1QQL-Q76X-FVH RP1Ops-Wireless Charging Kit Bundles 1YDF-MR3D-4GR RP1Ops-45 Qt HD Cooler-Commercial Grade 17V9-Q4Q7-FRJ	215.49 77.58 155.30 45.20 72.84 984.56 103.96 215.49 - - - - - AMAZON BUSINESS \$ 1,870.42

Check	Payee / Description	Amount
ACH	SHELL ENERGY NORTH AMERICA LP CCWRP/TP/RWPS-9/1-9/30 14950 Tlphn 5/1-5 2046 8/17 RP1-8/1-8/31 2450 Phila St 5/1-5/31 Adj 2042 8/17 RP2/RP5-9/1-9/30 16400 El Prado Rd 5/1-5 2044 8/17	53,642.42 132,478.52 7,810.37 ----- SHELL ENERGY NORTH AMERICA LP \$ 193,931.31
ACH	FOUNDATION HA ENERGY GENERATIO RP4/RWPS-8/1-8/31 12811 6th St-Wind Powe 2235	2,888.60 ----- FOUNDATION HA ENERGY GENERATIO\$ 2,888.60
ACH	IEUA EMPLOYEES' ASSOCIATION P/R DIR 10 10/13 Employee Ded HR 0060500 P/R 21 10/13 Employee Ded HR 0060600	12.00 180.00 ----- IEUA EMPLOYEES' ASSOCIATION \$ 192.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 21 10/13 Employee Ded HR 0060600	315.00 ----- IEUA SUPERVISORS UNION ASSOCIA\$ 315.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 21 10/13 Employee Ded HR 0060600	1,156.60 ----- IEUA GENERAL EMPLOYEES ASSOCIA\$ 1,156.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 21 10/13 Employee Ded HR 0060600	510.00 ----- IEUA PROFESSIONAL EMPLOYEES AS\$ 510.00
ACH	DISCOVERY BENEFITS INC P/R 21 10/13 Cafeteria Plan HR 0060600	3,020.49 ----- DISCOVERY BENEFITS INC \$ 3,020.49
ACH	ELIE, STEVE MlgReim-9/17 Meetings-Elie,S MLG 9/17	48.26 ----- ELIE, STEVE \$ 48.26
ACH	HALL, JASMIN MlgReim-9/17 Meetings-Hall,J MLG 9/17	129.84 ----- HALL, JASMIN \$ 129.84
ACH	PARKER, KATI MlgReim-9/17 Meetings-Parker,K MLG 9/17	75.60 ----- PARKER, KATI \$ 75.60
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A 36398 DAFT-6,900 Lbs Polymer 748E 36397	21,608.36 6,096.50 ----- AQUA BEN CORPORATION \$ 27,704.86

Check	Payee / Description		Amount
ACH	NAPA GENUINE PARTS COMPANY		
	RP2-Car Batteries, Core Deposits	4584-234594	587.41
	Credit-Core Deposit-Inv 4584-234594	4584-235344	155.16-
			- - - - -
	NAPA GENUINE PARTS COMPANY	\$	432.25
ACH	MCMASTER-CARR SUPPLY CO		
	Sound, Vibration Damper Sheets Plastic	46276376	54.97
	Multipurpose Gauge	46441735	34.20
	Long Handle Ladles, Hose Couplings	46406532	950.75
			- - - - -
	MCMASTER-CARR SUPPLY CO	\$	1,039.92
ACH	INLAND EMPIRE REGIONAL		
	8/17 Biosolids	90020786	265,643.28
			- - - - -
	INLAND EMPIRE REGIONAL	\$	265,643.28
ACH	LA OPINION		
	PI-Water Conservation Ads-8/9,8/16,8/31	107290817	3,775.00
			- - - - -
	LA OPINION	\$	3,775.00
ACH	WEST COAST ADVISORS		
	9/17 Prof Svcs	10842	9,800.00
	8/17 Prof Svcs	10809	9,800.00
			- - - - -
	WEST COAST ADVISORS	\$	19,600.00
ACH	AQUA BEN CORPORATION		
	DAFT-4,600 Lbs Polymer 748E	36365	4,064.33
	RP1-16,100 Lbs Polymer 750A	36366	21,608.36
			- - - - -
	AQUA BEN CORPORATION	\$	25,672.69
ACH	SIEMENS INDUSTRY INC		
	Transducers	5601891843	1,642.07
			- - - - -
	SIEMENS INDUSTRY INC	\$	1,642.07
ACH	KEMP BROS CONSTRUCTION INC		
	EN15008-9/17 Pay Est 13	PE 13-EN15008	1,468,150.36
			- - - - -
	KEMP BROS CONSTRUCTION INC	\$	1,468,150.36
ACH	AMAZON BUSINESS		
	RP1Ops-Small Soft Cooler Bag, Cooler Free	1GVG-6Q7D-9HJ	167.18
	HQ-HD Curved Book Stands	11XX-W744-RQ7	29.98
			- - - - -
	AMAZON BUSINESS	\$	197.16
ACH	ICMA RETIREMENT TRUST 457		
	P/R 22 10/27 Deferred Comp Ded	HR 0061100	14,944.14
			- - - - -
	ICMA RETIREMENT TRUST 457	\$	14,944.14
ACH	LINCOLN NATIONAL LIFE INS CO		
	P/R 22 10/27 Deferred Comp Ded	HR 0061100	24,228.09

Check	Payee / Description	Amount
	LINCOLN NATIONAL LIFE INS CO \$	24,228.09
ACH	ICMA RETIREMENT TRUST 401 P/R 22 10/27 Exec Deferred Comp Ded HR 0061100	8,315.92
	ICMA RETIREMENT TRUST 401 \$	8,315.92
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Polymer 748E 36423 RP1-16,100 Lbs Polymer 750A 36424	4,064.33 21,608.36
	AQUA BEN CORPORATION \$	25,672.69
ACH	HASCO OIL COMPANY, INC. RP5-Mobilgear 600 XP 150-3 Pails 0213669-IN	489.57
	HASCO OIL COMPANY, INC. \$	489.57
ACH	NAPA GENUINE PARTS COMPANY Battery, Terminal Prot 4584-235142 Sil-Glyde Lubricomp 4584-235234	140.22 14.63
	NAPA GENUINE PARTS COMPANY \$	154.85
ACH	SANTA ANA WATERSHED August 2017 Service 9147 August 2017 Truck Discharge 9141 Cost Sharing for SARCCUP Program 62341	145,495.89 1,765.26 90,722.00
	SANTA ANA WATERSHED \$	237,983.15
ACH	UNIVAR USA INC TP1-12,060 Lbs Sodium Bisulfite LA574055	2,604.30
	UNIVAR USA INC \$	2,604.30
ACH	WESTERN MUNICIPAL WATER DISTRI WR16011-6/1/17-6/30/17 487 Sprinkler Noz IEUA-1410 WR16011-5/1/17-5/31/17 450 Sprinkler Noz IEUA-1391 WR16011-8/1/17-8/31/17 190 Sprinkler Noz IEUA-1457 WR16011-7/1/17-7/31/17 497 Sprinkler Noz IEUA-1434	1,753.20 1,620.00 665.00 2,010.10
	WESTERN MUNICIPAL WATER DISTRI \$	6,048.30
ACH	MCMaster-CARR SUPPLY CO Sump Pump 46767271 Rail Fittings 46787561	430.90 171.99
	MCMaster-CARR SUPPLY CO \$	602.89
ACH	PEST OPTIONS INC September 2017 GWR Weed Abatement Servic 284869 September 2017 Weed Abatement Services 284700	6,034.32 3,064.95
	PEST OPTIONS INC \$	9,099.27
ACH	OLIN CORP RP5-4,966 Gals Sodium Hypochlorite 2397398	2,929.94

Check	Payee / Description		Amount
	TP1-2,900 Gals Sodium Hypochlorite	2395541	1,711.00
	TP1-4,960 Gals Sodium Hypochlorite	2394421	2,926.40
	RP4-2,996 Gals Sodium Hypochlorite	2394422	1,767.64
	TP1-4,890 Gals Sodium Hypochlorite	2395084	2,885.10
	CCWRP-4,954 Gals Sodium Hypochlorite	2390281	2,922.86
	TP1-4,484 Gals Sodium Hypochlorite	2390282	2,645.56
	RP5-4,388 Gals Sodium Hypochlorite	2390933	2,588.92
	RP4-2,982 Gals Sodium Hypochlorite	2392186	1,759.38
	RP5-4,944 Gals Sodium Hypochlorite	2392187	2,916.96
	CCWRP-4,946 Gals Sodium Hypochlorite	2392188	2,918.14
	TP1-4,844 Gals Sodium Hypochlorite	2392189	2,857.96
	TP1-4,926 Gals Sodium Hypochlorite	2392632	2,906.34
	RP4-2,972 Gals Sodium Hypochlorite	2392784	1,753.48
	TP1-4,944 Gals Sodium Hypochlorite	2392941	2,916.96
	CCWRP-4,948 Gals Sodium Hypochlorite	2393337	2,919.32
	RP4-2,484 Gals Sodium Hypochlorite	2396730	1,465.56
	TP1-4,958 Gals Sodium Hypochlorite	2393338	2,925.22
	TP1-4,918 Gals Sodium Hypochlorite	2396729	2,901.62
	CCWRP-4,966 Gals Sodium Hypochlorite	2396728	2,929.94
	RP5-4,930 Gals Sodium Hypochlorite	2395968	2,908.70
	TP1-4,880 Gals Sodium Hypochlorite	2395967	2,879.20
	RP4-2,526 Gals Sodium Hypochlorite	2395542	1,490.34
	RP4-2,962 Gals Sodium Hypochlorite	2392942	1,747.58
	TP1-7,794 Gals Sodium Hypochlorite	2404709	4,598.46
	TP1-4,916 Gals Sodium Hypochlorite	2397985	2,900.44
	CCWRP-4,886 Gals Sodium Hypochlorite	2397986	2,882.74
	RP4-2,014 Gals Sodium Hypochlorite	2398546	1,188.26
	TP1-4,758 Gals Sodium Hypochlorite	2398936	2,807.22
	RP4-1,978 Gals Sodium Hypochlorite	2399054	1,167.02
	TP1-5,000 Gals Sodium Hypochlorite	2402182	2,950.00
	TP1-4,692 Gals Sodium Hypochlorite	2399382	2,768.28
	CCWRP-4,952 Gals Sodium Hypochlorite	2401825	2,921.68
	RP4-1,992 Gals Sodium Hypochlorite	2400052	1,175.28
	CCWRP-4,886 Gals Sodium Hypochlorite	2400053	2,882.74
	RP5-4,958 Gals Sodium Hypochlorite	2401824	2,925.22
	TP1-3,492 Gals Sodium Hypochlorite	2401315	2,060.28
	RP4-1,996 Gals Sodium Hypochlorite	2401314	1,177.64
	TP1-4,896 Gals Sodium Hypochlorite	2406123	2,888.64
	TP1-4,720 Gals Sodium Hypochlorite	2401313	2,784.80
	RP4-2,010 Gals Sodium Hypochlorite	2402685	1,185.90
	TP1-4,950 Gals Sodium Hypochlorite	2405694	2,920.50
	TP1-4,956 Gals Sodium Hypochlorite	2402686	2,924.04
	TP1-4,950 Gals Sodium Hypochlorite	2402687	2,920.50
	RP5-4,942 Gals Sodium Hypochlorite	2400680	2,915.78
	RP5-4,924 Gals Sodium Hypochlorite	2404032	2,905.16
	CCWRP-4,934 Gals Sodium Hypochlorite	2403425	2,911.06
	CCWRP-2,996 Gals Sodium Hypochlorite	2405280	1,767.64

	OLIN CORP	\$	121,103.40
ACH	DAVE'S PLUMBING		
	1 Water Softener Removal 9/25/17	5164	250.00
	1 Water Softener Removal 10/5/17	5167	245.00

	DAVE'S PLUMBING	\$	495.00
ACH	WEST COAST ADVISORS		
	10/17 Prof Svcs	10873	9,800.00

Check	Payee / Description	Amount
	WEST COAST ADVISORS	\$ 9,800.00
ACH	AMAZON BUSINESS	
	RP1Mnt-Crimping Tools 1XGQ-71KN-74J	432.56
	FcltyMgmt-Reveal Plungers 1KLC-1H6H-PVX	283.86
	Fin-Spiral Notebook 1DQR-QWYJ-9HQ	30.56
	Fin-Plastic Comb Bindings 1XKY-CKQT-3RT	32.52
	AMAZON BUSINESS	\$ 779.50
ACH	MERSIVE TECHNOLOGIES INC	
	EN16049-Solstice Perpetual Android Softw 111193	1,099.00
	MERSIVE TECHNOLOGIES INC	\$ 1,099.00
ACH	SOLAR STAR CALIFORNIA V LLC	
	CCWRP/TP/RWPS-8/1-8/31 14950 Telephone A M0613-1429811	7,113.16
	SOLAR STAR CALIFORNIA V LLC	\$ 7,113.16
ACH	FOUNDATION HA ENERGY GENERATIO	
	RP4/RWPS-9/1-9/30 12811 6th St-Wind Powe 2239	3,321.55
	FOUNDATION HA ENERGY GENERATIO\$	3,321.55
ACH	IEUA EMPLOYEES' ASSOCIATION	
	P/R 22 10/27 Employee Ded HR 0061100	180.00
	IEUA EMPLOYEES' ASSOCIATION	\$ 180.00
ACH	IEUA SUPERVISORS UNION ASSOCIA	
	P/R 22 10/27 Employee Ded HR 0061100	315.00
	IEUA SUPERVISORS UNION ASSOCIA\$	315.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA	
	P/R 22 10/27 Employee Ded HR 0061100	1,156.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,156.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS	
	P/R 22 10/27 Employee Ded HR 0061100	510.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	510.00
ACH	DISCOVERY BENEFITS INC	
	P/R 22 10/27 Cafeterial Plan HR 0061100	3,020.49
	DISCOVERY BENEFITS INC	\$ 3,020.49
ACH	PACIFIC PARTS & CONTROLS	
	OPTCQ Eaton Ethernet/IP Option Card I415551	466.23
	PACIFIC PARTS & CONTROLS	\$ 466.23
ACH	AGRICULTURAL RESOURCES	
	11/17 Wtr Quality Consult 11/17 WTR QLT	3,500.00
	AGRICULTURAL RESOURCES	\$ 3,500.00

Check	Payee / Description		Amount
ACH	TRIBOLOGIK CORPORATION		
	Oil Analysis	36679	330.00
	Oil Analysis	36681	30.00
	Oil Analysis	36682	30.00
	Oil Analysis	36680	30.00
	Oil Analysis	35780	60.00
	Oil Analysis	35319	300.00

	TRIBOLOGIK CORPORATION	\$	780.00
ACH	JC LAW FIRM		
	9/17 Watermaster	00351	720.00
	9/17 IEUA vs Spicer-EN17018	00350	2,900.50
	9/17 Santa Ana River	00349	480.00
	9/17 SAWPA General	00348	480.00
	9/17 Regional Contract	00347	6,176.59
	9/17 General Legal	00346	39,721.79
	9/17 IEUA vs Mwembu	00345	150.00

	JC LAW FIRM	\$	50,628.88
ACH	ESTRADA, JIMMIE J		
	Reim Monthly Health Prem	HEALTH PREM	472.96

	ESTRADA, JIMMIE J	\$	472.96
ACH	LICHTI, ALICE		
	Reim Monthly Health Prem	HEALTH PREM	172.48

	LICHTI, ALICE	\$	172.48
ACH	MORASSE, EDNA		
	Reim Monthly Health Prem	HEALTH PREM	172.48

	MORASSE, EDNA	\$	172.48
ACH	NOWAK, THEO T		
	Reim Monthly Health Prem	HEALTH PREM	472.96

	NOWAK, THEO T	\$	472.96
ACH	SONNENBURG, ILSE		
	Reim Monthly Health Prem	HEALTH PREM	172.48

	SONNENBURG, ILSE	\$	172.48
ACH	DYKSTRA, BETTY		
	Reim Monthly Health Prem	HEALTH PREM	172.48

	DYKSTRA, BETTY	\$	172.48
ACH	TORRES, ROBERT G		
	Reim Monthly Health Prem	HEALTH PREM	172.48

	TORRES, ROBERT G	\$	172.48
ACH	MUELLER, CAROLYN		
	Reim Monthly Health Prem	HEALTH PREM	172.48

Check	Payee / Description	Amount
	MUELLER, CAROLYN	\$ 172.48
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	HEALTH PREM 172.48
	GRIFFIN, GEORGE	\$ 172.48
ACH	CANADA, ANGELA Reim Monthly Health Prem	HEALTH PREM 172.48
	CANADA, ANGELA	\$ 172.48
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM 172.48
	CUPERSMITH, LEIZAR	\$ 172.48
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM 300.48
	DELGADO-ORAMAS JR, JOSE	\$ 300.48
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM 150.24
	GRANGER, BRANDON	\$ 150.24
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 150.24
	GADDY, CHARLES L	\$ 150.24
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 22.24
	BAKER, CHRIS	\$ 22.24
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 128.00
	WEBB, DANNY C	\$ 128.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 150.24
	HUMPHREYS, DEBORAH E	\$ 150.24
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 150.24
	MOUAT, FREDERICK W	\$ 150.24
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 128.00
	MORGAN, GARTH W	\$ 128.00
ACH	ALLINGHAM, JACK	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	22.24
	ALLINGHAM, JACK	\$	22.24
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM	437.19
	MAZUR, JOHN	\$	437.19
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM	22.24
	RUDDER, LARRY	\$	22.24
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM	128.00
	HAMILTON, MARIA	\$	128.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM	172.48
	PICENO, TONY	\$	172.48
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM	22.24
	RAMOS, CAROL	\$	22.24
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM	128.00
	FISHER, JAY	\$	128.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM	22.24
	KING, PATRICK	\$	22.24
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM	22.24
	HOWARD, ROBERT JAMES	\$	22.24
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM	128.00
	DIETZ, JUDY	\$	128.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM	150.24
	DAVIS, GEORGE	\$	150.24
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM	22.24
	MONZAVI, TAGHI	\$	22.24

Check	Payee / Description	Amount
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 172.48
	PETERSEN, KENNETH	\$ 172.48
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 172.48
	TRAUTERMAN, HELEN	\$ 172.48
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 874.37
	TIEGS, KATHLEEN	\$ 874.37
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 472.96
	DIGGS, GEORGE	\$ 472.96
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 472.96
	HAYES, KENNETH	\$ 472.96
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 150.24
	HUNTON, STEVE	\$ 150.24
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 150.24
	RODRIGUEZ, LOUIS	\$ 150.24
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 573.89
	VARBEL, VAN	\$ 573.89
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 445.89
	CLIFTON, NEIL	\$ 445.89
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 128.00
	DELGADO, FRANCOIS	\$ 128.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 573.89
	WELLMAN, JOHN THOMAS	\$ 573.89
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 20.62
	SPEARS, SUSAN	\$ 20.62

Check	Payee / Description	Amount
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 172.48
	TROXEL, WYATT	\$ 172.48
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 437.19
	CORLEY, WILLIAM	\$ 437.19
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 342.34
	CALLAHAN, CHARLES	\$ 342.34
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 172.48
	LESNIAKOWSKI, NORBERT	\$ 172.48
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 470.34
	VER STEEG, ALLEN J	\$ 470.34
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 437.19
	HACKNEY, GARY	\$ 437.19
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 22.24
	CAREL, LARRY	\$ 22.24
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 172.48
	TOL, HAROLD	\$ 172.48
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 471.54
	BANKSTON, GARY	\$ 471.54
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 128.00
	ATWATER, RICHARD	\$ 128.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 450.01
	FIESTA, PATRICIA	\$ 450.01
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 600.96

Check	Payee / Description	Amount
	DIGGS, JANET	\$ 600.96
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM 158.95
	CARAZA, TERESA	\$ 158.95
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM 472.96
	ANDERSON, JOHN	\$ 472.96
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM 779.40
	SANTA CRUZ, JACQUELYN	\$ 779.40
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM 22.24
	HECK, ROSELYN	\$ 22.24
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM 300.48
	SOPICKI, LEO	\$ 300.48
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	HEALTH PREM 322.01
	HERNANDEZ, BENJAMIN	\$ 322.01
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 128.00
	GOSE, ROSEMARY	\$ 128.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM 128.00
	KEHL, BARRETT	\$ 128.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM 128.00
	RITCHIE, JANN	\$ 128.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM 445.89
	LONG, ROCKWELL DEE	\$ 445.89
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM 128.00
	FATTAHI, MIR	\$ 128.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM 300.48

Check	Payee / Description	Amount
	VERGARA, FLORENTINO	\$ 300.48
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM 172.48
	WARMAN, RALPH	\$ 172.48
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 172.48
	ROGERS, SHIRLEY	\$ 172.48
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 286.95
	WALL, DAVID	\$ 286.95
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 150.24
	CHUNG, MICHAEL	\$ 150.24
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 172.48
	ADAMS, PAMELA	\$ 172.48
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 445.89
	BLASINGAME, MARY	\$ 445.89
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 150.24
	ANDERSON, KENNETH	\$ 150.24
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 22.24
	MOE, JAMES	\$ 22.24
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 746.06
	POLACEK, KEVIN	\$ 746.06
ACH	ELROD, SONDR Reim Monthly Health Prem	HEALTH PREM 286.95
	ELROD, SONDR	\$ 286.95
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 171.77
	FRAZIER, JACK	\$ 171.77
ACH	HOAK, JAMES	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	128.00
	HOAK, JAMES	\$	128.00
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM	171.77
	DEZHAM, PARIVASH	\$	171.77
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM	158.95
	FOLEY III, DANIEL J.	\$	158.95
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM	128.00
	CLEVELAND, JAMES	\$	128.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM	605.39
	LANGNER, CAMERON	\$	605.39
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM	158.95
	HAMILTON, LEANNE	\$	158.95
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM	128.00
	HOOSHMAND, RAY	\$	128.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM	128.00
	SCHLAPKOHL, JACK	\$	128.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM	158.95
	POOLE, PHILLIP	\$	158.95
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM	150.24
	ADAMS, BARBARA	\$	150.24
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM	481.35
	RUESCH, GENECE	\$	481.35
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM	471.54
	VANDERPOOL, LARRY	\$	471.54

Check	Payee / Description	Amount
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 573.89
	AMBROSE, JEFFREY	\$ 573.89
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 286.95
	MERRILL, DIANE	\$ 286.95
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 620.58
	HOUSER, ROD	\$ 620.58
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 158.95
	RUSSO, VICKI	\$ 158.95
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 445.89
	HUSS, KERRY	\$ 445.89
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 618.06
	BINGHAM, GREGG	\$ 618.06
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 128.00
	CHARLES, DAVID	\$ 128.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 128.00
	YEBOAH, ERNEST	\$ 128.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 309.19
	ALVARADO, ROSEMARY	\$ 309.19
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 128.00
	BARELA, GEORGE	\$ 128.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 746.06
	FETZER, ROBERT	\$ 746.06
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 158.95
	SPAETH, ERIC	\$ 158.95

Check Payee / Description Amount

ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM	158.95
	DAVIS, MARTHA	\$	158.95
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM	158.95
	BRULE, CHRISTOPHER	\$	158.95
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM	445.89
	ROOS, JAMES	\$	445.89
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM	286.95
	MULLANEY, JOHN	\$	286.95
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM	445.89
	VALENZUELA, DANIEL	\$	445.89
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM	445.89
	PACE, BRIAN	\$	445.89
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM	128.00
	KING, JOSEPH	\$	128.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM	158.95
	VILLALOBOS, HECTOR	\$	158.95
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM	286.95
	BAXTER, KATHLEEN	\$	286.95
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM	445.89
	PENMAN, DAVID	\$	445.89
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM	445.89
	ANGIER, RICHARD	\$	445.89

Grand Total Payment Amount: \$ 3,445,218.30

Attachment 4

Vendor Wires
(excludes Payroll)

Check	Payee / Description		Amount
Wire	EMPLOYMENT DEVELOPMENT DEPARTM		
	P/R 20 9/29/17 Taxes	HR 0060400	9,445.37
	P/R 20 9/29/17 Taxes	HR 0060400	55,527.66

	EMPLOYMENT DEVELOPMENT DEPARTM\$		64,973.03
Wire	INTERNAL REVENUE SERVICE		
	P/R 20 9/29/17 Taxes	HR 0060400	322,539.65

	INTERNAL REVENUE SERVICE \$		322,539.65
Wire	PUBLIC EMPLOYEES' RETIREMENT S		
	10/17 Health Ins-Retirees, Employees	15070366 10/1	259,530.80
	10/17 Health Ins-Board	15070371 10/1	5,414.96

	PUBLIC EMPLOYEES' RETIREMENT S\$		264,945.76
Wire	PUBLIC EMPLOYEES RETIREMENT SY		
	P/R 20 9/29/17 PERS Adj-Incorrect Rate i	HR 0060400000	351.73-
	P/R 20 9/29/17 PERS	HR 0060400	172,800.45

	PUBLIC EMPLOYEES RETIREMENT SY\$		172,448.72
Wire	STATE BOARD OF EQUALIZATION		
	9/17 Sales Tax Deposit	23784561 9/17	5,920.00

	STATE BOARD OF EQUALIZATION \$		5,920.00
Wire	EMPLOYMENT DEVELOPMENT DEPARTM		
	P/R DIR 10 10/13 Taxes	HR 0060500	395.38

	EMPLOYMENT DEVELOPMENT DEPARTM\$		395.38
Wire	INTERNAL REVENUE SERVICE		
	P/R DIR 10 10/13 Taxes	HR 0060500	2,554.57

	INTERNAL REVENUE SERVICE \$		2,554.57
Wire	EMPLOYMENT DEVELOPMENT DEPARTM		
	P/R 21 10/13 Taxes	HR 0060600	8,711.36
	P/R 21 10/13 Taxes	HR 0060600	53,004.99

	EMPLOYMENT DEVELOPMENT DEPARTM\$		61,716.35
Wire	INTERNAL REVENUE SERVICE		
	P/R 21 10/13 Taxes	HR 0060600	307,556.66

	INTERNAL REVENUE SERVICE \$		307,556.66
Wire	PUBLIC EMPLOYEE'S RETIREMENT S		
	P/R 21 10/13 Deferred Comp Ded	HR 0060600	20,003.48

	PUBLIC EMPLOYEE'S RETIREMENT S\$		20,003.48
Wire	STATE DISBURSEMENT UNIT		
	P/R 21 10/13	HR 0060600	198.00
	P/R 21 10/13	HR 0060600	1,145.06

Check	Payee / Description		Amount
	STATE DISBURSEMENT UNIT	\$	1,343.06
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 22 10/27 Deferred Comp Ded	HR 0061100	40,447.03
	PUBLIC EMPLOYEE'S RETIREMENT S\$		40,447.03
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 22 10/27/17 Taxes	HR 0061100	8,550.21
	P/R 22 10/27/17 Taxes	HR 0061100	54,175.60
	EMPLOYMENT DEVELOPMENT DEPARTM\$		62,725.81
Wire	INTERNAL REVENUE SERVICE P/R 22 10/27/17 Taxes	HR 0061100	311,541.69
	INTERNAL REVENUE SERVICE	\$	311,541.69
Wire	STATE DISBURSEMENT UNIT P/R 22 10/27	HR 0061100	1,145.06
	P/R 22 10/27	HR 0061100	198.00
	STATE DISBURSEMENT UNIT	\$	1,343.06
Wire	METROPOLITAN WATER DISTRICT August 2017 Water Purchase	9119	5,144,110.56
	METROPOLITAN WATER DISTRICT	\$	5,144,110.56
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 21 10/13 PERS Adj f/#628	HR 0060600000	180.26
	P/R 21 10/13 PERS	HR 0060600	171,136.16
	PUBLIC EMPLOYEES RETIREMENT SY\$		170,955.90

Grand Total Payment Amount: \$ 6,955,520.71

Attachment 5

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR OCTOBER 13, 2017
PRESENTED AT BOARD MEETING ON DECEMBER 20, 2017

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$4,156.54	\$1,579.66
STEVEN J. ELIE	\$4,525.72	\$1,504.44
JASMIN HALL	\$2,699.92	\$1,660.66
KATHERINE PARKER	\$3,186.79	\$1,410.65
TOTALS	\$14,568.97	\$6,155.41

TOTAL EFTS PROCESSED	2
BEGINNING CHECK NO.	110011
ENDING CHECK NO.	110012
TOTAL CHECKS PROCESSED	2

IEUA DIRECTOR PAYSHEET

MICHAEL CAMACHO
 EMPLOYEE NO. 1140
 ACCOUNT NO. 10200 110100 100000 501010

COPY

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-01-17	Meeting w/Mike Tahan, Fontana	Yes	\$247.50
09-06-17	IEUA Board Special Meeting	Yes	\$247.50
09-07-17	IEUA Water Association Leadership Breakfast	Yes	\$247.50
09-13-17	Engineering, Operations and Water Resources Committee	Yes	\$247.50
09-14-17	Telecon mtg. w/Jim Curatalo, CCWD	Yes	\$247.50
09-20-17	IEUA Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings)			\$1,485.00
Total No. of Meetings Attended			6
Total No. of Meetings Paid			6

DIRECTOR
SIGNATURE

*April Woodruff for
Director Camacho*

Approved by:

[Signature]
 Steven J. Elie
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON MWD BOARD**

COPY

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10700 110115 110000 511010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-07-17	MWD OP&T Committee Updates (Telecon)	Yes	\$247.50
09-08-17	Telecon mtg. w/Jim Green & Tomer Bonito fr. MWD via telecon	Yes	\$247.50
09-11-17	MWD Standing Committee	Yes	\$247.50
09-12-17	MWD Standing Committee Meetings and Board Meeting	Yes	\$247.50
09-12-17	Meeting with Randy Record	Yes (10 mtg. max)	\$-0-
09-26-17	Special Board Meeting	Yes (10 mtg. max)	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings)			\$990.00
Total No. of Meetings Attended			6
Total No. of Meetings Paid			4

DIRECTOR
SIGNATURE

Spul Worob for
Director Camacho

Approved by:

[Signature]

Steven J. Elie
President, Board of Directors

COPY

DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE (ALTERNATE)

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10900 110100 500000 501215

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-07-17	Regional Policy Committee Meeting.	No	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105 (total amount of \$247.50, should reflect on timesheet)			\$-0-
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE

Michael Camacho
Director Camacho

Approved by:

Steven J. Elie
Steven J. Elie
President, Board of Directors

IEUA DIRECTOR PAYSHEET

COPY

KATI PARKER
 EMPLOYEE NO. 1362
 ACCOUNT NO. 10200 1100100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-06-17	IEUA Board Meeting (Closed Session)	Yes	\$247.50
09-12-17	IEUA Special Board Meeting	Yes	\$247.50
09-13-17	Engineering, Operations & Water Resources Committee	Yes	\$247.50
09-20-17	Audit Committee	Yes	\$247.50
09-20-17	IEUA Board Meeting	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105			\$990.00
Total No. of Meetings Attended			5
Total No. of Meetings Paid			4

DIRECTOR
 SIGNATURE

[Handwritten Signature]
[Handwritten Signature]

Approved by:

[Handwritten Signature]
 Steven J. Elie
 President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE**

COPY

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10900 110100 500000 501215

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-07-17	Regional Policy Committee Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT			\$247.50
Up to 10 days of service per month per Ordinance No. 105 (total amount of \$247.50, should reflect on timesheet)			
Total No. of Meetings Attended			1
Total No. of Meetings Paid			1

**DIRECTOR
SIGNATURE**

Kati Parker

Kati Parker

Approved by:

Steven J. Elie

Steven J. Elie
President, Board of Directors

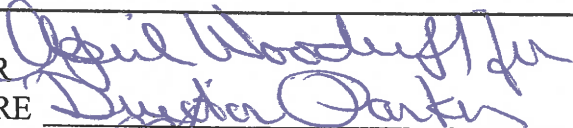
DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION (ALTERNATE)

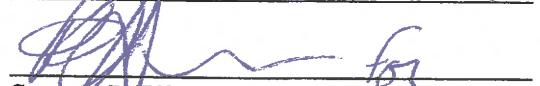
COPY

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10500 110100 165000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-05-17	SAWPA Commission Workshop	Yes	\$47.50
09-19-17	SAWPA Regular Commission Meeting	Yes	\$47.50
TOTAL REIMBURSEMENT			\$95.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$47.50 – difference between SAWPA (\$200.00 (eff. 5/01/17) and Agency meetings \$247.50), including Agency meetings			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE 

Approved by: 
Steven J. Elie
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON WATERMASTER BOARD (ALTERNATE)**

COPY

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-26-17	Lunch mtg./P Kavounas & Pres. Elie	Yes (non-primary)	\$97.50
09-28-17	CBWM Board Meeting	Yes (primary)	\$97.50
TOTAL REIMBURSEMENT			\$195.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$97.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50), including Agency meetings			
Total No. of Watermaster Meetings Attended			2
Total No. of Watermaster Meetings Paid			2

DIRECTOR
SIGNATURE

Deirdre Woodley for Director Parker

Approved by:

Steven J. Elie
Steven J. Elie
President, Board of Directors

* Chino Basin Watermaster does not compensate an alternate Director unless the alternate Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 98, Section 1, (i) Attendance at any meeting provided for under Sections 1.b, c, e, and f, shall also include payment to both the primary representative and the alternate representative to said body if they both attend said meeting.

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY**

COPY

JASMIN A. HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-07-17	CDA Board Meeting	No (cancelled)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (\$247.50 excludes alternate) including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR SIGNATURE *Jasmin A. Hall*
 Approved by: *[Signature]*
 Steven J. Elie
 President, Board of Directors

*Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency.

DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION

COPY

JASMIN A. HALL
EMPLOYEE NO. 1256
ACCOUNT NO. 10500 110100 165000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-05-17	SAWPA Commission Workshop	Yes (same day)	\$-0-
09-07-17	Special Meeting of the SAWPA Commission	Yes	\$47.50
09-19-17	SAWPA Reg. Commission Meeting	Yes	\$47.50
TOTAL REIMBURSEMENT			\$95.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$47.50 – difference between SAWPA (\$200.00 (eff. 5/01/17) and Agency meetings \$247.50), including Agency meetings			
Total No. of SAWPA Meetings Attended			3
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE Jasmin A. Hall

Approved by: Steven J. Elie
President, Board of Directors

COPY

IEUA DIRECTOR PAYSHEET

JASMIN A. HALL
 EMPLOYEE NO. 1256
 ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-05-17	Bloomington Muni. Advisory Council	Yes	\$247.50
09-06-17	IEUA Board Meeting (Closed Session)	Yes	\$247.50
09-10-17	CASA Strategic Planning Retreat	Yes	\$247.50
09-11-17	CASA Strategic Planning Retreat	Yes	\$247.50
09-12-17	CASA Strategic Planning Retreat	Yes (same day)	\$-0-
09-12-17	IEUA Special Board Meeting (via Telecon)	Yes	\$247.50
09-13-17	Finance & Administration Committee	Yes	\$247.50
09-18-17	IEUA/Fontana Business Activity Update w/Councilmember Armendarez	Yes	\$247.50
09-18-17	ASBCSD Dinner Meeting	Yes (same day)	\$-0-
09-20-17	IEUA Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105)			\$1,980.00
Total No. of Meetings Attended			10
Total No. of Meetings Paid			8

DIRECTOR
SIGNATURE

Jasmin A. Hall

Approved by:

Steven J. Elie
 Steven J. Elie, President, Board of Directors

COPY

IEUA DIRECTOR PAYSHEET

PAUL HOFER
EMPLOYEE NO. 1349
ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-06-17	IEUA Board Meeting (Closed Session)	Yes	\$-0-
09-09-17	New GM Contract Meeting w/General Counsel	Yes	\$-0-
09-12-17	IEUA Special Board Meeting	Yes	\$-0-
09-13-17	Finance and Administration Committee	Yes	\$-0-
09-20-17	IEUA Board Meeting	Yes	\$-0-
09-28-17	Ontario Oversight Meeting	Yes	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$-0-
Total No. of Meetings Attended			6
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE

Jason A. Hall

Approved by:

Steven J. Elie

Steven J. Elie
President, Board of Directors

Director Hofer has waived all stipend payments.

IEUA DIRECTOR PAYSHEET

COPY


PAUL HOFER
 EMPLOYEE NO. 1349
 ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-06-17	IEUA Board Meeting (Closed Session)	Yes	\$-0-
09-09-17	New GM Contract Meeting w/General Counsel	Yes	\$-0-
09-12-17	IEUA Special Board Meeting	Yes	\$-0-
09-13-17	Finance and Administration Committee	Yes	\$-0-
09-20-17	IEUA Board Meeting	Yes	\$-0-
09-28-17	Ontario Oversight Meeting	Yes	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$-0-
Total No. of Meetings Attended			6
Total No. of Meetings Paid			0

DIRECTOR
 SIGNATURE

Approved by:



 Steven J. Elie
 President, Board of Directors

Director Hofer has waived all stipend payments.

DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY (ALTERNATE)

COPY

STEVEN J. ELIE
EMPLOYEE NO. 1175
ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-7-17	CDA Board Meeting	No (cancelled)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$75.00 – difference between CDA (\$150.00 And Agency meetings \$247.50), including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR
SIGNATURE

*Paul Woodruff for
President Elie*

Approved by:

Jasmin Hall
Jasmin Hall
Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA
ON WATERMASTER BOARD**

COPY

STEVEN J. ELIE
EMPLOYEE NO. 1175
ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-26-17	Meeting w/CBWM GM P. Kavounas	Yes*	\$-0-
09-28-17	CBWM Board Meeting	No*	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$122.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50), including District meetings			
Total No. of Watermaster Meetings Attended			1
Total No. of Watermaster Meetings Paid			0

*Decline IEUA portion

DIRECTOR
SIGNATURE

Stephen J. Elie

for

Approved by:

Jasmin Hall

Jasmin Hall
Secretary/Treasurer

IEUA DIRECTOR PAYSHEET

COPY

STEVEN J. ELIE
 EMPLOYEE NO. 1175
 ACCOUNT NO. 10200 110100 100000 501010

SEPTEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
09-06-17	IEUA Board Meeting & Workshop	Yes	\$247.50
09-07-17	IEUA Water Association Leadership Breakfast	Yes	\$247.50
09-07-17	Rolling Ridge GIES Ceremony	Yes (same day)	\$-0-
09-08-17	Lunch mtg. w/Chino Councilmember Paul Rodriguez	Yes	\$247.50
09-09-17	New GM Contract Meeting w/General Counsel	Yes	\$247.50
09-12-17	Special IEUA Board meeting	Yes	\$247.50
09-12-17	Chino Hills Councilmember B. Johsz swearing in ceremony	Yes (same day)	\$-0-
09-13-17	IEUA Community & Legislative Affairs Committee	Yes	\$247.50
09-13-17	WaterNow Alliance Steering Committee	Yes (same day)	\$-0-
09-14-17	WaterNow Alliance Steering Committee	Yes	\$247.50
09-15-17	IEUA Board Agenda review mtg. w/GM Grindstaff and JC	Yes	\$247.50
09-20-17	IEUA Audit Committee	Yes (same day)	\$-0-
09-20-17	IEUA Board Meeting	Yes	\$247.50
09-22-17	Chino Hills Day at the Fair	Yes	\$247.50
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105)			\$2,475.00
Total No. of Meetings Attended			14
Total No. of Meetings Paid			10

DIRECTOR
SIGNATURE

Steven J. Elie
 President Elie

Approved by:

Jasmin Hall
 Jasmin Hall
 Secretary/Treasurer

Attachment 6

Payroll-Net Pay-Employees

Non-Board Member	Checks	EFTs	Checks	EFTs	September
NET PAY to Employees	\$0.00	\$719,260.51	\$0.00	\$720,453.09	\$1,439,713.60

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR OCTOBER 13, 2017

PRESENTED AT BOARD MEETING ON DECEMBER 20, 2017

GROSS PAYROLL COSTS	\$1,301,386.03
DEDUCTIONS	\$582,125.52
NET PAYROLL	\$719,260.51
CHECKS USED	0
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	363
TOTAL PAYROLL PROCESSED	363

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR OCTOBER 27, 2017

PRESENTED AT BOARD MEETING ON DECEMBER 20, 2017

GROSS PAYROLL COSTS	\$1,328,859.45
DEDUCTIONS	\$608,406.36
NET PAYROLL	\$720,453.09
CHECKS USED	0
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	362
TOTAL PAYROLL PROCESSED	362


**CONSENT
CALENDAR
ITEM**

2D

Date: December 20, 2017

To: The Honorable Board of Directors

Committee: Finance & Administration


From: Halla Razak, General Manager

12/13/17

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Investment Advisory and Management Services Contract Award

Executive Summary:

The Agency's investment portfolio has historically been managed in-house by the Finance & Accounting Department under the direction of the Executive Manager of Finance & Administration/Assistant General Manager. Recognizing the benefits of a more diversified, better structured and actively managed portfolio, a Request for Proposal was released in September for investment advisory and management services. Three proposals were received: Chandler Asset Management, PFM Asset Management LLC (PFM) and High Mark Capital Management. The evaluation team identified PFM as the most qualified based on their resources, expertise and public sector focus. This was presented to the Finance and Administration Committee on November 8, 2017. On December 6, 2017, PFM provided the Board of Directors an overview of the firm's historical performance and proposed strategy for the Agency's portfolio to capitalize on current market opportunities by reducing excess liquidity and utilizing the full range of permitted investments. A comparison of the average return yield on the Agency's portfolio with the average yield on PFM's 1-5 Year Composite shows higher earnings of \$64,000 (net of fees) for each \$10 million invested in the 1-5 Year Composite. The estimated additional annual earnings should offset PFM annual management fees which are based on the assets under management as listed on Table 2 in the Background section.

Staff's Recommendation:

1. Award Contract No. 4600002440 to PFM Asset Management LLC for an initial three-year period with two, one-year options to extend, for investment advisory and management services;
2. Pursuant to the Agency's Risk Management Ordinance, Section 8, approve PFM's Self-Insured Retention (SIR) for Professional Liability Insurance in the amount of \$1,000,000; and
3. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Professional Services budgeted in the Administrative Services Fund.

Fiscal Impact (explain if not budgeted):

The estimated higher investment returns from a better structured and more diversified portfolio are projected to offset fees paid to PFM to actively manage the Agency's investment portfolio.

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The Investment Advisory and Management Services contract award is consistent with the Agency's Business Goal of Fiscal Responsibility in optimizing the Agency's investment of surplus funds in accordance with the Agency's Investment Policy.

Attachments:

- Attachment 1 - Background
- Attachment 2 - PowerPoint
- Attachment 3 - Contract Number 4600002440
- Attachment 4 - Agency Investment Policy
- Attachment 5 - Agency Reserve Policy
- Attachment 6 - PFM Quarterly Reports

Attachment 1

Background

Background

Subject: Investment Advisory and Management Services Contract Award

An overview of the Agency's investment portfolio and current management process, previously presented to the Finance & Administration Committee on November 8, 2017, was presented to the Board of Directors at the Board Workshop on December 6, 2017. PFM Asset Management LLC (PFM), identified by the Agency's evaluation team as the most qualified firm to provide advisory and management investment services, also provided an overview of the firm's historical performance and proposed strategy.

The Agency's investment portfolio is comprised of all cash and reserve balances from all Agency funds (surplus monies), except monies held in restricted accounts, such as deferred compensation, debt service, and Capital Reimbursement Accounts (CCRA) held by member agencies. Authority to manage the investment program is delegated to the Executive Manager of Finance and Administration/Assistant General Manager by the Board of Directors pursuant to the Agency's Investment Policy (Investment Policy). The Investment Policy is presented regularly to the Board, and the last adoption was in April 2017.

Following the Orange County bankruptcy in 1994, the state of California enacted legislation to limit the risk of deposits and investment of public funds. The California Government Code (CGC) § 53600.6 and 53630.1 define permitted investments in which local agencies can invest surplus monies. To further minimize risk, the CGC establishes a percentage limitation for categories of permitted investments and limits the term remaining to maturity to a maximum of five years (unless specifically authorized by the legislative body) at the time of purchase. For example, the CGC prohibits investment in foreign sovereign fixed income instruments, and limits the duration of repurchase agreements to one year.

The Agency's Investment Policy takes a more conservative approach by excluding certain permitted investments and establishing lower limits from those defined in the CGC. One example are corporate bonds which have a limit of 30 percent under the CGC, but the Agency's Investment Policy limits to 10 percent of the portfolio to reduce exposure to market and credit risk. Consistent with the CGC, the Agency's Investment Policy primary objectives, in order of priority, are:

- 1) *Safety* – ensure the preservation of capital in the overall portfolio,
- 2) *Liquidity* – meet all operating requirements which might be reasonably anticipated, and
- 3) *Yield* – earning a fair return relative to the risk being assumed.

The Agency's investment portfolio has historically been managed in-house by the Finance & Accounting Department under the direction of the Executive Manager of Finance & Administration/Assistant General Manager. Unlike some local governments, the Agency does not have a dedicated resource, such as a Chief Investment Officer, to manage its investment portfolio. Investment transactions are executed by the Agency's financial analysts who are also responsible for, among other tasks: monitoring daily bank activity, updating cash flow movement and forecast, budget preparation, budget control, review budget transfer and budget amendment requests, credit quality reviews of potential vendors/contractors, and preparation of multiple reports for the Board,

member agencies and management. As a result, the Agency's investment strategy has been to "buy and hold" investments until maturity. A more active investment strategy requires dedicated resources with market expertise, including access to more sophisticated market and credit analysis tools, to effectively and prudently manage the portfolio. Another option is the engagement of an investment advisor. This option was already being evaluated by staff when the Board of Directors suggested evaluation of the current investment strategy and assess the benefits of outsourcing management of the portfolio to a professional investment advisor.

Preliminary Evaluation

Staff's initial evaluation determined utilization of a qualified investment advisor would benefit the Agency by providing a better structured, more diversified and actively managed portfolio. The Agency's investment allocation in highly liquid assets has increased over the last two years. These investments include pooled investments comprised of the California Local Agencies Investment Fund (LAIF), CalTrust and California Asset Management Program (CAMP). As of September 30, 2017, about 60% or \$76 million of the Agency's total portfolio of \$127 million was held in liquid assets; well above the Agency's cash requirements which range between \$35 million to \$50 million.

An investment advisor can help better structure, further diversify and improve the overall yield of the Agency's portfolio as demonstrated in the following comparison. Assuming a portfolio of \$100 million, investment in 1-3 year Treasuries or 1-5 year Treasuries would have generated additional earnings over the last five years of \$1.1 million and \$2.3 million respectively, compared to LAIF as shown on Table 1.

Table 1: Additional Earnings Over Past 5 Years

Local Agency Investment Fund (LAIF) Index	Past 5 Year* Annualized Total Return	Growth of \$100 Million	Additional Earnings Over LAIF
LAIF	0.35%	\$101.7 M	
1-3 Year Treasury	0.57%	\$102.8 M	\$1.1 M
1-5 Year Treasury	0.80%	\$104.0 M	\$2.3 M
Index	Annual Total Return	Growth of \$100 Million	Additional Earnings Over LAIF
LAIF	0.35%	\$101.7 M	
3 Year Treasury	1.47%	\$107.3 M	\$5.6 M
5 Year Treasury	1.93%	\$109.6 M	\$7.9 M

Additionally, staff determined the use of an investment advisory firm will also provide the Agency:

- A team of experts in specialized disciplines with added sophisticated tools and resources,
- Day-to-day monitoring of market conditions and credit worthiness of investments,
- Ability to capitalize on current market conditions to optimize investment opportunities,
- Active management of the Agency's investment portfolio,

- Compliance with the Agency's Investment Policy and state regulations, and
- Discounts from increased competitive prices and economies of scale gained from managing several billions of dollars of governmental assets.

Request for Proposal

Based on these findings, a Request for Proposal (RFP) for investment advisory and management services was posted on Planet Bids on September 25, 2017. The primary objective of the RFP was to select the firm most qualified to manage the Agency's investment portfolio in accordance with the laws of the State of California, the Agency's Investment Policy, and other investment policies and procedures established by the Agency. On October 16, 2017, the Agency received three proposals from:

- Chandler Asset Management
- PFM Asset Management LLC
- High Mark Capital Management

The three proposals were reviewed by an evaluation team comprised of key members of the Finance and Accounting Department and the Executive Manager of Finance & Administration/ Assistant General Manager. Each proposal was evaluated based on the firm's ability to deliver the primary investment advisory and management scope of services as identified in the RFP: the firm's financial strength, public sector experience in California, technical competence, resources and qualifications of the firm, and individuals to provide the services; the investment philosophy and strategy and demonstrated investment performance; and overall proposed fees and the value they represent for the services to be provided.

PFM Most Qualified

The evaluation team identified PFM Asset Management LLC's (PFM) proposal as the most qualified to provide the investment advisory and management services for the Agency's investment portfolio. Some of PFM's strengths include:

- *Public Sector Focus.* Manage over \$77 billion in assets primarily for public sector entities.
- *California Presence.* Have been providing investment advisory services to California local government since 1989. A list PFM's clients in California is provided in Table 5.
- *Resources and Expertise.* Local offices and more than 200 investment professionals nationwide actively monitoring market conditions, conducting in-depth financial analysis of issuers, processing internal credit reviews, and have an established Credit Committee, and Compliance Department.
- *Extensive Training Program.* Year-round trainings available to clients on all aspects of finance, investment, governance, debt issuance, pension, compliance, and other economic related topics. PFM University courses are made available to clients at no cost.
- *Other Specialized Services.*
 - Trust Management & Administration - prefunding pension or other-post employment benefit (OPEB).
 - Treasury Consulting - determining the best banking service provider for cash management needs.

- Arbitrage Rebate Compliance Practice - focusing exclusively on the challenges of arbitrage rebate and post debt-issuance compliance.
- Payment Solution - providing tool to receive rebates for purchases.
- Procurement Card - purchasing cards for small purchases as designated by the client.

The fee proposal from PFM is based on the size of assets under management as summarized in Table 2:

Table 2: Proposal Annual Fees

Assets Under Management	Annual Fee
First \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Over \$100 million	6 basis points (0.06%)

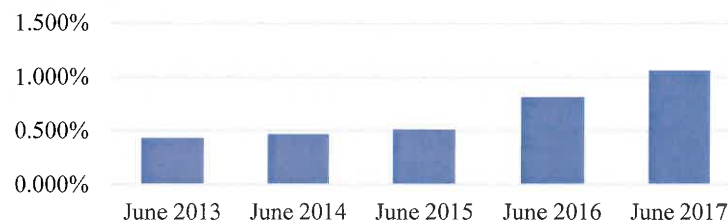
PFM carries a substantial level of \$20,000,000 in Excess Professional Liability insurance with a \$1,000,000 Self-Insured Retention. Staff has reviewed the insurance, as well as the information presented by PFM in their proposal, and is confident in the recommendation to approve their Self-Insured Retention (SIR) level. Pursuant to the Agency's Risk Management Ordinance No. 86, Section 8, formal approval must be obtained by the Agency's Board of Directors for self-insured retentions in excess of \$500,000 for Professional Liability insurance.

The Agency's Investment Policy Section 5.0 authorizes the General Manager to engage the services of one or more external investment advisors to assist in the management of the Agency's investment portfolio in a manner consistent with the policy and the Agency's investment objectives.

Yield Analysis

The yield of the Agency's portfolio for the periods ending June has ranged between 0.43% to 1.06% over the last 5 fiscal years, as shown in Figure 1.

Figure 1: Agency Yield



Higher yield equal higher earnings. Engagement of an investment advisor can help the Agency enhance yield by introducing more diversification and extending the portfolio's duration.

As shown on Table 3, historically the average yield of the PFM 1-3 year Composite and 1-5 year Composite outperformed the Agency's average yield.

Table 3: Agency and PFM Yield Comparison for Periods Ending September 30, 2017

	Quarter Ending September 30, 2017	1 Year Average	3 Year Average
Agency Portfolio	1.14%	0.92%	0.73%
PFM 1-3 Year Composite	1.57%	1.45%	1.05%
PFM 1-5 Year Composite	1.71%	1.64%	1.28%

*PFM Composite Yield data is Yield to Maturity at Market as of 9/30/17
Source: PFM and Agency Yield Comparison slide presentation 12/06/17*

Based on 1-Year Average, for every \$10 million invested in PFM 1-5 year composite with a yield of 1.64% compared to the Agency's yield of 0.92% would have resulted in additional earnings of \$72,000, or \$64,000 net of fees. The estimated higher earnings are projected to offset fees paid to an investment advisor to actively manage the Agency's investment portfolio.

In addition to anticipated higher earnings, significant distinctions between brokers and dealers currently used by the Agency and an investment advisor are highlighted in Table 4. The major difference is the investment advisors have fiduciary responsibility to safeguard the Agency's assets while brokers/dealers do not have a fiduciary responsibility. As a "fiduciary" to the Agency, an investment advisor has a fundamental obligation to act in the Agency's best interests: a duty of undivided loyalty and utmost good faith. Another difference is more transparency in compensation. Fees paid to brokers/dealers are on a transactional basis and are netted out from the final return of the investments purchased by the Agency. Fees paid to an investment advisor are based on assets under management.

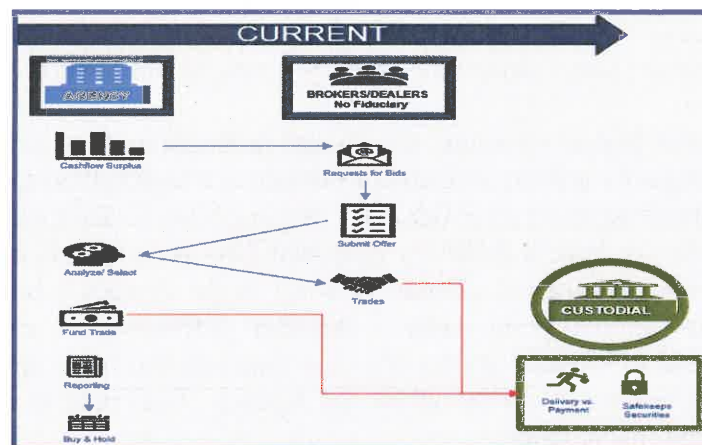
Table 4: Importance of an Independent Investment Advisor

Investment Advisor	Broker	Dealers
Fiduciary Responsibility	Not a fiduciary	Not a fiduciary
Fees are fully disclosed	Does not maintain a portfolio of securities	"Takes a position" in the market
Owens no portfolio or inventory of securities	Buys securities from seller to resell to buyers	Owens securities
Competitively bids every buy and sell	Compensation: Difference between buy and sell, can earn commission	Buys for and sells from "house" inventory
Compensation: Fees based on assets under management		Buys at the bid price; sells at the offer price
		Compensation: Difference between buy and sell; can earn commission

Changes to Current Process

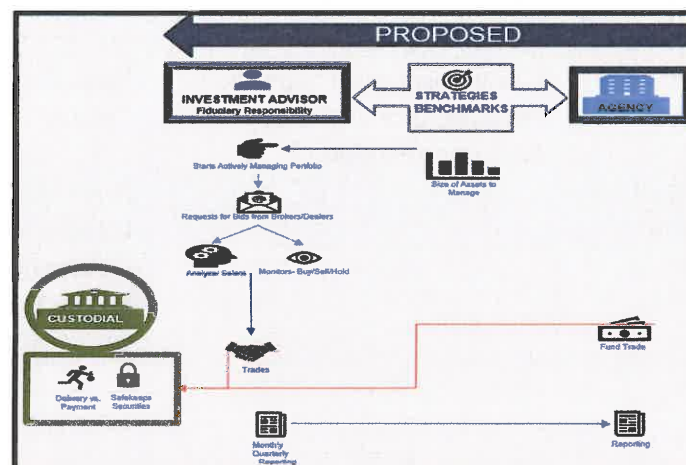
Currently (shown under Figure 2), a solicitation to bid is sent to authorized brokers/dealers (brokers/dealers are evaluated and updated as part of the Investment Policy annual update). Staff evaluates the bids received and notifies the broker/dealer of the selected investment. The broker/dealer confirms the purchase and on the settlement date forwards the trade ticket to the Agency's third-party custodian (US Bank). The Agency remits payment directly to US Bank. US Bank utilizes the delivery versus payment (DvP) process under which delivery of all documents necessary to give effect to a transfer of securities in exchange for the receipt of the stipulated payment amount occurs simultaneously. As the Agency's custodian, US Bank holds the Agency's investments until maturity or are called by the issuer. Fees paid to brokers/dealers are included in the purchase price and netted out from the final return of the investments purchased by the Agency.

Figure 2: Current Investment Process



Engagement of a financial advisor will shift the solicitation and purchase of investments from Agency staff to the financial advisor (Shown under Figure 3). The same DvP process currently in place will be used to settle investments purchased/sold by the investment advisor for the Agency's portfolio. The Agency's investments will continue to be held by US Bank.

Figure 3: Proposed Investment Process



If approved, PFM will work closely with the Agency to develop an investment strategy and benchmark consistent with the Agency's Investment Policy and cashflow projections. A key part of this process is identifying the permitted investments and allocation limits based on the Agency's risk tolerance. Based on this investment strategy and benchmark, the Agency will determine the amount of funds to be managed by PFM. Along with the monthly reports to be included in the periodic Financial Affairs presented to the Finance & Administration Committee, the investment advisors will present quarterly updates that may result in adjustments to the investment strategy, benchmark and the amount of managed funds to align with changes in market conditions, risk tolerance and overall Agency objectives. A preliminary implementation timeline is provided on Table 6.

Recommendation

Staff recommends the Board award a contract to PFM for investment advisory and management services for an initial three-year term, with two one-year options to extend. PFM will proactively manage the Agency's portfolio while providing enough flexibility to meet the Agency's performance objectives. The estimated higher earnings from a better structured and more diversified portfolio are projected to offset fees paid to PFM to actively manage the Agency's investment portfolio.

Table 5: PFM Asset Management Client List

Client List	
Alameda County Water District	Merced Irrigation District
Antelope Valley East Kern Water Agency	Modesto Irrigation District
City of San Bernardino Municipal Water Dept.	Padre Dam Municipal Water District
City of Vista	Sacramento Suburban Water District
Coachella Valley Water District	San Bernardino Municipal Water District
Contra Costa Water District	San Bernardino Valley Municipal District
Cucamonga Valley Water District	San Juan Water District
Delta Diablo Sanitation District	Santa Margarita Water District
El Toro Water District	South Tahoe Public Utility District
Fallbrook Public Utility District	Turlock Irrigation District
Goleta West Sanitary District	Ventura Regional Sanitation District
Leucedia Wastewater District	West Basin Municipal Water District

Table 6: Preliminary Implementation Timeline

Date	Task/Event	Lead Party
12/20/2017	o Award of Contract	Agency
1/2/2018 – 1/5/2018	o Finalize implementation schedule with Agency o Gather information from Agency	PFM, Agency
1/4/2018- 1/10/2018	o Agency delivers instruction letter and PFM's list of authorized signers to custodian o Agency returns online access forms to PFM	Agency

1/8/2018-1/12/2018	<ul style="list-style-type: none"> ○ Perform cash flow analysis to determine the amount of managed funds ○ Review Investment Policy ○ Conduct review of inherited callable and non-governmental securities 	PFM
1/10/2018	<ul style="list-style-type: none"> ○ Finance Committee Approval of Investment Policy Recommended Changes 	
1/15/2018-1/19/2018	<ul style="list-style-type: none"> ○ PFM to meet with the Agency to discuss: <ul style="list-style-type: none"> ○ Results of cash flow analysis ○ Investment Policy recommendations ○ Communication preferences ○ Objectives for the portfolio ○ Risk tolerance ○ Investment strategy and performance benchmark 	PFM, Agency
1/17/2018	<ul style="list-style-type: none"> ○ Board Approval of Investment Policy Recommended Changes 	
1/17/2018-2/2/2018	<ul style="list-style-type: none"> ○ Provide Agency with template of instruction letter for custodian and PFM's list of authorized signers ○ Provide Agency with form for online access 	PFM, Agency
1/17/2018-2/2/2018	<ul style="list-style-type: none"> ○ Finalize and sign contract 	
2/14/2018	<ul style="list-style-type: none"> ○ Notice to Proceed 	
2/2/2018-2/16/2018	<ul style="list-style-type: none"> ○ Set up Agency's existing investments in PFM accounting system ○ Input compliance rules based on Agency's Investment Policy in Bloomberg AIM compliance system ○ Review of rules in Bloomberg AIM Compliance Department 	PFM
2/16/2018	<ul style="list-style-type: none"> ○ Account approved for trading 	PFM
2/20/2018	<ul style="list-style-type: none"> ○ PFM begins managing the portfolio 	PFM
3/6/2018	<ul style="list-style-type: none"> ○ First monthly statement to be released to the Agency ○ Meet to review the portfolio statement and the Agency's accounting needs 	PFM
April 2018	<ul style="list-style-type: none"> ○ Interim quarterly performance update (performance is provided after first full quarter of management) 	PFM
July 2018	<ul style="list-style-type: none"> ○ Expected delivery of first full performance report and meeting with the Agency 	PFM
Ongoing	<ul style="list-style-type: none"> ○ Daily review of portfolio and market for investment opportunities consistent with approved investment strategy ○ Formulation of investment recommendations ○ Execution through competitive process of investment purchases and sales ○ Confirmation of trade settlement with brokers and custodian ○ Notification of executed trades to Agency through email ○ Communication of investment strategy and market outlook to Agency ○ Assistance as needed with accounting for investments ○ Monthly portfolio statements 	PFM

	<ul style="list-style-type: none">○ Monthly market update○ Quarterly performance reporting○ Regular meetings with Agency staff○ Annual Investment Policy review○ Update to cash flow analysis○ Serve as general resource○ Oversight○ Feedback	
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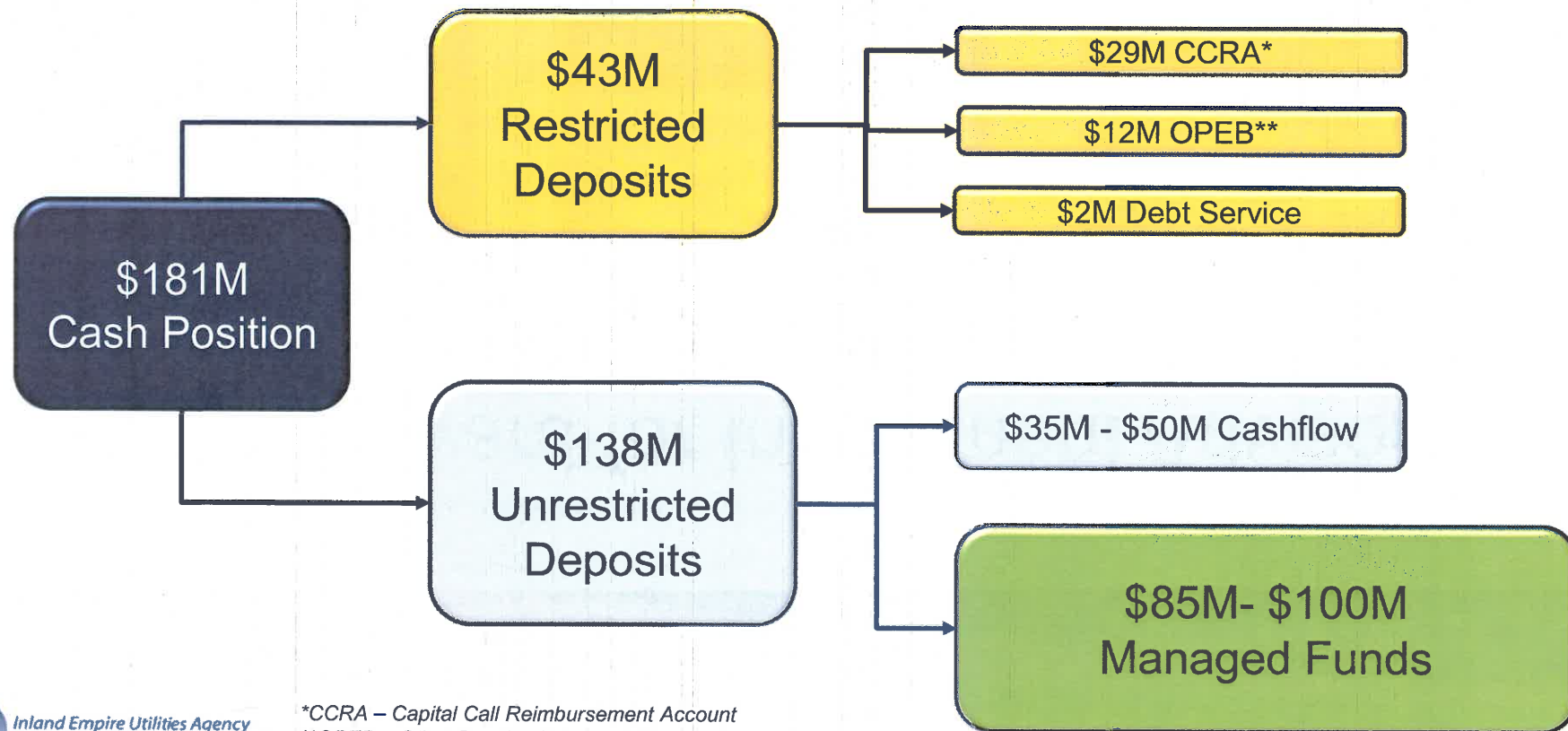
Attachment 2

Powerpoint

Contract Award for Investment Advisory and Management Services



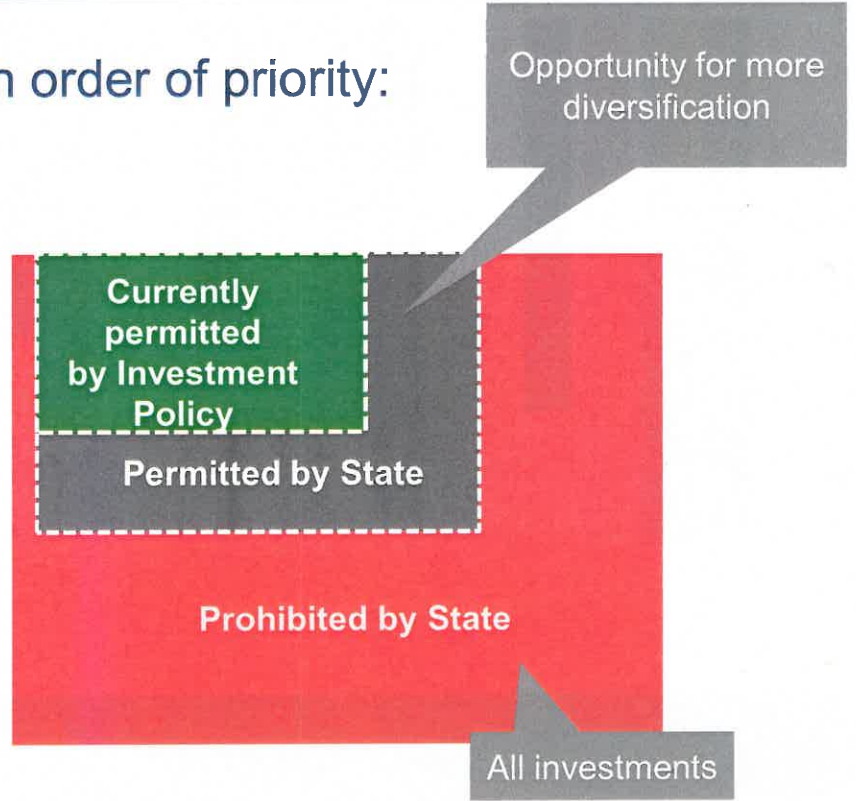
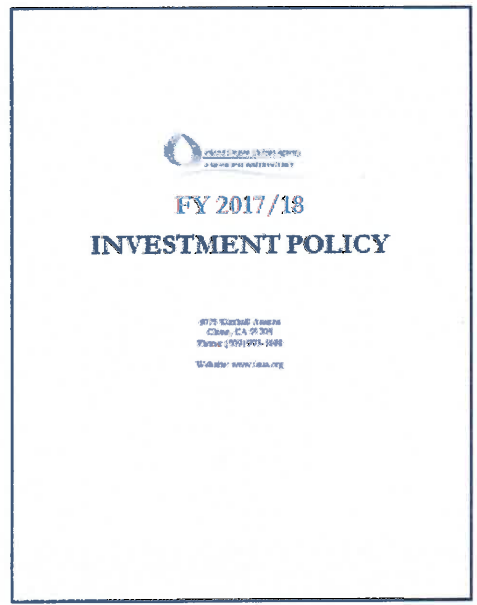
IEUA's Portfolio Composition As of June 30, 2017



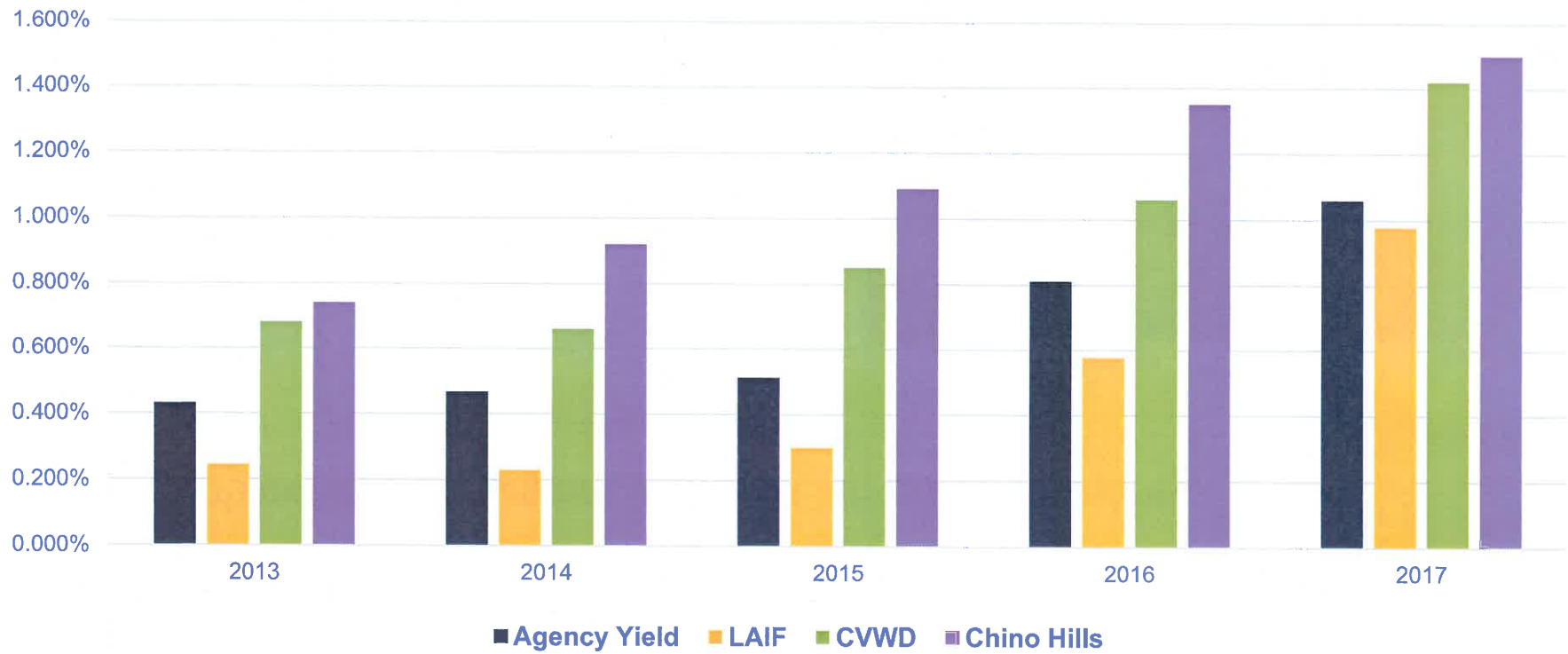
Investment Policy

Key Policy objectives consistent with CGC in order of priority:

- 1. Safety
- 2. Liquidity
- 3. Yield



Yield Comparison



Importance of an Independent Investment Advisor

Investment Advisor

- Fiduciary responsibility
- Fees are fully disclosed
- Owns no portfolio or inventory of securities
- Competitively bids every buy and sell
- Compensation: Fees based on assets under management

Broker

- Not a fiduciary
- Does not maintain a portfolio of securities
- Buys securities from seller to resell to buyers
- Compensation: Difference between buy and sell price, can earn commission

Dealer

- Not a fiduciary
- Takes position in the market and owns securities
- Buys for and sells from house inventory
- Compensation: Difference between buy and sell price, can earn commission

Most Qualified Proposal

RFP Selection Result – PFM Asset Management

- Public Sector Focus
- Resources and Expertise
- Financial Strength
- Excellent Training Programs
- Specialized Services

PFM Team

Engagement Manager:
Sarah Meacham, Managing Director



Relationship Manager:
Richard D. Babbe, Senior Managing Consulting



Proposed Timeline

December 2017

- Contract award

January 2018

- Strategy and benchmark development
- Investment Policy review
- Approve revised Investment Policy, if needed

February 2018

- PFM begins managing investment portfolio

Ongoing

- Cash flow analysis
- Monthly reporting
- Quarterly presentations to Finance Committee

Recommendation

1. Award Contract No. 4600002440 to PFM Asset Management LLC for an initial three-year period with two, one-year options to extend, for investment advisory and management services;
2. Pursuant to the Agency's Risk Management Ordinance, Section 8, approve PFM's Self-Insured Retention (SIR) for Professional Liability Insurance in the amount of \$1,000,000; and
3. Authorize the General Manager to execute the consultant contract subject to non-substantive changes.

The Investment Advisory and Management Contract Award is consistent with the *IEUA's Business Goal of Fiscal Responsibility* in optimizing the Agency's investment of surplus funds in accordance with the Agency's Investment Policy.

Attachment 3

Contract # 4600002440



CONTRACT NUMBER: 4600002440

FOR PROFESSIONAL SERVICES

INVESTMENT ADVISORY AND MANAGEMENT SERVICES

THIS CONTRACT NUMBER 4600002440 (the "Contract"), is made and entered into this _____ day of _____, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Client" or "IEUA"), and PFM Asset Management, LLC, a Delaware limited liability company with an office located in Los Angeles, California (hereinafter referred to as "Advisor") for professional services related to providing investment advisory and management services for IEUA investment portfolio.

WITNESSETH

WHEREAS, the Client has funds available for investment purposes (the "Initial Funds") for which it intends to conduct an investment program; and

WHEREAS, the Client desires to avail itself of the experience, sources of information, advice, assistance and resources available to the Advisor; to have the Advisor undertake certain duties and responsibilities; and to perform certain services as investment advisor on behalf of the Client, as provided herein; and

WHEREAS, the Advisor is willing to provide such services on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **CLIENT PROJECT MANAGER ASSIGNMENT**: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Client's assignment are listed below.

Project Manager: Christina Valencia,
Executive Manager of Finance &
Administration/Assistant General Manager

Address: 6075 Kimball Ave
Chino, California 91708
Telephone: (909) 993-1673
Facsimile: (909) 993-1985
Email: cvalencia@ieua.org

2. **ADVISOR ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Advisor: Sarah Meacham,
Managing Director
Address: 601 South Figueroa Street Suite 4500
Los Angeles, California 90017
Telephone: (213) 489-4075
Facsimile: (213) 489-4085
Email: meachams@pfm.com

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions the governing order of precedence shall be as follows:

1. Amendments to Contract Number 4600002440
2. Contract Number 4600002440 General Terms and Conditions.
3. Client's Request for Proposal Number RFP-SM-17-041
4. Advisor's Proposal,s dated October 16, 2017

4. **SCOPE OF WORK AND SERVICES:** Advisor services and responsibilities shall include and be in accordance with Advisor's Proposal, dated October 16, 2017, which is attached hereto as **Exhibit A**, incorporated herein by reference and made a part hereof, and includes the following:

- A. The Client hereby engages the Advisor to serve as investment advisor under the terms of this Contract with respect to the Initial Funds and such other funds as the Client may from time to time assign by written notice to the Advisor (collectively the "Managed Funds"), and the Advisor accepts such engagement. In connection therewith, the Advisor will provide investment research and supervision of the Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the Managed Funds assets. The Advisor shall continuously monitor investment opportunities and evaluate investments of the Managed Funds. The Advisor shall furnish the Client with statistical information and reports with respect to investments of the Managed Funds. The Advisor shall place all orders for the purchase, sale, loan or exchange of portfolio securities for the Client's account with brokers or dealers recommended by the Advisor and/or the Client, and to that end

the Advisor is authorized as agent of the Client to give instructions to the custodian designated by the Client (the "Custodian") as to deliveries of securities and payments of cash for the account of the Client. In connection with the selection of such brokers and dealers and the placing of such orders, the Advisor is directed to seek for the Client the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the Advisor by such brokers and dealers. The Custodian shall have custody of cash, securities and other assets of the Client. The Advisor shall not take possession of or act as custodian for the cash, securities or other assets of the Client and shall have no responsibility in connection therewith. Authorized investments shall include only those investments which are currently authorized by the Client's Investment Policy pursuant to state investment statutes and applicable covenants and as supplemented by such other written instructions as may from time to time be provided by the Client to the Advisor. The Advisor shall be entitled to rely upon the Client's written advice with respect to anticipated drawdowns of Managed Funds. The Advisor will observe the instructions of the Client with respect to broker/dealers who are approved to execute transactions involving the Managed Funds and in the absence of such instructions will engage broker/dealers which the Advisor reasonably believes to be reputable, qualified and financially sound.

- B. NOTE: Advisor shall advise Client within two (2) weeks of any changes to the written Scope of Work/Schedule based upon discussions from any meetings. Any changes must be made in writing by an Amendment to the Contract. Work initiated without written approval, shall be at Advisor's own risk, and shall not be reimbursed by the Client.
- C. Method of Inspection:
1. Work performed under this Contract may be required to undergo monthly, weekly, or daily inspections.
 2. The Project Manager shall be responsible for performance of the inspections.
 3. If Advisor fails an inspection, the Project Manager shall be responsible for providing a written notice to the Advisor explaining the error and a determination of the urgency for the correction of the error (herein referred to as a "Cure Notice").
- D. Cure Procedure:
1. For a Cure Notice deemed by the Client to be urgent, Advisor shall correct any error of the Work within three (03) calendar days after Advisor's receipt of a Cure Notice, as directed by the Project Manager.

2. For a Cure Notice deemed by the Client to be **important**, Advisor shall correct any error of the Work within ten (10) calendar days after Advisor's receipt of a Cure Notice, as directed by the Project Manager.
 3. If the Project Manager rejects all, or any part of, the Work as unacceptable and contract to correct such Work cannot be reached without modification to the Contract, Advisor shall notify the Project Manager, in writing, detailing the dispute and the reason(s) for the Advisor's position. Any dispute that cannot be resolved between the Project Manager and Advisor shall be resolved in accordance with the provisions of this Contract.
- E. The Client may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.
5. **TERM:** The term of this Contract shall extend from January 10, 2018, and terminate January 10, 2021 with an option to renew for two (2) one-year options, unless agreed to by both parties, reduced to writing, and amended to this contract.

6. **COMPENSATION:**

- a) For services provided by the Advisor pursuant to this Agreement, the Client shall pay the Advisor an annual fee, in monthly installments, based on the daily net assets under management according to the schedule below:

<u>Average Assets Under Management</u>	<u>Fees</u>
Initial \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Above \$100 million	6 basis points (0.06%)

"Daily net assets" is defined to include the amortized value of securities, accrued interest and cash or any money market fund balance.

The minimum annual fee is \$10,000, to be applied in equal monthly installments.

- b) The Advisor will bill the Client monthly for service performed under this Agreement, said bill to include a statement indicating the basis upon which

the fee was calculated. The Client shall pay to the Advisor the amount payable pursuant to this Contract within thirty (30) days following the month during which the Advisor's statement was rendered.

c) Additionally, to qualify for payment, the Advisor shall prominently display, on the first page of the invoice, both:

1. The Contract Number – 4600002440
2. A Purchase Order Number – If applicable
3. If Advisor submits invoice by email, such invoice shall be submitted as follows:

APGroup@ieua.org

Scan the invoice as a PDF file.

Attach the scanned file to an email.

If Advisor submits invoice by mail, such invoice shall be submitted as follows:

Inland Empire Utilities Agency
Re: Contract Number: 4600002440
P.O. Box 9020
Chino Hills, CA 91709

- d) Concurrent with the submittal of the original invoice to the Client's Accounts Payable Department, the Advisor shall forward (mail, fax, or email) a copy of said invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.
- e) No Additional Compensation: Nothing Set forth in this Contract shall be interpreted to require payment by Client to Advisor of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Advisor in complying with this Contract, as approved by the Project Manager.
- f) Assets invested by the Advisor under the terms of this Contract may from time to time be invested in (i) a money market mutual fund managed by the Advisor or (ii) a local government investment pool managed by the Advisor (either, a "Pool), or in individual securities. Average daily net assets subject to the fees described in this section shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for the Advisor and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

- g) If and to the extent that the Client shall request the Advisor to render services other than those to be rendered by the Advisor hereunder, such additional services shall be compensated separately on terms to be agreed upon between the Advisor and the Client.

7. EXPENSES:

- a) The Advisor shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing the Managed Funds.
- b) Except as expressly provided otherwise herein, the Client shall pay all of its own expenses including, without limitation, taxes, commissions, fees, and expenses of the Client's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, and fees and expenses of the Custodian.

8. REGISTERED ADVISOR DUTY OF CARE: The Advisor hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940, as amended. The Advisor shall immediately notify the Client if at any time during the term of this Contract it is not so registered or if its registration is suspended. The Advisor agrees to perform its duties and responsibilities under this Contract with reasonable care and in accordance with any applicable federal, state, and local laws associated with Advisor's relationship to the Client, including, but not limited to, Advisor's fiduciary duties and other responsibilities owed to Client according to California Government Code §53600 et seq. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which the Client may have under any federal securities laws. The Client hereby authorizes the Advisor to sign I.R.S. Form W-9 on behalf of the Client and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

9. ADVISOR'S OTHER CLIENTS: The Client understands that the Advisor performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. The Client agrees that the Advisor, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Managed Funds. The Advisor shall not have any obligation to purchase, sell or exchange any security for the Managed Funds solely by reason of the fact that the Advisor, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts.

10. **INSURANCE:** During the term of this Contract, the Advisor shall maintain at Advisor's sole expense, the following insurance.

A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:

1. **Commercial General Liability ("CGL"):** Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Advisor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Advisor's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Client.

C. **Other Insurance Provisions:** The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Commercial General Liability and Automobile Liability Coverage**
 - a. **Additional Insured Status:** The Client, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Advisor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Advisor's insurance (at least as broad as ISO Form CG 20 10 11 85 or by either CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

- b. **Primary Coverage:** The Advisor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Client, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Client, its officers, officials, employees, volunteers, property owners or engineers under contract with the Client shall be excess of the Advisor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Client, its officers, officials, employees or volunteers.
- d. The Advisor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Advisor may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. **Workers' Compensation and Employers Liability Coverage**

The insurer hereby grants to Client a waiver of any right to subrogation which any insurer of said Advisor may acquire against the Client by virtue of the payment of any loss under such insurance. Advisor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the Client has received a waiver of subrogation endorsement from the insurer.

3. **All Coverages**

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Client.

- D. Acceptability of Insurers: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus: VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Advisor shall provide the Client with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Client before work

commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Advisor's obligation to provide them. The Client reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- F. Submittal of Certificates: Advisor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Angela Witte
P.O. Box 9020
Chino Hills, California 91709

11. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Advisor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Advisor: The Advisor is retained as an independent contractor only, for the sole purpose of providing the services described herein, and is not an employee of the Client.
- C. Observing Laws and Ordinances: The Advisor shall keep itself fully informed of all relevant existing state and federal laws and all relevant county and city ordinances and regulations which pertain to tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Advisor shall at all times observe and comply with all such existing laws, ordinances, regulations, orders and decrees, and shall to the extent of Advisor's negligence, protect and indemnify, as required herein, the Client, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Advisor or its employees.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- E. Travel and Subsistence Pay: The Advisor shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining contract with the worker.

- F. Indemnification: Advisor shall indemnify the Client, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Advisor, its directors, employees, agents and assigns, in the performance of work under this contract.
- G. Conflict of Interest: No official of the Client who is authorized in such capacity and on behalf of the Client to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- H. Equal Opportunity and Unlawful Discrimination: During the performance of this Contract, the Advisor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Client is committed to creating and maintaining an environment free from harassment and discrimination
- I. Non-Conforming Work and Warranty: Consistent with the standard of skill and care set forth in Section 11.A, Professional Responsibility, Advisor represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable, and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Advisor shall notify the Project Manager, in writing, detailing the dispute and reason for Advisor's position. Any dispute that cannot be resolved between the Project Manager and the Advisor, shall be resolved in accordance with the Dispute Section of this Contract.
- J. Disputes:
1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Advisor shall pursue the work to completion in accordance with the instruction of the Client's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.
 2. Any and all disputes prior to the work starting shall be subject to resolution by the Project Manager and the Advisor shall comply,

pursuant to the Project Manager instructions. If the Advisor is not satisfied with any such resolution by the Project Manager, they may file a written protest with the Project Manager within seven (7) calendar days after receiving written notice of the Client's decision. Failure by Advisor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Project Manager's resolution. The Project Manager shall submit the Advisor's written protests to the Client's General Manager ("General Manager"), together with a copy of the Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Project Manager within ten (10) calendar days after receipt of said protest(s). If Advisor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties to this Contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Advisor to be appointed as Arbitrator. The Client shall determine if any of the names submitted by Advisor are acceptable and, if so, such person shall be designated as Arbitrator.
 - b. In the event that none of the names submitted by Advisor are acceptable to Client, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Client shall submit to Advisor a list of five names of persons acceptable to Client for appointment as Arbitrator. The Advisor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to

reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. **Association in Mediation/Arbitration:** The Client may join the Advisor in mediation or arbitration commenced by an Advisor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such association shall be initiated by written notice from the Client's representative to the Advisor.

12. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Client retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Advisor and/or the Advisor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Client from the moment of their preparation, and the Advisor shall deliver same to the Client whenever requested to do so by the Project Manager and/or Client. The Advisor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Client, unless such disclosure is required by law or by regulatory or judicial process.

Said materials and documents shall not be changed or used for purposes other than those set forth in the Contract without the prior written approval of Advisor. If Client reuses the materials and documents without Advisor's prior written consent, changes or uses the materials and documents other than as intended under this Contract, Client shall do so at its sole risk and discretion, and Advisor shall not be liable for any claims and/or damages resulting from use or connected with the release of or any third party's use of the reused materials or documents.

13. **TITLE AND RISK OF LOSS:**

- A. **Documentation:** Title to the Documentation shall pass, subject to payment therefore, to Client when prepared; however, a copy may be retained by Advisor for its records and internal use. Advisor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Client or for the performance of Work related to the project.
- B. **Disposition:** Advisor shall dispose of items to which Client has title as directed in writing by the Contract Administrator and/or Client.

14. **PROPRIETARY RIGHTS:**

- A. **Rights and Ownership:** Client's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively

referred to as "Proprietary Rights"), used or developed by Advisor in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Advisor in the performance of the Work shall be the property of Client, and Advisor shall cooperate with all appropriate requests to assign and transfer same to Client.
 2. If Proprietary Rights conceived, developed, or reduced to practice by Advisor prior to the performance of the Work are used in and become integral with the Work, or are necessary for Client to have complete control of the Work, Advisor shall grant to Client a non-exclusive, irrevocable, royalty-free license, as may be required by Client for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.
 3. If the Work includes the Proprietary Rights of others, Advisor shall procure, at no additional cost to Client, all necessary licenses regarding such Proprietary Rights so as to allow Client the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to Client.
15. **INFRINGEMENT:** Advisor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Advisor shall defend, indemnify and hold harmless, Client, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses to the extent of Advisor's negligence for any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Advisor shall, at its expense and at Client's option, refund any amount paid by Client under the Contract, or exert its best efforts to procure for Client the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Client so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Client's continued use of the Work and Documentation.

16. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Client: Christina Valencia
Executive Manager of Finance & Administration/Assistant
General Manager
Inland Empire Utilities Agency
P.O Box 9020
Chino Hills, California 91709

Advisor: Sarah Meacham
Managing Director
PFM Asset Management LLC.
601 South Figueroa Street Suite 4500
Los Angeles, California 90017

Any notice given pursuant to this section shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. **MODIFICATION:** This Contract shall not be changed, modified, terminated or discharged in whole or in part, except by an instrument in writing signed by both parties hereto, or their perspective successors or assigns.
18. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the Client, the Advisor, and their respective successors and assigns. No assignment of the duties or benefits of the Advisor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Client; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Client shall be null, void and of no legal effect whatsoever.
19. **PUBLIC RECORDS POLICY:** Information made available to the Client may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Client's use and disclosure of its records are governed by this Act. The Client shall use its best efforts to notify Advisor of any requests for disclosure of any documents pertaining to Advisor. In the event of litigation concerning disclosure of information Advisor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Client shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Client is required to defend an action arising out of a Public Records Act request for any of the information Advisor has marked "Confidential," "Proprietary," or "Trade Secret," Advisor shall defend and indemnify Client from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

20. **RIGHT TO AUDIT:** The Client reserves the right to review and/or audit all Advisor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Advisor. The Advisor shall make all records and related documentation available within three (3) working days after said records are requested by the Client.
21. **INTEGRATION:** The Contract Documents represent the entire Contract made and entered into by and between the Client and the Advisor as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual contract by the Client and the Advisor.
22. **APPLICABLE AND GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
23. **TERMINATION FOR CONVENIENCE:** The Client reserves and has the right to suspend, cancel or terminate this Contract in the event of any material breach of the terms by the Advisor, such as but not limited to; suspension or termination of registration as an investment advisor, violation of any state or federal securities law or regulation, purchase of investment securities not authorized by IEUA investment policy, or at any time upon thirty (30) days written notice to the Advisor. In the event of such termination, the Client shall pay Advisor for all authorized and Advisor-invoiced services up to the date of such termination, as approved by the Project Manager.
- The Advisor may terminate this Contract upon any material breach of the Contract such as but not limited to; non-payment, failure to deliver funds for the purchase of investment securities, or at any time, on not less than thirty (30) days' notice to the Client/Project Manager by certified mail, return receipt requested. Client shall have the sole option to cure any material breach with the thirty (30) days' notice window prior to termination of this Contract. If Client cures the material breach, this Contract shall not be terminated due to the cured material breach.
24. **FORCE MAJEURE:** Neither party shall have no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Contract which result from events beyond its control, including interruption of the business activities of the Advisor or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.
25. **DISPLINARY ACTIONS:** The Advisor shall promptly give notice to the Client if the Advisor shall have been found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit

in any state or federal court or in any disciplinary proceeding before the Securities and Exchange Commission ("SEC") or any other agency or department of the United States, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment advisor.

26. **INDEPENDENT CONTRACTOR:** The Advisor, its employees, officers and representatives shall not be deemed to be employees, agents (except as to the purchase or sale of securities described in Section 4), partners, servants, and/or joint ventures of the Client by virtue of this Contract any actions or services rendered under this Contract.
27. **BOOKS:** The Advisor shall maintain records of all transactions in the Managed Funds. The Advisor shall provide the Client with a monthly statement showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received, and the value of assets held on the last business day of the month. The statement shall be in the format and manner that is mutually agreed upon by the Advisor and the Client.
28. **THE ADVISOR'S BROCHURE AND BROCHURE SUPPLEMENT:** The Advisor warrants that it has delivered to the Client prior to the execution of this Contract the Advisor's current SEC Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). The Client acknowledges receipt of such brochure and brochure supplement prior to the execution of this Agreement.
29. **NOTICE TO PROCEED:** No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Advisor.
30. **AUTHORITY TO EXECUTE CONTRACT:** The Signatories, below, each represents, warrants, and covenants that they have the full authority and right to enter into this Contract on behalf of the separate entities shown below.
31. **DELIVERY OF DOCUMENTS:** The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant contract to be bound by such electronic versions.

The parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

**A MUNICIPAL WATER DISTRICT*

Halla Razak
General Manager

(Date)

PFM Asset Management LLC.:

Sarah Meacham
Managing Director

(Date)

Sarah Meacham 12/4/2017

Attachment 4

Agency

Investment

Policy



FY 2017/18

INVESTMENT POLICY

6075 Kimball Avenue
Chino, CA 91708
Phone: (909) 993-1600

Website: www.ieua.org

INLAND EMPIRE UTILITIES AGENCY

FY 2017/18 INVESTMENT POLICY

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INLAND EMPIRE UTILITIES AGENCY

FY 2017/18 INVESTMENT POLICY

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INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY

1.0 POLICY

WHEREAS; The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) § 53600.6 and 53630.1 (CGC §53600.6 and §53630.1);

WHEREAS; the legislative body of a local agency may invest surplus monies, not required for the immediate necessities of the local agency, in accordance with the provisions of CGC §5922 and CGC §53601 et seq.; and

WHEREAS; the Chief Financial Officer/Assistant General Manager (CFO/AGM) or the General Manager (GM) of the Inland Empire Utilities Agency (IEUA) shall annually, or whenever there are recommended changes, whichever occurs first, prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (CGC §53646[a]).

NOW, THEREFORE, BE IT RESOLVED that the policy of IEUA is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the IEUA; and (iii) the highest investment return while conforming to all statutes governing the investment of IEUA funds within the constraints of this Investment Policy.

2.0 SCOPE

This Investment Policy applies to all surplus monies of IEUA, as defined below.

Surplus Monies are defined, for the purpose of this Investment Policy, as all funds of the IEUA except:

- Monies held in Deferred Compensation Accounts
- Monies held in Capital Capacity Reimbursement Accounts

Pooling of funds

Except for cash in certain restricted and special funds, IEUA will consolidate cash and reserve balances from all funds to maximize investments earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

3.0 PRUDENCE

The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of IEUA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Designated investment signatories, acting in accordance with written procedures, this investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. *Safety*: Safety of principal is the foremost objective of the investment program. Investments made by IEUA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.
- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable IEUA to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investments (Yield)*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low- risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
 - 1. A security with declining credit may be sold to minimize loss of principal.
 - 2. A security swap would improve quality, yield, or target duration in the portfolio.
 - 3. Liquidity needs of the portfolio that requires the security to be sold.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC §53600, et seq. Management's responsibility for the investment program is hereby delegated for a one-year period by the legislative body, to the Chief Financial Officer/Assistant General Manager (CFO/AGM) or the General Manager (GM) who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked by the Board of Directors. The CFO/AGM or the GM shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons/positions responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the CFO/AGM or the GM and Administration. The CFO/AGM or GM shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

The GM and/or CFO/AGM may engage the services of one or more external investment advisor to assist in the management of the Agency's investment portfolio in a manner consistent with this policy and the Agency's investment objectives. Such external advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such investment advisors must be registered under the Investment Advisers Act of 1940.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the placement of investments shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The CFO/AGM or the GM shall maintain a list of approved and authorized financial institutions and brokers/dealers, selected on the basis of credit-worthiness, financial strength, experience, and capitalization.

In selecting the *financial institutions* for the deposit or investment of IEUA funds, the CFO/AGM or the GM's consideration shall include the depository's latest equity/asset ratio data and continue to monitor the financial institutions' credit characteristics and financial history throughout the period during which IEUA funds are deposited or invested.

The minimum qualifications for Agency approved depository/financial institutions include: (i) that they must be at least three (3) years old; have total assets in excess of ten (\$10) billion dollars; a core capital/asset ratio of 5 percent or better; or (ii) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of 6 percent or better.

For the services of *banks, savings banks, and savings and loan associations*, depository agreements shall be prepared by the CFO/AGM or the GM and authorized representatives of the respective financial institutions for consideration and execution by the Board of Directors.

For *broker/dealer* services utilized to invest in government securities and other investments, the CFO/AGM or the GM is designated to select only brokers/dealers who are licensed and in good standing with the California Department of Securities (CDS), the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or other applicable self-regulatory organizations. A periodic review of authorized brokers/dealers is essential to serve the IEUA's investment needs.

In order to improve quality services, expertise, and credit worthiness, the CFO/AGM or the GM may, on a selective basis, revise the approved list of brokers/dealers to update qualified brokers/dealers under the requirements of this Investment Policy.

The CFO/AGM or the GM shall maintain a list of approved brokers/dealers and submit the list to the Board of Directors as part of the periodic Investment Policy review process, or more frequently as requested by the Board.

Financial institutions/depositories, brokers/dealers and external investment managers, who do investment-related business with IEUA shall sign a Certificate of Understanding (see Attachment "A"). The Certification of Understanding states that the entity:

- A. Has read and is familiar with the IEUA's Investment Policy as well as applicable Federal and State law;
- B. Agrees to notify IEUA in writing of any potential conflicts of interest;
- C. Meets the requirements as outlined in this Policy;
- D. Agrees to make every reasonable effort to protect the assets of IEUA from loss.

Annually, banks, savings bank, savings and loans associations, and authorized brokers/dealers will be requested to update information about their financial institutions. The required information will be supplied by responses to the attached questionnaires (see Attachment "B" for broker/dealers and Attachment "C" for banks and savings and loans), and provide IEUA with copies of published financial statements.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

IEUA's investments are governed by Government Code. Within the investments permitted by the Government Code, IEUA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this Investment policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- C. U.S. Instrumentalities (Supranational). United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that are rated in a rating category of "AA" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). A maximum of ten percent of the portfolio may be invested in United States Instrumentalities.
- D. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor's, F-1 by Fitch, and MIG-1 by Moody's. These ratings for short term municipal securities signify the issuer's strong capacity to pay principal and interest. Not more than 10 percent of IEUA's funds shall be invested in state and local municipal securities.
- E. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IEUA. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO.
- F. Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.

G. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. A minimum Industry Standard Definition (IDC) rating of 165 (Excellent) is required. All purchases shall not exceed the FDIC Insured Limit. The current FDIC Negotiable CD insured limit is \$250,000 (principal and interest). A maximum of 30 percent of the portfolio may be invested in this category Negotiable Certificates of Deposit. The maximum investment maturity will be restricted to five years.

H. Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.

I. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:

(a) Is organized and operating in the United States as a general corporation;

(b) Has total assets in excess of five hundred million dollars (\$500,000,000);

(c) Has debt other than commercial paper, if any, that is rated in rating category of "A" or its equivalent or better by a NRSRO.

(2) The entity meets the following criteria:

(a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;

(b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;

(c) Has commercial paper that is rated in a rating category of "A-1" or better, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a

city and county may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.

- J.** Local Agency Investment Fund (LAIF) investment pool is a voluntary program created by statute as an investment alternative for California's local governments and special districts and is under the administration of the State Governor of California. All securities purchased by LAIF are under the authority of Government Code § 16429 and 16480.4. As part of the Pooled Money Investment Account (PMIA), LAIF has oversight by the Pooled Money Investment Board (PMIB), and an in-house Investment Committee. LAIF also has oversight by the Local Agency Investment Advisory Board and is audited by the Bureau of State Audits on an annual basis.

Investment in California LAIF cannot exceed the maximum deposit per agency limit as set by the Local Agency Investment Fund.

- K.** Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p).

Whenever the IEUA has any funds invested in a LGIP, the CFO/AGM or the GM shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis. Investment in LGIPs cannot exceed the maximum deposit limit as set by each LGIP.

- L.** Money Market Funds - Investing solely in U.S. treasury securities and U.S. Government Agency securities, and repurchase agreements relating to the above obligations. To be eligible, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment advisor with not less than five years' experience and registered or exempt from registration with the SEC, with assets under management in excess of five hundred million dollars (\$500,000,000). No more than 20 percent of the portfolio may be invested in Money Market Funds and with no more than 10 percent invested in any one money market mutual fund.

- M.** Repurchase Agreements - IEUA may invest in repurchase agreements with banks and dealers with which IEUA has entered into a master repurchase agreement which specifies terms and conditions of repurchase agreements.

- 1) Transactions shall be limited to the primary dealers and banking institutions rated in a rating category of "A" or its equivalent or better by a NRSRO, or with a financially stable banking institution which the Agency has substantial banking relationship. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the CFO/AGM or GM and will not be allowed to fall below 102 percent of the value of the repurchase agreement plus the value of collateral in excess of the value of the repurchase agreement.

In order to conform with the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States.

- 2) Not more than 40 percent of the portfolio may be invested in repurchase agreements and a security interest satisfactory to IEUA shall always be maintained in the securities subject to a repurchase agreement.

N. Medium Term Notes (MTN): MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed 10 percent of the portfolio and must be rated in a rating category of “A” or its equivalent, or better by a NRSRO.

Ineligible Investments: Investments not described herein, including but not limited to, reverse repurchase agreements and common stocks are prohibited from use in this portfolio. This Investment Policy further specifically disallows investments in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

9.0 AUTHORIZED INVESTMENTS FOR BOND FUNDS

Bond funds shall be invested in the securities permitted pursuant to Board approved bond documents. If the bond documents are silent as to the permitted investments, bond funds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this Investment Policy, the dollar portfolio, percentage, and term limitations listed elsewhere in the Investment Policy do not apply to bond funds. In addition to the securities listed in Section 8.0 above, bond funds may be invested in a structured investment product if approved by the CFO/AGM or GM.

10.0 SAFEKEEPING AND CUSTODY

As required by CGC §53601 all security transactions entered into by IEUA shall be conducted on Deliver versus Payment basis. Delivery versus Payment or DVP basis means all securities purchased or acquired shall be delivered to IEUA by book entry, physical delivery, or third party custodial agreement. Investments in the state pool, local government investment pools, or money market funds are undeliverable, and therefore, not subject to the delivery or third party safe keeping requirements.

11.0 DIVERSIFICATION

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, as a way to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. Further, financial institutions which hold funds, deposited as investments, shall be subject to an investment limitation.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC

§53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

The CFO/AGM or the GM shall periodically establish diversification guidelines, within the context of this policy, and strategies to control any risks of default, market price changes, and illiquidity.

12.0 TRADING OF SECURITIES

A trade is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. The purchase and sale transaction and the sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

The CFO/AGM or the GM may obtain competitive bids from at least two brokers or financial institutions on all purchases based on investment analysis recommended by staff in reference to the investment policy guidelines. Competitive bids can be also obtained by other communication channels when necessary.

13.0 MAXIMUM MATURITIES

Where no maturity limit is stated for an investment under Section 8.0, no investment shall be made in any security that at the time of the investment, has a term remaining to maturity in excess of five years unless the Board of Directors has granted express authority to make that investment either specifically or as part of a previous investment program no less than three (3) months prior to the investment. Any investment currently held at the time the investment policy is adopted which does not meet the new policy guidelines will be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation such funds shall be reinvested only as provided in the most current policy.

14.0 PORTFOLIO DURATION LIMITATION

The weighted average duration of the entire portfolio shall not exceed three (3) years.

15.0 MONITORING CREDIT RATINGS

The CFO/AGM or the GM shall monitor the ratings of all investments in their portfolios on a continuous basis and report all credit downgrades of portfolio securities to the Board of Directors in writing within 24 hours of knowledge of the event. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this policy, the CFO/AGM or the GM shall also make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

16.0 REPORTING

The CFO/AGM or the GM shall submit to each member of the Board of Directors a monthly investment report. This report will include the elements of the quarterly report as recommended by CGC §53646, to include:

- a. Type of investment
- b. Name of institution
- c. Date of maturity
- d. Amount of deposit or cost of the security and the par value
- e. Current market value of all securities
- f. Rate of interest/earnings (yield)
- g. A monthly list of transactions

CGC §53646(b)(2),(3) recommends that the investment report must include a statement that (i) all investment actions executed since the last investment report have been made in full compliance with the Investment Policy or a Board of Directors' minute action (wavier) and, that (ii) IEUA will meet its expenditure obligations for the next six months. The CFO/AGM or the GM shall maintain a complete and timely record of all investment transactions in support of the above statement.

17.0 INTERNAL CONTROLS

The CFO/AGM or the GM is responsible for establishing and maintaining a control structure designed to ensure that the assets of the IEUA are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation and benefits require estimates and judgments by management.

An annual independent review, or as needed to address recommended changes, by an external auditor to assure compliance with policies and procedures will be performed as part of the

IEUA's annual audit.

18.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. In order to determine whether market yields are being achieved, the CFO/AGM or the GM shall identify comparable benchmarks to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate). This comparative analysis is included in investment report presented to the Board of Directors on a monthly basis.

19.0 POLICY REVIEW

This investment policy shall be reviewed regularly to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this investment policy to ensure that IEUA can adapt readily to changing market conditions, and approve any modification to the investment policy prior to implementation.

20.0 STATE LAW

The legislated authority of the IEUA's investments is covered in Section 53601, 53607, 53635, 53638, 53646, 53652, and 53653 of the Government Code. It is the policy of the IEUA to comply with the State laws governing its investments.

21.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Board of Directors of IEUA*. Moreover, the Policy shall be reviewed whenever there are recommended changes or annually, whichever occurs first, and modifications must be approved by the Board of Directors.

ADOPTED AND APPROVED:

Name: Steven J. Elie
Title: President, Board of Directors
Date: April 19, 2017

** A Municipal Water District*

APPENDIX 1: GLOSSARY OF CASH MANAGEMENT TERMS

ASK PRICE:

The price at which securities are offered for sale; also known as offering price.

BASIS POINT:

One hundredth of one percent (i.e. 0.01 percent).

BOND PROCEEDS:

The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BOOK VALUE:

The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

BROKER:

A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

CALLABLE BOND:

A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CALTRUST:

A Joint Powers Agency Authority created by local public agencies to provide a convenient method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents.

CERTIFICATE OF DEPOSIT (CD):

A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):

A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL:

Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER:

A short-term, unsecured, promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

CREDIT RISK:

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

CUSTODIAN:

A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER:

A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own risk and account or inventory.

DELIVERY OF SECURITIES:

There are two methods of delivery of securities; *Delivery versus Payment* and *Delivery versus Receipt*. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

DIVERSIFICATION:

Dividing investment funds among a variety of securities offering independent returns.

DURATION:

A measure of the timing of the cash flows to be received from a given-fixed income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FACE VALUE:

The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

FAIR VALUE:

The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):

A federal agency that insures bank deposits.

FEDERAL FARM CREDIT BANK (FFCB):

Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U.S. Government guarantees.

FEDERAL FUNDS RATE:

The rate of interest at which Federal funds are traded. This rate is considered to be the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB):

The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Bank vis-à-vis member

commercial banks. Although the banks operate under federal charter with government supervision, the securities are not guaranteed by the U.S. Government.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac):

Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae):

FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a Federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA securities do not carry direct U.S. Government guarantees.

FEDERAL RESERVE SYSTEM:

The central bank of the U.S. which consists of seven member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees nearly 4,750 brokerage firms, about 167,000 branch offices and approximately 634,000 registered securities representatives.

INTEREST ONLY STRIPS:

The interest portion of a Treasury note or bond that has been stripped of its principal component through the commercial book-entry system.

INTEREST RATE RISK:

The risk of gain or loss in market values of securities due to changes in interest-rate levels.

For example, rising interest rates will cause the market value of portfolio securities to decline.

INVERSE FLOATER:

Fixed income instrument whose coupon or interest rate is periodically reset according to a short term rate index such as LIBOR, or prime rate. Unlike the traditional floating rate instrument, however, the inverse floater's rate is set equal to a fixed rate minus the short-term rate index.

INVESTMENT POLICY:

A clear and concise statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

INVESTMENT PORTFOLIO:

A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

LIQUIDITY:

An asset that can be converted easily and rapidly into cash with minimum risk on principal.

LOCAL AGENCY INVESTMENT FUND (LAIF):

An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

MARKET TO MARKET:

Current market price of a security.

MARKET RISK:

Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

MARKET VALUE:

The price at which a security is currently being sold in the market. See FAIR VALUE.

MASTER REPURCHASE AGREEMENT:

A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY:

The date that the principal or stated value of a debt instrument becomes due and payable.

MEDIUM-TERM NOTES (MTNs):

Corporate notes, having any or all of the features of corporate bonds and ranging in maturity from nine months out to thirty years. The difference between corporate bonds and MTNs is that corporate bonds are underwritten.

MODIFIERS:

Credit rating agencies use modifiers to denote major rating categories. Moody's append modifiers 1, 2, and 3 to each generic rating. The modifier 1 indicates that the obligation ranks in the higher end; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Standard & Poor's append modifiers with (+) or minus (-) sign to show relative standing within the major rating categories.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):

A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

NEGOTIABLE CERTIFICATES OF DEPOSIT:

Time deposits issued by Federal Deposit Insurance Corporation (FDIC) insured banks and are underwritten by the Financial Industry

Regulatory Authority (FINRA) registered Broker/Dealers. Also known as “DTC Eligible CDs” or “Brokered Deposits”, this type of deposit is offered to investors by issuing institutions looking to raise liquidity and funding through the wholesale and institutional markets.

OPEN MARKET OPERATIONS:

Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), in order to influence the volume of money and credit in the economy. Purchases inject reserves into the banking system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PAR VALUE:

The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in increments of \$1,000 per bond.

PORTFOLIO:

The collection of securities held by an individual or institution.

PRIMARY DEALER:

A group of government securities dealers who submit daily reports of market activity and Positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

PRINCIPAL:

The face or par value of a debt instrument or the amount of capital invested in a given security.

PRUDENT PERSON RULE:

An investment standard: The way a prudent person of discretion and intelligence would be expected to manage the investment program in seeking a reasonable income and preservation of capital.

RANGE BONDS:

Bonds that accrue interest during a particular Interest Period at a fixed or variable rate if a specified index is within a specified range during a designated period of time or at a particular point in time. A Range Bond may not bear interest if the specified index is outside the specified range.

RATE OF RETURN:

- 1) The yield which can be attained on a security based on its purchase price or its current market price.
- 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

REPURCHASE AGREEMENT (RP OR REPO):

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the Agency) with an agreement to repurchase them at a fixed date. The security “buyer” (e.g. the Agency) in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate the “buyer” for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO):

A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

SAFEKEEPING:

A service banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or, if called, on the call date.

SECURITIES:

Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

SECURITIES AND EXCHANGE COMMISSION (SEC):

Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SECONDARY MARKET:

A market for the repurchase and resale of outstanding issues following the initial distribution.

SPREAD:

The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

SUPRANATIONALS:

International organizations whereby member states transcend national boundaries or interests to share in the decision making process and vote on issues pertaining to the wider grouping.

SWAP:

An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

TREASURY BILLS:

A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills

are issued to mature in three months, Six months, or one year.

TREASURY BONDS:

Long-term U. S. Treasury securities.

TREASURY NOTES:

Intermediate-term coupon-bearing U.S. Treasury securities having initial maturities from one year to ten years.

UNDERWRITER:

A dealer that purchased a new issue of municipal securities for resale.

U.S. TREASURY OBLIGATIONS:

Debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

WEIGHTED AVERAGE MATURITY (WAM):

The average maturity of all the securities that comprise a portfolio, typically expressed in days of years.

YIELD:

The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security.

YIELD CURVE:

Yield calculations of various maturities of instruments of the same quality at a given time to observe spread differences.

ZERO-INTEREST BOND

A bond on which interest is not payable until maturity (or early redemption), but compounds Periodically to accumulate to a state maturity amount. Zero-interest bonds are typically issued at a discount and repaid at par upon maturity.

CERTIFICATION OF UNDERSTANDING

I hereby certify that I have personally read Inland Empire Utilities Agency’s (IEUA) Investment Policy and the California Government Code pertaining to the investments of the IEUA.

I will disclose to the IEUA any potential risks or conflicts with the Investment Policy that might arise out of business transactions between my firm and the IEUA.

I will undertake reasonable efforts to prevent imprudent transactions involving funds of the IEUA and will endeavor to keep familiar with the IEUA’s investment objectives and constraints, as they exist from time to time.

I will only offer investments for the IEUA’s consideration that are in conformity to the IEUA’s Investment Policy.

I attest to the accuracy of the responses to the IEUA’s questionnaire.

NOTE: Completion of the attached questionnaire is only part of Inland Empire Utilities Agency’s certification process and DOES NOT guarantee that the our financial institution will be guaranteed any portion of the investment business with Inland Empire Utilities Agency.

FIRM NAME _____

PRINTED NAME: _____

SIGNATURE: _____

DATE _____

INLAND EMPIRE UTILITIES AGENCY
OFFICE OF THE CHIEF FINANCIAL OFFICER/AGM OR GENERAL MANAGER
BROKERS/DEALERS QUESTIONNAIRE AND CERTIFICATION

Please fill out form and return to Inland Empire Utilities Agency

1. Name of Firm _____

2. Address _____

(Local)

(National Headquarters)

3. Telephone No. _____

4. Primary Representatives:
Name _____

Telephone _____

Years in institutional sales _____

Years with firm _____

Manager/Partner-In-Charge:
Name _____

Telephone _____

Years in institutional sales _____

Years with firm _____

5. Are you a Primary Dealer in U.S. Government Securities? Yes No

6. Are you a Regional Dealer in U.S. Government Securities? Yes No

7. Are you a Broker instead of a Dealer?
i.e., You DO NOT own positions of Securities? Yes No

8. What is the net capitalization of your firm? _____

9. What is the date of your fiscal year-end? _____

10. Is your firm owned by a holding company? If so, what is its name and net capitalization?

11. Please provide your wiring and delivery instructions. _____

12. Which of the following instruments are offered regularly by your local desk?

T- Bills Treasury Notes/Bonds Discount Notes NCD's

Agencies (specify) _____

13. Which of the above does your firm specialize in marketing?

14. Please identify your most directly comparable Local Agency Clients in our geographical area:

Entity	Contact Person	Telephone	Client Since
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

15. What reports, transactions, confirmations and paper trail would we receive?

16. Please include samples of research reports or market information that your firm regularly provides to local agency clients.

17. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors? _____

18. Have you or your Firm been censured or punished by a regulatory State or Federal agency for improper or fraudulent activities, related to the sale of securities? Yes No

19. If yes, explain. _____

20. Attach certified documentation of your capital adequacy and financial solvency. In addition, an audited financial statement must be provided within 120 days of your fiscal year-end. (Copy of a Published Financial Statement)

21. Attach proof of Financial Industry Regulatory Authority (FINRA) certification.

22. Attach proof of California Department of Securities Registration.

23. Attach proof of Securities and Exchange Commission registration.

24. Attach proof of adequate insurance coverage.

25. Are you listed under GFOA Yield Advantage? Yes No

12. Has there been a period during the past five years when time deposits of the Bank/Savings and Loan have not been fully collateralized? If yes, explain

13. What is the education level of the primary contact(s)? _____
14. How many years of related experience does the primary contact(s) have?

15. What other banking services would you be interested in providing Inland Empire Utilities Agency? _____
16. What transaction documents and reports would we receive? _____

17. What information would you provide to our Chief Financial Officer/AGM or General Manager? _____
18. Describe the precautions taken by your Bank/Savings and Loan to protect the interest of the public when dealing with government agencies as depositors of investors.

19. Please provide your Contract of Deposit of Monies pre-signed and sealed by your institution, as well as any signature cards that you may require.
20. Please provide your wiring instructions. _____

21. Please provide your Bank/Savings and Loan most current audited financial statements. (Copy of Published Financial Statement).
22. Please attach biographical information for your representative.

**INLAND EMPIRE UTILITIES AGENCY
OFFICE OF THE CHIEF FINANCIAL OFFICER/AGM OR GENERAL MANAGER**

Authorized Brokers/Dealers

The following brokers/dealers are authorized to provide investment services to the IEUA, in accordance with the IEUA's Investment Policy:

1. BOK Financial Asset Management, Inc.
2. Higgins Capital Management
3. Ladenburg Thalmann & Co., Inc.
4. Multi-Bank Securities, Inc.
5. Oppenheimer & Co. Inc.
6. UBS Financial Services Inc.
7. Wedbush Morgan Securities, Inc.

Attachment 5

Agency

Reserve

Policy

INLAND EMPIRE UTILITIES AGENCY
RESERVE POLICY
May 2016

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INLAND EMPIRE UTILITIES AGENCY
RESERVE POLICY
May 2016

Policy Statement

The Inland Empire Utilities Agency (Agency or IEUA) has historically maintained fund reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. As a regional provider of essential public services and with an extensive investment in public infrastructure, operating facilities, other related assets; the Agency must establish and maintain a prudent level of reserves to meet its commitment to deliver reliable and high quality essential services to its customers. In addition, by maintaining prudent reserves the Agency has the necessary financial flexibility to effectively respond to economic, environmental and regulatory changes, protect its customers against reducing service levels or raising rates and fees because of temporary revenue shortfalls or unforeseen one-time expenditures, and support the Agency's Business Goals.

Purpose of Policy

The policy directives outlined in this document are intended to ensure fund reserves support the Agency's Business Goals adopted by the Board in October 2013, in particular its commitment to *"preserve fund reserves that sustain the Agency's long term fiscal health, high quality credit rating and ensure its ability to effectively address economic variability"*.

The Agency is committed to ensure its customers benefit from reliable, sustainable and high quality water supplies and cost-effective wastewater collection, treatment, and reuse services. Given the direct impact these essential services have to public health and the overall quality of life, very few options exist, if any, for service reduction levels in the event of revenue shortfalls or other funding deficiencies. In recognition of these realities, and consistent with best practices, the Agency has prudently established reserves to ensure delivery of these essential services.

The IEUA Board of Directors (Board) may designate specific reserves and set minimum and target balances to support the various funds (programs) that account for its water, wastewater treatment, recycled water and other activities. Establishing and maintaining adequate reserves for the various programs minimizes the risk of significant fluctuation in rates and charges due to changes, such as a shortfall in revenues or unanticipated expenses.

As an issuer of revenue bonds and recipient of low interest loans, the Agency is committed to its contractual obligation to pay debt service and other financial obligations as imposed by bond covenants and loan agreements. In addition, adequate reserves directly affect the Agency's credit rating and access to more favorable interest rate debt markets resulting in lower borrowing costs. Sustainment of high quality credit rating will ensure the Agency's ability to finance construction, expansion, and improvement of facilities and infrastructure to meet higher service demands from future growth. The Agency is committed to improving its long term credit to AAA and maintaining a debt coverage ratio that supports such rating. (Business Goal: Fiscal Responsibility).

INLAND EMPIRE UTILITIES AGENCY
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May 2016

Roles and Responsibilities

The Reserve Policy shall be adopted by the Board of Directors and reviewed annually during the budget review process to ensure appropriate use of reserve funds and modification of targeted reserve balances for the various funds (programs). The Agency's Chief Financial Officer/Assistant General Manager (CFO/AGM) shall serve as the designated administrator of the Reserve Policy and shall be responsible for the day-to-day implementation and management.

Types of Reserves

Reserve balances shall be maintained in amounts sufficient to meet appropriate reserve targets, as established by the Board, in cash and/or cash equivalents, and permitted investments as prescribed in the Agency's Investment Policy. The Agency classifies reserves into three major categories as follows:

- **Restricted reserves** – Funds maintained based on externally-imposed restrictions from federal and state regulatory requirements, or legal restrictions imposed by third parties, (example, bondholders) through bond indentures or other contractual agreements (example: Regional Sewage Service Contract).
- **Designated reserves** – Board imposed restrictions on funds for Agency specific purposes such as mitigating risk from the Agency's self-insurance programs and financing replacement and rehabilitation (R&R) of Agency assets. These funds are not legally restricted. In the event of emergency, the Board has the discretion to reassign the spending from the reserve.
- **Unrestricted reserves** – The internal policy of the Agency requires maintenance of adequate undesignated (unrestricted) reserves to finance requirements such as investment in capital and operational efficiencies, payment of unfunded accrued liabilities for retirement benefits, and refunding of high interest debt obligations. Funds in these reserves are available for spending with no legal, regulatory, or Board imposed restrictions.

For each of the reserves, the Agency has identified a purpose, appropriate target levels, funding sources, conditions under which they are to be used and replenished, and review dates for determining continued need. Any reserves in excess of the cumulative target amounts will be considered undesignated funds which can be used for any lawful purpose at the discretion of the Board of Directors.

INLAND EMPIRE UTILITIES AGENCY
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RESERVED (RESTRICTED) FUND BALANCES

Operating Contingency Reserve

Purpose: The Agency is committed to providing wastewater collection, treatment, disposal, optimizing beneficial use of recycled water and biosolids, and regional conservation and water use programs. The Agency strives to provide and maintain a rate structure that is affordable, stable and fully covers the fund (program) cost of service. However, unforeseen shortfalls in revenues or increases or operating costs require that the Agency periodically adjust rates and charges to achieve full cost of service recovery. This reserve is intended to minimize rate fluctuations as a result of unfavorable economic conditions or other factors beyond the control of the Agency that may result in reduced revenues or increased costs.

The Agency shall maintain an operating contingency reserve equal to a minimum of four (4) months, as mandated by legal requirements, and a target of six (6) months of total operating expenses as identified in the adopted budget for the current fiscal year. This level of reserve will provide customers and outside parties assurance that the Agency can operate for at least four months despite a significant shortfall in revenues or unplanned increase in expenses. The target level minimizes the risk of significant rate fluctuations as a result of unforeseen events.

Usage Requirements: This reserve can only be drawn upon if the Agency's operating revenues are not sufficient to pay operating expenses. Draws from these reserves shall be replenished within twelve months after use.

Target Level: The target level for Operating Contingency Reserve levels shall be maintained at a minimum of four (4) months, as mandated by legal requirements, and a target of six (6) months of the fund (program) adopted operating expenses for the current fiscal year.

Funding Source: Operating Contingency Reserve will be funded from net system revenues, (total operating revenues less total operating expenses).

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's operations and maintenance (O&M) and capital budget.

Debt Service Reserves

Purpose: As required by bond covenants and loan agreements, debt service reserves are maintained to support payment of principal and interest on outstanding obligations.

Usage Requirements: Debt service reserves will only be used to pay debt service costs when pledged net revenues (as defined in the relevant debt instruments) are insufficient to meet the principal and interest payments.

INLAND EMPIRE UTILITIES AGENCY
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Target Level: The target is equal to the highest annual debt service cost in the ensuing five (5) years. The minimum target will be funded to meet reserve requirements.

Funding Source: Includes one or combination of system revenues, property tax receipts, and/or restricted debt service accounts established as part of the original debt issuance.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

Water Connection Reserves

Purpose: Water Connection reserves are restricted accounts established by the Agency to hold new water connection fees collected in the Agency's service area, in accordance with the ordinance on Water Connection Fees, Class of Water Service and Regulating the Sale and Delivery of Water within the Inland Empire Utilities Agency Service Area Water Ordinance (Water Ordinance).

Usage Requirements: Pursuant to the Water Ordinance, funds in this reserve are restricted to support capital acquisition, construction, equipment and process improvement costs, and related financing for the Agency's water and recycled water systems. The Agency collects the water connection fees and finances capital projects, as needed in the Water Resources (WW) Fund and Recycled Water (WC) Fund, to support the planned Capital Improvement Plan (CIP).

Target Balance: No set target is defined. Water Connection reserve balance will depend on the level of new development and the Agency's funding requirements to support the planned CIP in the WW and WC funds.

Funding Source: New water connections fees collected by the Agency for connection to the Agency's recycled water and water systems.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

DESIGNATED FUND BALANCES

Capital Construction Reserves

Purpose: Capital construction reserve funds are used to finance capital investments such as construction, improvement or expansion of facilities and infrastructure, as well as acquisition of major equipment and technology. The services provided by the Agency are critical to the health and welfare of the citizens within the Agency's service area. The Agency is committed to ensure that systems are managed and constructed so that 90% of capacity is never exceeded (Business Goal; Wastewater Management Capacity). The reserve will include the Capital Capacity

INLAND EMPIRE UTILITIES AGENCY
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Reimbursement Accounts (CCRA) which was established by each of the Agency's "contracting member agencies" to hold new EDU connections fees collected in their respective service area, in accordance with the Regional Sewage Service Contract (Regional Contract).

Usage Requirements: Accessed, as needed, to fund capital investments based on the Agency's TYCIP and other long term planning documents including but not limited to: the Asset Management Plan, Integrated Resources Plan, Recycled Water Plan, Wastewater Facilities Master Plan, and Energy Plan.

Pursuant to the Regional Contract, CCRA funds, included in this reserve, are restricted to support capital acquisition, construction, equipment and process improvement costs, and related financing for the Agency's regional wastewater system. The Agency draws, or "calls", CCRA funds from member agencies as needed to support capital expenditures in the Regional Wastewater Capital Improvement (RC) fund, if and when, capital construction reserves held by the Agency are not sufficient.

Target Balance: The maximum target level will be reviewed annually and each program fund can apply one of the following options to calculate the target reserve in reference to the program fund's CIP costs and funding support (e.g. bond or loan proceeds):

- a) Maximum target level is equal to ten year average of CIP times three (3) fiscal year, or
- b) Maximum target level is equal to ten year average of pay-go times three (3) fiscal years, as identified in the TYCIP. Pay-go for capital construction is CIP costs net of bond or loan proceeds.

The minimum target level is equal to ten year average of CIP costs.

Funding Source: Combination of system revenues generated from rates and user charges, property tax receipts, debt proceeds issued to finance specific capital investments, and new EDU connections fees collected by each contracting member agency for connection to the Agency's regional wastewater system.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

Replacement and Rehabilitation (R&R) Reserves

Purpose: Maintaining assets in an operating condition to meet the Agency's level of service commitment to provide reliable and high quality services requires timely and adequate investment in replacement and rehabilitation (R&R) of Agency assets. R&R is defined as an expense which will extend, as opposed to maintain, an asset's useful life. The basis for R&R requirements will be end of useful life and condition assessments conducted by Engineering,

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Maintenance and Operations and reported in Asset Management Report updated every 3 to 5 years. The Agency's ultimate goal is finance planned R&R requirements with user rates and charges. This goal is consistent with the Regional Sewage Service Contract which requires the volumetric EDU rate to fully support operating, administration and R&R costs for the regional wastewater program.

Usage Requirements: As needed to finance unplanned R&R requirements, including R&R requirements identified in the Agency's asset management report but scheduled in subsequent fiscal years.

Target Balance: The maximum target level will be reviewed annually and can apply one of the following options to calculate the target reserve in reference to the program fund's R&R costs and funding support (e.g. bond or loan proceeds):

- a) Maximum target level is equal to ten year average of R&R costs times three (3) fiscal year, or
- b) Maximum target level is equal to ten year average of R&R pay-go times three (3) fiscal years, as identified in the TYCIP. Pay-go is R&R costs net of bond or loan proceeds.

The minimum target will be the total ten year average R&R costs.

Funding Source: System revenues generated from rates and user charges, net of operating costs and debt service costs.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

Self-Insurance Program Reserve

Purpose: An exposure/liability reserve shall be maintained for costs not covered by the Agency's insurance policies, such as claim costs within the Agency's deductibles, self-insurance retentions, and/or costs associated with disasters, and other events that are not reimbursable from insurance. The reserve shall also provide funding to mitigate various catastrophic and other events that may or may not be covered by insurance. These events may include, but are not limited to; legal settlements, terrorist attacks, natural disasters, such as earthquakes, and severe weather storms.

Additionally, the Agency has elected to self-insure for potential workers' compensation claims. With a workforce of nearly 300, the Agency's exposure to work-related injuries increases.

Usage Requirements: Accessed as needed for non-recoverable expenses associated with claims against the Agency. In the event of a claim in excess of policy limitations and available operating funds, the reserve will be used to satisfy that claim. In the event of a workers'

INLAND EMPIRE UTILITIES AGENCY
RESERVE POLICY
May 2016

compensation claim(s) in excess of policy limitations and available operating funds, the reserve will be used to satisfy the claim and/or to pay legal expenses defending the claim

Target Level: The target level will be set at \$6 million, including \$1,000,000 maximum exposure per occurrence for workers compensation claim.

Funding Source: Property tax receipts allocated to the Administrative Services (GG) fund and inter-fund transfers from other funds, as needed.

Review Date: Fund balance to be analyzed by Risk Management every two years to determine an appropriate funding level.

Water Resources Capital Reserve

Purpose: This reserve will support investment in regional water resources projects and supplemental water purchases for purposes of increasing water use efficiency, water quality, water reliability and water sustainability in the Chino Basin (Business Goal: Water Reliability). Projects include but is not limited to; regional water storage, related infrastructure and investments.

Usage Requirements: Finance regional water resource management projects identified in the Agency's long term planning documents, such as; Integrated Resources Plan (IRP), Urban Water Management Plan (UWMP), and Water Use Efficiency Business Plan (WUEBP)

Target Level: A minimum target level of \$10 million and a target level of \$30 million.

Funding Source: Combination of water connection fees, property tax receipts, net proceeds from the sale of supplemental water, and inter-fund loans, as needed.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

Sinking Fund Reserve

Purpose: Sinking fund reserves are the systematic accumulation of funds set aside for a specified time frame for the specific purpose of funding major capital projects that cannot be funded by rates/fees or issuance of new debt. These funds are restricted to support the anticipated costs related to the planned rehabilitation of Regional Plant No. 1, future decommissioning of Regional Plant No. 2, or prepayment of debt. Reserves can be used for the design, capital acquisition, construction, equipment and process improvement costs and debt defeasance.

Usage Requirements: This reserve can only be drawn upon for the designated purpose for which it was established, unless otherwise approved by the Board of Directors.

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Target Level: The maximum target balance in the Sinking Fund Reserves shall be determined based on the designated capital needs as approved by Agency's Board of Directors.

Funding Source: Sinking Fund Reserve will be funded by property tax receipts and if needed, rates and charges.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's operations and maintenance (O&M) and capital budget.

UNDESIGNATED FUND BALANCES

Employee Retirement Benefit Reserve

Purpose: The Agency provides postemployment pension and medical benefits to eligible employees who retire from the Agency. For pension benefits, the Agency contributes to a defined benefit pension plan under the California Pension Employees' Retirement System (CalPERS). CalPERS is also the provider of retiree medical coverage benefits, which is referred to as other post-employment benefits (OPEB).

Like most public Agencies, the Agency is facing growing unfunded accrued liabilities (UALs) for postretirement benefits. A key objective of the Agency is to develop a funding strategy to fully fund UALs over an appropriate period of time in order to safeguard retiree benefits and the Agency's financial health.

Usage Requirements: To mitigate the impact of annual increase of the annual contribution amounts in excess of the budgeted amount

Target Level: This minimum target amount will be set at \$6 million and increased annually up to the target level. The target level will be adjusted based on the total Annual Required Contribution (ARC) amount budgeted in the subsequent fiscal year.

Funding Source: Combination of property tax receipts and indirect allocation of employment costs across all Agency funds (programs) from the Administrative Services (GG) fund.

Review Timeline: Reserves will be adjusted in conjunction with the annual actuarial valuation updates for pension and biennially for OPEB

Attachment 6

PFM

Quarterly

Reports

Market Update

SUMMARY

- Despite mixed economic data, and political and policy difficulties in the U.S., market conditions were characterized by investor optimism amid very low volatility. Bond yields were relatively well behaved during the quarter, credit spreads narrowed further, and equity markets moved higher still.
- For the second time this year, the Federal Open Market Committee (FOMC) raised the federal funds rate by 0.25%, setting a new target range of 1.00% to 1.25% for the overnight benchmark rate. The FOMC's latest economic forecasts and "dot plot" were largely unchanged. The Federal Reserve (the Fed) is still forecasting one more rate hike this year, although market-implied probabilities show only about a 50% chance of a hike in the second half of the year.
- Perhaps just as important, the Fed announced plans to gradually reduce the size of its balance sheet by decreasing its reinvestment of principal payments on existing holdings. The reduction will be \$10 billion per month, initially, and will increase in steps of \$10 billion per month at three-month intervals until it reaches \$50 billion per month. The specific timetable is likely to be announced later this year.
- U.S. equity markets had another strong quarter. In the past three months, all three major U.S. indices hit new all-time highs. The S&P 500 Index (S&P 500) returned 3.1% and is up 9.3% for the first half of the year. The Health Care and Industrial sectors were the strongest performers during the quarter.

ECONOMIC SNAPSHOT

- U.S. economic data released in June was below expectations. While business investment accelerated, it was partly offset by weak consumer spending and a slowdown in government spending and inventories. On the positive side, the labor market remained strong, consumer confidence remained high, business surveys were optimistic, and the housing market returned to near pre-crisis levels. Second quarter gross domestic product (GDP) growth is expected to show a rebound from the weak 1.4% growth rate of the first quarter.
- The labor market remained strong in the second quarter as the U.S. economy added 581,000 net new jobs, the most since the third quarter of 2016. The unemployment rate declined to a 16-year low, ending the quarter at 4.4%, but the labor force participation rate remained suppressed. At the same time, wage growth remained tepid as average hourly earnings rose only 2.5% year-over-year (YoY) in June. The lack of wage pressures—a key driver of inflation—seems to indicate further slack remains in the labor market despite strong job gains.

INTEREST RATES

- Short-term (three years and under) yields ended the second quarter higher, reflecting the Fed's June rate hike, while medium- to long-term yields declined amid subdued inflation expectations and fading prospects for near-term stimulus from tax reform or infrastructure spending.
- The two-year Treasury note yield ended the quarter 13 basis points (bps) (0.13%) higher at 1.38%, while the 10-year Treasury yield fell 8 bps (0.08%) to 2.30%. The result was a notably flatter yield curve, which reduced the incentive to invest in longer maturities.
- In the money market space, shorter-term Treasury yields continued to rise, reflecting the Fed's June rate hike, but beyond 6-month maturities, yields flattened out. Yield spreads on commercial paper (CP) and certificates of deposit (CD) relative to U.S. Treasuries continued to narrow from their exceptionally wide levels of late 2016 and early 2017. CP/CD spreads now offer only modest incremental yield, similar to long-standing averages, and are considered fair value.

SECTOR PERFORMANCE

- U.S. Treasury indices posted positive returns in the second quarter. Returns for shorter indices were generated mostly by income, offset by modest price depreciation as yields on shorter maturities increased. Returns on longer Treasury indices were quite strong, benefitting from both income return and price appreciation from falling long-term rates and a flattening yield curve.
- Federal agency yield spreads tightened during the quarter as demand continued to outpace supply. The sector modestly outperformed comparable-duration Treasuries for the fourth quarter in a row.
- Corporate yield spreads tightened further during the quarter, reaching their narrowest levels since 2014 as the reach for yield continued globally. The sector generated strong outperformance relative to comparable-maturity Treasuries, its seventh straight quarter of outperformance.
- Shorter-duration mortgage-backed securities (MBS) outperformed Treasuries, but longer-duration structures could not keep pace. MBS remains at risk from the expected reduction in the Fed's balance sheet holdings later this year.
- For the second quarter in a row, asset-backed securities (ABS) posted strong outperformance versus Treasuries. Spreads across nearly all credit sectors tightened, including ABS.

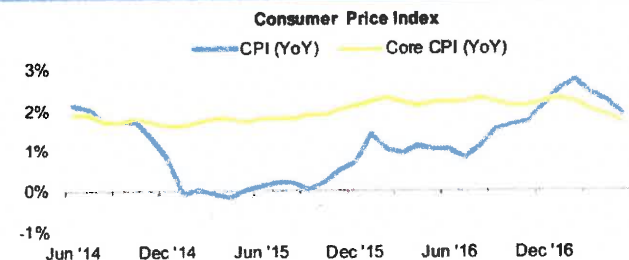
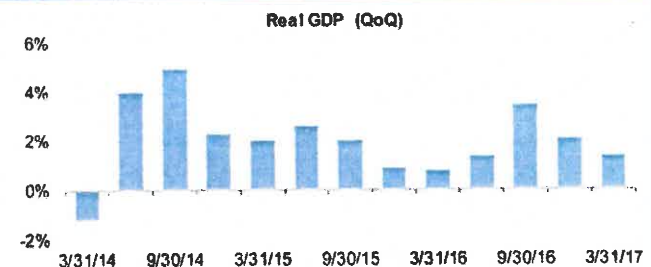
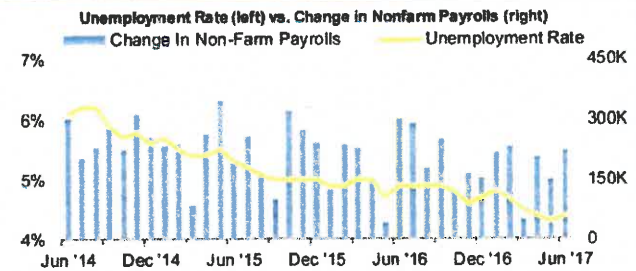
QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market		Latest	Mar '17	Jun '16
Unemployment Rate	Jun'17	4.4%	4.5%	4.9%
Change In Non-Farm Payrolls	Jun'17	222,000	50,000	297,000
Average Hourly Earnings (YoY)	Jun'17	2.5%	2.6%	2.6%
Personal Income (YoY)	May'17	3.5%	3.9%	3.4%
Initial Jobless Claims (week)	7/1/17	248,000	235,000	267,000

Growth		Latest	Mar '17	Jun '16
Real GDP (QoQ SAAR)	2017Q1	1.4%	1.4% ¹	1.4% ²
GDP Personal Consumption (QoQ SAAR)	2017Q1	1.1%	1.1% ¹	4.3% ²
Retail Sales (YoY)	May'17	3.8%	4.8%	3.0%
ISM Manufacturing Survey (month)	Jun'17	57.8	57.2	52.8
Existing Home Sales SAAR (month)	May'17	5.62 mil.	5.70 mil.	5.48 mil.

Inflation / Prices		Latest	Mar '17	Jun '16
Personal Consumption Expenditures (YoY)	May'17	1.4%	1.8%	0.9%
Consumer Price Index (YoY)	May'17	1.9%	2.4%	1.0%
Consumer Price Index Core (YoY)	May'17	1.7%	2.0%	2.2%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$46.04	\$50.60	\$48.33
Gold Futures (oz.)	Jun 30	\$1,242	\$1,247	\$1,321



1. Data as of First Quarter 2017.

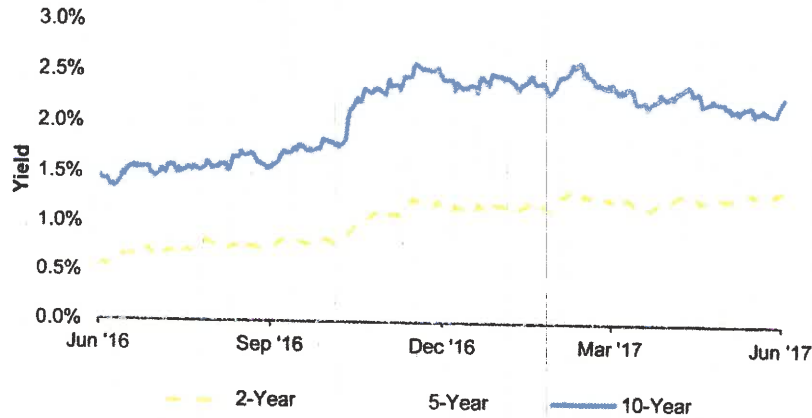
2. Data as of Second Quarter 2016.

Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

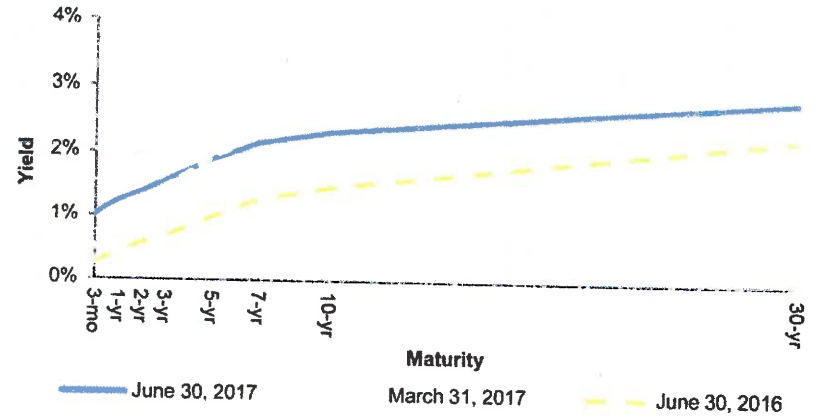
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



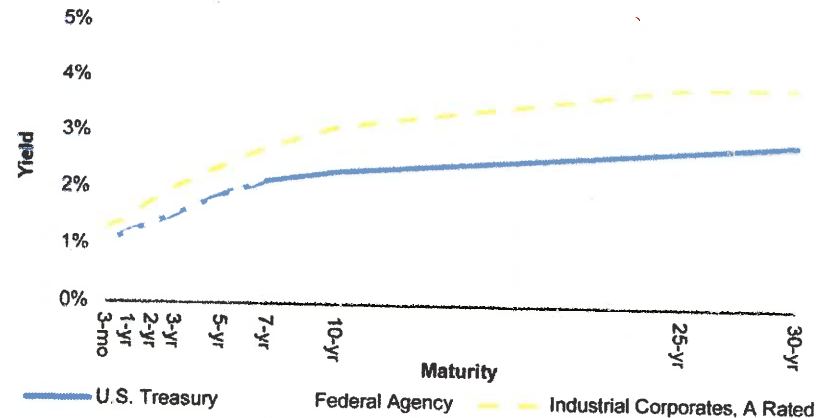
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jun '17	Mar '17	Change over Quarter	Jun '16	Change over Year
3-month	1.01%	0.75%	0.26%	0.26%	0.75%
1-year	1.23%	1.02%	0.21%	0.44%	0.79%
2-year	1.38%	1.26%	0.12%	0.58%	0.80%
5-year	1.89%	1.92%	(0.03%)	1.00%	0.89%
10-year	2.31%	2.39%	(0.08%)	1.47%	0.84%
30-year	2.84%	3.01%	(0.17%)	2.29%	0.55%

Yield Curves as of 6/30/17



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

BofA Merrill Lynch Index Returns

	As of 6/30/17		Returns for Periods ended 6/30/17		
June 30, 2017	Duration	Yield	3-month	1-year	3-years
1-3 Year Indices					
U.S. Treasury	1.89	1.40%	0.17%	(0.11%)	0.69%
Federal Agency	1.78	1.48%	0.25%	0.25%	0.83%
U.S. Corporates, A-AAA rated	1.95	1.95%	0.55%	1.04%	1.43%
Agency MBS (0 to 3 years)	2.25	1.88%	0.60%	0.35%	1.15%
Taxable Municipals	1.74	2.34%	0.34%	1.20%	1.77%
1-5 Year Indices					
U.S. Treasury	2.69	1.54%	0.38%	(0.53%)	1.08%
Federal Agency	2.24	1.58%	0.37%	0.06%	1.10%
U.S. Corporates, A-AAA rated	2.80	2.16%	0.84%	0.99%	1.91%
Agency MBS (0 to 5 years)	3.33	2.32%	0.66%	0.04%	1.65%
Taxable Municipals	2.65	2.41%	0.56%	0.88%	2.27%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.36	1.91%	1.22%	(2.45%)	2.20%
Federal Agency	3.99	1.87%	0.88%	(0.35%)	1.88%
U.S. Corporates, A-AAA rated	7.16	2.91%	2.21%	0.98%	3.49%
Agency MBS (0 to 30 years)	4.69	2.76%	0.90%	(0.03%)	2.15%
Taxable Municipals	4.18	2.86%	0.94%	(0.16%)	2.74%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices.

DISCLOSURES

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


**CONSENT
CALENDAR
ITEM**

2E

Date: December 20, 2017

To: The Honorable Board of Directors
Committee:


From: Halla Razak, General Manager

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM
Subject: Policy for Disclosure Procedures

Executive Summary:

The Policy for Disclosure Procedures (Procedures) was first adopted by the Board of Directors in May 2014 to ensure compliance with all applicable disclosure obligations and requirements under the federal securities laws in connection with obligations, including notes, bonds, certificates of participation, issued by the Agency.

In preparation of the 2008A Revenue Bonds refunding completed in January 2017, the Procedures policy was updated to further clarify actions and processes related to the preparation and content of the Preliminary Official Statement (POS) and final Official Statement (OS), as well as require the Procedures be provided to staff involved in the Agency's disclosure obligations. The updated Procedures was to be adopted by the Board along with approval of the Continuing Disclosure Certificate provided to the Underwriter on December 21, 2016. As recommended by the Agency's bond counsel, adoption of the updated Policy for Disclosure Procedures effective December 21, 2016 will allow for submittal to the Underwriter as stated in the Refunding Revenue Bonds, Series 2017A. Attached are copies of the "blackline" and final versions of the Policy for Disclosure Procedures for your review.

Staff's Recommendation:

Adopt the updated Policy for Disclosure Procedures effective December 21, 2016.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On May 21, 2014, the Board of Directors adopted the Disclosure Procedures Policy.
On December 21, 2016 the Board of Directors approved the Continuing Disclosure Certificate.

Environmental Determination:

Not Applicable

Business Goal:

The Policy for Disclosure Procedures supports the IEUA Business Goal of Fiscal Responsibility to ensure compliance with all applicable disclosure obligations and requirements in support of improving the Agency's credit rating to reduce future borrowing costs.

Attachments:

Attachment 1 - Policy for Disclosure Procedures_FINAL
Attachment 2 - Blackline_Policy for Disclosure Procedures

Attachment 1

Policy for Disclosure Procedures

INLAND EMPIRE UTILITIES AGENCY

POLICY FOR DISCLOSURE PROCEDURES

PURPOSE

The purpose of these Disclosure Procedures (the “Procedures”) is to memorialize and communicate key principles and procedures in connection with obligations, including notes, bonds and certificates of participation, issued by the Inland Empire Utilities Agency (the “Agency”) so as to ensure that the Agency continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

BACKGROUND

The Agency from time to time issues certificates of participation, revenue bonds, notes or other obligations (collectively, “Obligations”) in order to fund or refund capital investments, other long-term programs and working capital needs. Such obligations typically issued through the Chino Basin Regional Financing Authority (the “Authority”), although certain Obligations are incurred directly by the Agency. In offering Obligations to the public, and at other times when the Agency makes certain reports, the Agency must comply with the “anti-fraud rules” of federal securities laws. (“Anti-fraud rules” refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly “Rule 10b-5” under the 1934 Act.)

The core requirement of these rules is that investors and potential investors in Obligations must be provided with all “material” information relating to the offered Obligations. The information provided to investors and potential investors must not contain any material misstatements, and the Agency and the Authority must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the Agency’s financial condition. In the context of the sale of securities, a fact is generally considered to be “material” if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered or alter the total mix of available information.

When the Agency or Authority issues Obligations, the two central disclosure documents which are prepared are a preliminary official statement (“POS”) and a final official statement (“OS”, and collectively with the POS, “Official Statement”). The Official Statement generally consists of (i) the forepart (which describes the specific transaction including maturity dates, interest rates, redemption provisions, the specific type of financing, the leased premises (in certificate of participation financings) and other matters particular to the financing, (ii) a section which provides information on the Agency, including its financial condition as well as certain operating information (“Agency Section”), and (iii) various other appendices, including the Agency’s audited financial report, form of the proposed legal opinion, and form of continuing disclosure undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

DISCLOSURE PROCESS

When the Agency determines to issue Obligations directly or through the Authority, the Agency Chief Financial Officer requests the involved departments to commence preparation of the portions of the Official Statement (including particularly the Agency Section) for which they are responsible. While the general format and content of the Official Statement does not normally change substantially from offering to offering, except as necessary to reflect major events, the Agency Chief Financial Officer is responsible for reviewing and preparing or updating certain portions of the Agency Section which are within their particular area of knowledge. Once the Official Statement has been substantially updated, the entire Official Statement is shared with the General Manager for review and input. Additionally, all participants in the disclosure process are separately responsible for reviewing the entire Official Statement.

Members of the financing team, including the Bond Counsel and the Agency's Financial Advisor with respect to the Obligations, assist staff in determining the materiality of any particular item, and in the development of specific language in the Agency Section. Members of the financing team also assist the Agency in the development of a "big picture" overview of the Agency's financial condition, included in the Agency section. This overview highlights particular areas of concern. Bond Counsel has a confidential, attorney-client relationship with officials and staff of the Agency and the Authority.

The Chief Financial Officer or a member of the financing team at the direction thereof schedules one or more meetings or conference calls of the financing team (which includes Agency officials, Bond Counsel, the Agency's Financial Advisor, the underwriter of the Obligations, and the underwriter's counsel), and new drafts of the forepart of the Official Statement and the Agency Section are circulated and discussed. Such communications may occur via electronic means rather than by meetings or conference calls. During this part of the process, there is substantial contact among Agency staff and other members of the financing team to discuss issues which may arise determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

Prior to distributing a POS to potential investors, there is typically a formal conference call which includes Agency officials involved in the preparation of the POS, members of the financing team and the underwriters and the underwriter's counsel, during which the POS is reviewed in its entirety to obtain final comments and to allow the underwriters to ask questions of the Agency's senior officials. This is referred to as a "due diligence" meeting.

A substantially final form of the POS is provided to the Authority and Agency Boards of Directors in advance of approval to afford the Boards of Directors an opportunity to review the POS, ask questions and make comments. The substantially final form of the POS is approved by the Boards of Directors which generally authorizes certain senior staff to make additional corrections, changes and updates to the POS in consultation with General Counsel and Bond Counsel.

At the time the POS is posted for review by potential investors, senior Agency and Authority officials execute certificates deeming certain portions of the POS complete (except for certain pricing terms) as required by SEC Rule 15c2-12.

Between the posting of the POS for review by potential investors and delivery of the final OS to the underwriter for redelivery to actual investors in the Obligations, any changes and developments will have been incorporated into the POS, including particularly the Agency Section, if required. If necessary to reflect developments following publication of the POS or OS, as applicable, supplements will be prepared and published.

In connection with the closing of the transaction, one or more senior Agency and Authority officials execute certificates stating that certain portions of the OS, as of the date of each OS and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the OS in light of the circumstances under which they were made, not misleading. General Counsel also provides an opinion letter advising the^Δ underwriters that information contained in the section of the OS relating to the Agency and the Authority and its operations (or specified portions thereof) as of its date did not, and as of the date of the closing, does not contain any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. General Counsel does not approve to any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, and certain other customary matters.

AGENCY SECTION

The information contained in the Agency Section is developed by personnel under the direction of the Chief Financial Officer, with the assistance of the financing team. In certain circumstances, additional officials will be involved, as necessary. The following principles govern the work of the respective staffs that contribute information to the Agency Section:

- Agency staff involved in the disclosure process is responsible for being familiar with its responsibilities under federal securities laws as described above.
- Agency staff involved in the disclosure process should err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff are encouraged to consult General Counsel, Bond Counsel or members of the financing team if there are questions regarding whether an issue is material or not.
- Care should be taken not to shortcut or eliminate any steps outlined in the Procedures on an ad hoc basis. However, the Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the Agency should consider revisions to the Procedures.
- The process of updating the Agency Section from transaction to transaction should not be viewed as being limited to updating tables and numerical information. While it is not anticipated that there will be major changes in the form and content of the Agency Section at the time of each update, everyone involved in the process should consider the need for revisions in the form, content and tone of the sections for which they are responsible at the time of each update.

- The Agency must make sure that the staff involved in the disclosure process is of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the Agency, its operations and its finances.

TRAINING

The Procedures shall be provided to all members of senior staff and any other member of the Agency staff that is involved in the Agency's disclosure obligations.

Periodic training for the staff involved in the preparation of the Official Statement (including the Agency Section) is coordinated by the finance team and the Chief Financial Officer. These training sessions are provided to assist staff members involved in identifying relevant disclosure information to be included in the Agency Section. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement and the Agency Section, a description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions are provided the opportunity to ask questions of finance team members, including Bond Counsel concerning disclosure obligations and are encouraged to contact members of the finance team at any time if they have questions.

ANNUAL CONTINUING DISCLOSURE REQUIREMENTS

In connection with the issuance or execution and delivery of Obligations, the Agency has entered into a number of contractual agreements ("Continuing Disclosure Certificates") to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. The Agency must comply with the specific requirements of each Continuing Disclosure Certificate. The Agency's Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the Agency's fiscal year, and event notices are generally required to be filed within 10 days of their occurrence.

Specific events which require "material event" notices are set forth in each particular Continuing Disclosure Certificate.

The Chief Financial Officer shall be responsible for preparing and filing the annual reports and material event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

CERTIFICATION AND RECEIPT OF UNDERSTANDING

I certify that I have received a copy of the Inland Empire Utilities Agency Policy for Disclosure Procedures. I have reviewed and understand its contents and agree to abide by the principals and requirements in the Disclosure Procedures.

Name:

Date:

Attachment 2

Blackline_Policy for Disclosure Procedures

INLAND EMPIRE UTILITIES AGENCY
POLICY FOR DISCLOSURE PROCEDURES

PURPOSE

The purpose of these Disclosure Procedures (the “Procedures”) is to memorialize and communicate **key principles and** procedures in connection with obligations, including notes, bonds and certificates of participation, issued by the Inland Empire Utilities Agency (the “Agency”) so as to ensure that the Agency continues to comply with all applicable disclosure obligations and requirements under the federal securities laws.

BACKGROUND

The Agency from time to time issues certificates of participation, revenue bonds, notes or other obligations (collectively, “Obligations”) in order to fund or refund capital investments, other long-term programs and working capital needs. Such obligations typically issued through the Chino Basin Regional Financing Authority (the “Authority”), although certain Obligations are incurred directly by the Agency. In offering Obligations to the public, and at other times when the Agency makes certain reports, the Agency must comply with the “anti-fraud rules” of federal securities laws. (“Anti-fraud rules” refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts, particularly “Rule 10b-5” under the 1934 Act.)

The core requirement of these rules is that **investors and** potential investors in Obligations must be provided with all “material” information relating to the offered Obligations. The information provided to investors **and potential investors** must not contain any material misstatements, and the Agency and the Authority must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the Agency’s financial condition. In the context of the sale of securities, a fact is **generally** considered to be “material” if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered **or alter the total mix of available information.**

When the Agency or Authority issues Obligations, the two central disclosure documents which are prepared are a preliminary official statement (“POS”) and a final official statement (“OS”, and collectively with the POS, “Official Statement”). The Official Statement generally consists of (i) the forepart (which describes the specific transaction including maturity dates, interest rates, redemption provisions, the specific type of financing, the leased premises (in certificate of participation financings) and other matters particular to the financing, (ii) a section which provides information on the Agency, including its financial condition as well as certain operating information (“Agency Section”), and (iii) various other appendices, including the Agency’s audited financial report, form of the proposed legal opinion, and form of continuing disclosure undertaking. Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

DISCLOSURE PROCESS

When the Agency determines to issue Obligations directly or through the Authority, the Agency Chief Financial Officer requests the involved departments to commence preparation of the portions of the Official Statement (including particularly the Agency Section) for which they are responsible. While the general format and content of the Official Statement does not normally change substantially from offering to offering, except as necessary to reflect major events, the Agency Chief Financial Officer is responsible

for reviewing and preparing or updating certain portions of the Agency Section which are within their particular area of knowledge. Once the Official Statement has been substantially updated, the entire Official Statement is shared with the General Manager for review and input. Additionally, all participants in the disclosure process are separately responsible for reviewing the entire Official Statement.

Members of the financing team, including the Bond Counsel and the Agency's Financial Advisor with respect to the Obligations, assist staff in determining the materiality of any particular item, and in the development of specific language in the Agency Section. Members of the financing team also assist the Agency in the development of a "big picture" overview of the Agency's financial condition, included in the Agency section. This overview highlights particular areas of concern. Bond Counsel has a confidential, attorney-client relationship with officials and staff of the Agency and the Authority.

The Chief Financial Officer or a member of the financing team at the direction thereof schedules one or more meetings or conference calls of the financing team (which includes Agency officials, Bond Counsel, the Agency's Financial Advisor, the underwriter of the Obligations, and the underwriter's counsel), and new drafts of the forepart of the Official Statement and the Agency Section are circulated and discussed. Such communications may occur via electronic means rather than by meetings or conference calls. During this part of the process, there is substantial contact among Agency staff and other members of the financing team to discuss issues which may arise determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

Prior to distributing a POS to potential investors, there is typically a formal conference call which includes Agency officials involved in the preparation of the POS, members of the financing team and the underwriters and the underwriter's counsel, during which the [△]POS is reviewed in its entirety to obtain final comments and to allow the underwriters to ask questions of the Agency's senior officials. This is referred to as a "due diligence" meeting.

A substantially final form of the POS is provided to the Authority and Agency Boards of Directors in advance of approval to afford the Boards of Directors an opportunity to review the POS, ask questions and make comments. The substantially final form of the POS is approved by the Boards of Directors which generally authorizes certain senior staff to make additional corrections, changes and updates to the POS in consultation with General Counsel and Bond Counsel.

At the time the POS is posted for review by potential investors, senior Agency and Authority officials execute certificates deeming certain portions of the POS complete (except for certain pricing terms) as required by SEC Rule 15c2-12.

Between the posting of the POS for review by potential investors and delivery of the final OS to the underwriter for redelivery to actual investors in the Obligations, any changes and developments will have been incorporated into the POS, including particularly the Agency Section, if required. If necessary to reflect developments following publication of the POS or OS, as applicable, supplements will be prepared and published.

In connection with the closing of the transaction, one or more senior Agency and Authority officials execute certificates stating that certain portions of the [△]OS, as of the date of each OS and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained in the [△]OS in light of the circumstances under which they were made, not misleading. General Counsel also provides an opinion letter advising the [△] underwriters

that information contained in the section of the △OS relating to the Agency and the Authority and its operations (or specified portions thereof) as of its date did not, and as of the date of the closing, does not contain any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. General Counsel does not approve to any financial, statistical, economic or demographic data or forecasts, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, and certain other customary matters.

AGENCY SECTION

The information contained in the Agency Section is developed by personnel under the direction of the Chief Financial Officer, with the assistance of the financing team. In certain circumstances, additional officials will be involved, as necessary. The following principles govern the work of the respective staffs that contribute information to the Agency Section:

- Agency staff involved in the disclosure process is responsible for being familiar with its responsibilities under federal securities laws as described above.
- Agency staff involved in the disclosure process should err on the side of raising issues when preparing or reviewing information for disclosure. Officials and staff are encouraged to consult General Counsel, Bond Counsel or members of the financing team if there are questions regarding whether an issue is material or not.
- Care should be taken not to shortcut or eliminate any steps outlined in the Procedures on an ad hoc basis. However, the Procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. If warranted, based on experience during financings or because of additional SEC pronouncements or other reasons, the Agency should consider revisions to the Procedures.
- The process of updating the Agency Section from transaction to transaction should not be viewed as being limited to updating tables and numerical information. While it is not anticipated that there will be major changes in the form and content of the Agency Section at the time of each update, everyone involved in the process should consider the need for revisions in the form, content and tone of the sections for which they are responsible at the time of each update.
- The Agency must make sure that the staff involved in the disclosure process is of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the Agency, its operations and its finances.

TRAINING

The Procedures shall be provided to all members of senior staff and any other member of the Agency staff that is involved in the Agency's disclosure obligations.

Periodic training for the staff involved in the preparation of the Official Statement (including the Agency Section) is coordinated by the finance team and the Chief Financial Officer. These training sessions are provided to assist staff members involved in identifying relevant disclosure information to be included in the Agency Section. The training sessions also provide an overview of federal laws relating

to disclosure, situations in which disclosure rules apply, the purpose of the Official Statement and the Agency Section, a description of previous SEC enforcement actions and a discussion of recent developments in the area of municipal disclosure. Attendees at the training sessions are provided the opportunity to ask questions of finance team members, including Bond Counsel concerning disclosure obligations and are encouraged to contact members of the finance team at any time if they have questions.

ANNUAL CONTINUING DISCLOSURE REQUIREMENTS

In connection with the issuance or execution and delivery of Obligations, the Agency has entered into a number of contractual agreements (“Continuing Disclosure Certificates”) to provide annual reports related to its financial condition (including its audited financial statements) as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. The Agency must comply with the specific requirements of each Continuing Disclosure [△]Certificate. The Agency’s Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the Agency’s fiscal year, and event notices are generally required to be filed within 10 days of their occurrence.

Specific events which require “material event” notices are set forth in each particular Continuing Disclosure Certificate.

The Chief Financial Officer shall be responsible for preparing and filing the annual reports and material event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings of insurers of particular Obligations).

CERTIFICATION AND RECEIPT OF UNDERSTANDING

I certify that I have received a copy of the Inland Empire Utilities Agency Policy for Disclosure Procedures. I have reviewed and understand its contents and agree to abide by the principals and requirements in the Disclosure Procedures.

Name: _____

Date: _____

Document comparison by Workshare Compare on Friday, October 28, 2016
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
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**CONSENT
CALENDAR
ITEM**

2F

Date: December 20, 2017

To: The Honorable Board of Directors


From: Halla Razak, General Manager

Committee:

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Amending the Salary Schedule/Matrix for Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association, and Professional Unit

Executive Summary:

Maintenance of the Agency's salary schedules/matrices falls under the responsibility of the Human Resources Department, including presenting a comprehensive salary resolution incorporating changes to the Board of Directors as changes occur in accordance with the California Code of Regulations (CCR) §570.5 [Requirement for a Publicly Available Pay Schedule]. The last update for all the groups, with the exception of the Supervisors' Unit, was approved by the Board on July 19, 2017. Since then, the Agency hired a new General Manager on November 28, 2017 and must update the salary matrix accordingly to reflect the salary.

Staff's Recommendation:

Adopt Resolution No. 2017-12-4, amending the salary schedule/matrix for Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association, and Professional Unit employees.

Budget Impact *Budgeted (Y/N):* Y *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

The last update to the salary schedule/matrix for all groups was approved by the Board on July 19, 2017.

Environmental Determination:

Not Applicable

Business Goal:

IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Attachments:

Attachment 1 - Resolution No. 2017-12-4
Attachment 2 - Exhibit 1

RESOLUTION NO. 2017-12-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AMENDING THE SALARY SCHEDULE/MATRIX FOR UNREPRESENTED, EXECUTIVE, GENERAL UNIT, LABORATORY UNIT, OPERATORS' ASSOCIATION, AND PROFESSIONAL UNIT AND GENERAL UNIT EMPLOYEES

WHEREAS, the Agency has compensation changes for the Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association, and Professional Unit employees, and

WHEREAS, the Agency now desires to update the salary and classification information to comply with the California Code of Regulations (CCR) §570.5, and

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1: The Unrepresented, Executive Management, Laboratory Unit, Operators' Association, Professional Unit and General Unit salary schedule/matrix is hereby adopted and set forth in Exhibit "1" of this resolution.

SECTION 2: The salary information contained in Exhibit "1" shall be effective as of November 28, 2017.

ADOPTED the 20th day of December 2017.

Steven J. Elie
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:

Jasmin A. Hall
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2017-12-4, was adopted at a regular
Board Meeting on December 20, 2017, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)

*A Municipal Water District

Salary Matrix
Effective November 28, 2017

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Accountant I	173	UN	Exempt
Accountant II	175	PR	Exempt
Accounting Technician I	169	UN	Non-exempt
Accounting Technician I	170	GU	Non-exempt
Accounting Technician II	173	GU	Non-exempt
Administrative Assistant I	171	GU	Non-exempt
Administrative Assistant I (confidential)	171	UN	Non-exempt
Administrative Assistant II	174	PR	Non-exempt
Administrative Assistant II (confidential)	174	UN	Non-exempt
Assistant Engineer	179	UN	Exempt
Associate Engineer	182	UN	Exempt
Biologist ¹	181	LB	Exempt
Board Secretary/Office Manager	188	UN	Exempt
Budget Officer	186	UN	Exempt
Business Systems Analyst I	179	PR	Exempt
Business Systems Analyst II	181	PR	Exempt
CAD Designer	178	UN	Non-exempt
Chemist	181	LB	Exempt
Chief Financial Officer	192	UN	Exempt
Chief Information Technology Officer	192	UN	Exempt
Collection System Operator I	171	GU	Non-exempt
Collection System Operator II	175	GU	Non-exempt
Collection System Operator III	177	GU	Non-exempt
Compost Operator	174	GU	Non-exempt
Compost Sales Representative	181	PR	Exempt
Compost Worker	170	GU	Non-exempt
Construction Project Inspector	180	UN	Non-exempt
Construction Project Manager - PE	186	PR	Exempt
Contracts Administrator I	177	PR	Exempt
Contracts Administrator II	180	PR	Exempt
Control Systems Analyst I	180	GU	Non-exempt
Control Systems Analyst II	182	GU	Non-exempt
Deputy Manager of Capital Improvement Projects	188	UN	Exempt
Deputy Manager of Construction Management	188	UN	Exempt
Deputy Manager of Engineering	189	UN	Exempt
Deputy Manager of Grants	188	UN	Exempt
Deputy Manager of Human Resources	188	UN	Exempt
Deputy Manager of Integrated Systems Services	188	UN	Exempt
Deputy Manager of Maintenance	188	UN	Exempt
Deputy Manager of Operations	188	UN	Exempt
Deputy Manager of Planning & Environmental Resources	189	UN	Exempt
Deputy Manager of Safety	188	UN	Exempt
Electrical & Instrumentation Technician I	176	GU	Non-exempt

Salary Matrix
Effective November 28, 2017

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Electrical & Instrumentation Technician II	179	GU	Non-exempt
Electrical & Instrumentation Technician III	181	GU	Non-exempt
Electrical & Instrumentation Technician III ²	182	GU	Non-exempt
Electrical & Instrumentation Technician IV	182	GU	Non-exempt
Engineering Services Analyst	182	PR	Exempt
Engineering Services Specialist	179	UN	Exempt
Engineering Technician	175	GU	Non-exempt
Environmental Resources Planner I	179	UN	Exempt
Environmental Resources Planner II	182	UN	Exempt
Executive Assistant	178	UN	Exempt
Executive Manager of Engineering/Assistant General Manager	196	EX	Exempt
Executive Manager of External Affairs and Policy Development/AGM	196	EX	Exempt
Executive Manager of Finance & Administration/Assistant General Manager	196	EX	Exempt
Executive Manager of Operations/Assistant General Manager	196	EX	Exempt
External Affairs Analyst	180	UN	Exempt
External Affairs Specialist I	171	UN	Exempt
External Affairs Specialist I (Y-Rated) ³	202	UN	Exempt
External Affairs Specialist II	177	UN	Exempt
Facilities Specialist	177	PR	Exempt
Facilities Specialist - Landscape	177	UN	Exempt
Financial Analyst I	179	PR	Exempt
Financial Analyst II	181	PR	Exempt
General Manager	203	EX	Exempt
General Manager	204	EX	Exempt
GIS Specialist	178	UN	Exempt
Grants Administrator	179	PR	Exempt
Grants Officer	186	UN	Exempt
Human Resources Analyst I	177	UN	Exempt
Human Resources Analyst II	179	UN	Exempt
Human Resources Officer	183	UN	Exempt
Human Resources Technician	171	UN	Non-exempt
HVAC Technician	177	GU	Non-exempt
Industrial Engine Technician I	177	GU	Non-exempt
Industrial Engine Technician II	181	GU	Non-exempt
Information Systems Analyst I	179	PR	Exempt
Information Systems Analyst II	181	PR	Exempt
Intern	001	OTR	Non-exempt
Internal Auditor	179	UN	Exempt
Inventory Resources Coordinator	181	PR	Exempt
Laboratory Assistant	172	LB	Non-exempt
Laboratory Scientist I	177	LB	Non-exempt
Laboratory Scientist II	179	LB	Non-exempt
Maintenance Planner	181	GU	Non-exempt

Salary Matrix
Effective November 28, 2017

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Maintenance Specialist	201	UN	Exempt
Manager of Business Information Services	190	UN	Exempt
Manager of Contracts & Procurement	190	UN	Exempt
Manager of Engineering	192	UN	Exempt
Manager of External Affairs	190	UN	Exempt
Manager of Finance & Accounting	190	UN	Exempt
Manager of Grants	190	UN	Exempt
Manager of Human Resources	190	UN	Exempt
Manager of Integrated Systems Services	190	UN	Exempt
Manager of Internal Audit	190	UN	Exempt
Manager of Laboratories	190	UN	Exempt
Manager of Operations & Maintenance	192	UN	Exempt
Manager of Planning & Environmental Resources	192	UN	Exempt
Manager of Regional Compost Authority	190	UN	Exempt
Manager of Technical Services	190	UN	Exempt
Materials Specialist	182	PR	Exempt
Mechanic I	172	GU	Non-exempt
Mechanic I ⁴	173	GU	Non-exempt
Mechanic II	176	GU	Non-exempt
Mechanic III	179	GU	Non-exempt
Mechanic IV	181	GU	Non-exempt
Network Administrator	183	PR	Exempt
Office Assistant (confidential)	166	UN	Non-exempt
Office Assistant	166	GU	Non-exempt
Operations Specialist	179	UN	Exempt
Pretreatment & Source Control Inspector I	174	GU	Non-exempt
Pretreatment & Source Control Inspector II	177	GU	Non-exempt
Principal Accountant	186	UN	Exempt
Procurement Specialist I ⁵	174	PR	Non-exempt
Procurement Specialist II	175	PR	Non-exempt
Project Manager I	184	PR	Exempt
Project Manager II	185	PR	Exempt
Records Specialist	173	GU	Non-exempt
Recycled Water Distribution Operator	179	OP	Non-exempt
Risk Specialist	174	UN	Non-exempt
RW/Groundwater Recharge Systems Maintenance Technician	176	GU	Non-exempt
RW/Groundwater Recharge Operations & Maintenance Specialist	179	UN	Exempt
Safety Analyst	178	UN	Exempt
Safety Officer	183	UN	Exempt
Senior Accountant	179	PR	Exempt
Senior Associate Engineer	184	UN	Exempt
Senior Associate Engineer - PE	185	UN	Exempt
Senior Compost Operations & Maintenance Technician	181	GU	Non-exempt

Salary Matrix
Effective November 28, 2017

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Senior Construction Project Inspector	182	UN	Exempt
Senior Engineer	187	PR	Exempt
Senior Environmental Resources Planner	184	UN	Exempt
Senior External Affairs Specialist	180	UN	Exempt
Senior Financial Analyst	183	PR	Exempt
Senior Information Systems Analyst	182	PR	Exempt
Senior Internal Auditor	182	UN	Exempt
Senior Inventory Analyst	182	PR	Exempt
Senior Management Analyst	182	PR	Exempt
Senior Operations Specialist	184	UN	Exempt
Senior Project Manager	187	PR	Exempt
Senior Pretreatment & Source Control Inspector	180	GU	Non-exempt
Senior Wastewater Treatment Plant Operator	181	OP	Non-exempt
Senior Water Plant Operator	181	OP	Non-exempt
Senior Water Resources Analyst	182	PR	Exempt
Systems Administrator	181	PR	Exempt
Technology Specialist I	178	GU	Non-exempt
Technology Specialist II	180	GU	Non-exempt
Technology Specialist III	182	GU	Non-exempt
Warehouse Technician	171	GU	Non-exempt
Wastewater Treatment Plant Operator I	174	OP	Non-exempt
Wastewater Treatment Plant Operator II	176	OP	Non-exempt
Wastewater Treatment Plant Operator III	178	OP	Non-exempt
Wastewater Treatment Plant Operator IV, V	180	OP	Non-exempt
Wastewater Treatment Plant Operator-in-Training	171	OP	Non-exempt
Water Plant Operator I	174	OP	Non-exempt
Water Plant Operator II	176	OP	Non-exempt
Water Plant Operator III	178	OP	Non-exempt
Water Plant Operator IV, V	180	OP	Non-exempt

Notes:

1. Incumbent Biologist in this position prior to 7/1/01 shall be non-exempt.
2. Salary range for incumbent Senior Electrical & Instrumentation Tech employee reclassified to Electrical & Instrumentation Technician III.
3. The Y-Rated salary for this position is reflective of the incumbent in the position effective 11/1/14 formerly classified as CIP Coordinator.
4. Salary range for incumbent Plant Maintenance Technician II employees reclassified to Mechanic I.
5. Incumbent Procurement Specialist I in this position prior to 3/15/15 shall be exempt.
6. Incumbent hired on 11/28/17

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix
Effective November 28, 2017**

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
165				
1	18.8344	1,506.75	3,264.63	39,176
2	19.3052	1,544.42	3,346.23	40,155
3	19.7878	1,583.02	3,429.89	41,159
4	20.2825	1,622.60	3,515.64	42,188
5	20.7895	1,663.16	3,603.52	43,242
6	21.3093	1,704.75	3,693.62	44,323
7	21.8420	1,747.36	3,785.95	45,431
8	22.3881	1,791.05	3,880.60	46,567
9	22.9478	1,835.83	3,977.62	47,731
166				
1	19.7748	1,581.98	3,427.63	41,132
2	20.2691	1,621.53	3,513.31	42,160
3	20.7759	1,662.07	3,601.15	43,214
4	21.2952	1,703.62	3,691.17	44,294
5	21.8276	1,746.21	3,783.45	45,401
6	22.3733	1,789.86	3,878.04	46,536
7	22.9326	1,834.61	3,974.98	47,700
8	23.5059	1,880.47	4,074.36	48,892
9	24.0936	1,927.48	4,176.22	50,115
167				
1	20.7631	1,661.04	3,598.93	43,187
2	21.2821	1,702.57	3,688.89	44,267
3	21.8141	1,745.13	3,781.11	45,373
4	22.3595	1,788.76	3,875.65	46,508
5	22.9185	1,833.48	3,972.54	47,670
6	23.4915	1,879.32	4,071.85	48,862
7	24.0788	1,926.30	4,173.65	50,084
8	24.6808	1,974.46	4,278.00	51,336
9	25.2978	2,023.82	4,384.95	52,619
168				
1	21.7992	1,743.94	3,778.53	45,342
2	22.3442	1,787.53	3,872.99	46,476
3	22.9028	1,832.22	3,969.82	47,638
4	23.4753	1,878.03	4,069.06	48,829
5	24.0622	1,924.98	4,170.79	50,049
6	24.6639	1,973.11	4,275.07	51,301
7	25.2804	2,022.44	4,381.94	52,583
8	25.9125	2,073.00	4,491.49	53,898
9	26.5602	2,124.82	4,603.77	55,245
169				
1	22.8877	1,831.02	3,967.20	47,606
2	23.4599	1,876.79	4,066.38	48,797
3	24.0463	1,923.71	4,168.03	50,016
4	24.6476	1,971.80	4,272.24	51,267

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix**

EXHIBIT 1

Effective November 28, 2017

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	25.2637	2,021.09	4,379.04	52,548
6	25.8953	2,071.63	4,488.53	53,862
7	26.5427	2,123.42	4,600.73	55,209
8	27.2063	2,176.50	4,715.75	56,589
9	27.8864	2,230.91	4,833.64	58,004
170				
1	24.0328	1,922.62	4,165.68	49,988
2	24.6335	1,970.68	4,269.81	51,238
3	25.2493	2,019.95	4,376.55	52,519
4	25.8806	2,070.45	4,485.96	53,832
5	26.5276	2,122.21	4,598.11	55,177
6	27.1908	2,175.26	4,713.07	56,557
7	27.8706	2,229.65	4,830.90	57,971
8	28.5674	2,285.39	4,951.68	59,420
9	29.2816	2,342.53	5,075.47	60,906
171				
1	25.2343	2,018.75	4,373.95	52,487
2	25.8652	2,069.22	4,483.31	53,800
3	26.5118	2,120.94	4,595.38	55,145
4	27.1746	2,173.97	4,710.26	56,523
5	27.8540	2,228.32	4,828.03	57,936
6	28.5504	2,284.03	4,948.73	59,385
7	29.2641	2,341.13	5,072.45	60,869
8	29.9957	2,399.65	5,199.25	62,391
9	30.7456	2,459.65	5,329.24	63,951
172				
1	26.4969	2,119.75	4,592.80	55,114
2	27.1594	2,172.75	4,707.62	56,491
3	27.8384	2,227.07	4,825.32	57,904
4	28.5343	2,282.74	4,945.94	59,351
5	29.2477	2,339.82	5,069.60	60,835
6	29.9789	2,398.31	5,196.34	62,356
7	30.7283	2,458.26	5,326.24	63,915
8	31.4966	2,519.73	5,459.40	65,513
9	32.2839	2,582.71	5,595.88	67,151
173				
1	27.8205	2,225.64	4,822.22	57,867
2	28.5159	2,281.28	4,942.76	59,313
3	29.2289	2,338.31	5,066.35	60,796
4	29.9596	2,396.77	5,192.99	62,316
5	30.7085	2,456.68	5,322.81	63,874
6	31.4763	2,518.10	5,455.89	65,471
7	32.2632	2,581.05	5,592.28	67,107
8	33.0698	2,645.59	5,732.11	68,785
9	33.8966	2,711.73	5,875.41	70,505

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix**

EXHIBIT 1

Effective November 28, 2017

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
174				
1	29.2093	2,336.74	5,062.94	60,755
2	29.9395	2,395.16	5,189.51	62,274
3	30.6880	2,455.04	5,319.26	63,831
4	31.4553	2,516.42	5,452.25	65,427
5	32.2417	2,579.33	5,588.56	67,063
6	33.0477	2,643.81	5,728.26	68,739
7	33.8739	2,709.91	5,871.47	70,458
8	34.7207	2,777.66	6,018.25	72,219
9	35.5887	2,847.10	6,168.71	74,025
175				
1	30.6678	2,453.43	5,315.76	63,789
2	31.4346	2,514.76	5,448.66	65,384
3	32.2204	2,577.63	5,584.86	67,018
4	33.0259	2,642.07	5,724.50	68,694
5	33.8516	2,708.13	5,867.61	70,411
6	34.6979	2,775.83	6,014.30	72,172
7	35.5653	2,845.23	6,164.66	73,976
8	36.4544	2,916.35	6,318.76	75,825
9	37.3658	2,989.26	6,476.74	77,721
176				
1	32.2004	2,576.03	5,581.40	66,977
2	33.0054	2,640.43	5,720.94	68,651
3	33.8305	2,706.44	5,863.95	70,367
4	34.6762	2,774.10	6,010.55	72,127
5	35.5431	2,843.45	6,160.81	73,930
6	36.4318	2,914.54	6,314.84	75,778
7	37.3425	2,987.40	6,472.70	77,672
8	38.2761	3,062.08	6,634.52	79,614
9	39.2330	3,138.64	6,800.39	81,605
177				
1	33.8112	2,704.90	5,860.61	70,327
2	34.6565	2,772.52	6,007.12	72,085
3	35.5230	2,841.84	6,157.31	73,888
4	36.4110	2,912.88	6,311.25	75,735
5	37.3213	2,985.71	6,469.03	77,628
6	38.2543	3,060.35	6,630.75	79,569
7	39.2107	3,136.86	6,796.52	81,558
8	40.1909	3,215.28	6,966.43	83,597
9	41.1957	3,295.65	7,140.58	85,687
178				
1	35.5004	2,840.04	6,153.41	73,841
2	36.3880	2,911.04	6,307.25	75,687
3	37.2977	2,983.82	6,464.94	77,579
4	38.2302	3,058.41	6,626.56	79,519

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix
Effective November 28, 2017**

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	39.1859	3,134.87	6,792.22	81,507
6	40.1656	3,213.25	6,962.03	83,544
7	41.1697	3,293.58	7,136.09	85,633
8	42.1990	3,375.92	7,314.49	87,774
9	43.2539	3,460.31	7,497.34	89,968
179				
1	37.2769	2,982.15	6,461.32	77,536
2	38.2088	3,056.70	6,622.85	79,474
3	39.1639	3,133.11	6,788.42	81,461
4	40.1431	3,211.44	6,958.13	83,498
5	41.1467	3,291.73	7,132.09	85,585
6	42.1753	3,374.03	7,310.39	87,725
7	43.2297	3,458.38	7,493.15	89,918
8	44.3105	3,544.84	7,680.48	92,166
9	45.4182	3,633.46	7,872.49	94,470
180				
1	39.1402	3,131.22	6,784.30	81,412
2	40.1188	3,209.50	6,953.92	83,447
3	41.1217	3,289.74	7,127.77	85,533
4	42.1497	3,371.98	7,305.96	87,671
5	43.2035	3,456.28	7,488.60	89,863
6	44.2835	3,542.68	7,675.81	92,110
7	45.3906	3,631.25	7,867.71	94,413
8	46.5255	3,722.04	8,064.41	96,773
9	47.6886	3,815.09	8,266.03	99,192
181				
1	41.0950	3,287.60	7,123.14	85,478
2	42.1225	3,369.80	7,301.23	87,615
3	43.1755	3,454.04	7,483.76	89,805
4	44.2548	3,540.39	7,670.84	92,050
5	45.3613	3,628.90	7,862.62	94,351
6	46.4953	3,719.63	8,059.19	96,710
7	47.6577	3,812.62	8,260.67	99,128
8	48.8491	3,907.93	8,467.18	101,606
9	50.0703	4,005.63	8,678.86	104,146
182				
1	43.1501	3,452.00	7,479.34	89,752
2	44.2288	3,538.30	7,666.33	91,996
3	45.3345	3,626.76	7,857.98	94,296
4	46.4679	3,717.43	8,054.43	96,653
5	47.6296	3,810.37	8,255.80	99,070
6	48.8203	3,905.63	8,462.19	101,546
7	50.0408	4,003.26	8,673.73	104,085
8	51.2919	4,103.35	8,890.59	106,687
9	52.5741	4,205.93	9,112.84	109,354

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix
Effective November 28, 2017**

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
183				
1	45.3094	3,624.76	7,853.64	94,244
2	46.4423	3,715.38	8,049.99	96,600
3	47.6033	3,808.27	8,251.24	99,015
4	48.7934	3,903.47	8,457.53	101,490
5	50.0132	4,001.05	8,668.95	104,027
6	51.2635	4,101.08	8,885.68	106,628
7	52.5452	4,203.61	9,107.83	109,294
8	53.8587	4,308.70	9,335.51	112,026
9	55.2053	4,416.42	9,568.91	114,827
184				
1	47.5734	3,805.87	8,246.06	98,953
2	48.7627	3,901.02	8,452.21	101,427
3	49.9818	3,998.55	8,663.52	103,962
4	51.2314	4,098.51	8,880.11	106,561
5	52.5122	4,200.97	9,102.11	109,225
6	53.8250	4,306.00	9,329.66	111,956
7	55.1706	4,413.65	9,562.91	114,755
8	56.5498	4,523.99	9,801.97	117,624
9	57.9637	4,637.09	10,047.04	120,564
185				
1	49.9506	3,996.05	8,658.11	103,897
2	51.1994	4,095.95	8,874.56	106,495
3	52.4793	4,198.34	9,096.41	109,157
4	53.7913	4,303.31	9,323.83	111,886
5	55.1361	4,410.89	9,556.92	114,683
6	56.5145	4,521.16	9,795.85	117,550
7	57.9274	4,634.19	10,040.74	120,489
8	59.3755	4,750.04	10,291.76	123,501
9	60.8600	4,868.80	10,549.07	126,589
186				
1	52.4496	4,195.97	9,091.27	109,095
2	53.7609	4,300.87	9,318.55	111,823
3	55.1049	4,408.39	9,551.51	114,618
4	56.4825	4,518.60	9,790.30	117,484
5	57.8946	4,631.57	10,035.06	120,421
6	59.3420	4,747.36	10,285.95	123,431
7	60.8255	4,866.04	10,543.08	126,517
8	62.3461	4,987.69	10,806.66	129,680
9	63.9048	5,112.39	11,076.84	132,922
187				
1	55.0707	4,405.65	9,545.58	114,547
2	56.4473	4,515.79	9,784.20	117,410
3	57.8585	4,628.68	10,028.81	120,346
4	59.3050	4,744.40	10,279.54	123,354

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix
Effective November 28, 2017**

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	60.7876	4,863.01	10,536.52	126,438
6	62.3074	4,984.59	10,799.95	129,599
7	63.8650	5,109.20	11,069.93	132,839
8	65.4617	5,236.93	11,346.69	136,160
9	67.0982	5,367.85	11,630.35	139,564
188				
1	57.8222	4,625.78	10,022.52	120,270
2	59.2677	4,741.42	10,273.07	123,277
3	60.7494	4,859.96	10,529.90	126,359
4	62.2681	4,981.45	10,793.14	129,518
5	63.8248	5,105.99	11,062.97	132,756
6	65.4205	5,233.64	11,339.56	136,075
7	67.0560	5,364.48	11,623.05	139,477
8	68.7324	5,498.59	11,913.61	142,963
9	70.4508	5,636.06	12,211.46	146,538
189				
1	60.7130	4,857.04	10,523.59	126,283
2	62.2309	4,978.47	10,786.69	129,440
3	63.7867	5,102.93	11,056.36	132,676
4	65.3814	5,230.51	11,332.77	135,993
5	67.0159	5,361.27	11,616.09	139,393
6	68.6912	5,495.30	11,906.48	142,878
7	70.4085	5,632.68	12,204.14	146,450
8	72.1688	5,773.50	12,509.26	150,111
9	73.9730	5,917.84	12,821.99	153,864
190				
1	63.7476	5,099.81	11,049.59	132,595
2	65.3413	5,227.30	11,325.83	135,910
3	66.9748	5,357.99	11,608.97	139,308
4	68.6492	5,491.93	11,899.19	142,790
5	70.3655	5,629.24	12,196.68	146,360
6	72.1246	5,769.96	12,501.59	150,019
7	73.9277	5,914.21	12,814.13	153,770
8	75.7759	6,062.07	13,134.49	157,614
9	77.6703	6,213.62	13,462.85	161,554
191				
1	66.9346	5,354.76	11,601.99	139,224
2	68.6079	5,488.63	11,892.04	142,704
3	70.3231	5,625.85	12,189.34	146,272
4	72.0812	5,766.50	12,494.07	149,929
5	73.8832	5,910.66	12,806.42	153,677
6	75.7303	6,058.43	13,126.59	157,519
7	77.6236	6,209.89	13,454.76	161,457
8	79.5642	6,365.14	13,791.13	165,494
9	81.5533	6,524.27	14,135.91	169,631

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix
Effective November 28, 2017**

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
192				
1	70.2826	5,622.61	12,182.32	146,188
2	72.0397	5,763.18	12,486.88	149,843
3	73.8407	5,907.26	12,799.06	153,589
4	75.6866	6,054.93	13,119.02	157,428
5	77.5789	6,206.31	13,447.01	161,364
6	79.5183	6,361.46	13,783.17	165,398
7	81.5063	6,520.51	14,127.76	169,533
8	83.5439	6,683.51	14,480.94	173,771
9	85.6326	6,850.61	14,842.98	178,116
193				
1	73.7961	5,903.69	12,791.33	153,496
2	75.6410	6,051.28	13,111.10	157,333
3	77.5320	6,202.56	13,438.88	161,267
4	79.4703	6,357.62	13,774.85	165,298
5	81.4571	6,516.57	14,119.23	169,431
6	83.4935	6,679.48	14,472.20	173,666
7	85.5808	6,846.47	14,834.01	178,008
8	87.7203	7,017.63	15,204.86	182,458
9	89.9134	7,193.07	15,584.99	187,020
194				
1	77.4881	6,199.05	13,431.27	161,175
2	79.4253	6,354.02	13,767.05	165,205
3	81.4109	6,512.87	14,111.22	169,335
4	83.4461	6,675.69	14,464.00	173,568
5	85.5324	6,842.59	14,825.61	177,907
6	87.6707	7,013.66	15,196.25	182,355
7	89.8624	7,188.99	15,576.15	186,914
8	92.1090	7,368.72	15,965.55	191,587
9	94.4117	7,552.93	16,364.69	196,376
195				
1	81.3629	6,509.03	14,102.90	169,235
2	83.3969	6,671.75	14,455.47	173,466
3	85.4820	6,838.56	14,816.87	177,802
4	87.6189	7,009.52	15,187.28	182,247
5	89.8095	7,184.76	15,566.97	186,804
6	92.0547	7,364.37	15,956.15	191,474
7	94.3561	7,548.49	16,355.05	196,261
8	96.7150	7,737.20	16,763.93	201,167
9	99.1329	7,930.63	17,183.03	206,196
196				
1	85.4293	6,834.35	14,807.75	177,693
2	87.5651	7,005.21	15,177.95	182,135
3	89.7542	7,180.33	15,557.39	186,689
4	91.9981	7,359.85	15,946.33	191,356

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix
Effective November 28, 2017**

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	94.2979	7,543.83	16,344.97	196,140
6	96.6555	7,732.44	16,753.62	201,043
7	99.0718	7,925.75	17,172.45	206,069
8	101.5486	8,123.88	17,601.75	211,221
9	104.0873	8,326.98	18,041.80	216,502
197				
1	89.7003	7,176.03	15,548.06	186,577
2	91.9428	7,355.42	15,936.75	191,241
3	94.2414	7,539.31	16,335.18	196,022
4	96.5974	7,727.80	16,743.56	200,923
5	99.0124	7,920.99	17,162.14	205,946
6	101.4878	8,119.02	17,591.21	211,095
7	104.0249	8,322.00	18,030.99	216,372
8	106.6256	8,530.05	18,481.77	221,781
9	109.2912	8,743.29	18,943.80	227,326
198				
1	94.1847	7,534.78	16,325.35	195,904
2	96.5393	7,723.14	16,733.48	200,802
3	98.9528	7,916.22	17,151.82	205,822
4	101.4266	8,114.13	17,580.62	210,967
5	103.9623	8,316.98	18,020.13	216,242
6	106.5614	8,524.91	18,470.63	221,648
7	109.2254	8,738.03	18,932.41	227,189
8	111.9560	8,956.48	19,405.71	232,869
9	114.7549	9,180.39	19,890.85	238,690
199				
1	101.2509	8,100.07	17,550.15	210,602
2	103.7821	8,302.57	17,988.90	215,867
3	106.3767	8,510.13	18,438.62	221,263
4	109.0361	8,722.89	18,899.59	226,795
5	111.7620	8,940.96	19,372.09	232,465
6	114.5561	9,164.49	19,856.39	238,277
7	117.4200	9,393.60	20,352.80	244,234
8	120.3555	9,628.44	20,861.62	250,339
9	123.3643	9,869.15	21,383.15	256,598
200				
1	108.8438	8,707.50	18,866.25	226,395
2	111.5649	8,925.19	19,337.91	232,055
3	114.3541	9,148.33	19,821.37	237,856
4	117.2129	9,377.03	20,316.90	243,803
5	120.1432	9,611.45	20,824.82	249,898
6	123.1468	9,851.74	21,345.44	256,145
7	126.2255	10,098.04	21,879.08	262,549
8	129.3811	10,350.49	22,426.05	269,113
9	132.6156	10,609.25	22,986.70	275,840

**Unrepresented, Executive, General Unit, Laboratory Unit, Operators' Association,
and Professional Unit Salary Matrix**

EXHIBIT 1

Effective November 28, 2017

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
201				
1	57.6451	4,611.61	9,991.82	119,902
202				
1	42.9806	3,438.45	7,449.97	89,400
203				
1	144.7897	11,583.18	25,096.89	301,163
204				
1	146.6346	11,730.77	25,416.67	305,000
001				
1	11.0000			
2	12.0000			
3	13.0000			
4	14.0000			
5	15.0000			
6	16.0000			

**CONSENT
CALENDAR
ITEM**

2G



Date: December 20, 2017

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Audit Committee

12/11/17

Finance & Administration

12/13/17

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Fiscal Year (FY) 2016/17 Single Audit Report for Federal Grant Programs

Executive Summary:

The Single Audit Act and the new Office of Management and Budget (OMB) Uniform Guidance, require each non-Federal entity that expends \$750,000 or more of Federal grants to undergo an annual independent audit. The objectives of the Single Audit are to determine whether there are issues that could have a direct and material effect over compliance for each major federal grant award program, internal control over compliance requirements of federal grant award programs, and eligibility of federal grant award program expenditures. In FY 2016/17, IEUA incurred \$11,798,196 in total federal costs for 2 federal programs, USBR \$11,088,961 and EPA \$709,235. The Agency's independent external audit firm, Lance Soll & Lunghard LLP, performed the annual single audit for fiscal year ended June 30, 2017. The Single Audit Report for the FY 2016/17 expressed the following opinion over the Agency's expense of federal funds:

1. IEUA is in compliance with each major federal grant award program.
2. No significant deficiencies in internal control over major federal award programs.
3. No findings or questioned costs to major federal award programs.
4. IEUA qualifies as a "Low-Risk Auditee."

Staff's Recommendation:

1. Approve the Single Audit Report for FY 2016/17; and
2. Direct staff to distribute the report, as appropriate, to the State Controller's Office, the Federal Audit Clearing House, and other interested parties.

Budget Impact *Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact *(explain if not budgeted):*

The audit fee for the Single Audit Report is within the Agency's FY 2017/18 budget in the Administrative Services (GG) fund (100000/111100/520110) under the professional fees and services category.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

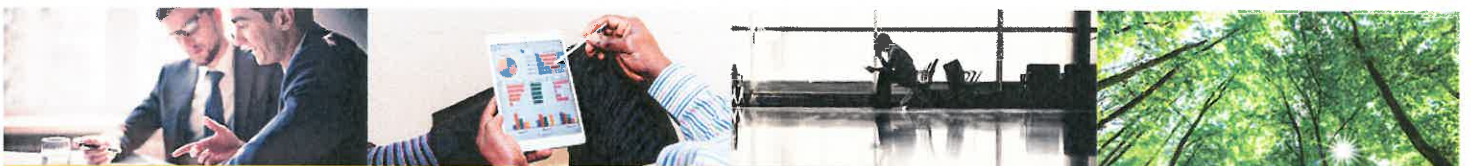


INLAND EMPIRE UTILITIES AGENCY

JUNE 30, 2017

SINGLE AUDIT REPORT

Focused
on YOU



INLAND EMPIRE UTILITIES AGENCY

SINGLE AUDIT REPORT

JUNE 30, 2017

INLAND EMPIRE UTILITIES AGENCY

SINGLE AUDIT REPORT

JUNE 30, 2017

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LSL AND ASSOCIATES

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Inland Empire Utilities Agency
Chino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Inland Empire Utilities Agency (the Agency), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 8, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted one item as other matters that are required to be reported under *Government Auditing Standards*.





To the Board of Directors
Inland Empire Utilities Agency
Chino, California

Accounting for Advance Refunding of Bonds Payable

As part of our audit testing, we examined the cash held with fiscal agent accounts and observed that the amount recorded on the Agency's books was approximately \$5.5 million more than what could be substantiated by the supporting bank statements, as cash held in escrow was recorded in the general ledger accounts. We determined that the cause of this condition was a journal entry which was incorrectly recorded for the purpose of defeasing in the Revenue Bonds, Series 2008A. This resulted in cash and investments held with fiscal agents being overstated by the above amount.

Given the infrequent nature and complexity of these type of transactions, it is not uncommon to find errors. To ensure these type of entries, including non-recurring and one-time transactions, are accounted for in accordance with authoritative guidance, and properly presented in the financials, we recommend the Agency implement more extensive review procedures. We recommend that the Agency implement review procedures to ensure that uncommon transactions, such as advance refunding of long-term debt, are accounted for in accordance with authoritative guidance, and are properly recorded in the general ledger.

Management Response:

The transaction came about due to a bond defeasance, which is subject to complex accounting rules for recording the extinguishment of the old debt and recording of the new debt, including the treatment of any funds held in escrow before the old bonds are retired. The Agency is committed to accurate financial reporting and will ensure that future transactions of this nature are reviewed for compliance with accounting standards and will seek outside guidance from the auditors or other resources, where necessary, before finalizing the accounting entries.

Agency's Response to Findings

The Agency's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California
December 8, 2017



CPAs AND ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Inland Empire Utilities Agency
Chino, California

Report on Compliance for Each Major Federal Program

We have audited the Inland Empire Utilities Agency (the Agency)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2017. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Inland Empire Utilities Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.





To the Board of Directors
Inland Empire Utilities Agency
Chino, California

Report on Internal Control over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Agency, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated December 8, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.



To the Board of Directors
Inland Empire Utilities Agency
Chino, California

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lance, Soll & Lughard, LLP

Brea, California
December 8, 2017

INLAND EMPIRE UTILITIES AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of the Interior</u>				
Direct programs:				
Title XVI Water Reclamation and Reuse *	15.504	N/A	\$ 11,083,261	\$ 11,083,261
Reclamation States Emergency Drought Relief	15.514	N/A	-	5,700
Total U.S. Department of the Interior			11,083,261	11,088,961
<u>Environmental Protection Agency</u>				
Passed through the State of California Water Resources Control Board:				
Capitalization Grants for Clean Water State Revolving Funds *	66.458	C-06-7885-110	-	709,235
Total Environmental Protection Agency			-	709,235
Total Expenditures of Federal Awards			\$ 11,083,261	\$ 11,798,196

* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

The accompanying notes are an integral part of this schedule.

INLAND EMPIRE UTILITIES AGENCY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the Inland Empire Utilities Agency (the Agency), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Agency from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the Agency becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The Agency has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

Note 2: Reconciliation of State Water Resource Control Board and GAAP Expenditure Reporting

For the year ended June 30, 2017, the following adjustments were necessary to reconcile the federal awards provided to the Agency for the Capitalization Grants for Clean Water State Revolving Funds federal awards program per the State Water Resource Control Board's records to the federal expenditures reported by the Agency under accounting principles generally accepted in the United States of America (GAAP).

Federal awards per the State Water Resource Control Board:	
C-06-5318-110	\$ 7,586,911
C-06-7885-110	1,261,335
	<hr/>
Subtotal	8,848,246
	<hr/>
Adjustment for expenditures reported in the prior fiscal period:	
C-06-5318-110	(7,586,911)
C-06-7885-110	(552,100)
	<hr/>
Subtotal	(8,139,011)
	<hr/>
Total Federal Expenditures of the Capitalization Grants for Clean Water State Revolving Funds Program (GAAP)	\$ 709,235
	<hr/> <hr/>

INLAND EMPIRE UTILITIES AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Significant deficiencies identified? ___yes X_no
- Material weaknesses identified? ___yes X_none reported

Noncompliance material to financial statements noted? ___yes X_no

Federal Awards

Internal control over major programs:

- Significant deficiencies identified? ___yes X_no
- Material weaknesses identified? ___yes X_none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? ___yes X_no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.504	Title XVI Water Reclamation and Reuse
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low-risk auditee? X_yes ___no

INLAND EMPIRE UTILITIES AGENCY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

INLAND EMPIRE UTILITIES AGENCY

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

SECTION I - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION II - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**CONSENT
CALENDAR
ITEM**

2H

Date: December 20, 2017

To: The Honorable Board of Directors

From:  Halla Razak, General Manager

Committee: Audit

12/11/17

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Internal Audit Department Charter and Audit Committee Charter

Executive Summary:

The Board approved charters require that the Internal Audit Department (IA) perform periodic reviews of both the Audit Committee Charter and the IA Charter, and make recommendations for any necessary updates and revisions. Attached are the charters presented for your review, discussion, further direction and final approval. No changes are proposed at this time. The Audit Committee Charter documents the Audit Committee's purpose, composition, authority, and responsibilities. The IA Charter documents IAs mission, purpose, authority, and responsibilities. The purpose is to assist the Board and Audit Committee in fulfilling their oversight responsibilities for financial reporting, internal controls, and compliance with legal and regulatory requirements and to assist management by providing objective evaluations and recommendations to improve operations and achieve organizational goals.

Both charters follow the guidance set forth by the Institute of Internal Auditing (IIA) International Standards for the Professional Practice of Internal Auditing (Standards).

Staff's Recommendation:

Reconfirm the Audit Committee Charter and the Internal Audit Department Charter and direct staff to implement the charters.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On March 15, 2017, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Charter.

Environmental Determination:

Not Applicable

Business Goal:

The Charters are consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by documenting the Audit Committee's and the IAs purpose, authority and responsibilities.

Attachments:

Attachment 1 - Audit Committee Charter

Attachment 2 - Internal Audit Department Charter



INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

PURPOSE

The Audit Committee (Committee) is established under the authority of the Inland Empire Utilities Agency (IEUA or Agency) Board of Directors (Board) and reports directly to the Board. The primary purpose of the Committee is to assist the Board in fulfilling their oversight responsibilities for financial reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations.

While assisting the Board with these fiduciary duties, the Committee also provides an open avenue of communication between the Board, IEUA Management, the Internal Audit Department, and the external auditors. This advisory and oversight link provides the following benefits to the organization and stakeholders:

- Increased objectivity and credibility of financial reports.
- Increased management accountability.
- Support for measures to improve management performance and internal controls.
- Increased employee awareness of unethical, questionable, or illegal activities.
- Enhanced independence and effectiveness of the Internal Audit Department.
- Assurance that appropriate management action plans are implemented for audit findings and recommendations.

COMPOSITION, COMPENSATION & TERM OF SERVICE

The Committee shall consist of two members from the Board of Directors, each with equal voting rights, with one selected as the Committee Chairperson. The members will be appointed by the Board President.

The Audit Committee shall have access to at least one financial expert, an outside party with no voting rights, who will provide advisory and consulting duties and shall be compensated as agreed upon, in writing with the audit committee, the Board, Agency management and its designees.

All members of the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting, accounting and auditing and shall have a requisite interest in financial reporting issues of the Agency. The financial expert shall be an individual with sufficient financial experience and interest to provide guidance and assistance to the Audit Committee. The financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess: 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal accounting controls; and 5) an understanding of Audit Committee functions.

INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

The members of the Board serving on the Audit Committee shall be compensated in accordance with the guidelines established for the IEUA Board of Directors in Ordinance No. 105 adopted April 19, 2017, and as amended from time to time, entitled:

"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."

The service term for each Committee member will be two years. Prior to term expiration, the Board President or their designee will conduct a review of Board Committee members' eligibility and the Board of Directors will conduct a review of the external/outside Committee member's eligibility. The Board President will then reconfirm the Committee members or select and confirm new members as needed. All activities and actions pertaining to selection or reconfirmation of Committee members will be documented by the Board, or their designee, and recorded in the next regularly scheduled IEUA Board of Directors' meeting minutes.

AUTHORITY

The Audit Committee has unrestricted access to all information and records, including IEUA personnel and documents. The Committee will have adequate resources to fulfill its oversight responsibilities, including the right to seek independent professional advice and counsel. The Committee is empowered to:

- Meet, as deemed appropriate and necessary, with IEUA Management and employees, the Manager of Internal Audit and audit staff, external auditors and legal counsel.
- Recommend to the Board the approval of the Internal Audit Department's Annual Audit Plan and any changes to the Plan or the Manager of Internal Audit duties.
- Authorize special audits and investigations into any matters within its scope of responsibility.
- Authorize an internal audit or review of any department or function under the control of the Board of Directors, or within the scope of influence of the IEUA.
- Recommend to the Board the appointment, compensation and scope of work of any public accounting firm employed by the IEUA.
- Recommend to the Board the approval of any auditing and consulting services.

INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

- Review and recommend to the Board the external auditor's audit scope and approach, ensuring that the scope:
 1. Is in compliance with Generally Accepted Auditing Standards (issued by the American Institute of Certified Public Accountants).
 2. Is in compliance with Government Auditing Standards (issued by the Government Accountability Office).
 3. Will include a Single Audit that will be performed, if required, subject to the Office of Management and Budget (OMB) Circular A-133.
 4. Will include an opinion on each major fund presented in the Agency's financial statements.
- Review and recommend to the Board the approval of external auditors' reports, along with Management's written responses, when appropriate.
- Resolve any disagreements between Management, the Internal Audit Department, and the external auditors regarding financial or operational controls and reporting.
- Ensure corrective action is taken on internal accounting control weaknesses identified by the internal and external auditors.

RESPONSIBILITIES

The Audit Committee is chartered with performing oversight for the Board of Directors. In addition to reviewing this Charter annually and updating it as needed, the Committee has responsibilities in the areas of Financial Reporting, Internal Controls, the Internal Audit Department, the External Audit and external auditors, Compliance requirements, and Other Matters as provided in the following sections. The Committee has the overall responsibility to ensure the general requirements underlying these items are carried out. However, the Audit Committee has the flexibility and authority to determine and choose the best course of action and the best method for carrying out its responsibilities. The following items are best practice guidelines that may be employed:

Financial Reporting:

- Review annual financial statements and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Advise the Board and management of any situations that would cause the Committee to believe the audited financial statements may contain material misstatements or omissions.
- Inquire of the General Manager and Executive Manager of Finance & Administration/ AGM regarding the fiscal health of the Agency as well as the financial status of the Agency in relation to its adopted budget.
- Inquire of management, the Manager of Internal Audit, and the external auditors about whether significant financial, managerial, and operational information is accurate, reliable, complete, and timely.
- Inquire of Agency management, the Manager of Internal Audit, and the external auditors about significant risks or exposures facing the Agency; assess the steps management has

INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

taken or proposes to take to minimize such risks to the Agency; and periodically review compliance with such steps.

Internal Controls:

- Discuss with Agency management, the Manager of Internal Audit, and the external auditors the reliability and effectiveness of the Agency's internal control environment to mitigate risk, including information technology security and control.
- Discuss with Agency management, the effectiveness of the Agency's process for identifying and assessing significant risks and exposures, and the steps Agency management has taken to communicate, monitor and mitigate these risks.
- Understand the scope of the internal and external auditors' reviews of internal controls, and obtain and review reports of significant findings, recommendations, and Agency management's action plans to mitigate risks.
- Review all significant accounting policy changes submitted by Agency management with the Internal Audit Department, and/or the external auditors, and provide recommendations to the Board and Agency management.
- Periodically review Agency policies and procedures governing Board of Director and employee conduct, including conflict of interest, misconduct, fraud and other sensitive issues or non-compliance and recommend changes to the Board and Agency management as appropriate.
- Discuss with Agency management, the Manager of Internal Audit, and the external auditors whether adequate policies have been established and the Agency complies with policies, standards and applicable laws and regulations.
- Discuss with Agency management, the Manager of Internal Audit, and the external auditors whether significant legislative or regulatory issues impacting Agency operations are identified, recognized, communicated and appropriately addressed.
- Review with Agency management, the Manager of Internal Audit, and the external auditors the audit scope and plan of the Internal Audit Department and the external auditors. Address the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- Review with Agency management and the Manager of Internal Audit:
 - Significant findings, recommendations, and management's responses thereto.
 - Any difficulties the Internal Audit Department encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
 - Any changes required in the scope of their internal audits.
 - The Internal Audit Department budget and staffing.
 - The Internal Audit Department Charter.
 - The Internal Audit Department's compliance with applicable standards (for example, Governmental Auditing Standards, or the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing).

INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

- Periodically review the Agency's Code of Conduct/Ethics Policy to ensure that it is adequate and up to date.
- Review with the Manager of Internal Audit and the Agency's general counsel the results of their reviews of compliance monitoring with the Code of Conduct/Ethics Policy.
- Review the procedures for the receipt, retention, and treatment of complaints received by the Agency regarding accounting, internal accounting controls, auditing matters, or suspected fraud that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, the current status, and resolution if one has been reached.
- Review procedures for the confidential, anonymous submission by Agency employees of concerns regarding questionable accounting or auditing matters, or suspected fraud. Review any submissions that have been received, the current status, and the resolution if one has been reached.
- Inquire of Agency management, the Manager of Internal Audit, and the external auditors about significant risks or exposures facing the Agency. Assess the steps management has taken or proposes to take to communicate, manage, and minimize such risks to the Agency; and periodically review compliance with such steps.
- Review with the Manager of Internal Audit, and the external auditors:
 - The adequacy of the Agency's internal controls including computerized information system controls and security.
 - Any significant findings and recommendations of the Manager of Internal Audit, and the external auditors together with management's responses thereto.

Internal Audit Department:

- Request that the Agency's Manager of Internal Audit prepare the Audit Committee's meeting agendas designed to ensure that all of the responsibilities of the Audit Committee as described herein are addressed at least once a year.
- Ensure there are no unjustified restrictions or limitations placed on the Internal Audit Department.
- Review with the Board, General Manager, and the Manager of Internal Audit the Internal Audit Department Charter, Annual Audit Plan, staffing, budget, and organizational reporting structure to ensure they meet the Committee's goals, objectives, and responsibilities to the Board and Agency management.
- Review and recommend to the Board the approval of the Internal Audit Department's Annual Audit Plan and any significant changes that may occur during the year.
- Review, as needed, all internal audit reports, findings, and recommendations.
- Review and recommend to the Board the appointment, replacement, dismissal, or change in duties of the Manager of Internal Audit.
- Review the effectiveness of the Internal Audit Department's function, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*.

INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

- Conduct the Manager of Internal Audit performance appraisals and recommend Manager of Internal Audit merit increases and incentive compensation to the Board.
- Hold management accountable for the appropriate resolution of Internal Audit Department's recommendations and ensure that disposition has been determined for Audit Department recommendations from the prior year. If management has determined that Internal Audit Department recommendations need not be implemented because of adequate compensating controls, based upon a cost/benefit analysis or because the risks are at an acceptable level in accordance with the Agency's goals and objectives, evaluate the reasonableness of such determinations and advise the Board of Directors accordingly.

External Audit:

- Review the external accounting firm's proposals and fee structure, and provide recommendations and external audit plan approval to the Board.
- Review the external auditors' proposed audit scope and approach to ensure emphasis is placed on areas the Committee, Board, Management and external auditors believe special attention is warranted and that efforts are coordinated with the Internal Audit Department.
- Evaluate the external auditor's independence, and if needed, recommend the Board take the appropriate action to satisfy the Agency with the external auditor's independence.
- Review the effectiveness of the external auditor's work and provide the Board with the final approval to continue or discharge the current firm.
- Communicate to the external auditors areas of internal control with a heightened risk of fraud or error, any known or suspected employee fraud, management fraud, pressures or incentives for management to distort reported financial results, or any known or suspected accounting errors or misstatements.
- Communicate to the external auditors any areas of concern applicable to the external auditors' scope of responsibility (fraud, errors, or misstatements involving amounts significant to the financial statements taken as a whole).
- Review all significant written communications between the external auditors and management, such as any management letter comments or schedule of unadjusted differences (i.e. management letter, schedule of audit, or significant unusual or non-routine items, etc.)
- Hold management accountable for the appropriate resolution of external auditor recommendations, ensure that disposition has been determined for auditor recommendations from the prior year, and where management has determined that auditor recommendations need not be implemented because of adequate compensating controls or based upon a cost/benefit analysis, evaluate the reasonableness of such determinations and advise the Board of Directors accordingly.
- Review with the external auditor that performs the financial statement audit:
 - All critical accounting policies and practices used by the Agency.
 - All alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Agency's management, the ramifications of each alternative, and the treatment preferred by the Agency.

INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

- Review with management and the external auditors:
 - The Agency's annual financial statements, related notes, and management's discussion and analysis.
 - The external auditors' audit of the financial statements and their report thereon.
 - The external auditors' judgments about the quality, not just the acceptability, of the Agency's accounting principles as applied in its financial reporting.
 - The external auditors' single audit of the federal awards administered by the Agency and their reports thereon.
 - Any significant changes required in the external auditors' audit plan.
 - Any serious difficulties or disputes with management encountered during the audit.
 - Matters required by Statement on Auditing Standards (SAS) No. 114, The Auditor's Communication With Those Charged With Governance; U.S. Government Accountability Office's (GAO) Government Auditing Standards; and the U.S. Office of Management and Budget's Circular A-133 related to the conduct of the audits.

- Evaluate whether or not the performance of any extra work or special projects requested of the Agency's external audit firm violates the independence standards of the GAO.

- Recommend that the Board of Directors approve the Agency's annual financial report, if the Committee believes that they are fairly presented, to the extent such a determination can be made on the basis of reading the financial statements and discussions with Agency management and the external auditors.

Compliance:

- Review with management and the external auditors the Agency's internal controls for identifying laws and regulations affecting operations, risks for non-compliance including litigation and fines, and implementing controls to prevent recurrence.
- Review the reports, findings and recommendations of any audits or examinations performed by external agencies.
- Review with Agency counsel any legal, tax, or regulatory matters that may have a material impact on the Agency's operations and its financial statements.

Other Matters:

- The Audit Committee shall engage consultants, specialists, or other audit firms as necessary to assist the committee in the discharging of its responsibilities.
- The Audit Committee shall direct the Manager of Internal Audit to review the Agency's Audit Committee Charter annually in order to advise the Audit Committee as to needed or recommended changes.

INLAND EMPIRE UTILITIES AGENCY
Audit Committee Charter
Reconfirmed on December 20, 2017

- The Audit Committee shall report to the Board of Directors issues discussed in the Audit Committee meeting that, in the judgment of the committee, warrant communication to the Board to help the Board fulfill its oversight responsibility.

ETHICAL CONDUCT

Audit Committee members are prohibited from participating in any event or matter that would create, or appear to create, a conflict of interest. These activities may include having a significant financial interest or operational influence in vendors, contractors, customers or competitors of IEUA. Any activity creating an actual or apparent conflict should be immediately reported to the Audit Committee Chair and the Board of Directors for resolution.

MEETINGS

The Audit Committee shall meet no less than quarterly.

The Manager of Internal Audit will schedule and coordinate all quarterly Committee meetings, and will call additional meetings if requested to do so by any Committee member, the Board, the General Manager or the external auditors. The Manager of Internal Audit will provide all Committee members with written notification and an agenda at least 72 hours before the scheduled quarterly meetings or as soon as reasonably possible for any special meetings, all in accordance with the requirements of the Brown Act.

The General Manager and Manager of Internal Audit will be provided written notification and an agenda at least 72 hours before quarterly and special Committee meetings. These parties will be provided an opportunity to attend and speak at all Committee meetings but are not considered members of the Committee and have no voting rights.

The Board or the General Manager will provide administrative support to the Audit Committee and its meetings, including agenda preparation, participant notification, and documentation of meeting minutes.



INLAND EMPIRE UTILITIES AGENCY

Internal Audit Department Charter

Reconfirmed on December 20, 2017

PURPOSE

This Charter establishes the authority and responsibilities of the Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department.

The purpose of the Internal Audit Department (Internal Audit or IA) is to assist the Board of Directors (Board) and the Audit Committee (Committee) in fulfilling their oversight responsibilities for financial reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations and to provide objective assurance about the Agency's operations. The purpose of the Internal Audit Department is also to provide as a service to management and as a way of adding value to improve the operations of the Agency, consulting services, analyses, recommendations, and information concerning operations.

The Internal Audit Department reports to the Board through the Committee and is an independent function from management. The responsibilities of the Internal Audit Department are defined in this Charter.

MISSION

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments and recommendations to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve its goals and objectives, improve operations, and instill confidence among its employees and the citizens it serves by providing independent, objective assurance and consulting services and provide management and the Board of Directors with recommendations to:

- Promote and strengthen a sound control environment.
- Improve Agency risk management, control and governance.
- Promote the Agency's vision and mission through a high degree of professionalism.
- Establish adequate policies and procedures and to comply with them.
- Encourage efficient use of Agency resources.
- Protect and safeguard Agency assets.
- Mitigate risks related to fraud, waste and abuse.
- Hold staff accountable for the resolution of audit recommendations.

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Internal Audit Department Charter
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VALUES

The Internal Audit Department has adopted the following value statements that form the foundation for the Internal Audit Department.

Independence

As documented in this Charter, the Internal Audit Department is an independent function of the Agency for the purpose of providing independent, objective, unbiased opinions.

Integrity

The Internal Audit Department staff is required to maintain the highest degree of integrity in conducting its audit work.

Professionalism

The Internal Audit Department will perform its work with due professional care at all times.

Collaboration

The Internal Audit Department will foster collaboration with all Agency personnel to promote teamwork within the various business units.

ACCOUNTABILITY

The Internal Auditor is the Manager of the Internal Audit Department. The Internal Auditor is accountable and reports to the Board of Directors, through the Audit Committee appointed by the Board. The intent of this reporting relationship is to establish the Internal Audit Department's independence to function effectively and in accordance with best practices.

Annually, the Internal Auditor will submit an Audit Plan for the following fiscal year to the Committee for review and approval by the Board. Quarterly status reports of significant Internal Audit activities shall be presented at Committee meetings and shall include a status of major activities and any changes or deviations from the approved audit plan. The Internal Auditor has the authority to deviate from the approved annual Audit Plan, when necessary and if warranted by unforeseen issues that require immediate attention. Significant changes to the annual Audit Plan shall be reported to the Committee and to the Board.

Annually, a listing of audit recommendations provided by the Internal Audit Department and the corresponding corrective actions taken by Agency management will be presented to the Committee.

The Internal Auditor shall inform the Committee on the sufficiency of department staffing and resources.

Annually, the Internal Audit Department must also ensure the Committee fulfills their responsibilities as required under the Audit Committee Charter. Additionally, IA must ensure the

INLAND EMPIRE UTILITIES AGENCY
Internal Audit Department Charter
Reconfirmed on December 20, 2017

Internal Audit Department Charter and the Audit Committee Charter are reviewed annually and updated as necessary.

INDEPENDENCE

Independence is essential to the effectiveness of internal auditing and is strongly emphasized by the Institute of Internal Auditors (IIA), the American Institute of Certified Public Accountants (AICPA), and the U. S. General Accountability Office (GAO). The Internal Audit Department should be free, both in fact and appearance, from impairments to independence.

The Internal Auditor and the Internal Audit Department shall have no direct responsibility or authority over the day-to-day operations of the Agency or any activities they would audit. The Internal Audit Department shall not engage in any activities that would compromise their independence or would appear to be a conflict of interest.

To ensure independence is maintained, the Internal Audit Department shall report administratively to the Agency's General Manager or his designee and functionally to the Board through the Audit Committee, as stated under "Accountability".

AUTHORITY

The Internal Audit Department's authority is derived from the direction of management and the Agency's Board through the Committee as set forth in this Charter. Specifically, the Internal Audit Department is authorized to:

- Audit all areas of the Agency's operations. Perform audits of the Regional Sewage Service Contract agreement between the Agency and the Regional Contracting Agencies (RCA), including performing necessary audit field work and review of required supporting information and documents of the RCA's.
- Have unrestricted access to all Agency functions, records, information, property, and personnel.
- Have full and free access to Agency management, the Board of Directors and the Audit Committee.
- Allocate resources, set frequencies, select subjects and set objectives, determine the scope of work, and apply the techniques required to accomplish audit objectives, without interference from management.
- Obtain the necessary assistance of Agency staff where Internal Audit performs audits, as well as other specialized services from within or outside the organization.
- Obtain regular updates from management and Agency legal counsel regarding compliance matters affecting operations.

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- Establish procedures for the receipt, retention, and treatment of comments or complaints received regarding Agency accounting, operations, or internal controls, including those matters received through Ethics Point or other channels.
- Investigate and make recommendations to the Board, Audit Committee, Executive Management and/or Human Resources, as appropriate about reported instances of inappropriate activities, misappropriation of funds or fraud, including those matters received through Ethics Point or other channels.
- Obtain additional internal or external resources when the Internal Audit Department does not possess all the necessary skills or experience to complete an audit or review, subject to the approval of the Audit Committee and when necessary from the Board.

The Internal Auditor and the Internal Audit Department staff are **not** authorized to:

- Have any responsibilities or authority for any of the activities they audit or perform any operational duties for the Agency or its affiliates.
- Initiate or approve accounting transactions external to the Internal Audit Department.
- Direct the activities of any organization employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the Internal Auditor in audit activities.
- Participate in any activities that would compromise their objectivity and independence or any activities that would appear to be a conflict of interest.
- Draft or write any Agency Policies and Procedures, or Standard Operating Procedures outside the Internal Audit Department.

RESPONSIBILITIES

The responsibilities of the Internal Audit Department consist of the examination, review and evaluation of the reliability and effectiveness of the Agency's governance, risk management, internal controls, and the quality of operations and systems utilized in carrying out the Agency's goals and objectives. The Internal Audit Department has the responsibility to perform its work with due professional care.

The Internal Auditor and audit staff shall be responsible for, but not limited to, incorporating periodically, as deemed necessary and/or in agreement with the annual audit plan, activities in the following key areas:

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Internal Audit Department Charter
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Internal Controls

- Assess the adequacy of internal controls in place and determine if they are operating effectively.
- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Review compliance with Agency policies and procedures, and with applicable laws and regulations which could have a significant impact on the operations of the Agency.
- Evaluate the means implemented and the extent Agency assets are identified, tracked, and safeguarded against misuse, unauthorized use, theft and loss.
- Review operations, programs or projects to determine if results are consistent with established objectives and goals.
- Assess the efficient and effective use of Agency resources and the controls over those resources.
- Provide consulting services on current and proposed policies, procedures, and systems to ensure adequate internal controls are considered and maintained.
- Provide consulting services to evaluate contractual agreements and determine if compliance exists.
- Use documents and information obtained from Departments in the same prudent manner as by those employees who are normally accountable for them.
- Perform “Follow-up Procedures” on all management responses to audit findings and recommendations to determine if internal control improvements and/or corrective actions have been implemented.
- Perform “Follow-up Procedures” on known external auditor’s or regulatory agency’s reported findings and recommendations to determine if internal control improvements and/or corrective actions have been implemented.
- Conduct special projects, studies, or audits as requested by management, the Audit Committee and the Board of Directors.
- Ensure known or suspected acts of fraud or improprieties involving Agency funds, property and employees are investigated in coordination with the Agency’s legal counsel, Human Resources and senior management.

Audit

- Conduct work in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* and Code of Ethics as required by the Institute of Internal Auditors (IIA).
- Develop a comprehensive and flexible annual audit plan using an appropriate risk-based methodology, including consideration of any risks or control concerns identified by management, the Audit Committee, the Board or the external auditor and submit that plan, as well as any periodic updates, to the Audit Committee and the Board for review and approval.
- Implement the annual audit plan, as approved, including as appropriate, any special tasks or projects requested by management, the Audit Committee, or the Board.

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- Provide Agency management with reasonable notice of intent to audit and with information about the audit process, except in those situations that warrant an unannounced audit.
- Consider the scope of work of the external auditors for the purpose of providing optimal audit coverage, at a reasonable cost, without redundancy or omission.
- Perform advisory services to assist the Agency in achieving its objectives; for example, reviewing controls, systems or process designs prior to implementation and providing recommendations to improve and enhance the effectiveness of controls and operations.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Maintain technical competence through continuing education supported by Department goals and budgets.
- Maintain a quality assurance program whereby the Internal Auditor assures the operations of the Internal Audit Department.
- Perform a periodic review of the Internal Audit Department Charter and the Audit Committee Charter. Additions, deletions, or other changes to the Charters are subject to the approval of the Board of Directors.

Reporting

- Issue quarterly reports to and meet with the Audit Committee and management to summarize results of audit activities and status of findings and recommendations.
- Provide written status reports of Audit Department activity to the Audit Committee quarterly. The Quarterly Audit Committee Status Report will include a summary of significant internal and external audit activities for the reporting period. The Status Report will be submitted for approval by the Committee and the approved Status Report will be presented at the next regularly scheduled IEUA Board of Directors meeting.
- Provide a written report listing all outstanding recommendations with expected resolution dates annually. The report of all outstanding recommendations will be submitted for approval by the Audit Committee and provided at the next regularly scheduled IEUA Board of Directors meeting.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing, as well as new audit requirements, when applicable.
- Immediately report any reservations concerning control risks, accounting or disclosure practices to the Audit Committee.
- If during the scope and progress of its reviews and audits, the Internal Audit Department identifies opportunities for improving the Agency's control environment, processes and procedures to ensure an environment where assets are safeguarded, internal controls are in place and risk is mitigated, these recommendations will be communicated to the appropriate level of management and the Audit Committee as timely as necessary and in the written report.
- When deemed appropriate and necessary, provide responsible unit management with a preliminary written report of the results and recommendations of each audit, analysis, review, or investigation performed and sufficient time to respond in writing with a plan of

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corrective actions. Sufficient time to reply would be 30 to 60 days from the date of the final report.

- Provide final reports of results and recommendations for each review and audit performed, including the responsible management's responses to the Audit Committee, Executive management and responsible management. All final reports with any responses will be submitted to the Committee for discussion and to the Board for approval. However, in cases where the auditee does not provide a response that is timely or deemed responsive, the final report will not be held up pending a response and will be submitted for discussion during the next scheduled Audit Committee meeting.

STANDARDS OF ETHICAL CONDUCT

The Internal Audit Department staff have a responsibility to govern themselves so that their independence is not open to question. To this end, adherence to the Institute of Internal Auditor's "Code of Ethics" will ensure integrity, objectivity, confidentiality and competency in Internal Audit work performed on behalf of the Agency's Board and Audit Committee. These principles include:

- Performing internal auditing services in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- Exercising honesty, diligence, and responsibility in performing duties.
- Observing the law and making disclosures expected by the law and the profession.
- Not knowingly being a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the Agency.
- Respect and contribute to the legitimate and ethical objectives of the Agency.
- Not participating in any activity or relationship that may impair, or be presumed to impair, unbiased assessments, including activities or relationships that may be in conflict with the interests of the Agency.
- Not accepting anything that may impair or be presumed to impair professional judgment.
- Disclosing all material facts known that, if not disclosed, may distort the reporting of activities under review.
- Being prudent in the use and protection of information acquired in the course of duties.
- Not using information for personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the Agency.
- Engaging in only those services or audit activities for which Internal Audit staff have the necessary knowledge, skills, and experience.
- Continually improving staff proficiency, and the effectiveness and quality of services.

MANAGEMENT RESPONSIBILITIES

It is the responsibility of the Board of Directors and senior management to foster a control environment that supports the Internal Audit Department's objectives and independence within the

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Inland Empire Utilities Agency. The existence of the Internal Audit Department does not diminish Agency management's financial and operational responsibilities for prudent execution and control of activities, including their responsibilities for the periodic evaluation of risk, control, and governance systems.

Management's responsibilities include:

- Providing Internal Audit with its full support and cooperation at all operating levels, including full and complete access to all records, property, and staff relative to their assigned areas of responsibility, and active participation in the audit process.
- Immediately notifying the Manager of Internal Audit and the Audit Committee of any known or suspected cases of illegal, criminal or unethical activity involving Agency funds, property, employees, or any activity which appears to present a conflict of interest.
- Timely notification to Internal Audit of any new or proposed modifications to Agency systems, procedures, operations or services, ensuring controls are built into the new or modified processes.
- Providing the Internal Audit Department with written responses to all audit findings and recommendations, including action plans, responsible employees, and targeted resolution dates or the acceptance of the risks identified.
- Providing the Internal Audit Department with adequate budget, staffing, assistance from staff of audited Departments, and the tools needed for the Internal Audit Department to execute its duties as defined in this Charter.

CONSENT
CALENDAR
ITEM

21



Date: December 20, 2017

To: The Honorable Board of Directors

From: Hana Razak, General Manager

Committee: Engineering, Operations & Water Resources

12/13/17

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: Adoption of Resolution 2017-12-2, IEUA-San Bernardino Valley Municipal Water District Sphere Adjustment & Reorganization

Executive Summary:

On July 19, 2017, San Bernardino Local Agency Formation Commission (LAFCO) completed their Countywide Service Review for the water service sector. LAFCO identified in the review, a boundary discrepancy for 18 single family homes on 4.81 acres on the south side of the City of Fontana, between the boundaries of IEUA and San Bernardino Valley Municipal Water District (SBVMWD).

A review of the tax bills for the homes show that residents are charged property tax and assessments for SBVMWD even though the area is within IEUA's boundaries. LAFCO, MWD, IEUA, and SBVMWD reviewed the area and concluded that the IEUA and SBVMWD boundaries need to be updated.

As a result, LAFCO recommended that a joint application be filed by IEUA and SBVMWD where each agency adopt respective resolutions requesting LAFCO to initiate the detachment of the area from IEUA and annexation into SBVMWD. SBVMWD adopted a resolution to request the initiation of the detachment and annexation on November 21, 2017.

Staff's Recommendation:

It is recommended that the Board of Directors adopt Resolution 2017-12-2, requesting LAFCO to initiate a sphere adjustment and reorganization of the area to detach the 4.81 acres from IEUA and annex into SBVMWD.

Budget Impact *Budgeted (Y/N): Y* *Amendment (Y/N): N* *Amount for Requested Approval:*

Account/Project Name:

The Agency will pay half of the application fees to LAFCO as the application is being jointly filed with SBVMWD. The total filing fees are \$10,185.94, with the Agency's portion being \$5,092.97. The fees will be paid through the Planning & Water Resources GG fund account.

Fiscal Impact *(explain if not budgeted):*

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

This resolution to request the sphere amendment and reorganization to LAFCO is consistent with the Agency's Business Goal of Business Practices by working with SBVMWD and LAFCO to update an identified boundary discrepancy.

Attachments:

Attachment 1 - Draft Resolution 2017-12-2

Attachment 2 - PowerPoint

RESOLUTION NO. 2017-12-2

RESOLUTION OF APPLICATION BY THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR SPHERE AMENDMENT (EXPANSION/REDUCTION) AND REORGANIZATION (ANNEXATION/DETACHMENT) OF TERRITORY BETWEEN THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

WHEREAS, Inland Empire Utilities Agency a Municipal Water District (hereinafter referred to as "IEUA" or "Agency") is duly organized and exists under the provisions of the Municipal Water District law of 1911 (Water Code, Sections 71000 et seq.); and

WHEREAS, the Board of Directors of IEUA desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, and specifically California Government Code Title 5, Division, 3, Part 3 commencing with §56600 for:

1. Sphere of Influence amendments for IEUA and the Metropolitan Water District of Southern California (reductions) and the San Bernardino Valley Municipal Water District (expansion),
2. Reorganization to include detachment from IEUA and the Metropolitan Water District of Southern California and annexation to the San Bernardino Valley Municipal Water District; and,

WHEREAS, a description of the area proposed for sphere amendment and reorganization is attached hereto as Exhibits "A" and "B" ("Affected Area") and by this reference incorporated herein; and,

WHEREAS, the purpose of this sphere amendment is to clarify the sphere of influence discrepancies between IEUA, Metropolitan Water District, and the San Bernardino Valley Municipal Water District; and,

WHEREAS, the spheres of influence for the affected agencies will be consistent since the proposed change includes amendments to the spheres of influence for all three agencies – IEUA, the Metropolitan Water District of Southern California, and the San Bernardino Valley Municipal Water District; and,

WHEREAS, IEUA desires that the proposed sphere of influence amendments, detachments, and annexation be subject to the standard terms and conditions imposed by the Local Agency Formation Commission.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, as follows:

Section 1. This Resolution of Application is hereby adopted and approved by the Board of Directors, and the Local Agency Formation Commission for San Bernardino County is hereby requested to take proceedings for the change of organization as described above, according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Title 5, Division 3, Part 3 of the Government Code.

Section 2. IEUA acknowledges and agrees to the Local Agency Formation Commission for San Bernardino County's requirement for imposing legal indemnification as outlined in Policies 10 and 11 of the Accounting and Financial Section of its Policy and Procedure Manual.

Section 3. The General Manager of IEUA is hereby directed and authorized to execute, on behalf of the Agency, the application forms which includes the certified Plan for Service and Fiscal Impact Analysis, copies of which are on file in the Agency office.

Section 4. That the Secretary to the Board of Directors shall certify the passage and adoption of this Resolution and is hereby authorized and directed to file, or cause to be filed, a certified copy of this Resolution with the Executive Officer of the Local Agency Formation Commission for San Bernardino County.

ADOPTED this 20th day of December, 2017

Steven J. Elie, President of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

ATTEST:

Jasmin A. Hall, Secretary of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)SS
)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2017-12-2 was adopted at a Board
Meeting on December 20, 2017, of said Agency by the following vote:

AYES:
NOES: None
ABSTAIN: None
ABSENT: None

Jasmin A. Hall, Secretary/Treasurer
of the Inland Empire Utilities
Agency* and of the Board of
Directors thereof

(SEAL)

* A Municipal Water District

EXHIBIT "A"

LAFCO 2017-__ -__
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
ANNEXATION NO. 62

LEGAL DESCRIPTION

THAT PORTION OF THE EAST HALF OF SECTION 35, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, LYING IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF BEACH AVENUE WITH THE CENTERLINE OF VILLAGE DRIVE EAST AS SHOWN BY TRACT NO. 13608 ON FILE IN BOOK 204 OF MAPS AT PAGES 27 THROUGH 32, INCLUSIVE THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, SAID POINT BEING ON THE EAST LINE OF SAID SECTION 35 AND ON THE WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT;

1. **THENCE** SOUTH 00°30'55" WEST, ALONG THE EAST LINE OF SAID SECTION 35 AND SAID WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, A DISTANCE OF 558.40 FEET, AS SHOWN BY SAID TRACT NO. 13608, TO THE WEST QUARTER CORNER OF SECTION 36, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN;
2. **THENCE** SOUTH 01°00'56" EAST, ALONG THE EAST LINE OF SAID SECTION 35 AND SAID WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, A DISTANCE OF 187.39 FEET TO A POINT ON THE SOUTHWESTERLY BOUNDARY LINE OF TRACT NO. 15921 AS SHOWN BY MAP ON FILE IN BOOK 290 OF MAPS AT PAGES 76 THROUGH 78, INCLUSIVE THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;
3. **THENCE** NORTH 63°25'00" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 133.30 FEET TO AN ANGLE POINT;
4. **THENCE** NORTH 43°23'36" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 86.81 FEET TO AN ANGLE POINT;
5. **THENCE** NORTH 17°09'06" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 169.33 FEET TO AN ANGLE POINT;
6. **THENCE** NORTH 22°05'00" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 275.33 FEET TO AN ANGLE POINT;

7. **THENCE** NORTH 25°38'50" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 225.06 FEET TO A POINT OF CUSP WITH A CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 537.50 FEET, A RADIAL LINE AT SAID POINT OF CUSP BEARS NORTH 04°36'08" EAST;
8. **THENCE** EASTERLY, ALONG SAID CURVE AND SAID BOUNDARY LINE OF TRACT NO. 15921, THROUGH A CENTRAL ANGLE OF 20°22'11", AN ARC DISTANCE OF 191.09 FEET TO AN ANGLE POINT, A RADIAL LINE AT SAID ANGLE POINT BEARS NORTH 15°46'03" WEST;
9. **THENCE** SOUTH 15°44'32" EAST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 6.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 543.50 FEET, A RADIAL LINE AT SAID POINT BEARS NORTH 15°44'32" WEST;
10. **THENCE** NORTHEASTERLY, ALONG SAID CURVE AND SAID BOUNDARY LINE OF TRACT NO. 15921, THROUGH A CENTRAL ANGLE OF 05°58'49", AN ARC DISTANCE OF 56.73 FEET TO A POINT OF COMPOUND CURVATURE WITH A CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 1043.50 FEET, A RADIAL LINE AT SAID POINT BEARS NORTH 21°43'21" WEST;
11. **THENCE** NORTHEASTERLY, ALONG SAID CURVE AND SAID BOUNDARY LINE OF TRACT NO. 15921, THROUGH A CENTRAL ANGLE OF 08°54'31", AN ARC DISTANCE OF 162.25 FEET TO THE MOST NORTHERLY CORNER OF SAID TRACT NO. 15921, A RADIAL LINE AT SAID POINT BEARS NORTH 30°37'52" WEST;
12. **THENCE** NORTH 89°58'19" EAST, A DISTANCE OF 42.32 FEET TO THE EAST LINE OF SAID SECTION 35 AND THE WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT;
13. **THENCE** SOUTH 00°30'55" WEST, ALONG THE EAST LINE OF SAID SECTION 35 AND THE WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, A DISTANCE OF 99.27 FEET TO THE **POINT OF BEGINNING**.

TOTAL GROSS AREA = 4.81 ACRES.

THIS REAL PROPERTY DESCRIPTION HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS' ACT.

Eric R Bunke

ERIC R. BUNKE, P.L.S. #8974





DATE: AUGUST 23, 2017



Exhibit B

LAFCO No.
San Bernardino Valley Municipal Water District
Annexation No. 62 (4.81 Acres) - Tract 15921

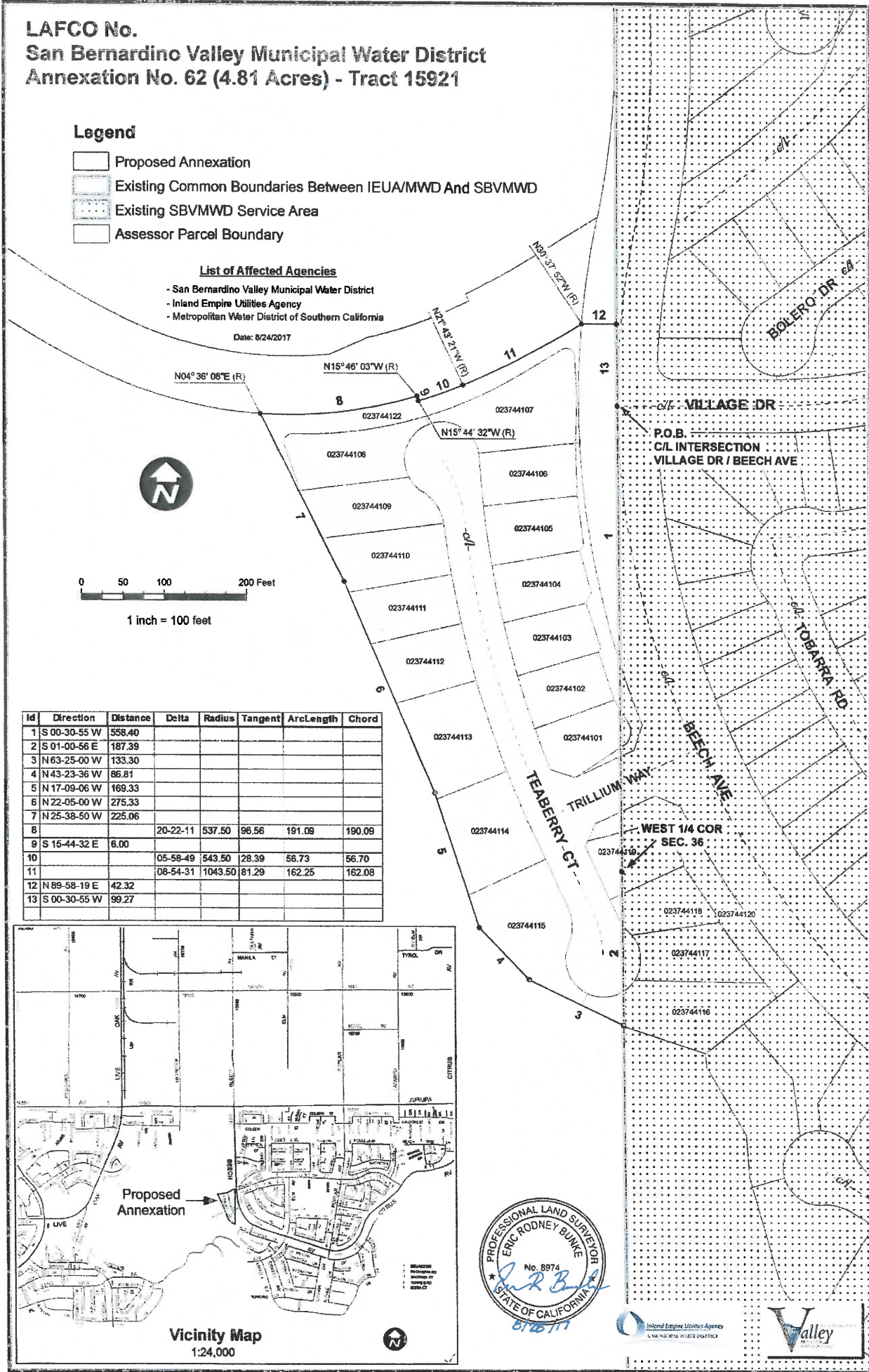
Legend

-  Proposed Annexation
-  Existing Common Boundaries Between IEUA/MWD And SBVMWD
-  Existing SBVMWD Service Area
-  Assessor Parcel Boundary

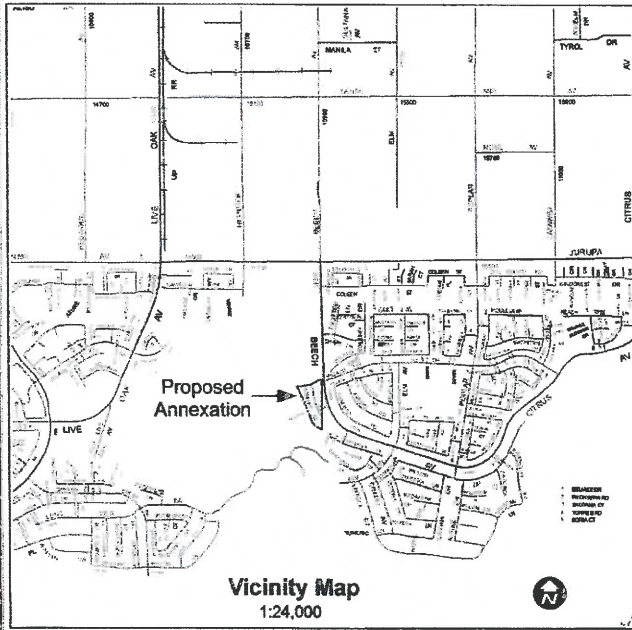
List of Affected Agencies

- San Bernardino Valley Municipal Water District
- Inland Empire Utilities Agency
- Metropolitan Water District of Southern California

Date: 8/24/2017



Id	Direction	Distance	Delta	Radius	Tangent	ArcLength	Chord
1	S 00-30-55 W	558.40					
2	S 01-00-56 E	187.39					
3	N 63-25-00 W	133.30					
4	N 43-23-36 W	86.81					
5	N 17-09-06 W	169.33					
6	N 22-05-00 W	275.33					
7	N 25-38-50 W	225.06					
8			20-22-11	537.50	96.56	191.09	190.09
9	S 15-44-32 E	6.00					
10			05-58-49	543.50	28.39	56.73	56.70
11			08-54-31	1043.50	81.29	162.25	162.08
12	N 89-58-19 E	42.32					
13	S 00-30-55 W	99.27					

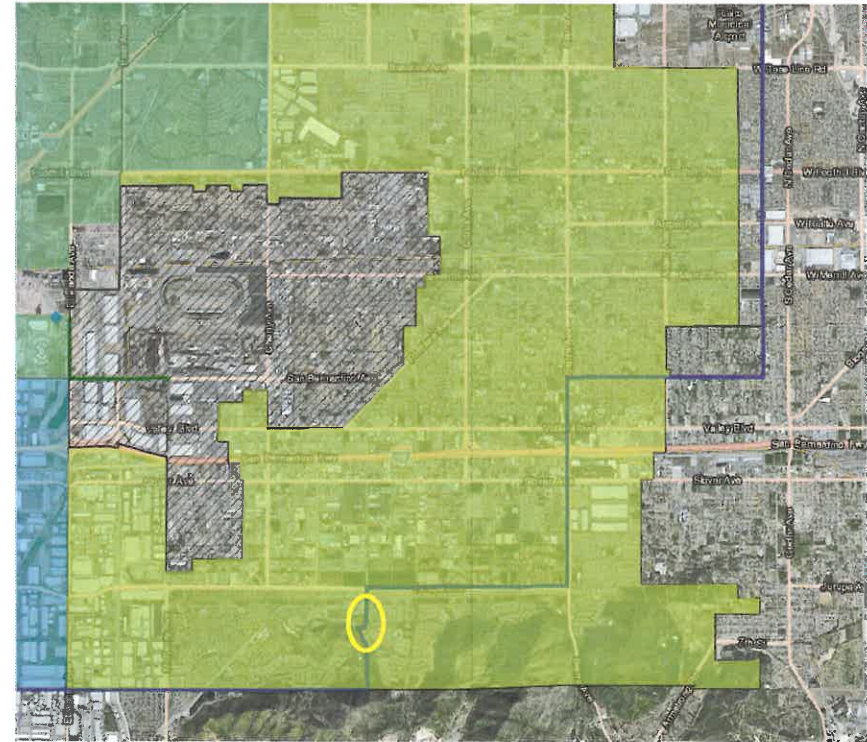


IEUA-San Bernardino Valley Municipal Water District Sphere Adjustment & Reorganization



Background

- San Bernardino Local Area Formation Commission (LAFCO) Countywide Service Review for Water – July 19, 2017
 - Boundary discrepancy identified
 - Located in Southern Fontana (Beech Ave)
 - Property tax bills - San Bernardino Valley Municipal Water District (SBVMWD) debt service charge instead of IEUA



IEUA-Valley District Area

- 18 Single Family Homes – 4.81 Acres
- Water service provided by Fontana Water Company
- Sewer service provided by City of Fontana



Next Steps

- LAFCO/Metropolitan Water District Recommendation:
 - Correct boundary discrepancy
 - IEUA and SBVMWD Joint Application Submittal
 - Adopt dual resolutions requesting LAFCO to initiate process to correct boundary
 - SBVMWD Resolution adopted on December 5, 2017
 - Property tax bills remain unchanged
 - No impact to water billing for Fontana Water Company
 - No impact to City of Fontana sewer billing (homes already billed Extra-Territorial rate)

Recommendation

- Adopt Resolution No. 2017-12-2, requesting LAFCO to initiate a sphere adjustment and reorganization of the area to detach the 4.81 acres from IEUA and annex into SBVMWD.

The adoption of the IEUA-San Bernardino Valley Municipal Water District Sphere Adjustment & Reorganization Resolution is consistent with **IEUA's Business Goal of Business Practices** by jointly working with SBVMWD and LAFCO to update an identified boundary discrepancy.

**CONSENT
CALENDAR
ITEM**

2J

Date: December 20, 2017

To: The Honorable Board of Directors

From:  Halla/Razak, General Manager

Committee: Engineering, Operations & Water Resources

12/13/17

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: Regional Pretreatment Agreement with the City of Fontana

Executive Summary:

Pretreatment program activities are currently governed by regional pretreatment agreements between IEUA and its contracting agencies. While IEUA is the Control Authority having overall responsibility for administration and oversight of the regional pretreatment program, the City of Fontana is one of two cities that has been managing its own pretreatment program on behalf of IEUA. In August 2017, the City of Fontana approached IEUA and requested that IEUA provide the pretreatment program services for all Significant Industrial Users (SIUs) in the City. The City currently has one (1) SIU and three (3) zero waste industrial dischargers that would be managed by this agreement. The proposed agreement would not create a significant change to IEUA's existing pretreatment program, and will benefit the region by further consolidating pretreatment program activities. IEUA General Counsel has reviewed and approved this agreement as to form.

Staff's Recommendation:

It is recommended that the Board of Directors:

1. Approve the Regional Pretreatment Agreement (Agreement) between IEUA and the City of Fontana; and
2. Authorize the General Manager to execute the Agreement, subject to non-substantive changes.

Budget Impact *Budgeted (Y/N): N* *Amendment (Y/N): N* *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On December 7, 2005, the Board of Directors approved the Regional Pretreatment Agreement with the City of Fontana.

Environmental Determination:

Not Applicable

Business Goal:

The Regional Pretreatment Agreement between IEUA and the City of Fontana is consistent with IEUA's Business Goal of Environmental Stewardship by meeting federal, state and local pretreatment regulations within the IEUA service area and safeguarding public health and the environment.

Attachments:

Attachment 1 - Background

Attachment 2 - Agreement No. 4600002413

Background

Subject: Regional Pretreatment Agreement with the City of Fontana

In 1994, the Inland Empire Utilities Agency (formerly Chino Basin Municipal Water District) and the Contracting Agencies amended the Regional Sewerage Service Contract with a supplemental agreement known as the Regional Pretreatment Agreement. The Regional Pretreatment Agreement required each contracting agency, in accordance with Federal and State pretreatment regulations, to adopt and enforce ordinances establishing regulations for industrial users of the community sewer system. The Regional Pretreatment Agreement also provided IEUA the legal authority to regulate industrial dischargers tributary to the Regional Sewer System, including but not limited to discharges from Significant Industrial Users (SIUs).

In 2005, the Pretreatment Agreement was amended as a result of a Pretreatment Compliance Audit from the Regional Water Quality Control Board (Regional Board). The Regional Board found a lack of uniformity among the contracting agencies' pretreatment programs and required that IEUA become the control authority for administration and oversight of the regional pretreatment program. To comply with this requirement, separate agreements were executed between IEUA and each of the contracting agencies to clearly define roles and responsibilities. Under the revised agreements, IEUA is the lead agency for pretreatment program activities for five of the seven contracting agencies. The Cities of Fontana and Chino continue to conduct pretreatment activities on behalf of IEUA.

In August 2017, the City of Fontana (City) approached IEUA to conduct pretreatment program activities in the City. IEUA would provide the same level of service that is provided to the other contracting agencies at no cost to the City. These services would include management and operation of the industrial wastewater pretreatment program for all the City's industries that are classified as SIUs. An SIU is any industry that:

- Is subject to Categorical Pretreatment Standards under 40 CFR 403.6
- Discharges wastewater at an average of 25,000 gallons per day
- Contributes a process wastestream that makes up 5% or more of the average dry weather hydraulic or organic capacity of the treatment plant
- Has the reasonable potential for adversely affecting treatment plant operations

The City currently has only one (1) SIU and three (3) zero waste industrial dischargers that would be managed by this agreement.

The proposed agreement would not create a significant change to IEUA's existing pretreatment program, and will benefit the region by further consolidating pretreatment program activities. IEUA would take the lead role in reviewing and approving discharge permits that are issued to SIUs and in conducting inspecting, monitoring and enforcement activities for these businesses. The City will continue to implement its pretreatment program for non-significant industrial users. The term of the agreement will continue until the Regional Pretreatment Agreement is amended or terminated by both parties. This is the same condition that is in the current agreement.

INLAND EMPIRE UTILITIES AGENCY

AGREEMENT NUMBER: 4600002413

FOR

INDUSTRIAL WASTEWATER PRETREATMENT PROGRAM SERVICES

This AGREEMENT (the "Agreement"), is made and entered into this 14th day of November, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and the City of Fontana, California, (hereinafter referred to as "City") to provide industrial wastewater pretreatment program (hereinafter referred to as "Program") services.

RECITALS

WHEREAS, it is the intent of both parties to this Agreement, that this Agreement is set forth to establish the responsibilities of each Party with respect to compliance with the National Pollutant Discharge Elimination System (NPDES) Industrial Wastewater Pretreatment Program, administered by the Regional Water Quality Control Board, Santa Ana Region (RWQCB), by the authorities granted under the Federal Clean Water Act (CWA) and its 1987 amendments under the Water Quality Act (WQA); and

WHEREAS, Congress in 1982 adopted the Federal Clean Water Act (33 U.S.C.A. 1342(p)), to require the Federal Environmental Protection Agency to promulgate regulations for permits under the NPDES program for Publicly-Owned Treatment Works (POTW) for the discharge of effluent into waters of the USA; and

WHEREAS, Agency owns and operates regional water recycling plants that are regulated in accordance with NPDES permit issued by the RWQCB, and which are subject to discharge limitations and requirements; and

WHEREAS, said permit regulations and discharge limitations require the control and restriction of the discharge of industrial wastewater, and imposes pretreatment requirements on Significant Industrial Users ("SIUs"); and

WHEREAS, the Agency has NPDES Permit No. CA 8000409, Order No. R8-2015-0036 for the Agency's Regional Water Recycling Plants Nos. 1, 4, and 5 and Carbon Canyon Water Recycling Facility, specifically require the Agency to implement pretreatment regulations in all jurisdictions tributary to these regional plants; and

WHEREAS, the Agency and the City have entered into a regional sewerage service contract in 1972, renewed and amended the agreement in 1984; and

WHEREAS, on October 19, 1994, the regional sewerage service contract was further amended with a supplemental agreement known as the Regional Pretreatment Agreement (RPA) regarding the administration of the industrial wastewater pretreatment program; and

WHEREAS, on November 15, 2005, the City Council authorized a cooperative implementation of required powers and responsibilities for the management and operation of the industrial pretreatment program for all the City's SIUs (Agreement No. ASP05085; and

WHEREAS, the parties desire to amend and supplement the RPA and supercede Agreement No. ASP05085; and

WHEREAS, on November 14, 2017, the City Council took action to authorize the Agency to provide the management and operation of the industrial wastewater pretreatment program for all the City's SIUs; and

WHEREAS, on _____, 2017, the Agency's Board of Directors authorized the execution of subject Agreement with the City whereby the Agency will provide pretreatment program services necessary to regulate SIUs in the City, and

WHEREAS, unless otherwise defined herein, terms relating to water, wastewater, pretreatment facilities, pretreatment standards and pretreatment requirements, shall have the same meaning as defined in the Regional Pretreatment Agreement adopted on October 19, 1994.

NOW, THEREFORE, in consideration of the preceding recitals and mutual promises and obligations as set forth herein, the parties agree as follows:

ORDER OF PRECEDENCE: The documents referenced below represent the Agreement Documents. Where any conflicts exist between the General Terms and Conditions, then the governing order of precedence shall be as follows:

1. Amendments to Agreement No. 4600002413
2. Agreement No. 4600002413 General Terms and Conditions.
3. Regional Pretreatment Agreement.

The Agency and City services and responsibilities shall include and be in accordance with the following:

Section 1. Scope of Work and Services

- 1.1** The City shall have the responsibility to identify, locate, and correctly categorize all SIUs existing within its jurisdiction. The City shall furnish a list of SIUs to the Agency, and immediately report to the Agency, any and all SIU list adjustments.
- 1.2** The Agency shall have the responsibility of implementing and conducting Program functions for all City SIUs, including responsibility for undertaking the tasks listed in the RPA Section 3.2(b) through 3.2(i), and RPA Section 3.2(k) through 3.2(m).
- 1.3** Prior to approval of any project plans by the City that are subject to national categorical pretreatment standards, or have the potential for classification as an SIU, the City shall submit, for review and approval by the Agency, sewer and plumbing plans for SIU development and tenancies or occupancies.
- 1.4** The Agency shall be responsible for the development and issuance of industrial wastewater discharge permits, as required under RPA Section 4, for industrial wastewater dischargers who are determined by the City to be SIUs.
- 1.5** The Agency shall be responsible for the inspection, surveillance and monitoring of all SIUs pursuant to RPA Section 5, and for serving in other such roles and providing those related functions for SIUs as otherwise required of the City under RPA Section 5.
- 1.6** The Agency shall be responsible for developing, implementing and revising, as necessary, an enforcement response plan, in full compliance with all Federal and State pretreatment requirements. The Agency shall assume the role and responsibilities of the City identified under RPA Section 3.2(j) (1-4) and shall not take enforcement action against the City pursuant to RPA Section 3.3.
- 1.7** The Agency shall be responsible for the preparation of an annual operating budget for Pretreatment Program activities as specified in 40 CFR 403.8. The budget year shall coincide with the City's fiscal year; i.e., July 1 through June 30. The Pretreatment Program activities will be performed by the Agency at no cost to the City.
- 1.8** The Agency shall be responsible for the preparation and submittal of SIU compliance reports to the RWQCB, as well as preparing and submitting all other respective reports as specified in Title 1, Chapter 40 CFR Part 403.12 and RPA Section 6.1, and will provide copies of same to the City.

- 1.9 The Agency shall immediately notify and advise the City upon the Agency becoming aware of any SIU discharge that constitutes a threat to the health and welfare of the general public or environment within the City, or that may cause the City to violate the wastewater limitations imposed by the Agency on City sewage.
- 1.10 The Agency and City shall divide equally, or as otherwise agreed any civil, or criminal fines and penalties payable by SIUs. In the event of an award of damages or an award of costs incurred by either the Agency or City, the damages shall be paid to the Agency or City whose facilities or processes incurred the damage and the costs reimbursed to the Agency or City that incurred such costs, as may be appropriate.
- 1.11 When requested by the Agency, the City shall provide assistance, to the fullest extent reasonable, in any and all Program activities to the Agency, at no expense to the Agency.

Section 2. Term

The term of this Agreement shall extend from the date of approval, and terminate on the same effective date as the termination of the RPA, as established and in effect the date of this Agreement, unless agreed to by the Agency and City, reduced to writing, and amended to this Agreement.

Section 3. Legal Relations and Responsibilities

3.1 Observing Laws and Ordinances:

The Agency and City shall keep themselves informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed by the Agency under this Agreement, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Agency shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the City, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Agency or its employees.

3.2 Indemnification:

Each party agrees to protect, defend, indemnify, and hold harmless the other party and its officers, directors, agents, employees, servants, and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries

or death of persons (including employees of the Agency and/or the City) and damage to property, directly or indirectly out of the negligent act or omission of the parties, their agents, officers or employees in the performance of this Agreement.

Each party agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at their sole expense.

3.3 Attorneys' Fees:

In the event an action is commenced by a party to this Agreement against the other to enforce its rights or obligations arising from this Agreement, the prevailing party in such action, in addition to any other relief and recovery ordered by the court or arbitration, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees.

Section 4. Notices

Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Postal Service deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: General Manager
 Inland Empire Utilities Agency
 P.O. Box 9020
 Chino Hills, CA 91709

City: Public Works Director
 City of Fontana
 16489 Orange Way
 Fontana, California 92335

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

Section 5. Successors and Assigns

All terms, conditions and provisions of this Agreement shall insure to the benefit of and be binding upon the Agency, City, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of either party under this Agreement may be assigned, transferred, or otherwise disposed of without the prior written consent of the other party; and any such

purported or attempted assignment, transfer, or disposal without the prior written consent of the other party shall be null, void, and of no legal effect whatsoever.

Section 6. Integration

The Agreement Documents referenced in ORDER OF PRECEDENCE, of this document represent the entire Agreement between the Agency and the City as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Agreement Documents. This Agreement may not be modified, altered, or amended except by written mutual agreement by the Agency and the City.

Section 7. Governing Law

This Agreement is to be governed by and constructed in accordance with the laws of the State of California.

Section 8. Relationship of Agreements

This Agreement amends and supplements the RPA dated October 19, 1994, and supersedes Agreement Number ASP05085.

Section 9. Consent to Breach Not Waiver

No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing to the other party. Any waiver or consent by either party for a breach by the other, whether expressed or implied, shall not constitute a waiver, consent or excuse for any other existing or subsequent breach.

Section 10. Force Majeure


Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, and acts of God.

IN WITNESS WHEREOF, the Agency and City have executed this Agreement to be entered as of the day and year written above.

Inland Empire Utilities Agency:

City of Fontana:

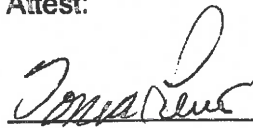
P. Joseph Grindstaff (Date)
General Manager


Kenneth R. Hunt (Date) 11/27/17
City Manager

General Counsel (Date)


City Attorney (Date) 11/28/2017

Attest:


City Clerk (Date) 11/28/17

CONSENT
CALENDAR
ITEM

2K

Date: December 20, 2017

To: The Honorable Board of Directors

From:  for General Manager

Committee: Engineering, Operations & Water Resources

12/13/17

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: RP-1 Aeration Basin Panel Repair Construction Contract Change Order

Executive Summary:

In September 2016, the construction contract was awarded to J.F. Shea for the RP-1 Aeration Basin Panel Repairs Project.

During the shutdown of Aeration Trains 1 and 2, staff observed the air header pipe connecting to the panels were showing signs of wear, specifically stress cracking in areas near fittings. Upon startup and testing of the aforementioned Trains, the subject piping developed leaks, which were spot repaired. These leaks resulted in short term delays in the overall project schedule. To avoid further issues with the same system in Trains 3-6, IEUA determined the best solution to be full replacement of the air header piping. The current piping in all six Trains was last installed in 1997.

Staff is recommending a change order to replace the air header piping in the remaining basins. The change order in the amount of \$115,218 has been evaluated and justified as fair and reasonable.

Staff's Recommendation:

1. Award a construction contract change order to J.F. Shea for the RP-1 Aeration Basin Panel Repairs, Project Nos. EN17040/PA17006.01, for the not-to-exceed amount of \$115,218; and
2. Authorize the General Manager to execute the construction contract change order.

Budget Impact *Budgeted (Y/N): Y* *Amendment (Y/N): N* *Amount for Requested Approval:*

Account/Project Name:

EN17040, PA17006.01/RP-1 Aeration Basin Panel Repairs Project

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On September 21, 2016, the Board of Directors awarded a construction contract for the RP-1 Mixed Liquor Return Pumps, Project No. EN16024, in the amount of \$4,888,000 and RP-1 Aeration Basin Panel Repairs, Project No. EN17040, to J.F. Shea Construction, Inc., in the amount of \$1,745,000 for a total contract amount of \$6,633,000.

Environmental Determination:

Categorical Exemption

CEQA identifies certain categories of projects as exempt from more detailed environmental review because these categories have been deemed to have no potential for significant impact on the environment. This project qualifies for a Categorical Exemption Class 1 as defined in Section 15301(b) of the State CEQA Guidelines.

Business Goal:

The RP-1 Aeration Basin Panel Repairs Project is consistent with IEUA's Business Goal of Wastewater Management specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract Change Order

RP-1 Aeration Basin Panel Repair Construction Contract Change Order Project No. EN17040/PA17006.01



Project Location



The Project

- Construction Contract Award on September 2016
 - Contractor: J.F. Shea Construction
 - Contract Value: \$1,745,000
- Current air header piping was installed in 1997
- Train No. 2 was drained in March 2017
 - PVC header pipe connecting to panels showed signs of wear
 - Staff determined full replacement of the air header piping
- Experienced delays due to having to re-drain and repair header piping for Train Nos. 1 and 2



RP-1 Aeration Basins



Repairing air header piping

Change Order Request

- Removal and replacement of air header piping in Train Nos. 3, 4, 5, and 6
 - Demo PVC air laterals and drops
 - Load out debris and dispose
 - Reconnect new drops and laterals
- Total Change Order amount: \$115,218



Air header leak during panel testing



PVC air header piping

Recommendation

- Approve a construction contract change order with J.F. Shea for the RP-1 Aeration Basin Panel Repairs, Project Nos. EN17040/PA17006.01, for the not-to-exceed amount of \$115,218; and
- Authorize the General Manager to execute the construction contract change order.

The RP-1 Aeration Panel Repairs Project is consistent with the **Agency's Business Goal of Wastewater Management** specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

CONSENT
CALENDAR
ITEM

2L



Date: December 20, 2017

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Engineering, Operations & Water Resources

12/13/17

Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: On-Call Design and Construction Surveying Master Services Contract Awards

Executive Summary:

Two master services contracts for on-call surveying were utilized in support of the Engineering Department's projects since 2011. Their tasks included the review of legal descriptions prepared by other entities, the creation of legal descriptions for proposed easements, topographic, and construction surveying for capital projects.

On November 2, 2017, eight proposals were received. A four-member panel evaluated the proposals to determine the top two firms with the highest collective score under the categories established in the Request for Proposals (RFP). Based on the firms' capabilities, resources, key personnel qualifications, location, unit rates, and RFP exceptions, the panel selected WestLAND Group, Inc. (WestLAND) and CASC Engineering and Consulting, Inc. (CASC) as the most qualified.

Staff is recommending the award of two (2), two-year master services contracts, with the option of two one-year extensions to WestLAND and CASC for a combined total amount of \$1,500,000.

Staff's Recommendation:

1. Approve a two-year On-Call Design and Construction Surveying Master Services Contract to WestLAND Group, Inc., for a not-to-exceed amount of \$750,000;
2. Approve a two-year On-Call Design and Construction Surveying Master Services Contract to CASC Engineering and Consulting, Inc., for a not-to-exceed amount of \$750,000; and
3. Authorize the General Manager to execute the Master Services Contracts subject to non-substantive changes.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Various current and future capital projects.

Fiscal Impact (explain if not budgeted):

There is no direct impact on IEUA's fiscal year budget as a result of this action. These contracts are for work which will be required on various project and at various times throughout the next two years. The funding for this work is included in each individual project budget that requires design and construction surveying services.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.: Various

Prior Board Action:

None

Environmental Determination:

Not Applicable

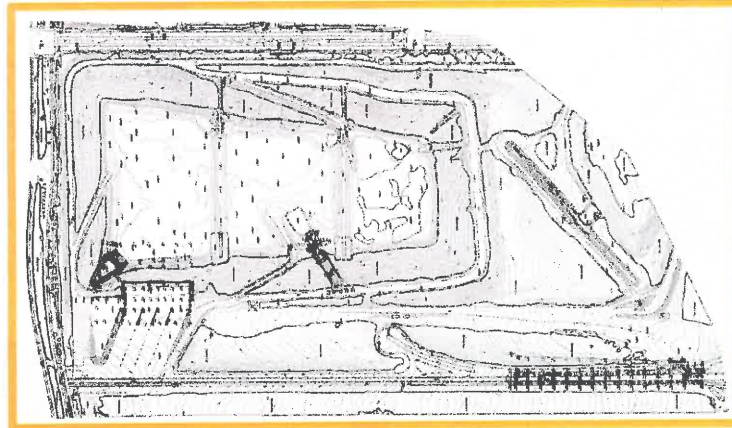
Business Goal:

The On-Call Design and Construction Surveying Master Services Contract award is consistent with IEUA's Business Goal of Business Practices specifically the Efficiency and Effectiveness objective that IEUA will 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.

Attachments:

- Attachment 1 - PowerPoint
- Attachment 2 - WestLAND Contract
- Attachment 3 - CASC Contract

On-Call Design and Construction Surveying Master Services Contract Awards



Background

- 2010 – 2017
 - Approximately \$1,400,000 was expended on surveying tasks
- Services required for current and future capital projects
 - Design topographic survey
 - Construction staking survey
 - Legal description preparation and review
- RFP posted on PlanetBids
 - On-Call Design and Construction Surveying and Other Related Services



GPS Manhole Locating

Consultant Selection

- Evaluation and selection committee
 - Engineering and Construction Management Department
- 8 Proposals received on November 2, 2017
- Evaluation Criteria for consultant selection
 - Resources, key personnel qualifications, and project experience
 - Organization, history, reputation, location, capability
 - Pricing and rates
 - Contract and RFP exceptions
 - DIR Registration
- Selection
 - WestLAND Group Inc.
 - CASC Engineering and Consulting Inc.

Proposals Received
WestLAND Group Inc.
CASC Engineering and Consulting Inc.
K&A Engineering Inc.
Hernandez, Kroon & Associates
Stantec
KDM Meridien
Albert Webb Associates
Huitt-Zollars

Recommendation

- Award a two-year On-Call Design and Construction Surveying Master Services Contract to WestLAND Group, Inc., for a not-to-exceed amount of \$750,000;
- Award a two-year On-Call Design and Construction Surveying Master Services Contract to CASC Engineering and Consulting, Inc., for a not-to-exceed amount of \$750,000; and
- Authorize the General Manager to execute the Master Services Contracts subject to non-substantive changes.

The On-Call Design and Construction Surveying Master Services Contract award is consistent with the **IEUA's Business Goal of Business Practices** specifically the Efficiency and Effectiveness objective that IEUA will apply best industry practices in all processes to maintain or improve the quality and value of their services we provide to our member agencies and the public.



MASTER SERVICES CONTRACT NUMBER: 4600002447
FOR PROVISION OF ON-CALL DESIGN,
CONSTRUCTION SURVEYING,
AND RELATED SERVICES

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "IEUA" and "Agency") and WestLAND Group, Inc., with offices located in Ontario, California (hereinafter referred to as "Contractor"), in order to establish mutually acceptable terms and conditions which will hold for and govern all On-Call and "Task Order" releases subsequently issued under this Master Services Contract.

RECITALS

Whereas the Agency anticipates future need(s) to retain the services of the Contractor to provide professional engineering services on an "on-call" or "as needed" Task Order assignment basis;

Whereas the Contractor is willing to undertake performance of such On-Call or Task Order assignments under which the terms and conditions set forth herein shall apply;

THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereby agree as follows:

1. **ORDER OF PRECEDENCE:** The documents referenced below constitute the Contract Documents and are each hereby incorporated herein. In the event of any conflicts or inconsistencies between any of the Contract Documents, the governing order of precedence shall be as follows:
 - A. Amendments to Task Order releases under this Master Services Contract.
 - B. On-Call and Task Order releases under this Master Services Contract.
 - C. Amendments to this Master Services Contract No. 4600002447
 - D. Master Services Contract Number 4600002447, General Terms and Conditions.
 - E. Agency's Request for Proposals Number RFP-RW-17-029, incorporated by reference.
 - F. Contractor's Schedule of Rates (**Attachment B**).
 - G. Contractor's Proposal dated November 1, 2017, incorporated by reference.

2. **SCOPE OF WORK AND SERVICES:** The Contractor shall provide all labor, materials, tools, machinery, equipment, and other items and services necessary to properly perform the work (hereinafter referred to as the "Work") as set forth in each individual On-Call Assignment or Task Order agreed to and released under this Master Services Contract, including exhibits and amendments hereto. The Work shall be carried out in accordance with the Contract Documents in a diligent and workman-like manner, utilizing qualified personnel and good and sufficient materials and equipment. Further, the Contractor shall perform only those work assignments authorized by On-Call assignments or Task Orders issued in conjunction with this Contract.

Ordering Provisions and Understandings:

Negotiation of Task Orders: Agency and Contractor each reserve and retain the right to negotiate the scope of work, price, and term of any specific Task Order. However, both parties agree that the various proposed labor and expense rates used to develop each Task Order's price will be consistent with those specified within Contractor's Schedule of Rates, attached hereto, referenced herein, and made a part hereof as **Attachment B**.

Task Order Price: A firm fixed price or not-to-exceed price for each Task Order will be addressed and authorized via the content of each specific Task Order.

Task Order Format: Each Task Order issued under this Master Services Contract will be of similar form to the Sample Task Order, attached hereto, referenced herein, and made a part hereof as **Attachment A**.

Task Order Assignment Method:

- a. As the need for work arises, specific Statements of Work will be forwarded to all Contractors in possession of master services contracts for purposes of competitive proposal formulation. If the Contractor desires to propose for award of the work, the Contractor shall respond no-later-than the specified proposal submittal date/time, (which shall be not less than 5 working days after solicitation issuance) with submittal of a price and technical proposal (if applicable) to perform the requested services. This proposal will be reviewed and, if selected by the Agency, negotiated (if required) to develop mutually-agreed-upon Task Order content and price. Each Task Order will designate a specific scope of work, schedule, firm-fixed or not-to-exceed compensation, and other specifications and terms particular to the Work. Upon agreement and execution by both parties, the Task Order will be released, a written notice-to-proceed order will be issued and the Contractor may then begin performance of the Work provided for under the executed Task Order.
- b. There is neither a maximum nor minimum number of Task Orders that may be issued under this Contract. Further, there is no guarantee that any Task Orders will

be released against this Contract. Conversely, multiple Task Orders may be issued requiring work in support of concurrent projects.

- c. Any Task Order executed during the term of this Contract, and not completed within the term of this Contract, shall nevertheless be completed within the time specified in the Task Order. This Contract shall govern the rights and obligations of the parties with respect to that Task Order to the same extent as if it were being completed within the Contract's term.
- d. Each Task Order executed hereunder, including any changes to or terminations of such Task Orders, shall be automatically incorporated into this Contract, and therefore shall be subject to the terms and conditions of this Contract.

- 3. TERM OF CONTRACT AND OPTION: The initial term of this Contract shall extend from the date of the contract execution and terminate on December 31, 2019, unless agreed to by both parties, reduced to writing, and formally incorporated as an amendment to this Contract. Additionally, at the unilateral discretion and option of the Agency, the Contractor shall agree to allow the Agency to extend this Contract for on an annual basis, up to a total Contract term of two (2) additional years. In the event the Agency desires to exercise the Contract extension option provided for in this Section, the Agency shall provide written notice to the Contractor, prior to the expiration of the original Contract term. If such option is exercised, the original Schedule of Rates shall be re-negotiated for the Contract Amendment "option" term.
- 4. SCHEDULE: The Contractor shall complete the Work specified by each Task Order in accordance with the schedule established within said Task Order. All Work shall be fully finished no later than the date specified in said Task Order, unless terminated sooner or extended as provided for herein.
- 5. INVOICING, PAYMENT DISCOUNT & PAYMENT: Throughout the term of this Contract, Contractor's invoices issued in conjunction with "time and materials" Task Orders may be submitted on a monthly basis and shall be calculated in accordance with the labor and expense rates specified within **Attachment B** – Contractor's Schedule of Rates. Unless a given Task Order establishes its own milestone payment schedule, invoices in conjunction with "firm fixed price" Task Orders shall be submitted upon completion of all Task Order scope requirements as one-time, "lump sum" invoices valued at the total price established for that Task Order.

Agency shall pay the full/approved invoice amount within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract or the associated Task Order, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

Contractor's invoices shall include reference to "Master Services Contract Number 4600002447" and the associated Task Order Number. All original invoices shall be submitted electronically with all required back-up to apgroup@ieua.org .

6. COMPENSATION AND CHANGES: As compensation for the Work satisfactorily performed against Task Order releases under this Contract, Agency shall pay Contractor in accordance with Contractor's approved Schedule of Rates for time and materials task orders or, alternately, the established lump-sum or fixed price milestones in the case of firm, fixed price Task Orders, a total ***not-to-exceed maximum of \$750,000.00*** for all materials and services satisfactorily provided hereunder during the term of this Contract.

Any additional services/costs must be approved in advance by the Agency's Contract Administrator and a subsequent Task Order, or Task Order Amendment, for the additional work must be issued and bi-laterally executed.

7. CONTROL OF THE WORK: Contractor shall perform the Work in compliance with the Task Order-specified Work Schedule. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule for consideration by the Project Manager.

8. FITNESS FOR DUTY:

A. Fitness: Contractor's personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

9. INSURANCE: During the term of this Contract, the Contractor shall maintain at Contractor's sole expense, the following insurance.

A. Minimum Scope of Insurance: Coverage shall be at least as broad as:

1. General Liability: Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits

no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 4. Professional Liability (Errors and Omissions): Insurance appropriate to the Contractor's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
 - b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any

insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Contractor's insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of said Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency.

- D. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall furnish the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work

beginning shall not waive the Contractor's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District
Attn: Risk Specialist Angela Witte
P.O. Box 9020
Chino Hills, CA 91709

Via Email: AWitte@ieua.org

10. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.
- D. Subcontracted Services: Any subcontracts for the performance of any services under this Contract shall be subject to the prior written approval of the Project Manager.
- E. Grant Funded Projects: The Contractor shall be responsible to comply with all grant requirements specified within any Task Order assignments. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Records Retention and Public Access to Records, and Compliance

Review. Contractor shall be advised for each Task Order issued if work is grant funded.

- F. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- G. Indemnification: Contractor shall indemnify and hold harmless and defend as permitted by law, the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:
1. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Agency and/or Contractor, or any directors, officers, employees, or authorized volunteers of Agency or Contractor, and damages to or destruction of property of any person, including but not limited to, Agency and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, except for the sole negligence or willful misconduct or active negligence of the Agency or its directors, officers, employees, or authorized volunteers;
 2. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;
 3. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respects to the failure, neglect, or refusal or Contractor to faithfully perform the work and all of the Contractor's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.
- H. Conflict of Interest: No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

- I. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
- J. Non-Conforming Work: Contractor represents that the Work and Documentation shall meet the standard of care of Contractor's profession. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all agreed-to errors in the Work or Documentation, regardless of whether any such errors are brought to the attention of Contractor by Agency, or any other person or entity. Contractor shall within three (3) calendar days, correct any error that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Contractor's receipt of notice of the error. Upon request of Agency, Contractor shall correct any such error deemed important by Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven (7) calendar days after Contractor's receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and reason for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.
- K. Disputes:
1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to mediation.
 2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy

of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of mediation, the parties hereto agree that there shall be a single neutral Mediator who shall be selected in the following manner:
 - a. The Demand for a Mediator shall include a list of five names of persons acceptable to the Contractor to be appointed as Mediator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Mediator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Mediator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Mediator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by an agreement mediator on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subContractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency. Any reuse of such documents for other than the specific purpose, intended as stated herein, shall be at the sole risk of the user, and without liability or legal exposure to the Contractor.

Notwithstanding any provision to the contrary contained in this Contract, Contractor shall retain sole ownership to its preexisting information including but not limited to computer programs, software, standard details, figures, templates and specifications.

When transferring data in electronic media format, Contractor makes no representation as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by Contractor at the beginning of the Project.

Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within sixty (60) days of receipt, after which the Agency shall have deemed to have accepted the data transferred. Any errors detected within the sixty days will be corrected by the Contractor at no additional cost to the Agency. Contractor shall not be responsible to maintain documents stored in electronic media format after acceptance by the Agency. The original hard copy of the documents containing the professional engineer's seal shall take precedence over the electronic documents.

12. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the project at hand.

- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which Agency has title as directed in writing by the Contract Administrator and/or Agency.

14. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
 - 3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. No Additional Compensation: Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

15. INFRINGEMENT: Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Contractor shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Contractor shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

16. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency, a Municipal Water District
P.O. Box 9020
Chino Hills, California 91709

Contractor: Mary Susan Josenhans
President
WestLAND Group, Inc.
4150 Concourse, Suite 100
Ontario, CA 91764

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their

respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

18. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Contractors' records related to the work assigned by subsequent Task Orders. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
19. INTEGRATION: The Contract Documents represent the entire agreement of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.
20. GOVERNING LAW: This Agreement is to be governed by and constructed in accordance with the laws of the State of California.
21. TERMINATION FOR CONVENIENCE: The Agency reserves and has the right to immediately suspend, cancel or terminate this Agreement at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
22. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etc.
23. CHANGES: The Agency may, at any time, make changes to a given Task Order's Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing via a Task Order Change Order issued by the Agency and executed by both Parties. The Task Order Change Order will, if warranted, convey any associated change to the established Task Order price and/or performance schedule.
24. NOTICE TO PROCEED: No services shall be performed or furnished under this Master Services Contract unless and until an associated Task Order has bi-laterally executed and issued to the Contractor.

[Signature Page To Follow]


IN WITNESS WHEREOF, the parties hereto have caused this Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:
(A Municipal Water District)**

WESTLAND GROUP, INC.:

Halla Razak
General Manager

(Date)



Matthew H. Okubo
Executive Vice President/Principal

11/28/17
(Date)

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Attachment A

Attachment A

SAMPLE TASK ORDER

Date: XXXXXXXXXXXX

Task Order Number: XXX

Consultant: XXXXXXXXXXXX

Contract Number: 460000XXXX

Project / Task Description:

I. RECITALS

This Task Order is issued for the procurement of services needed in conjunction with Agency Project No. XXXXXXXX .

Agency and Consultant previously entered into Master Services Contract No. 460000XXXX. Except as otherwise specified herein, all terms and conditions of that Agreement are incorporated into this Task Order via this reference.

II. TASK ORDER AGREEMENTS

1. Scope of Work: Consultant shall furnish the qualified personnel, equipment, materials, and supplies necessary to perform the work described in the attached Statement of Work.
2. Period of Performance: XXXXXX through XXXXXX. All work is to be performed in a timely manner and in accordance with the Project Manager's schedule.
3. Compensation: Authorized total payments to Consultant for performance of this time-and-materials Task Order shall sum to a total not-to-exceed price of \$ XXXXXXXX. (NOTE: Compensation is based on submitted fees rates included in the Master Services Contract.)
4. Assigned Personnel: The below-listed named personnel are assigned to direct the performance of this Task Order on behalf of the respective Parties.

PROJECT MANAGER ASSIGNMENT: All technical direction related to this Task Order shall come from the designated Project Manager. Details of Agency's assignment are listed below:

Project Manager: XXXXXXXXXXXXXXXX
Address: 6075 Kimball Ave, Bldg. X
Chino, California 91708

Telephone: (909) 993-XXXX
Facsimile: (909) XXXXXXXX
Email: XXXXXXXX@ieua.org

CONSULTANT ASSIGNMENT: Special inquiries related to this Agreement and the effects of this Agreement shall be referred to the following:

Consultant: XXXXXXXXXXXXXXXX
Project Manager: XXXXXXXXXXXXXXXX
Address: XXXXXXXXXXXXXXXX

Telephone: XXXXXXXXXXXXXXXXXXXX
Facsimile: XXXXXXXXXXXXXXXXXXXX
Email: XXXXXXXXXXXXXXXXXXXX

- 5. Task Order Modifications: No communication, either written or oral, by other than written and bi-laterally executed change order shall be effective to modify or otherwise affect the provisions of this Task Order.

III. SIGNATURES

Inland Empire Utilities Agency: XXXXXXXXXXXXXXXXXXXX:

Date: _____ Date: _____

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Attachment B

ATTACHMENT "B"

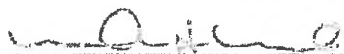
PROPOSAL FEE SCHEDULE

Offeror shall complete this Proposal Fee Schedule and shall return with their submittal. All proposal costs shall include respective itemized costs associated with all labor, equipment, materials, transportation, overhead, travel, profit, insurance, sales and other taxes, licenses, incidentals, and all other related costs necessary to provide on-call design and construction surveying and related services shall be held firm-fixed throughout the anticipated two (2) year contract performance period (other than prevailing wage classifications which shall be paid in accordance with the current year prevailing wage determination as made by the Department of Industrial Relations). At any time, IEUA may require that these costs be itemized.

Offeror shall hold their prices firm-fixed as indicated on the itemized fee schedule.

Offeror has thoroughly read this RFP and agrees to all the terms and conditions provided herein.

<u>DESCRIPTION</u>	<u>FEE</u>	
Project Manager	\$ <u>155</u> /Hour	
Survey Supervisor	\$ <u>140</u> /Hour	
Two-Man Survey Crew	\$ <u>245</u> /Hour	PW
Three-Man Survey Crew	\$ <u>295</u> /Hour	PW
Senior CAD Technician	\$ <u>110</u> /Hour	
Drafter/CAD Technician	\$ <u>95</u> /Hour	
Other: Specify		
<u>Survey Analyst/GIS Coordinator</u>	\$ <u>125</u> /Hour	
<u>_____</u>	\$ _____ /Hour	
<u>_____</u>	\$ _____ /Hour	


Offeror Signature
Matthew H. Okubo
Printed Name
Executive VP of Operations
Title

WestLAND Group, Inc
Company Name
PLS 8686
Consultant License Number
11.1.2017
Date



MASTER SERVICES CONTRACT NUMBER: 4600002448
FOR PROVISION OF ON-CALL DESIGN,
CONSTRUCTION SURVEYING,
AND RELATED SERVICES

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "IEUA" and "Agency") and CASC Engineering and Consulting, Inc., with offices located in Colton, California (hereinafter referred to as "Contractor"), in order to establish mutually acceptable terms and conditions which will hold for and govern all On-Call and "Task Order" releases subsequently issued under this Master Services Contract.

RECITALS

Whereas the Agency anticipates future need(s) to retain the services of the Contractor to provide professional engineering services on an "on-call" or "as needed" Task Order assignment basis;

Whereas the Contractor is willing to undertake performance of such On-Call or Task Order assignments under which the terms and conditions set forth herein shall apply;

THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereby agree as follows:

1. **ORDER OF PRECEDENCE:** The documents referenced below constitute the Contract Documents and are each hereby incorporated herein. In the event of any conflicts or inconsistencies between any of the Contract Documents, the governing order of precedence shall be as follows:
 - A. Amendments to Task Order releases under this Master Services Contract.
 - B. On-Call and Task Order releases under this Master Services Contract.
 - C. Amendments to this Master Services Contract No. 4600002448
 - D. Master Services Contract Number 4600002448, General Terms and Conditions.
 - E. Agency's Request for Proposals Number RFP-RW-17-029, incorporated by reference.
 - F. Contractor's Schedule of Rates (**Attachment B**).
 - G. Contractor's Proposal dated November 2, 2017, incorporated by reference.

2. **SCOPE OF WORK AND SERVICES:** The Contractor shall provide all labor, materials, tools, machinery, equipment, and other items and services necessary to properly perform the work (hereinafter referred to as the "Work") as set forth in each individual On-Call assignment or Task Order agreed to and released under this Master Services Contract, including exhibits and amendments hereto. The Work shall be carried out in accordance with the Contract Documents in a diligent and workman-like manner, utilizing qualified personnel and good and sufficient materials and equipment. Further, the Contractor shall perform only those work assignments authorized by On-Call assignments or Task Orders issued in conjunction with this Contract.

Ordering Provisions and Understandings:

Negotiation of Task Orders: Agency and Contractor each reserve and retain the right to negotiate the scope of work, price, and term of any specific Task Order. However, both parties agree that the various proposed labor and expense rates used to develop each Task Order's price will be consistent with those specified within Contractor's Schedule of Rates, attached hereto, referenced herein, and made a part hereof as **Attachment B**.

Task Order Price: A firm fixed price or not-to-exceed price for each Task Order will be addressed and authorized via the content of each specific Task Order.

Task Order Format: Each Task Order issued under this Master Services Contract will be of similar form to the Sample Task Order, attached hereto, referenced herein, and made a part hereof as **Attachment A**.

Task Order Assignment Method:

- a. As the need for work arises, specific Statements of Work will be forwarded to all Contractors in possession of master services contracts for purposes of competitive proposal formulation. If the Contractor desires to propose for award of the work, the Contractor shall respond no-later-than the specified proposal submittal date/time, (which shall be not less than 5 working days after solicitation issuance) with submittal of a price and technical proposal (if applicable) to perform the requested services. This proposal will be reviewed and, if selected by the Agency, negotiated (if required) to develop mutually-agreed-upon Task Order content and price. Each Task Order will designate a specific scope of work, schedule, firm-fixed or not-to-exceed compensation, and other specifications and terms particular to the Work. Upon agreement and execution by both parties, the Task Order will be released, a written notice-to-proceed order will be issued and the Contractor may then begin performance of the Work provided for under the executed Task Order.
- b. There is neither a maximum nor minimum number of Task Orders that may be issued under this Contract. Further, there is no guarantee that any Task Orders will be released against this Contract. Conversely, multiple Task Orders may be issued requiring work in support of concurrent projects.

- c. Any Task Order executed during the term of this Contract, and not completed within the term of this Contract, shall nevertheless be completed within the time specified in the Task Order. This Contract shall govern the rights and obligations of the parties with respect to that Task Order to the same extent as if it were being completed within the Contract's term.
- d. Each Task Order executed hereunder, including any changes to or terminations of such Task Orders, shall be automatically incorporated into this Contract, and therefore shall be subject to the terms and conditions of this Contract.
3. **TERM OF CONTRACT AND OPTION:** The initial term of this Contract shall extend from the date of the contract execution and terminate on December 31, 2019, unless agreed to by both parties, reduced to writing, and formally incorporated as an amendment to this Contract. Additionally, at the unilateral discretion and option of the Agency, the Contractor shall agree to allow the Agency to extend this Contract for on an annual basis, up to a total Contract term of two (2) additional years. In the event the Agency desires to exercise the Contract extension option provided for in this Section, the Agency shall provide written notice to the Contractor, prior to the expiration of the original Contract term. If such option is exercised, the original Schedule of Rates shall be re-negotiated for the Contract Amendment "option" term.
4. **SCHEDULE:** The Contractor shall complete the Work specified by each Task Order in accordance with the schedule established within said Task Order. All Work shall be fully finished no later than the date specified in said Task Order, unless terminated sooner or extended as provided for herein.
5. **INVOICING, PAYMENT DISCOUNT & PAYMENT:** Throughout the term of this Contract, Contractor's invoices issued in conjunction with "time and materials" Task Orders may be submitted on a monthly basis and shall be calculated in accordance with the labor and expense rates specified within **Attachment B – Contractor's Schedule of Rates**. Unless a given Task Order establishes its own milestone payment schedule, invoices in conjunction with "firm fixed price" Task Orders shall be submitted upon completion of all Task Order scope requirements as one-time, "lump sum" invoices valued at the total price established for that Task Order.
Agency shall pay the full/approved invoice amount within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract or the associated Task Order, until such service is revised, the invoice resubmitted and accepted by the Project Manager.
Contractor's invoices shall include reference to "Master Services Contract Number 4600002448" and the associated Task Order Number. All original invoices shall be submitted electronically with all required back-up to apgroup@ieua.org.

6. COMPENSATION AND CHANGES: As compensation for the Work satisfactorily performed against Task Order releases under this Contract, Agency shall pay Contractor in accordance with Contractor's approved Schedule of Rates for time and materials task orders or, alternately, the established lump-sum or fixed price milestones in the case of firm, fixed price Task Orders, a total ***not-to-exceed maximum of \$750,000.00*** for all materials and services satisfactorily provided hereunder during the term of this Contract.

Any additional services/costs must be approved in advance by the Agency's Contract Administrator and a subsequent Task Order, or Task Order Amendment, for the additional work must be issued and bi-laterally executed.

7. CONTROL OF THE WORK: Contractor shall perform the Work in compliance with the Task Order-specified Work Schedule. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule for consideration by the Project Manager.

8. FITNESS FOR DUTY:

A. Fitness: Contractor's personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

9. INSURANCE: During the term of this Contract, the Contractor shall maintain at Contractor's sole expense, the following insurance.

A. Minimum Scope of Insurance: Coverage shall be at least as broad as:

1. General Liability: Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 4. Professional Liability (Errors and Omissions): Insurance appropriate to the Contractor's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
 - b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Contractor's insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of said Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency.

- D. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall furnish the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District
Attn: Risk Specialist Angela Witte
P.O. Box 9020
Chino Hills, CA 91709

Via Email: AWitte@ieua.org

10. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.
- D. Subcontracted Services: Any subcontracts for the performance of any services under this Contract shall be subject to the prior written approval of the Project Manager.
- E. Grant Funded Projects: The Contractor shall be responsible to comply with all grant requirements specified within any Task Order assignments. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Records Retention and Public Access to Records, and Compliance Review. Contractor shall be advised for each Task Order issued if work is grant funded.
- F. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

- G. Indemnification: Contractor shall indemnify and hold harmless and defend as permitted by law, the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:
1. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Agency and/or Contractor, or any directors, officers, employees, or authorized volunteers of Agency or Contractor, and damages to or destruction of property of any person, including but not limited to, Agency and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, except for the sole negligence or willful misconduct or active negligence of the Agency or its directors, officers, employees, or authorized volunteers;
 2. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;
 3. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respects to the failure, neglect, or refusal or Contractor to faithfully perform the work and all of the Contractor's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.
- H. Conflict of Interest: No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- I. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
- J. Non-Conforming Work: Contractor represents that the Work and Documentation shall meet the standard of care of Contractor's profession. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all agreed-to errors in the Work or Documentation, regardless of whether any such errors are brought to the attention of Contractor by Agency, or any other person or entity. Contractor shall within three (3) calendar days, correct any error that renders the Work or Documentation dysfunctional or unusable

and shall correct other errors within thirty (30) calendar days after Contractor's receipt of notice of the error. Upon request of Agency, Contractor shall correct any such error deemed important by Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven (7) calendar days after Contractor's receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and reason for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.

K. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to mediation.
2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.
3. In the event of mediation, the parties hereto agree that there shall be a single neutral Mediator who shall be selected in the following manner:

- a. The Demand for a Mediator shall include a list of five names of persons acceptable to the Contractor to be appointed as Mediator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Mediator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Mediator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Mediator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by an agreement mediator on the Project pursuant to Public Contracts Code Sections 20104 *et seq.* Such joinder shall be initiated by written notice from the Agency's representative to the Contractor.
11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subContractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency. Any reuse of such documents for other than the specific purpose, intended as stated herein, shall be at the sole risk of the user, and without liability or legal exposure to the Contractor.

Notwithstanding any provision to the contrary contained in this Contract, Contractor shall retain sole ownership to its preexisting information including but not limited to computer programs, software, standard details, figures, templates and specifications.

When transferring data in electronic media format, Contractor makes no representation as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by Contractor at the beginning of the Project.

Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within sixty (60) days of receipt, after which the Agency shall have deemed to have accepted the data transferred. Any errors detected within the sixty days will be corrected by the Contractor at no additional cost to the Agency. Contractor shall not be responsible to maintain documents stored in electronic media

format after acceptance by the Agency. The original hard copy of the documents containing the professional engineer's seal shall take precedence over the electronic documents.

12. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. **TITLE AND RISK OF LOSS:**

- A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the project at hand.
- B. **Material:** Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. **Disposition:** Contractor shall dispose of items to which Agency has title as directed in writing by the Contract Administrator and/or Agency.

14. **PROPRIETARY RIGHTS:**

- A. **Rights and Ownership:** Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.

2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.
 3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
- B. No Additional Compensation: Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.
15. INFRINGEMENT: Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.
- Contractor shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.
- Contractor shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.
16. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency, a Municipal Water District
P.O. Box 9020
Chino Hills, California 91709

Contractor: Richard J. Sidor
Chief Executive Officer
CASC Engineering and Consulting, Inc.
1470 E. Cooley Drive
Colton, CA 92324

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.
18. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractors' records related to the work assigned by subsequent Task Orders. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
19. **INTEGRATION:** The Contract Documents represent the entire agreement of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.
20. **GOVERNING LAW:** This Agreement is to be governed by and constructed in accordance with the laws of the State of California.
21. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Agreement at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.

22. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etc.
23. **CHANGES:** The Agency may, at any time, make changes to a given Task Order's Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing via a Task Order Change Order issued by the Agency and executed by both Parties. The Task Order Change Order will, if warranted, convey any associated change to the established Task Order price and/or performance schedule.
24. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Master Services Contract unless and until an associated Task Order has bi-laterally executed and issued to the Contractor.

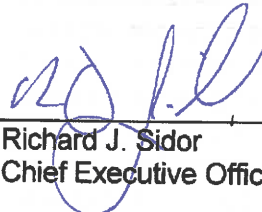
IN WITNESS WHEREOF, the parties hereto have caused this Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:
(A Municipal Water District)**

CASC ENGINEERING AND CONSULTING, INC.:

Halla Razak
General Manager

(Date)



Richard J. Sidor
Chief Executive Officer

11/22/17

(Date)

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Attachment A

Attachment 2

SAMPLE TASK ORDER

Date: XXXXXXXXXXXX

Task Order Number: XXX

Consultant: XXXXXXXXXXXX

Contract Number: 460000XXXX

Project / Task Description:

I. RECITALS

This Task Order is issued for the procurement of services needed in conjunction with Agency Project No. XXXXXXXX .

Agency and Consultant previously entered into Master Services Contract No. 460000XXXX. Except as otherwise specified herein, all terms and conditions of that Agreement are incorporated into this Task Order via this reference.

II. TASK ORDER AGREEMENTS

1. Scope of Work: Consultant shall furnish the qualified personnel, equipment, materials, and supplies necessary to perform the work described in the attached Statement of Work.
2. Period of Performance: XXXXXX through XXXXXX. All work is to be performed in a timely manner and in accordance with the Project Manager's schedule.
3. Compensation: Authorized total payments to Consultant for performance of this time-and-materials Task Order shall sum to a total not-to-exceed price of \$ XXXXXXXX. (NOTE: Compensation is based on submitted fees rates included in the Master Services Contract.)
4. Assigned Personnel: The below-listed named personnel are assigned to direct the performance of this Task Order on behalf of the respective Parties.

PROJECT MANAGER ASSIGNMENT: All technical direction related to this Task Order shall come from the designated Project Manager. Details of Agency's assignment are listed below.

Project Manager: XXXXXXXXXXXXXXXX
Address: 6075 Kimball Ave, Bldg. X
Chino, California 91708

Telephone: (909) 993-XXXX
Facsimile: (909) XXXXXXXX
Email: XXXXXXXX@jeua.org

CONSULTANT ASSIGNMENT: Special inquiries related to this Agreement and the effects of this Agreement shall be referred to the following:

Consultant: XXXXXXXXXXXXXXXX
Project Manager: XXXXXXXXXXXXXXXX
Address: XXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXX

Telephone:
Facsimile:
Email:

XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

5. Task Order Modifications: No communication, either written or oral, by other than written and bi-laterally executed change order shall be effective to modify or otherwise affect the provisions of this Task Order.

III. SIGNATURES

Inland Empire Utilities Agency:

XXXXXXXXXXXXXXXXXXXXX

Date: _____

Date: _____

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Attachment B

ATTACHMENT "B"

PROPOSAL FEE SCHEDULE

Offeror shall complete this Proposal Fee Schedule and shall return with their submittal. All proposal costs shall include respective itemized costs associated with all labor, equipment, materials, transportation, overhead, travel, profit, insurance, sales and other taxes, licenses, incidentals, and all other related costs necessary to provide on-call design and construction surveying and related services shall be held firm-fixed throughout the anticipated two (2) year contract performance period (other than prevailing wage classifications which shall be paid in accordance with the current year prevailing wage determination as made by the Department of Industrial Relations). At any time, IEUA may require that these costs be itemized.

Offeror shall hold their prices firm-fixed as indicated on the itemized fee schedule.

Offeror has thoroughly read this RFP and agrees to all the terms and conditions provided herein.

<u>DESCRIPTION</u>	<u>FEE</u>
Project Manager	\$ <u>175</u> /Hour
Survey Supervisor	\$ <u>146</u> /Hour
Two-Man Survey Crew	\$ <u>205</u> /Hour
Three-Man Survey Crew	\$ <u>231</u> /Hour
Senior CAD Technician	\$ <u>118</u> /Hour
Drafter/CAD Technician	\$ <u>125</u> /Hour
Other: Specify	
_____	\$ _____ /Hour
_____	\$ _____ /Hour
_____	\$ _____ /Hour

Michelle E. Furlong

 Offeror Signature

 Michelle E. Furlong

 Printed Name

 Secretary/Treasurer

 Title

CASC Engineering and Consulting Inc.

 Company Name

 47525

 Consultant License Number

 10/26/2017

 Date