



**AGENDA**

**MEETING OF THE  
BOARD OF DIRECTORS**

**WEDNESDAY, FEBRUARY 21, 2018  
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 HIRE INTRODUCTIONS**

- Mr. Kirols Nashed, Water Plant Operator II, hired 12/31/17 (Randy Lee)

**2. PUBLIC HEARING**

**A. PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. 106, ADOPTING ORDINANCE NO. 8 OF THE SAWPA, ESTABLISHING REGULATIONS FOR THE USE OF THE INLAND EMPIRE BRINE LINE**

It is recommended that the Board:

1. Hold a Public Hearing to receive public comments prior to adoption of Ordinance No. 106, regulating the availability and use of the Inland Empire Brine Line; and
2. After closing the Public Hearing, by roll call vote, adopt the Inland Empire Brine Line Ordinance No. 106.

**3. 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 January 3, 2018 Board Workshop and the January 17, 2018 Board meeting.

**B. ADOPTION OF RESOLUTION NO. 2018-2-7, RESCINDING RESOLUTION NO. 2005-2-9**

Staff recommends that the Board adopt Resolution No. 2018-2-7, rescinding Resolution No. 2005-2-9.

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

Staff recommends that the Board approve the total disbursements for the month of December 2017, in the amount of \$32,982,821.50.

**D. SUPPORT OF PROPOSITION 68 – THE CALIFORNIA CLEAN WATER AND SAFE PARKS ACT (*Community & Leg*)**

Staff recommends that the Board support Proposition 68 – The California Clean Water and Safe Parks Act.

**E. ADOPTION OF RESOLUTION NO. 2018-2-4, FOR THE USBR WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS (*Finance & Admin*)**

Staff recommends that the Board:

1. Adopt Resolution No. 2018-2-4, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior - Bureau of Reclamation for the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

**F. ADOPTION OF RESOLUTION NOS. 2018-2-1 THROUGH 3, APPROVING THE SWRCB APPLICATION FOR THE RP-1/RP-5 EXPANSION PROJECT (*Finance & Admin*)**

Staff recommends that the Board:

1. Adopt Resolution No. 2018-2-1, authorizing the General Manager to sign and file the State Revolving Fund (SRF) loan application with the SWRCB for construction for projects in the RP-1/RP-5 Construction Expansion Project (Project);
2. Adopt Resolution No. 2018-2-2, dedicating certain revenues in connection with the construction of the Project SRF financing from the SWRCB;
3. Adopt Resolution No. 2018-2-3, establishing the Agency's intention to apply for and be reimbursed for expenditures related to the construction of the Project; and
4. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

**G. MAINTENANCE PROCESS AND SAP ENHANCEMENT PROJECT PROPOSAL REJECTION (*Eng/Ops/WR*)**

Staff recommends that the Board reject the September 14, 2017 bids for the Maintenance Process and SAP Enhancement Project.

**H. CCWRF IMPROVEMENTS PACKAGE III CONSULTANT CONTRACT AWARD (Eng/Ops/WR)**

Staff recommends that the Board:

1. Award a consultant contract for the CCWRF Asset Management and Improvements Package III, Project No. EN18036, to GHD for the not-to-exceed amount of \$242,362; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

**I. RP-1 MAINTENANCE BUILDING CONSTRUCTION AWARD (Eng/Ops/WR)**

Staff recommends that the Board:

1. Award a construction contract for the RP-1 Maintenance Building HVAC Replacement, Project No. EN18040, to Allison Mechanical, Inc., in the amount of \$167,967; and
2. Authorize the General Manager to execute the contract.

**J. SCADA TRAINING CONTRACT AWARD (Eng/Ops/WR)**

Staff recommends that the Board:

1. Award a single source service contract for the PlantPax training program to support the SCADA Enterprise System, Project No. EN13016, to Royal Industrial Solutions, for a not-to-exceed amount of \$156,039; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

**K. CCWRF IMPROVEMENTS PACKAGE II CONSULTANT CONTRACT AWARD (Eng/Ops/WR)**

Staff recommends that the Board:

1. Award a consultant contract for the CCWRF Asset Management and Improvements Package II, Project No. EN18037, to Gillis and Panichapan Architects, Inc., for a not-to-exceed amount of \$140,125; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

**L. LABOR COMPLIANCE SERVICES TASK ORDER AMENDMENT**

*(Eng/Ops/WR)*

Staff recommends that the Board:

1. Award a master service contract amendment to Golden State Labor Compliance for a not-to-exceed total amount of \$45,120 and for a one-year term extension; and
2. Authorize the General Manager to execute the task order amendment subject to non-substantive changes.

**M. ADOPTION OF RESOLUTION NO. 2018-2-6, ESTABLISHING GUIDELINES FOR CAPACITY RIGHT AGREEMENTS** *(Eng/Ops/WR)*

Staff recommends that the Board adopt Resolution No. 2018-2-6, establishing guidelines to create Capacity Right Agreements between the Inland Empire Utilities Agency and potential users of the Inland Empire Brine Line.

**N. MASTER SERVICE CONTRACTS FOR CONDITION ASSESSMENT** *(Eng/Ops/WR)*

Staff recommends that the Board increase the spending authorization to perform corrosion and condition assessment services for a total aggregate not-to-exceed amount of \$600,000 to the following:

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

**4. ACTION ITEM**

**A. ADOPTION OF RESOLUTION NO. 2018-2-5, TO UPDATE THE AGENCY'S INVESTMENT POLICY** *(Finance & Admin)*

Staff recommends that the Board adopt Resolution No. 2018-2-5, approving the update of the Agency's Investment Policy.

**5. INFORMATION ITEMS**

**A. LAFCO REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBER NOMINATIONS FOR COUNTYWIDE REDEVELOPMENT OVERSIGHT BOARD (WRITTEN)**

**B. LAFCO COMMISSION REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBER NOMINATIONS (WRITTEN)**

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

**D. MWD UPDATE (ORAL)**

**RECEIVE AND FILE INFORMATION ITEMS**

- E. **TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT)**
- F. **IERCA FISCAL YEAR 2016/17 AUDITED ANNUAL FINANCIAL REPORT (WRITTEN/POWERPOINT)**
- G. **PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**
- H. **LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**
- I. **LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)**
- J. **CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)**
- K. **FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)**
- L. **STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)**
- M. **MID-YEAR BUILDING ACTIVITY REPORT & WATER CONNECTIONS SUMMARY (POWERPOINT)**

**6. AGENCY REPRESENTATIVES' REPORTS**

- A. **SAWPA REPORT (WRITTEN)**  
Meeting agenda not available at time of printing.
- B. **MWD REPORT (WRITTEN)**
- C. **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)**  
The Special Joint Workshop of the Regional Sewerage Program Technical & Policy Committee was held on February 1, 2018.
- D. **CHINO BASIN WATERMASTER REPORT (WRITTEN)**
- E. **CHINO BASIN DESALTER AUTHORITY (WRITTEN)**
- F. **INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (WRITTEN)**  
The next meeting is scheduled for Monday, May 7.

**7. GENERAL MANAGER'S REPORT (WRITTEN)**

**8. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**

**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**

1. 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**

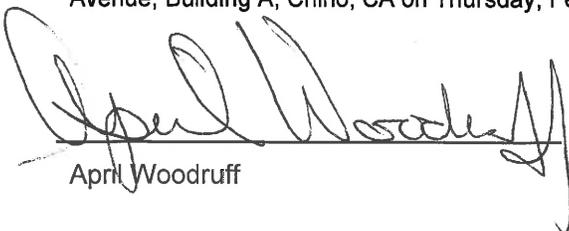
*\*A Municipal Water District*

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: 

**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, February 15, 2018.

  
April Woodruff

**PUBLIC HEARING**

**2A**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

#HR

02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** Inland Empire Brine Line Ordinance No. 106

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**Executive Summary:**

The Inland Empire Utilities Agency's (IEUA) current Ordinance No. 96 regulates the availability and use of the Inland Empire Brine Line (Brine Line). The Brine Line is owned by the Santa Ana Watershed Project Authority (SAWPA) and conveys brine and industrial wastewater to the Orange County Sanitation District (OCSD) for treatment and disposal. OCSD, as the Pretreatment Control Authority has delegated pretreatment program responsibility to SAWPA for implementation of the Brine Line Pretreatment Program within the SAWPA service area to ensure operational continuity and consistency in the operation of the Brine Line.

SAWPA, as the delegated Control Authority, requires its member agencies to adopt a Brine Line specific ordinance that is at least as stringent as SAWPA's Ordinance No. 8 which was approved by the SAWPA Commission on September 19, 2017. By adopting Ordinance No. 106, IEUA will adopt, in full, the provisions of SAWPA Ordinance No. 8 establishing regulations for the use of the Brine Line. Ordinance No. 106 will supersede IEUA's Ordinance No. 96 for users of the Brine Line only. The revised Ordinance No. 106 has been reviewed by the IEUA's General Counsel.

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**Staff's Recommendation:**

1. Hold a Public Hearing to receive public comments prior to adoption of Ordinance No. 106, regulating the availability and use of the Inland Empire Brine Line; and
2. After closing the Public Hearing, adopt the Inland Empire Brine Line Ordinance No. 106.

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

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

**Prior Board Action:**

On February 19, 2014, the IEUA's Board of Directors adopted Inland Empire Brine Line Ordinance No. 96.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Inland Empire Brine Line Ordinance No. 106 is consistent with the 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.

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**Attachments:**

- Attachment 1 - Background
- Attachment 2 - PowerPoint
- Attachment 3 - Ordinance No. 106

# Background

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Subject: Inland Empire Brine Line Ordinance No. 106

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The Inland Empire Utilities Agency's (IEUA) current Ordinance No. 96, which was adopted by the Board of Directors on February 19, 2014, regulates the availability and use of the Inland Empire Brine Line (Brine Line). The Brine Line is owned by the Santa Ana Watershed Project Authority (SAWPA) and conveys brine and industrial wastewater to the Orange County Sanitation District (OCSD) for treatment and disposal.

OCSD, as the Pretreatment Control Authority has delegated pretreatment program responsibility to SAWPA for implementation of the Brine Line Pretreatment Program within the SAWPA service area to ensure operational continuity and consistency in the operation of the Brine Line.

SAWPA, as the delegated Control Authority, requires member agencies to adopt a Brine Line specific ordinance that is at least as stringent as SAWPA's Ordinance No. 8 which was approved by the SAWPA Commission on September 19, 2017. Ordinance No. 8 incorporates changes that were required as a result of OCSD revising their own Sewer Use Ordinance. Key revisions to the Ordinance include but are not limited to:

#### Revision to Definitions

- Definitions updated to align with OCSD Ordinance.

#### Revision to Discharge Prohibitions

- Adds prohibitions for discharges causing corrosion or occlusion, unused or expired pharmaceuticals, and mixed loads from liquid waste haulers.

#### Letter to Discharge

- Addition of new control mechanism authorizing users to discharge previously unauthorized classes of wastewater for one-time discharges under 1 million gallons.

#### Permit Term

- Maximum duration for permits has been extended.

#### Permit Transfers

- Ordinance language has been strengthened to prohibit permit transfers triggered by sale or change in ownership.

#### Wastestream Correction Formula

- Formula used to adjust the Local Limits to account for the presence of unregulated wastestreams.

The IEUA wishes to adopt Ordinance No. 106, which will adopt, in full, the provisions of SAWPA Ordinance No. 8, establishing regulations for the use of the Brine Line.

# Inland Empire Brine Line Ordinance No. 106



# Inland Empire Brine Line Ordinance No. 106

- Requirements
  - Required by Code of Federal Regulations
  - Establishes terms, limits, and conditions for use
  - Provides procedures for regulatory compliance
- Objective
  - Conforms with SAWPA and OCSD Ordinance Revisions

# Proposed Ordinance Revisions

- **Definitions**
  - Updates definitions
  - Removes unnecessary definitions
- **Prohibited Waste Discharges**
  - Updates prohibitions
  - Adds prohibitions for corrosion or occlusion, unused or expired pharmaceuticals, and mixed loads from liquid waste haulers
- **Letter to Discharge**
  - New control mechanism for one time discharges under 1 MG

# Proposed Ordinance Revisions

- **Permit Term**
  - Maximum duration for permits has been extended
- **Permit Transfers**
  - Ordinance language strengthened to prohibit permit transfers
  - Temporary Permit for facilities that have a transfer of ownership
- **Wastestream Correction Formula**
  - Clarifies the formula used to adjust the Local Limits to account for the presence of unregulated wastestreams

## Recommendation

- Hold a Public Hearing to receive public comments prior to adoption of Ordinance No. 106, regulating the availability and use of the Inland Empire Brine Line; and
- After closing the Public Hearing, adopt the Inland Empire Brine Line Ordinance No. 106.

The Inland Empire Brine Line Ordinance No. 106 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.

**ORDINANCE NO. 106**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING ORDINANCE NO. 8 OF THE SANTA ANA WATERSHED PROJECT AUTHORITY ESTABLISHING REGULATIONS FOR THE USE OF THE INLAND EMPIRE BRINE LINE, FORMERLY KNOWN AS THE SANTA ANA REGIONAL INTERCEPTOR**

WHEREAS, on or about February 19, 2014, the Inland Empire Utilities Agency adopted Ordinance No. 96, an Ordinance of the Board of Directors of Inland Empire Utilities Agency regulating the availability and use of the Inland Empire Brine Line (Brine Line) in the Inland Empire Utilities Agency, San Bernardino County, State of California; and

WHEREAS, Orange County Sanitation District has expressed a desire to consolidate permitting, inspection, monitoring, and enforcement activities over the Brine Line into one public agency, specifically the Santa Ana Watershed Project Authority (“SAWPA”), to ensure continuity and consistency in the operation of the Brine Line; and

WHEREAS, the member agencies of SAWPA including Eastern Municipal Water District, Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District of Riverside County have participated with SAWPA and Orange County Sanitation District in drafting an ordinance governing the use of the Brine Line, which ordinance will be adopted by the member agencies so as to provide uniform and consistent guidelines governing the use of the Brine Line and have also entered into a Multijurisdictional Pretreatment Agreement with SAWPA defining the roles and responsibilities to conduct the Pretreatment Program within their respective jurisdictions; and

WHEREAS, Inland Empire Utilities Agency wishes to adopt, in full, the provisions of SAWPA Ordinance No. 8 establishing regulations for the use of the Inland Empire Brine Line, formerly known as Santa Ana Regional Interceptor.

NOW, THEREFORE, be it ordained by the Board of Directors of Inland Empire Utilities Agency, a Municipal Water District as follows:

1. SAWPA Ordinance No. 8 is hereby adopted as Ordinance No. 106 of the Inland Empire Utilities Agency establishing regulations for the use of the Inland Empire Brine Line, formerly known as the Santa Ana Regional Interceptor. A copy of Ordinance No. 8 is attached hereto as Exhibit “A.”
2. This ordinance shall apply to the use of the Inland Empire Brine Line only.

\*A Municipal Water District

3. Ordinance No. 106 shall take effect immediately upon adoption, and Ordinance No. 96, governing the use of the Brine Line is hereby repealed as to the Users of the Brine Line only and superseded by this Ordinance.

ADOPTED this 21st day of February 2018.

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

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Jasmin A. Hall  
Secretary/Treasurer of the Inland Empire  
Utilities Agency\* and 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 forgoing Ordinance being No. 106, was adopted at a regular meeting on February 21, 2018, of said Agency by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

(seal)

\* A Municipal Water District

# **Exhibit “A”**

## **SAWPA Ordinance No. 8**

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**ORDINANCE NO. 8**

AN ORDINANCE OF THE SANTA ANA WATERSHED PROJECT AUTHORITY  
ESTABLISHING REGULATIONS FOR THE USE OF THE  
INLAND EMPIRE BRINE LINE

BE IT ORDAINED BY THE COMMISSION OF THE  
SANTA ANA WATERSHED PROJECT AUTHORITY  
AS FOLLOWS:

**PREAMBLE**

**ARTICLE 1  
GENERAL PROVISIONS**

- 101.0 Purpose and Policy
- 102.0 Authorization
- 103.0 Definitions
- 104.0 Administration
- 105.0 Notice
- 106.0 Confidentiality
- 107.0 Time Limits

**ARTICLE 2  
GENERAL PROHIBITIONS AND  
LIMITATIONS ON DISCHARGES**

- 201.0 Prohibited Waste Discharges
- 202.0 Dilution Prohibited as a Substitute for Treatment
- 203.0 Limitations on Groundwater, Surface Runoff, and Subsurface Drainage
- 204.0 Limitations on Unpolluted Water
- 205.0 Limitations on Domestic Wastewater and Septage Waste
- 206.0 Limitations on Point of Discharge
- 207.0 Limitations on the Use of Grinders
- 208.0 Limitations on Biochemical Oxygen Demand (BOD)
- 209.0 Limitations on Infectious Waste Disposal
- 210.0 Limitations on Disposal of Spent Solutions and Sludges
- 211.0 Slug Discharges
- 212.0 Limitations on Wastewater Originating from Outside the Service Area
- 213.0 Federal Categorical Pretreatment Standards

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**ARTICLE 3  
WASTEWATER DISCHARGE CONTRACTS  
USER CHARGES AND FEES**

- 301.0 Introduction
- 302.0 Wastewater Discharge Contract between SAWPA and a Member Agency or Contract Agency
- 303.0 Wastewater Discharge Contracts Between a Member Agency or a Contract Agency and a User of the Brine Line or Tributaries Thereto
- 304.0 User Charges and Fees

**ARTICLE 4  
WASTEWATER DISCHARGE PERMITS**

- 401.0 Introduction
- 402.0 Wastewater Discharge Permits
- 403.0 Permit Duration
- 404.0 Duty to Comply
- 405.0 Permit Renewal, Extension and Fees
- 406.0 Permit Modifications
- 407.0 No Permit Transfer or Assignment
- 408.0 Wastewater Discharge Contract Capacity Rights
- 409.0 Operational Emergency Discharge
- 410.0 Liquid Waste Hauler Permits
- 411.0 Collection Stations
- 412.0 Groundwater, Surface Runoff, and Subsurface Drainage
- 413.0 Wastewater from Outside the SAWPA Brine Line Service Area

**ARTICLE 5  
MONITORING, REPORTING, INSPECTION,  
AND FACILITY REQUIREMENTS**

- 501.0 Monitoring and Reporting
- 502.0 Inspection
- 503.0 Inspection Warrants
- 504.0 Record Keeping
- 505.0 Flow Measurement
- 506.0 Interceptor Requirements
- 507.0 Standard Interceptor Designs
- 508.0 Interceptor Maintenance
- 509.0 Liquid Waste Haulers
- 510.0 Use of and Damage to SAWPA Equipment or Facilities

1	511.0	Separation of Domestic and Industrial Waste
2	512.0	Limitations on Wastewater Strength
3	513.0	Local Limits
4	514.0	Pretreatment of Industrial Wastewaters
5	515.0	Unauthorized Monitoring and Pretreatment Equipment
6		Modifications
7	516.0	Pretreatment Equipment Bypass
8	517.0	Prohibited Discharge of Recovered Pretreatment Waste
9	518.0	Industrial User Modifications
10	519.0	Spill Containment Systems
11	520.0	Facility Waste Management Plan
12	521.0	Notice of Potential Problems to POTW
13	522.0	Written Responses
14	523.0	Falsifying Information

**ARTICLE 6  
ENFORCEMENT**

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20	600.0	Purpose and Scope
21	601.0	Enforcement Response Plan (ERP)
22	602.0	Administrative Violations
23	603.0	Violations of Discharge Limitations
24	604.0	Unclassified Violations
25	605.0	Separate Violations
26	606.0	Administrative Orders
27	607.0	Wastewater Discharge Permit Revocation
28	608.0	Termination of Service
29	609.0	Annual Publication Notice
30	610.0	Administrative Complaint
31	611.0	Emergency Suspension
32	612.0	Civil Liability for Violations
33	613.0	Criminal Penalties
34	614.0	Legal Action
35	615.0	Supplemental Enforcement Actions
36	616.0	Remedies Nonexclusive
37	617.0	Payment of Fees, Charges, and Penalties
38	618.0	Damage to Facilities or Interruption of Normal Operations
39	619.0	Appeals
40	620.0	Alternative Enforcement Procedures
41	621.0	Invalidity
42	622.0	Interpretation – Intent

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**ARTICLE 7**  
**MISCELLANEOUS PROVISIONS**

- 700.0 Severability
- 701.0 Effective Date
- 702.0 Judicial Review of Ordinance

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3 **I. PREAMBLE**

4 The Santa Ana Watershed Planning Agency was formed in 1968 to develop a long-range plan  
5 for managing, preserving, and protecting the quality of the water supplies in the Santa Ana River  
6 Basin. After development of the long-range plans, the Santa Ana Watershed Project Authority  
7 (SAWPA) was formed to implement the Planning Agency's recommendations. SAWPA's  
8 programs include the planning, financing, construction and operation of projects that relate to  
9 the water quality and quantity in the Santa Ana River Basin.

10 Various federal, state and local regulatory agencies have established goals and standards to  
11 assure that the highest quality water is made available to the people in the Santa Ana River  
12 Basin. In order to enhance and improve the quality of water in the Santa Ana River Basin and to  
13 ensure compliance with goals and standards set by the regulatory agencies, SAWPA has  
14 implemented many projects to remove contaminants, mainly high saline waters, from the water  
15 supplies. One of the main facilities constructed for this purpose is the Inland Empire Brine Line  
16 (Brine Line) formerly known as the Santa Ana Regional Interceptor (SARI) sewer. This line  
17 transports highly saline wastewater from the watershed to the Orange County Sanitation District  
18 (OCSD) collection system for treatment and disposal to the Pacific Ocean. This isolation of  
19 saline wastewater prevents contamination of the Santa Ana River from the commingling of  
20 these wastewaters with the river water. The use of the Brine Line enables the delivery of higher  
21 quality potable water to the Users of the Santa Ana River Basin waters, particularly in the lower  
22 elevations of the basin in the Orange County area.

23  
24 SAWPA recognized the need to control the quality of waters in the basin as well as wastewaters  
25 discharged to the Brine Line and adopted Ordinance No. 1 in May 1982, the purpose of which  
26 was to establish the maximum benefit from the use of the Brine Line by providing procedures to  
27 ensure compliance with the requirements placed upon SAWPA by regulatory agencies and  
28 SAWPA's contractual agreements with OCSD.

29  
30 Upon the effective date of this Ordinance No. 8, Ordinance No. 7, including any amendments  
31 thereto, shall be repealed and superseded by this Ordinance.  
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**ARTICLE I  
GENERAL PROVISIONS**

**101.0 PURPOSE AND POLICY.** The purpose of this Ordinance is to provide for the maximum benefit from the use of the Santa Ana Watershed Project Authority's (SAWPA) facilities. This shall be accomplished by regulating the use of the Inland Empire Brine Line (Brine Line) sewer system and tributaries thereto and the wastewater discharged to this sewer system, by providing for the distribution of the costs of the construction, administration, operation and maintenance of the system, and by providing procedures that will allow SAWPA to comply with all regulatory requirements imposed upon SAWPA by contract requirements and by federal, state, and local agencies.

SAWPA recognizes Orange County Sanitation District's (OCSD) authority and responsibilities as defined by local, State, and Federal Pretreatment Regulations (40 CFR 403) including their role as the Control Authority and holder of the National Pollutant Discharge Elimination System (NPDES) permit. As such, SAWPA is committed to providing Pretreatment Program services in accordance with Federal Pretreatment Program Requirements, this Ordinance, the 1991 MOU and 1996 Agreement both between SAWPA and OCSD as described below. SAWPA will further ensure consistency in the implementation of the pretreatment requirements to conform, as appropriate, to the Program adopted by the Control Authority.

In order to conform to limitations and requirements from regulatory agencies, SAWPA must regulate the discharge of wastewater into the Brine Line. This Ordinance shall apply to all Direct or Indirect Users that discharge wastewater tributary to the Brine Line.

- A. This Ordinance shall provide for the regulation of wastewater discharges into the Brine Line in accordance with the Federal Government's objectives of general pretreatment regulations as stated in Section 403.2 of Title 40 of the Code of Federal Regulations (CFR) which are for the following purposes:
1. To prevent the introduction of pollutants into the Brine Line that will interfere with the operation of the OCSD Publicly Owned Treatment Works (POTW), including interference with its use or disposal of municipal biosolids;
  2. To prevent the introduction of pollutants into OCSD's POTW which will Pass Through the treatment works, inadequately treated, to the receiving waters or otherwise be incompatible with such works;
  3. To improve opportunities to recycle and reclaim municipal and industrial wastewaters and biosolids;
  4. To enable SAWPA to comply with requirements from the Federal Environmental Protection Agency and OCSD and any other federal or state laws to which SAWPA and/or OCSD's POTW is subjected;
  5. To enable SAWPA to control the privileges to any use of the Brine Line and

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tributaries thereto;

6. To protect and preserve the health and safety of the citizens and personnel of SAWPA, OCSD, and contracted agencies; and
7. To prevent the introduction of pollutants that obstruct flows within the Brine Line or otherwise cause or contribute to sanitary sewer overflows and to comply with the provisions of State Water Resources Control Board (SWRCB) adopted Order No. 2006-0003, a General Waste Discharge Requirement (WDR) for all publicly owned sanitary sewer collection systems in California with more than one (1) mile of sewer pipe.

B. This Ordinance shall apply to all Direct or Indirect Users of the Brine Line and tributaries thereto. This Ordinance authorizes:

1. The issuance of Wastewater Discharge Permits;
2. Monitoring, compliance, and enforcement activities;
3. Brine Line connection plan check services;
4. User reporting requirements;
5. The establishment of fees; and
6. The equitable distribution of costs resulting from the program established herein.

C. This Ordinance shall be administered by the General Manager of SAWPA, under the control and direction of the SAWPA Commission.

D. This Ordinance implements the provisions of the 1991 Memorandum of Understanding between OCSD and SAWPA "Governing Quality Control of Wastewaters Discharged" (1991 MOU) to the Brine Line and the 1996 Agreement between OCSD and SAWPA "Wastewater Treatment and Disposal Agreement" (1996 Agreement) and any current or future Amendments thereto (Amendments December 1996 and November 2013). This Ordinance is intended to be at least as protective of OCSD's facilities as OCSD's Wastewater Discharge Regulations, Ordinance No. OCSD-48 or its successors. SAWPA issued Wastewater Discharge Permits shall require compliance with both this Ordinance and OCSD's Ordinance No. OCSD-48, or its successors, and require that in the event of any conflict between the ordinances the stricter provisions shall apply.

**102.0 AUTHORIZATION.** This Ordinance is enacted pursuant to the authorization of the Municipal Water District Law of 1911, California Water Code Section 71000 et seq., California Government Code Section 6500 et seq., the Clean Water Act (33 U.S.C. 1251 et seq.) and the

1 General Pretreatment Regulations (40 CFR 403).

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**103.0 DEFINITIONS.** Unless otherwise defined herein, terms pertaining to water quality shall be as adopted in the latest edition of Standard Methods for the Examination of Water and Wastewater, published by the American Public Health Association, the American Water Works Association, and the Water Environment Federation. Unless otherwise defined herein, terms pertaining to construction and building shall be defined as being the same as set forth in the CA Building Standards Code, Title 24, CA Code of Regulations, current edition.

A. Unless the context specifically indicates otherwise or as previously indicated, the meaning of the terms used in this Ordinance shall be as follows:

1. **Act or “the Act”** shall mean the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. section 1251, et seq.
2. **Analytical Methods** shall mean the sample analysis techniques prescribed in 40 CFR Part 136 and amendments thereto unless otherwise specified in an applicable categorical Pretreatment Standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, or where the EPA determines that Part 136 sampling and analytical techniques are inappropriate for the pollutant in question, sampling and analysis shall be performed using validated analytical methods or any other applicable sampling and analytical procedures approved by SAWPA, including procedures suggested by SAWPA or other parties as approved by the EPA.
3. **Authorized Representative** shall mean:
  - a. A responsible corporate official, if the User submitting the required documents is a corporation, of the level of president, secretary, treasurer, or vice president in charge of a principal business function, or any other Person who performs similar policy or decision making functions for the corporation; or the manager of one or more manufacturing, production, or operating facilities, provided by the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiating and directing other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations, and ensuring that the necessary systems are established or actions taken to gather complete and accurate information for Wastewater Discharge Permit requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures; or
  - b. A general partner or proprietor if the User submitting the required documents is a partnership or sole proprietorship respectively; or
  - c. A director or highest official appointed or designated to oversee the

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operation and performance of the activities of the facility, or their designee, if the User is a Federal, State, or local governmental facility.

- d. A duly authorized representative of the individual designated in subsection (a) and (b), if;
  - 1) The authorization is made in writing by the individual designated in subsection (a), (b) and (c); and
  - 2) The authorization specifies either an individual or a position having responsibility for the overall operation of the facility from which the industrial discharge originates, such as the position of a plant manager, or a position of equivalent responsibility, or having overall responsibility for environmental matters for the company; and
  - 3) The written authorization is submitted to the General Manager of SAWPA.
- e. If an authorization under paragraph (a) and (b) of this section is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, or overall responsibility for environmental matters for the company, a new authorization satisfying the requirements of paragraph (a) and (b) of this section must be submitted to the General Manager prior to or together with any reports to be signed by an authorized representative.

4. **Batch Discharge** shall mean any intermittent discharge of pollutants from sources such as, but not limited to, process tanks, holding tanks, rinse tanks, or treatment systems.

5. **Best Management Practices (BMPs)** shall mean schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in 40 CFR 403.5(a)(1) and (b). BMPs also include treatment requirements, operating procedures and practices to control plant site run-off, spillage or leaks, sludge or waste disposal, or drainage from raw material storage. Such BMPs shall be considered local limits and Pretreatment Standards as stated in 40 CFR 403.5(c) (4).

6. **Biochemical Oxygen Demand (BOD)** shall mean the quantity of oxygen, expressed in mg/L, required to biologically oxidize material in a waste or wastewater sample measured under approved laboratory methods of five (5) days at twenty degrees Celsius (20 °C).

7. **Bypass** shall mean the intentional diversion of wastestreams from any point of a User's pretreatment facility.

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- 8. **Business Day** shall mean a SAWPA scheduled business day.
- 9. **Capacity Unit** shall equal 10,000 gallons per day of discharge right.
- 10. **Categorical Industrial User** shall mean an Industrial User subject to a categorical Pretreatment Standard or categorical Standard which is a regulation containing pollutant discharge limits promulgated by the EPA in accordance with Sections 307 (b) and (c) of the Clean Water Act (33 U.S.C.-1317) that apply to a specific category of users and that appear in 40 CFR Chapter I, Subchapter N, Parts 405-471.
- 11. **Chemical Oxygen Demand (COD)** shall mean the quantity of oxygen, expressed in mg/L, required to chemically oxidize material in a waste or wastewater sample, under specific conditions of an oxidizing agent, temperature, and time. COD results are not necessarily related to BOD results.
- 12. **City Collection System** Not used.
- 13. **Class I User** shall mean the term used by OCSD to describe a Significant Industrial User. See Significant Industrial User.
- 14. **Class II User** shall mean the term used by OCSD to describe a User that discharges waste other than sanitary, and is not classified as a Significant Industrial User. See Industrial User.
- 15. **Class III User** Not used.
- 16. **Class IV User** Not used.
- 17. **Class V User** Not used.
- 18. **Code of Federal Regulations (CFR)** shall mean the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government.
- 19. **Collection Stations** shall mean wastewater disposal stations operated by the SAWPA Member Agencies or Contract Agencies for disposal of trucked waste.
- 20. **Collection System** shall mean all wastewater conveyance systems owned and maintained by SAWPA or a Member Agency or a Contract Agency for purposes of conveying wastewater to OCSD's POTW for treatment and excludes sewer service lateral connections.
- 21. **Combined Wastestream Formula** shall mean the formula, as outlined in the General Pretreatment Regulations of the Clean Water Act, 40 CFR 403.6(e),

1 for determining wastewater discharge limitations for Categorical Industrial  
2 Users and Significant Industrial Users whose effluent is a mixture of regulated,  
3 unregulated, and dilution wastewater as defined in the formula.  
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5 **22. Commission, Commission of SAWPA, or SAWPA's Commission** shall  
6 mean the governing body of SAWPA as defined by the Joint Exercise of  
7 Powers Agreement establishing SAWPA.  
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9 **23. Compliance Schedule** shall mean a time schedule enforceable under this  
10 Ordinance containing increments of progress called milestones, which are in  
11 the form of dates. These milestones shall be for the commencement and/or  
12 completion of major events leading to the construction and operation of  
13 additional pretreatment facilities or the implementation of policies, procedures  
14 or operational management techniques required for the User to comply with all  
15 applicable federal, state or local environmental regulations which may directly  
16 or indirectly affect the quality of the User's wastewater effluent.  
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18 **24. Composite Sample** shall mean a series of grab samples of equal volume taken  
19 at a predetermined time or flow rate for a predetermined period of time or  
20 flow, which are combined into one sample.  
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22 **25. Contract Agency** shall mean, Jurupa Community Services District, San  
23 Bernardino Municipal Water Department, or Yucaipa Valley Water District, or  
24 any other public agency that subsequently enters into a multijurisdictional  
25 pretreatment agreement with SAWPA defining the roles and responsibilities to  
26 conduct the Pretreatment Program or portions of the Pretreatment Program  
27 within their jurisdictions.  
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29 **26. Control Authority** shall be defined by 40 CFR 403.3(f) is the POTW if the  
30 POTW's submission for its Pretreatment Program (40 CFR 403.3) has been  
31 approved in accordance with requirements for 40 CFR 403.11. All references  
32 in this Ordinance to Control Authority are referring to OCS D.  
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34 **27. Conventional Pollutants** shall be defined as BOD, COD, total suspended  
35 solids, pH, fecal coliform, oil and grease, total nitrogen and such additional  
36 pollutants as are now or may be in the future specified and controlled in  
37 OCS D's NPDES permit for its POTW where said POTW has been designed  
38 and used to reduce or remove such pollutants.  
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40 **28. Cooling Water** shall mean all water used solely for the purpose of cooling a  
41 manufacturing process, equipment, or product.  
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43 **29. Cyanide (Amenable)** shall mean those cyanides that are amenable to  
44 chlorination as described in 40 CFR 136.3.  
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46 **30. Day** shall mean a calendar day, unless otherwise specified.

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- 31. **Delegated Control Authority** shall mean an entity duly delegated by the Control Authority with the legal authority to enforce all federal, state, and local pretreatment standards and requirements against all industrial users and liquid waste haulers discharging to the Control Authority's POTW and all procedures necessary for the Pretreatment Program implementation. All references in this Ordinance to Delegated Control Authority are referring to SAWPA.
- 32. **Dilution** shall mean the increase in use of process water, potable water or any other means to dilute a discharge as a partial or complete substitute for adequate treatment to achieve discharge requirements.
- 33. **Direct Discharger or User** shall mean facilities which are directly connected to the Brine Line by a pipeline.
- 34. **Discharge Right or Discharge Capacity Right** shall mean the volume of wastewater capacity purchased by a User for use with the Brine Line and tributaries thereto.
- 35. **District Collection System** shall mean all pipes, sewers and conveyance systems conveying wastewater to the Brine Line and tributaries thereto that are owned and maintained by a community services district, special district, or water district, excluding sewer service lateral line connections.
- 36. **Domestic Wastewater** shall mean wastewater, including domestic septic system waste, from private residences and wastewater from other premises resulting from the use of water for personal washing, sanitary purposes or the discharge of human excrement and related matter.
- 37. **Effluent** shall mean treated wastewater flowing from treatment facilities; the OCSD's POTW, or a User.
- 38. **EPA** shall mean the United States Environmental Protection Agency.
- 39. **Federal Categorical Pretreatment Standard** shall mean the National Pretreatment Standards, established by the EPA, specifying quantities or concentrations of pollutants or pollutant properties which may be discharged or introduced into the Brine Line or tributaries thereto by existing or new Industrial Users in specific industrial categories established as separate regulations under the appropriate subpart of 40 CFR Chapter I, Subchapter N, as it exists and as it may be amended.
- 40. **Flow Monitoring Facilities** shall mean equipment and structures approved by SAWPA and provided at the User's expense to measure and/or record the incoming water to the User's facility or the wastewater discharged to the Brine Line sewer or tributaries thereto.

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- 41. **General Manager** shall mean SAWPA's General Manager or duly authorized SAWPA employee with overall Pretreatment Program responsibility designated in writing.
- 42. **Generator** see Indirect Discharger.
- 43. **Good Faith** shall mean the User's prompt and vigorous pollution control measures undertaken to show that extraordinary efforts (not a "business-as-usual" approach) have been made to achieve compliance.
- 44. **Grab Sample** shall mean an individual sample collected from a wastestream without regard to the flow in the wastestream over a period of time not exceeding fifteen minutes.
- 45. **Gravity Separation Interceptor** shall mean an approved detention chamber designed to remove floatable and settleable material from industrial wastewater prior to discharge into the Brine Line.
- 46. **Hazardous Waste** shall be as defined in 40 CFR 261 consisting of a listed waste determined by EPA to be hazardous or a waste not specifically listed but which exhibits one of four characteristics: ignitability, corrosivity, reactivity, and/or toxicity.
- 47. **Heating Water** shall mean all water used solely for the heating of a manufacturing process, equipment, or product.
- 48. **Indirect Discharger, User or Generator** shall mean a user that contracts or otherwise employs a truck, tanker, or vacuum truck service or other similar means to bring wastewater for disposal to the Brine Line or tributaries thereto from a User that has no direct connection to the Brine Line or tributaries thereto.
- 49. **Industrial User** shall mean all Persons; public or private entities, industrial, commercial, governmental, or institutional that discharge or cause to be discharged, wastewater into the Brine Line or tributaries thereto or any other sewer system owned and operated by SAWPA.
- 50. **Industrial Wastewater** shall mean all non-domestic wastewater, including all wastewater from any producing, manufacturing, processing, institutional, governmental, commercial, service, agricultural or other operation.
- 51. **Infectious Waste** shall mean all wastes which are likely to transmit etiologic agents which normally cause, or significantly contribute to the cause of, increased morbidity or mortality of human beings.

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**52. Inland Empire Brine Line or Brine Line** shall mean all wastewater conveyance systems owned and maintained by SAWPA, excluding sewer service lateral line connections owned and operated by others. Historical documents may refer to the Santa Ana Regional Interceptor (SARI), now referred to the Inland Empire Brine Line.

**53. Inspector** shall mean a person authorized by the General Manager to inspect any User discharging or anticipating discharging wastewater into conveyance, processing, or disposal facilities to the Brine Line or tributaries thereto.

**54. Instantaneous Limit** see Local Non-Domestic Wastewater Limitations Concentration Values.

**55. Interference** shall mean a discharge which, alone or in conjunction with a discharge or discharges from other sources, both: (1) inhibits or disrupts the POTW, its treatment processes or operations, or its sludge processes, use or disposal; and (2) therefore is a cause of a violation of any requirement of the POTW's NPDES permit (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the statutory provisions and regulations or permits issued thereunder (or more stringent State or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) (including title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and including State regulations contained in any State sludge management plan prepared pursuant to subtitle D of the SWDA), the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

**56. Letter to Discharge** shall mean a letter authorizing a user to discharge unauthorized classes of wastewater to the Brine Line without having to obtain a Special Purpose Discharge permit. Unauthorized classes of wastewater require approval by both the General Manager and OCS D General Manager before the discharge commences. The discharge volume is generally limited to less than 1 million gallons. A Letter to Discharge allows the user to discharge within the terms provided for a one-time discharge event.

**57. Liquid Waste Hauler** shall mean any Person or firm engaged in the truck hauling of liquid waste from a User, excluding domestic waste, for disposal at a designated Brine Line Collection Station.

**58. Local Limits** shall mean specific prohibitions or pollutant limitations or pollutant parameters that are developed by OCS D, SAWPA, Member Agencies and/or Contract Agencies in accordance with 40 CFR 403.5(c) to implement the general and specific discharge prohibitions listed in 40 CFR 403.5(a)(1) and (b).

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- 59. **Local Non-Domestic Wastewater Limitations Concentration Values** shall mean the maximum quantity or concentration of a Pollutant allowed to be discharged at any period of time, determined from the analysis of any discrete or composite sample collected, independent of the industrial flow rate and the duration of the sampling event.
- 60. **Lower Explosive Limit (LEL)** shall mean the minimum concentration of a combustible gas or vapor in the air that will ignite if an ignition source is present.
- 61. **Major Administrative Violations** shall mean violations as defined in section 602 of this Ordinance.
- 62. **Major Violations** shall mean are separate from Major Administrative violations and shall mean a discharge over the permitted discharge limit, as determined by the result of a sample analysis, as follows:
  - a. a discharge exceeding a Mass Emission Rate limit by 20% or more, or
  - b. a discharge exceeding a concentration limit by 20% or more, or
  - c. a pH discharge less than 5.0.
- 63. **Mass Emission Rate** shall mean the weight of pollutants discharged to the Brine Line or tributaries thereto during a given period of time from a User.
- 64. **May** shall mean permissive.
- 65. **Member Agency** shall mean either, Eastern Municipal Water District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water District, or Western Municipal Water District of Riverside County, or any other public agency that subsequently becomes a member of SAWPA and enters into a multijurisdictional pretreatment agreement with SAWPA defining the roles and responsibilities to conduct the Pretreatment Program or portions of the Pretreatment Program within their jurisdictions.
- 66. **mg/L** shall mean milligrams per liter.
- 67. **Milestone** shall mean increments of progress in the form of dates, not to exceed nine months, and are used in compliance schedules. Milestones shall be for the commencement and/or completion of major events leading to the construction and operation of additional pretreatment facilities or the implementation of policies, procedures or operational management techniques required for the User to comply with all applicable federal, state or local environmental regulations which may directly or indirectly affect the quality of the User's wastewater effluent.

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- 68. **Minor Administrative Violations** shall mean violations as defined in section 602 of this Ordinance.
  
- 69. **Minor Violations** are separate from **Minor Administrative Violations** and shall mean a discharge over the permitted discharge limit as determined by the result of a sample analysis, as follows:
  - a. a discharge exceeding a Mass Emission Rate limit by less than 20%, or
  - b. a discharge exceeding a concentration limit by less than 20%, or
  - c. a pH discharge equal to or greater than 5.0, but less than 6.0, or
  - d. a pH discharge greater than 12.0.
  
- 70. **Mixed Load** shall mean a combination of any hauled permitted Brine Line wastewater with any other wastewater from permitted or unpermitted sources.
  
- 71. **Monitoring/Production Information Order (MPIO)** shall mean an Administrative Order requiring an Industrial User to determine the mass emission or concentration of pollutants or other conditions specified in the Industrial User’s permit in their industrial wastewater discharge for all days within a fourteen (14) consecutive day period that industrial wastewater is discharged to the Brine Line and submit production data for that period.
  
- 72. **Monthly Average** shall mean the average of daily measurements over a calendar month as calculated by adding all the daily measurements taken during the calendar month and dividing that sum by the sum of the number of daily measurements taken in the month.
  
- 73. **Multijurisdictional Pretreatment Agreement (MJPA)** shall mean an agreement between SAWPA and its Member Agencies and Contract Agencies granting SAWPA the authority and responsibility to implement and enforce its Delegated Control Authority for the Inland Empire Brine Line Pretreatment Program against users of the Brine Line located or operating in the Member and Contract Agencies’ jurisdictions within SAWPA’s Brine Line Service Area unless otherwise approved by the SAWPA Commission and OCSD General Manager per the Agreement as defined in Section 101.0 D.
  
- 74. **NAICS** shall mean the North American Industry Classification System published by the Executive Office of the President of the United States, Office of Management and Budget.
  
- 75. **National Pretreatment Standard** shall mean any regulation containing pollutant discharge limits promulgated by the EPA in accordance with section 307(b) and (c) of the Clean Water Act, which applies to Industrial Users. This

1 term includes prohibitive discharge limits established pursuant to 40 CFR Part  
2 403.5.  
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4 **76. New Source** shall mean any building, structure, facility, or installation from  
5 which there is or may be a discharge of pollutants, the construction of which  
6 commenced after the publication of proposed Pretreatment Standards under  
7 Section 307 (c) of the Federal Clean Water Act which will be applicable to  
8 such source if such Standards are thereafter promulgated in accordance with  
9 that Section, provided that:

- 10 a. The building, structure, facility or installation is constructed at a site at  
11 which no other source is located; or  
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13 b. The building, structure, facility or installation totally replaces the process  
14 or production equipment that causes the discharge of pollutants at an  
15 existing source; or  
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17 c. The production or wastewater generating processes of the building,  
18 structure, facility or installation are substantially independent of an  
19 existing source at the same site. In determining whether these are  
20 substantially independent, factors such as the extent to which the new  
21 facility is integrated with the existing plant and the extent to which the new  
22 facility is engaged in the same general type of activity as the existing  
23 source may be considered.  
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25 Construction on a site at which an Existing Source is located results in a  
26 modification rather than a New Source if the construction does not create a  
27 new building, structure, facility, or installation meeting the criteria of Section  
28 (b) or (c) above but otherwise alters, replaces, or adds to existing process or  
29 production equipment.  
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31 Construction of a New Source as defined under this paragraph has commenced  
32 if the owner or operator has:

- 33 a. Begun, or caused to begin, as part of a continuous onsite construction  
34 program (1) any placement, assembly, or installation of facilities or  
35 equipment; or (2) significant site preparation work including clearing,  
36 excavation, or removal of existing buildings, structures, or facilities which  
37 is necessary for the placement, assembly, or installation of new source  
38 facilities or equipment; or  
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40 b. Entered into a binding contractual obligation for the purchase of facilities  
41 or equipment which is intended to be used in its operation within a  
42 reasonable time. Options to purchase or contracts which can be terminated  
43 or modified without substantial loss, and contracts for feasibility,  
44 engineering, and design studies do not constitute a contractual obligation  
45 under this paragraph.  
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77. **OCSD** shall mean the Orange County Sanitation District which is the Control Authority for the Brine Line.

78. **Oil and Grease** shall mean any of the following in part or in combination:

- a. Oil and Grease of Mineral and Petroleum Origin (also known as “Petroleum Oil and Grease as Silica Gel Treated n-Hexane Extractable Material” or “SGT-HEM Non-Polar Material”);
- b. Fats Oil and Grease (FOG) Any substance such as a vegetable or animal product that is used in, or is a byproduct of, the cooking or food preparation process, and that turns or may turn viscous or solidifies with a change in temperature or other conditions).

79. **Pass Through** shall mean any discharge which exits OCSD’s POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, causes a violation of any requirement of the OCSD’s NPDES permit, including an increase in the magnitude or duration of a violation.

80. **Permittee** shall mean any User who has received a Wastewater Discharge Permit to discharge wastewater into the Brine Line or tributaries thereto.

81. **Person** shall mean any individual, firm, company, association, society, general or limited partnership, limited liability company, trust, corporation, governmental agency or group, and includes the plural or the singular.

82. **Pollutant or Constituent** shall mean conventional pollutants, domestic wastewater, hazardous substances, infectious waste, slug discharges, dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, medical waste, heat, wrecked or discarded equipment, rock, sand, cellar dirt and industrial, municipal, and agricultural and industrial wastes, and certain characteristics of wastewater (e.g. pH, temperature, TSS, turbidity, color, BOD, COD, toxicity, or odor).

83. **POTW or Publicly Owned Treatment Works** shall mean a treatment works as defined by section 212 of the Act, which is owned by a State or Municipality (as defined by section 502(4) of the Act. This definition includes all devices, equipment, pipes, and systems used in the transmission, storage, treatment, recycling and reclamation of municipal sewage, biosolids, or industrial wastewater. It also includes sewers, pipes and other conveyances only if they convey wastewater to a POTW Treatment Plant. The term also means the municipality as defined in section 502(4) of the Act, which has jurisdiction over the Indirect Discharges to and the discharges from such a treatment works.

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- 84. Pretreatment** shall mean the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of the pollutant properties in wastewater prior to, or in lieu of, discharging such pollutants into the Brine Line or tributaries thereto. The reduction or alteration may be obtained by physical, chemical or biological processes, process changes or by any other means, except dilution.
- 85. Pretreatment Facility** shall mean any works or devices for the treatment or flow limitation of wastewater prior to discharge to the Brine Line or tributaries thereto.
- 86. Pretreatment Requirements** shall mean any substantive or procedural requirement related to pretreatment, other than a National Pretreatment Standard, imposed on an Industrial User.
- 87. Pretreatment Waste** shall mean all waste, liquid or solid, removed from a wastestream or wastewater discharge by physical, chemical, or biological means.
- 88. Public Agency** shall mean the State of California and any city, county, special district, or other public agency within the State of California.
- 89. Qualified Professional** shall mean any person who by virtue of education, training, or experience is qualified to evaluate and assess pollutant discharges and violations of this Ordinance.
- 90. RCRA** shall mean the Resource Conservation and Recovery Act (42 U.S.C. 6901, et seq.) and its regulations 40 CFR Parts 260-266 and 270 and as amended.
- 91. Reclaimable Wastewater** shall mean domestic wastewater, industrial wastewater or other wastewater containing total dissolved solid levels below the local POTW discharge limitation that renders it suitable for discharge and reclamation.
- 92. Regulatory Agencies** shall mean those agencies having jurisdiction over the operation of SAWPA and/or OCSD including, but not limited to:
- a. United States Environmental Agency, Region IX, San Francisco, CA and Washington, D.C. (EPA);
  - b. California State Water Resources Control Board (“State Board”);
  - c. California Regional Water Quality Control Board , Santa Ana Region (“Regional Board”);

- d. South Coast Air Quality Management District (SCAQMD);
- e. California Environmental Protection Agency (CalEPA); and
- f. California Department of Public Health (DPH).

**93. Sampling Facilities** shall mean structure(s) and equipment provided at the User's expense for SAWPA or the User to measure and record wastewater pollutant levels, collect representative wastewater samples, and/or provide direct access to terminate the wastewater discharge.

**94. Sanitary Sewer System** shall mean any system of pipes, pump stations, sewer lines, or other conveyances, upstream of a wastewater treatment plant headworks used to collect and convey wastewater to the publicly owned treatment facility. Temporary storage and conveyance facilities (such as vaults, temporary piping, construction trenches, wet wells, impoundments, tanks, etc.) are considered to be part of the sanitary sewer system, and discharges into these temporary storage facilities are not considered to be SSOs.

**95. Sanitary Sewer Overflow (SSO)** shall mean any overflow, spill, release, discharge or diversion of untreated or partially treated wastewater from a sanitary sewer system. SSOs include:

- a. Overflows or releases of untreated or partially treated wastewater that reaches waters of the United States;
- b. Overflows or releases of untreated or partially treated wastewater that do not reach waters of the United States; and
- c. Wastewater backups into buildings and on private property that are caused by blockages or flow conditions within the publicly owned portion of the sanitary sewer system.

**96. Sanitary Waste** shall mean domestic wastewater.

**97. SARI** shall mean the Santa Ana Regional Interceptor.

**98. SARI System** see Inland Empire Brine Line.

**99. SAWPA** shall mean the Santa Ana Watershed Project Authority and/or any Member Agency and/or any Contract Agency as applicable to effectively implement this Ordinance.

**100. SAWPA Inland Empire Brine Line Service Area or SAWPA's SARI Service Area** shall mean the total area within the jurisdictional boundaries of SAWPA's Member Agencies, excluding any area within the County of Orange.

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**101. SAWPA Industrial Process Wastestream or Industrial Process Wastestream** shall mean a wastestream from an industrial process that is not regulated by a categorical standard for any pollutant and is not considered an Industrial Non-Process Wastestream as defined in this section.

**102. SAWPA Industrial Non-Process Wastestream or Industrial Non-Process Wastestream** shall mean a wastestream which includes boiler blow-down streams, non-contact cooling streams, storm water, demineralized backwash/RO rejects and sanitary wastestreams. For those facilities with wastestreams composed only of the wastestreams listed above these Industrial Non-Process Wastestreams will be permitted equivalent to Industrial Process Wastestreams.

**103. SAWPA Wastestream Correction Formula or WCF** shall mean the formula used to adjust the Local Limits to account for the presence of SAWPA Industrial Non-process Wastestreams.

$$C_A = \frac{C_C (\sum_{N=1}^M F_N)}{F_T}$$

Where:  $C_A$  = Adjusted Local Limit to account for Industrial Non-Process Wastestream(s)  
 $C_C$  = Local Limit for the pollutant constituent  
 $F_N$  = Average daily flow for SAWPA Industrial Process Wastestream N  
 $F_T$  = Average daily flow through the sample point  
M = Total number of SAWPA Industrial Process Wastestreams

**104. Self-monitoring** shall mean wastewater samples taken by a User or the User's contracted laboratory, consultant, engineer, or similar entity.

**105. Service Lateral Line** shall mean the wastewater collection pipe extending from premises where the wastewater is generated up to and including the connection to the Brine Line or tributaries thereto.

**106. Sewer System Management Plan (SSMP)** shall mean an approved plan adopted by SAWPA to control and reduce the occurrence and impact of sanitary sewer overflows.

**107. Shall** means mandatory.

**108. Significant Industrial User (SIU), except as provided in 40 CFR 403.3(v)(2) and (v)(3)** shall mean:

- a. All Industrial Users subject to Categorical Pretreatment Standards under 40 CFR 403.6 and 40 CFR Chapter I, Subchapter N.

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- b. Any User that:
  - 1. Discharges Industrial Wastewater at an average 25,000 gallons per day (gpd) or more of process wastewater to the Brine Line or tributaries thereto (excluding sanitary, noncontact cooling and boiler blowdown wastewater);
  - 2. Contributes a process wastestream that makes up five (5) percent or more of the average dry weather hydraulic or organic capacity of OCSD's POTW;
  - 3. May cause pass through or interference with the Inland Empire Brine Line or OCSD's Sewerage Facilities; or
  - 4. Is designated as an SIU by the General Manager on the basis that the User has a reasonable potential for adversely affecting the Brine Line or tributaries thereto or OCSD's POTWs or for violating any pretreatment standard or requirement (in accordance with 40 CFR 403.8(f)(6).

**109. Significant Noncompliance (SNC) shall mean any compliance violations that meet one or more of the following criteria:**

- a. Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all of the measurements taken for the same pollutant during a six-month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement including instantaneous limits, as defined by 40 CFR 403.3(1);
- b. Technical review criteria (TRC) violations are defined as those in which thirty-three (33%) percent or more of all of the measurements taken for the same pollutant during a six-month period equal or exceed the product of the numeric Pretreatment Standard or Requirement including instantaneous limits, as defined by 40 CFR 403.3(1) multiplied by the applicable TRC (TRC=1.4 for BOD, TSS, fats, oil and grease, and 1.2 for all other pollutants except pH);
- c. Any other violation of a Pretreatment Standard or Requirement as defined by 40 CFR 403.3(1) (daily maximum, long term average, instantaneous limit, or narrative standard) that the POTW determines has caused, alone or in combination with other discharges, Interference or Pass Through (including endangering the health of POTW or SAWPA personnel or the general public);
- d. Any discharge of a pollutant that has caused imminent endangerment to human health or welfare or to the environment or has resulted in POTW's or SAWPA's exercise of emergency authority to halt or prevent such a

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- discharge;
  - e. Failure to meet, within ninety (90) days after the scheduled date, a compliance schedule milestone contained in a local control mechanism or enforcement order, for starting construction, completing construction, or attaining final compliance;
  - f. Failure to provide, within forty-five (45) days of the due date, any required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;
  - g. Failure to accurately report non-compliance; or
  - h. Any other violations or group of violations, which may include a violation of Best Management Practices, which the POTW or SAWPA determines will adversely affect the operation and implementation of SAWPA's Pretreatment Program or the Brine Line or tributaries thereto.
- 110. Single Pass Cooling Water** shall mean water that is used solely for the purpose of cooling and is used only once before being discharged.
- 111. Single Pass Heating Water** shall mean water that is used solely for the purpose of heating and is used only once before being discharged.
- 112. Sludge** shall mean any solid, semi-solid or liquid decant, subnate or supernate from a manufacturing process, utility service, or Pretreatment Facility.
- 113. Slug Discharge** shall mean any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge of wastewater, material or waste with such a high volume or pollutant concentration which has the potential to cause damage, Interference, or Pass Through in the Brine Line or tributaries thereto, OCSD's POTW, or in any other way violates the POTW's regulations, Local Limits or Permit conditions.
- 114. Special Purpose Discharge** shall mean a wastewater discharge to the Brine Line or tributaries thereto requiring a Wastewater Discharge Permit (Special Purpose Discharge Permit) which has origins from unpolluted water, storm water runoff, groundwater, treated groundwater, subsurface drainage or other similar sources of wastewater.
- 115. Spent Solution** shall mean any concentrated Industrial Wastewater or Wastewater that is not authorized to be discharged to a Sewage facility until appropriately treated.
- 116. State Certified Laboratory** shall mean any laboratory accredited by the

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- Environmental Laboratory Accreditation Program (ELAP).
117. **Stormwater** shall mean water or wastewater generated when precipitation from rain and snowmelt events flows or accumulates over land or impervious surfaces and does not percolate into the ground.
118. **Temporary User** shall mean any User who is granted temporary permission by the General Manager to discharge wastewater to the Brine Line or tributaries thereto and controlled by a Wastewater Discharge Permit or Letter to Discharge.
119. **Temporary Wastewater Discharge Permit or Temporary Permit** shall mean a wastewater discharge permit of short duration that may be issued to an Industrial User that is determined to be discharging industrial wastewater without a valid permit due to change of ownership.
120. **Total Dissolved Solids (TDS)** shall mean the total amount of all inorganic and organic substances dispersed within a volume of water or wastewater that is not retained on a laboratory filter and dried to a specified temperature in accordance with approved laboratory methods.
121. **Total Suspended Solids or Suspended Solids** shall mean the total amount of matter on the surface of, or suspended in, water, wastewater, or other liquid, and that is removable by laboratory filtering in accordance with approved laboratory methods.
122. **Total Toxic Organics (TTO)** shall mean the summation of all quantifiable values greater than 0.01 milligrams per liter for the organics regulated by the EPA or SAWPA for a specific industrial category.
123. **Total Organic Carbon (TOC)** shall mean the measure of total organic carbon in mg/L using heat, oxygen, ultraviolet irradiation, chemical oxidants, or combinations of these oxidants that convert organic carbon to carbon dioxide, rounded to two significant figures. As such, Total Toxic Organics is a subset of TOC.
124. **Unpolluted Water** shall mean water to which no pollutant has been added either intentionally or accidentally.
125. **Upset** shall mean an exceptional incident which causes temporary and unintentional non-compliance with the discharge limitations or prohibitions applicable to a User or OCSD's POTW and which is beyond the reasonable control of a User or OCSD's POTW and as more fully set forth in OCSD's NPDES permit, 40 CFR Part 403.16, and California Water Code, Section 13385.
126. **User** shall mean any Member Agency, Contract Agency, Person or entity,

1 public or private, residential, industrial, commercial, governmental,  
2 institutional, or liquid waste hauler that discharges or causes to be discharged,  
3 wastewater into the Brine Line or tributaries thereto.  
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5 **127. Waste** shall mean any discarded solid, semi-solid, liquid, or gaseous material.  
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7 **128. Wastestream** shall mean individually identifiable sources of waste that  
8 contribute to a User's wastewater discharge.  
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10 **129. Wastewater** shall mean the used water and water carried waste from a User  
11 that is discharged to a sewer.  
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13 **130. Wastewater Discharge Contract** shall mean a written contract between  
14 SAWPA and a Member Agency or between a Member Agency and/or a  
15 Contract Agency and a potential User for the purpose of conveying a defined  
16 wastewater discharge capacity right to use the Brine Line or tributaries thereto.  
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18 **131. Wastewater Discharge Permit** shall mean the permit issued and enforced by  
19 the General Manager or designee permitting and regulating the discharge of  
20 wastewater into the Brine Line and tributaries thereto.  
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#### 22 **104.0 ADMINISTRATION.**

23 A. **Adoption of Interpretive Rules.** SAWPA's Commission may adopt  
24 interpretive rules or resolutions consistent with the provisions of this Ordinance  
25 for the administration of the Brine Line. Interpretive rules by SAWPA's  
26 Commission pertain to, but shall not be limited to, discharge limitations,  
27 Pretreatment Requirements, standards for wastewater lines and services and  
28 implementation of standards promulgated pursuant to the Federal Water  
29 Pollution Control Act as amended by the Clean Water Act.  
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31 B. **General Powers of the General Manager.** Except as otherwise provided  
32 herein, the General Manager shall administer, implement and enforce the  
33 provisions of this Ordinance. Any powers granted or duties imposed upon the  
34 General Manager may be delegated by the General Manager to persons acting in  
35 the beneficial interest or employ of SAWPA, but shall remain the responsibility  
36 of the General Manager. In addition to the authority to prevent or eliminate  
37 discharges through enforcement of discharge limitations and prohibitions, the  
38 General Manager shall have the following powers:  
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40 1. **Endangerment to the community, environment, Brine Line or OCSD's**  
41 **POTW.** The General Manager, after notice to the affected User, may  
42 immediately halt or prevent any discharge of pollutants into the Brine Line  
43 or tributaries thereto, by any means available, including physical  
44 disconnection from the Brine Line or tributaries thereto, whenever the  
45 wastewater discharge may endanger the health or welfare of the community,  
46 the environment, or threatens to damage or interfere with the operation of the

1 Brine Line or tributaries thereto or OCSD's POTW. Such discharges may be  
2 halted or prevented without regard to the compliance by the User with other  
3 provisions of this Ordinance.  
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5 **C. Specific Powers of the General Manager.** If wastewater is discharged or  
6 proposed to be discharged into the Brine Line or tributaries thereto in violation  
7 of this Ordinance, any Wastewater Discharge Permit or any other order, the  
8 General Manager may take any action necessary to:

- 9 1. Prohibit the discharge of such wastewater;
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- 11 2. Require a User to demonstrate that in-plant modifications will reduce or  
12 eliminate the pollutant or substance so that the discharge will not violate this  
13 Ordinance;
- 14
- 15 3. Require treatment, including storage facilities or flow equalization necessary  
16 to reduce or eliminate the pollutants or substance so that the discharge will  
17 not violate this Ordinance;
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- 19 4. Require the User making, causing or allowing the discharge to pay any  
20 required industrial user permit fees, inspection fees, surcharges, fines,  
21 penalties, damages, legal expenses, attorney's fees and any other cost or  
22 expense incurred by SAWPA for handling, treating or disposing of excess  
23 pollutant loads imposed on OCSD's POTW, and/or associated with alleged  
24 or actual violations of OCSD's NPDES permit attributed to the User's  
25 discharge;
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- 27 5. Require timely and factually complete reports from the User responsible for  
28 such discharge; and
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- 30 6. Require such other or further remedial action as may be deemed to be  
31 desirable or necessary to achieve the purposes of this Ordinance.  
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33 **105.0 NOTICE.** Unless otherwise provided herein, any notice required of the General Manager  
34 under this Ordinance shall be in writing.  
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36 **106.0 CONFIDENTIALITY.** All User information and data obtained from reports, surveys,  
37 inspections, wastewater discharge applications, Wastewater Discharge Permits, and monitoring  
38 programs shall be available to the public and governmental agencies without restriction unless  
39 the User specifically requests at the time of submittal and marks each applicable page  
40 "confidential business information" and is able to demonstrate to the satisfaction of SAWPA  
41 that the release of such information would divulge information, processes, or methods of  
42 production entitled to protection as trade secrets under California and Federal law. The  
43 demonstration of the need for confidentiality made by the User must meet the burden necessary  
44 for withholding such information from the public under applicable state and federal laws.  
45 Information and data concerning or relating to wastewater quality and quantity shall not be  
46 considered confidential. All sample data obtained either by the User or SAWPA shall not be

1 considered confidential. Confidential information shall be made available, upon request, to  
2 governmental agencies for enforcement or judicial purposes related to this Ordinance, OCSD's  
3 NPDES Permit or the Pretreatment Program, and as required by California or federal law.  
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5 All other information which is submitted to SAWPA will be available to the public at least to  
6 the extent provided by 40 CFR [2.302](#). The information and data provided to the Delegated  
7 Control Authority which is effluent data shall be available to the public without restriction.  
8  
9 **107.0 TIME LIMITS.** Any time limit or deadline provided in any written notice or any  
10 provision of this Ordinance may be extended only by a written extension by the General  
11 Manager and only upon a showing of good cause by the User.  
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**ARTICLE 2**  
**GENERAL PROHIBITIONS AND LIMITATIONS**  
**ON DISCHARGES**

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**201.0 PROHIBITED WASTE DISCHARGES.** Except as hereinafter provided, no Person or User shall discharge or cause to be discharged into the Brine Line or tributaries thereto or any opening, sump, tank, clarifier, piping or waste treatment system which drains or flows into the Brine Line or tributaries thereto any of the following:

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- A. Any earth, sand, rocks, ashes, cinders, spent lime, stone, stone cutting dust, gravel, plaster, diatomaceous earth, containers, concrete, food packaging, glass, metal filings, or metal or plastic objects, garbage, grease, viscera, paunch manure, bones, hair, hides, or fleshings, whole blood, dead animals, feathers, straw, shavings, grass clippings, rags, non-dispersible products, spent grains, spent hops, waste paper, wood, plastic, tar, asphalt residues, residues from refining or processing fuel or lubrication oil and similar substances, or solid, semi-solid or viscous material in quantities or volume which will obstruct the flow of sewage in the Brine Line or tributaries thereto or any object which will cause clogging of a sewer or sewage lift pump, or interferes with the normal operation of the Brine Line or tributaries thereto or OCSD's POTW.
  - B. Any compound or material which will produce noxious odors in the Brine Line or tributaries thereto or OCSD's POTW.
  - C. Any discharge resulting in toxic gases, vapors or fumes within the Brine Line or tributaries thereto in a quantity that may cause acute health and safety problems for SAWPA or OCSD employees, contract employees, the public, and OCSD's POTW.
  - D. Any recognizable portions of human or animal anatomy.
  - E. Any solids, liquids, gases, devices, or explosives which by their very nature or quantity are or may be, sufficient either alone or by interaction with other substances or sewage to cause fire or explosion hazards, exceed 10% of the lower explosive limit (LEL) at the point of discharge or in the collection system, or in any other way create imminent danger to SAWPA or contract wastewater personnel, OCSD's POTW, the environment or public health.
  - F. Any wastewater or material with a closed cup flash point of less than 140 degrees Fahrenheit or 60 degrees Celsius using the test methods specified in 40 CFR 261.21.
  - G. Any overflow from a septic tank, cesspool or seepage pit, or any liquid or sludge pumped from a cesspool, septic tank or seepage pit, except as may be permitted by the General Manager.

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- H. Any discharge from the wastewater holding tanks of recreational vehicles, trailers, buses and other vehicles, except as may be permitted by the General Manager.
- I. Any quantity of wastewater flow in excess of permitted limits or purchased capacity.
- J. Any substance or heat in amounts which will inhibit biological activity in OCSD's POTW resulting in Interference or which will cause the temperature of the sewage in Brine Line or tributaries thereto to be higher than 140 degrees Fahrenheit. In no case shall any substance or heat be discharged to the Brine Line or tributaries thereto which will raise OCSD's POTW influent higher than 104 degrees Fahrenheit (40 degrees Celsius).
- K. Any radioactive waste in excess of federal, state or county regulations.
- L. Any pollutants, material or quantity of material which will cause:
  - 1. Damage to any part of the Brine Line or tributaries thereto;
  - 2. Abnormal maintenance of the Brine Line or tributaries thereto;
  - 3. An increase in the operational costs of the Brine Line or tributaries thereto;
  - 4. A nuisance or menace to public health;
  - 5. Interference or Pass Through in OCSD's POTW, its treatment processes, operations, biosolids processes, use or disposal. This applies to each User introducing pollutants into the Brine Line or tributaries thereto whether or not the User is subject to other National Pretreatment Standards or any national, State, or local pretreatment requirements; or
  - 6. A violation of the OCSD's NPDES permit, or any Federal, State, or local regulatory requirement.
- M. Any quantities of herbicides, algaecides, or pesticides in excess of local limits or national pretreatment standards.
- N. Any petroleum oil, non-biodegradable cutting oil, or products of mineral oil origin in excess of local limits or National Pretreatment Standards.
- O. Any material or quantity of material(s), including but not limited to fats, oils and grease (FOG), which will cause abnormal sulfide generation, obstruct flows within the collection system, or contributes to or causes a sanitary sewer overflow.

- 1 P. Any water or wastewater used to artificially raise the Industrial User's volume  
2 and added for the purpose of diluting wastes which would otherwise exceed  
3 applicable permitted discharge limitations. Any wastewater having a corrosive  
4 property capable of causing damage to the Brine Line or tributaries thereto,  
5 OCSD's POTW, equipment, or structures or presenting a hazard to SAWPA or  
6 contract personnel. However, in no case shall wastewater be discharged to the  
7 Brine Line or tributaries thereto or OCSD's POTW with a pH less than 6.0, or  
8 greater than 12.0.  
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- 10 Q. Any substance which will cause discoloration of OCSD's POTW influent which  
11 results in a violation of OCSD's NPDES permit.  
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- 13 R. Any pollutant, including oxygen demanding pollutants (BOD, COD, etc.),  
14 released in a discharge at a flow rate and/or pollutant concentration which will  
15 cause Interference with OCSD's POTW or SAWPA's Brine Line or tributaries  
16 thereto.  
17
- 18 S. Any substance which may cause OCSD's POTW effluent or any other product  
19 such as residues, biosolids, or scums to be unsuitable for reclamation or reuse or  
20 which will interfere with any of the reclamation processes. This includes any  
21 material which will cause the biosolids at OCSD's POTW to violate applicable  
22 biosolids use or disposal regulations developed under the Federal Clean Water  
23 Act, 33 USCA, Section 1251, et seq., or any regulations affecting biosolids use  
24 or disposal developed pursuant to the Solid Waste Disposal Act, 42 USCA,  
25 Section 6901, et seq.; Clean Air Act, 42 USCA, Section 7401, et seq.; Toxic  
26 Substance Control Act, 15 USCA, Section 2601, et seq., or any other applicable  
27 State Regulations. Examples include food packaging, product containers, and  
28 non-dispersible products.  
29
- 30 T. Hazardous waste as defined in 40 CFR 261, which violates the objectives of the  
31 General Pretreatment Regulations (40 CFR 403.12(p)), this Ordinance, or any  
32 statute, rule, regulation or chapter of any public agency having jurisdiction over  
33 said discharge.  
34
- 35 U. Any material, pollutants or wastewater in excess of the quantities and limitations  
36 established by resolution.  
37
- 38 V. Any radiator fluid or coolant, cutting oil, water soluble cutting oil, or water  
39 based solvent.  
40
- 41 W. Detergents, surface-active agents, or other substances that might cause excessive  
42 foaming, as determined by the General Manager, that may cause or contribute to  
43 additional treatment costs incurred by SAWPA or a violation of OCSD's  
44 NPDES permit, or cause or contribute to Pass Through, Interference, or other  
45 known damages in the Brine Line and/or OCSD's POTW.  
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- X. Any discharges of reclaimable wastewater to the Brine Line that originate in the SAWPA Brine Line service area shall be minimized and may only be disposed to the Brine Line as identified in the Wastewater Discharge Permit.
- Y. Any trucked or hauled pollutants, except at discharge points designated by the Delegated Control Authority, with concurrence of the Control Authority.
- Z. Any discharges of solid wastes consisting of, but not limited to, hypodermic needles, syringes, instruments, utensils or other paper and plastic items from hospitals, clinics, offices of medical doctors, convalescent homes, medical laboratories or other medical facilities.
- AA. Unused, unwanted, or expired pharmaceuticals (both over the counter and prescription-only medications) shall not be disposed of in the Brine Line, except in accordance with federal and state regulations, or in the absence of such regulations, using Best Management Practices.
- BB. Any discharges of Mixed Loads from a Liquid Waste Hauler at a Brine Line Collection Station.
- CC. Causes fouling, occlusion, or damage to the POTW beyond normal wear and tear.

**202.0 DILUTION PROHIBITED AS A SUBSTITUTE FOR TREATMENT.** No User shall increase the use of water, or in any other manner, attempt to dilute a wastewater discharge as a partial or complete substitute for adequate treatment to achieve compliance with this Ordinance and the User's Wastewater Discharge Permit, or to establish an artificially high flow rate for permitted mass emission rates or permitted flow amounts.

**203.0 LIMITATIONS ON GROUNDWATER SURFACE RUNOFF AND SUBSURFACE DRAINAGE.**

- A. Stormwater, groundwater, surface runoff water, or subsurface drainage, yard drainage, or runoff from any field, roof, yard, driveway, or street shall not be discharged into the Brine Line or tributaries thereto, except as provided herein. The General Manager may approve the discharge of such water when no alternative method of disposal is reasonably available and to mitigate an environmental risk or health hazard.
- B. Special Purpose Discharges (i.e. groundwater, surface runoff water, or subsurface drainage) shall require approval by both the General Manager and the OCSD General Manager for discharge to the Brine Line or tributaries thereto. Such approval does not constitute a vested entitlement to discharge. Such a discharge shall require a Wastewater Discharge Permit or Letter to Discharge. Special Purpose Discharge Permits may have a limited duration for more than one discharge event. One time discharge events less than 1 million gallons are

1 covered through a Letter to Discharge.  
2

3 **204.0 LIMITATIONS ON UNPOLLUTED WATER.**  
4

- 5 A. Unpolluted Water, which may include cooling water, heating water, stormwater,  
6 groundwater, surface runoff, subsurface runoff, single pass cooling water, and  
7 single pass heating water, shall not be discharged to the Brine Line or tributaries  
8 thereto, except as provide herein. The General Manager may approve the  
9 discharge of such water when no reasonable alternative method of disposal or  
10 reuse is available, or to mitigate an environmental risk or health hazard. The  
11 User shall pay all applicable user charges and fees. Stormwater discharges to the  
12 Brine Line are not authorized. The General Manager may provide authorization  
13 for stormwater discharges that comply with SAWPA's stormwater policy, which  
14 adheres to OCSD's stormwater policy. Any deviation from OCSD's stormwater  
15 policy must be approved by OCSD's General Manager followed by SAWPA's  
16 issuance of a Wastewater Discharge Permit, Special Purpose Discharge Permit,  
17 or Letter of Discharge.  
18
- 19 B. Unpolluted water approved for discharge to the Brine Line or tributaries thereto  
20 shall require a Wastewater Discharge Permit from SAWPA.  
21

22 **205.0 LIMITATIONS ON DOMESTIC WASTEWATER AND SEPTAGE WASTE.**  
23

- 24 A. Domestic Wastewater or septage waste from a private sewage disposal system  
25 shall not be discharged to the Brine Line or tributaries thereto, except in specific  
26 cases authorized by the General Manager. The General Manager may approve  
27 the discharge on a temporary basis when no reasonable alternative method is  
28 available.  
29
- 30 B. Any temporary User wanting to discharge domestic or septage wastewater to the  
31 Brine Line or tributaries thereto is required to apply for and obtain a Wastewater  
32 Discharge Permit or Letter to Discharge from SAWPA. The User granted  
33 approval shall be responsible for all applicable charges and fees and shall abide  
34 by all conditions as contained in either the Wastewater Discharge Permit or  
35 Letter to Discharge.  
36

37 **206.0 LIMITATIONS ON POINT OF DISCHARGE.** No Person or User shall discharge any  
38 wastewater directly into a maintenance access structure, manhole or other opening in the Brine  
39 Line or tributaries thereto, other than through an approved building sewer connection, unless  
40 written permission for the discharge has been granted by the General Manager. This prohibition  
41 shall not apply to authorized SAWPA personnel, contract employees, or Member Agency and  
42 Contract Agency employees involved with the maintenance, cleaning, repair, or inspection of  
43 the Brine Line or tributaries thereto.  
44

45 **207.0 LIMITATIONS ON THE USE OF GRINDERS.** Waste from industrial or commercial  
46 grinders shall not be discharged to the Brine Line or tributaries thereto, except waste generated

1 in packing or preparing food or food products, but not food service establishments. Such  
2 grinders shall shred the waste to a degree that all particles will be carried freely under normal  
3 flow conditions prevailing in the Brine Line or tributaries thereto. Waste from food service  
4 establishments operating a grinder is prohibited and shall not be discharged into the Brine Line  
5 unless written authorization from the General Manager is provided.  
6

7 **208.0 LIMITATIONS ON BIOCHEMICAL OXYGEN DEMAND (BOD).** All wastewater  
8 discharged to the Brine Line or tributaries thereto shall have a monthly average limit for BOD.  
9 All BOD discharges in excess of the established limitations shall be subject to a surcharge fee  
10 and/or a noncompliance fee. These limitations, surcharge fees and noncompliance fees shall be  
11 established by resolution by SAWPA's Commission.  
12

13 **209.0 LIMITATIONS ON INFECTIOUS WASTE DISPOSAL.**  
14

15 A. Those Users that generate liquid infectious and/or etiologic waste must obtain  
16 written permission from the General Manager prior to disposal of the liquid  
17 infectious or etiologic waste to the Brine Line or tributaries thereto. The User  
18 must submit a written request to the General Manager that shall include:  
19

- 20 1. The source and volume of the infectious or etiologic waste;
- 21 2. The procedures and equipment used for waste disinfection; and
- 22 3. Employee training procedures.

23  
24 B. If the General Manager determines that the waste would not be completely  
25 disinfected or rendered inactive, the General Manager shall issue a written denial  
26 to the User and state the reasons for the denial. This denial shall be issued within  
27 thirty (30) days from receipt of the written request.  
28

29 C. If the General Manager determines that complete disinfection or inactivation of  
30 the waste can be achieved prior to discharge of the waste to the collection  
31 system, then conditional written approval may be granted by the General  
32 Manager for the disposal of the waste. Such written letter of approval shall be  
33 sent to the User within thirty (30) days of receipt of the written request.  
34

35 D. If the User is granted permission for disposal, the User shall:  
36

- 37 1. Completely disinfect or render inactive the liquid waste prior to discharge to  
38 the Brine Line or tributaries thereto as outlined in the approval letter;
- 39 2. Not dispose of solid infectious or etiologic waste to the Brine Line or  
40 tributaries thereto, including hypodermic needles, syringes, instruments,  
41 utensils or other paper and plastic items of a disposable nature, or  
42 recognizable portions of the human or animal anatomy; and  
43
- 44 3. Permit the General Manager to conduct periodic inspections to verify that all  
45

1 disinfection methods, procedures, and practices are being performed.  
2

3 **210.0 LIMITATIONS ON DISPOSAL OF SPENT SOLUTIONS AND SLUDGES.** All  
4 spent solutions, sludges, and materials in violation of the User's Wastewater Discharge Permit  
5 limitations for discharge to the Brine Line or tributaries thereto, shall be disposed of in a legally  
6 approved manner at a legally approved disposal site specific for the waste being disposed. All  
7 disposed waste shall be properly manifested as to its origin, type, amount and disposal site in  
8 compliance with all applicable laws and regulations.  
9

10 **211.0 SLUG DISCHARGES.**  
11

- 12 A. If the General Manager determines that a User has caused a slug discharge into  
13 the Brine Line or tributaries thereto in quantities or concentrations and in a  
14 manner or method not previously approved by the General Manager, then the  
15 User shall be liable for any non-compliance monetary fee, fine or penalty as  
16 established by resolution by SAWPA's Commission. If the User's slug  
17 discharge has resulted in damage to the Brine Line or tributaries thereto or  
18 caused Interference or Pass Through at OCSD's POTW, then the User shall be  
19 liable for all associated costs including, administrative costs and overhead,  
20 treatment, repairs, regulatory fines, penalties, legal expenses, damages, and  
21 attorney's fees. All Wastewater Discharge Permits issued to SIUs will contain  
22 slug control requirements in accordance with 40 CFR 403.8(f) (1) (iii) (B) (6).  
23
- 24 B. Upon finding that a User has caused a slug discharge into the Brine Line or  
25 tributaries thereto, then the User shall submit a written report to the General  
26 Manager how the slug discharge occurred and how it will be prevented in the  
27 future. This report shall be due within five (5) days of notification to the User by  
28 the General Manager.  
29
- 30 C. Repeated slug discharges by the User shall be grounds for permit revocation and  
31 cessation of all wastewater discharges to the Brine Line or tributaries thereto.  
32

33 **212.0 LIMITATIONS ON WASTEWATER ORIGINATING FROM OUTSIDE THE**  
34 **SERVICE AREA.** Discharge of wastewater originating from outside the SAWPA Brine Line  
35 Service Area is prohibited and is a violation of this Ordinance and the User's permit, if the User  
36 holds a permit at the time of the prohibited discharge. On a case-by-case basis, SAWPA may  
37 seek approval from OCSD to allow the discharge of wastewater originating from outside the  
38 SAWPA Inland Empire Brine Line Service Area. SAWPA shall make the request on behalf of  
39 the potential User who seeks to discharge such wastewater to the Inland Empire Brine Line.  
40 Any approval provided by OCSD will be reflected in a subsequent permit or Letter to Discharge  
41 issued by SAWPA.  
42

43 **213.0 FEDERAL CATEGORICAL PRETREATMENT STANDARDS.** All Industrial Users  
44 subject to a National Categorical Pretreatment Standard shall comply with all requirements of  
45 such standard, and shall also comply with any limitation contained in this Ordinance. The  
46 National Categorical Pretreatment Standards found in 40 CFR Chapter I, Subchapter N and

1 amendments thereto are hereby incorporated herein by reference. Where duplication of the  
2 same pollutant limitation exists, the limitation which is more stringent shall prevail.  
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**ARTICLE 3**  
**WASTEWATER DISCHARGE CONTRACTS**  
**USER CHARGES AND FEES**

**301.0 INTRODUCTION.** To ensure the maximum public benefit from the use of the Brine Line and tributaries thereto, written authorizations from SAWPA to use the Brine Line or tributaries thereto are required. These written authorizations shall be in the form of a Wastewater Discharge Contract (applicable to Direct Dischargers) and a Wastewater Discharge Permit or Letter to Discharge (applicable to Direct and Indirect Dischargers).

**302.0 WASTEWATER DISCHARGE CONTRACT BETWEEN SAWPA AND A MEMBER AGENCY OR CONTRACT AGENCY.** A written Wastewater Discharge Contract, also known as a treatment and disposal agreement, is required between SAWPA and a Member Agency or a Contract Agency wherein the Member Agency or the Contract Agency purchases from SAWPA a right to discharge a specified amount of approved wastewater into the Brine Line or tributaries thereto. The amount of this right will ordinarily be expressed in "capacity units" or million gallons per day (MGD). The minimum capacity unit shall be 0.010 MGD. The Wastewater Discharge Contract shall include, but not be limited to:

A. The amount of the discharge right to be purchased or leased (Flow (MGD), BOD (concentration and pounds), TSS (concentration and pounds);

B. The purchase price or lease rate of the discharge right as established by SAWPA's Commission;

C. A description of operation and maintenance costs, fixed fees and other costs to be paid to SAWPA;

D. A provision that the Wastewater Discharge Contract shall conform with all provisions of SAWPA ordinances and resolutions regulating the availability and use of the Brine Line or tributaries thereto.

E. A description of the operational and regulatory reporting responsibilities as required to comply with applicable state and local regulations including, but not limited to, the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems.

The Wastewater Discharge Contract shall be in addition to a separate agreement(s) by which the Member Agency or the Contract Agency obtained Pipeline Capacity rights. To discharge to the Brine Line sufficient Pipeline Capacity Rights and Treatment and Disposal Capacity Rights are required.

1 **303.0 WASTEWATER DISCHARGE CONTRACTS BETWEEN A MEMBER AGENCY**  
2 **OR A CONTRACT AGENCY AND A USER OF THE BRINE LINE OR TRIBUTARIES**  
3 **THERETO.**

- 4
- 5 A. Any potential User of the Brine Line or tributaries thereto must first apply to the  
6 Member Agency or the Contract Agency with jurisdiction for a Wastewater  
7 Discharge Contract. After review and acceptance of the potential User's  
8 application, the Member Agency or the Contract Agency must enter into a  
9 Wastewater Discharge Contract with the potential User before the User may  
10 discharge to the Brine Line or tributaries thereto. The Wastewater Discharge  
11 Contract shall be in accordance with Section 302.0 of this Ordinance. The  
12 potential User shall pay to the Member Agency or the Contract Agency all costs  
13 associated with Wastewater Discharge Contract. A Wastewater Discharge  
14 Contract must be obtained from a Member Agency or a Contract Agency prior to  
15 filing an application for a Wastewater Discharge Permit. For wastewater  
16 originating from outside the SAWPA Inland Empire Brine Line Service Area,  
17 SAWPA must obtain specific approval from OCSD prior to any and all  
18 approvals being provided to the User, such as authorization to discharge, a  
19 contract, and a discharge permit.  
20
- 21 B. All wastewater to be discharged pursuant to the Wastewater Discharge Contract  
22 between a Member Agency or a Contract Agency and a User shall be contingent  
23 upon the issuance by SAWPA to the potential User, a Wastewater Discharge  
24 Permit, pursuant to Article 4 of this Ordinance. The User shall also apply for a  
25 Wastewater Discharge Permit in accordance with Article 4 of this Ordinance.  
26
- 27 C. All fees and charges paid by the User in connection with the Wastewater  
28 Discharge Contract and the Wastewater Discharge Permit are non-refundable. In  
29 the event that the Wastewater Discharge Permit is revoked, the User shall not be  
30 entitled to any refund of any fees and charges it has paid the Member Agency or  
31 the Contract Agency or SAWPA.  
32

33 **304.0 USER CHARGES AND FEES.**

- 34
- 35 A. Users shall pay to SAWPA the following categories of costs in conformance  
36 with the Wastewater Discharge Contracts and the applicable resolutions adopted  
37 by SAWPA's Commission:  
38
- 39 1. Operation and Maintenance Costs or User Charges. These charges shall  
40 include disposal costs for a direct connection to the Brine Line, plus all  
41 applicable charges and fees as established by resolution by SAWPA's  
42 Commission;  
43
  - 44 2. Liquid Waste Hauler User Charges. These charges shall cover all costs of  
45 SAWPA and its Member Agencies or its Contract Agencies for providing  
46 Collection Station service to Liquid Waste Haulers using the Brine Line or

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tributaries thereto for wastewater disposal. These charges shall be established by resolution by SAWPA's Commission;

3. Wastewater Discharge Permit Fees. All Wastewater Discharge Permit application and Wastewater Discharge Permit fees shall be paid directly by the User to SAWPA and/or Member Agencies and/or Contract Agencies upon invoice. These fees will be established by resolution by SAWPA's Commission.

4. Special Purpose Discharge Permit Charge. This charge shall cover all of SAWPA's costs for providing sewerage service and monitoring for Users requiring a Special Purpose Wastewater Discharge Permit. These costs shall be established by the General Manager. A deposit determined by the General Manager to be sufficient to pay these estimated charges shall accompany the Special Purpose Wastewater Discharge Permit Application.

5. Letter to Discharge Charge. This charge shall cover all of SAWPA's costs for providing sewerage service and monitoring for users requiring a Letter to Discharge. These costs shall be established by the General Manager. A deposit determined by the General Manager to be sufficient to pay these estimated charges shall accompany the Wastewater Discharge Permit Application.

6. All Users shall pay all applicable permit fees prior to the renewal of the Wastewater Discharge Permit.

7. Non-Compliance Charges will be as determined in Article 6 of this Ordinance, Enforcement and shall be paid directly by the User to SAWPA and/or Member Agencies and/or Contract Agencies upon invoice. The charges will pass along compliance costs from OCS D, if any.

B. A charge for use of the Brine Line or tributaries thereto, may be imposed by a Member Agency or a Contract Agency to Wastewater Discharge Permit Users. All such charges shall be paid by the User directly to the Member Agency or the Contract Agency in accordance with Section 303.0 of this Ordinance.

C. SAWPA shall be entitled to recover costs from Users for the implementation of SAWPA's pretreatment program. These costs relate to matters covered by this Ordinance and are separate from all other fees chargeable by SAWPA. SAWPA may adopt a resolution(s) to recover such costs for:

1. Developing, implementing, and operating SAWPA's Pretreatment Program and this Ordinance.

2. Monitoring, inspection, surveillance procedures and laboratory costs.

3. Reviewing plans and construction inspections.

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- 4. Wastewater Discharge Permit application review.
- 5. Wastewater Discharge Permit issuance.
- 6. Reviewing data and reports.
- 7. Noncompliance and enforcement.

D. Member Agencies or Contract Agencies may directly charge Users for costs related to Collection System maintenance of the Member Agency's or the Contract Agency's Collection System due to the effects of the User's wastewater discharge on the Member Agency's or the Contract Agency's Collection System.

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**ARTICLE 4**  
**WASTEWATER DISCHARGE PERMITS**

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**401.0 INTRODUCTION.** Written authorization from SAWPA is required for all Users of the Brine Line and tributaries thereto to ensure the maximum public benefit. The written authorization shall be in the form of a Wastewater Discharge Permit or Letter to Discharge issued by SAWPA. SAWPA will issue all Liquid Waste Hauler Permits issued to entities transporting wastewater to the Collection Stations, per Section 509.0. Pursuant to the 1991 MOU a permit, or Letter to Discharge, will not be issued to the proposed discharger by SAWPA until after OCSD has reviewed the permit application, the proposed permit requirements, and given written concurrence to SAWPA.

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**402.0 WASTEWATER DISCHARGE PERMITS.**

- A. Users subject to the provisions of this Ordinance shall obtain a Wastewater Discharge Permit prior to the connection or discharge to the Brine Line or tributaries thereto. No vested right shall be given, granted or acquired by the issuance of permits provided for in this Ordinance. User Wastewater Discharge Permits may be issued to Direct Dischargers or Users, Special Purpose Dischargers, and Indirect Dischargers or Users. Alternatively, at the discretion of the General Manager, SAWPA may issue a Letter to Discharge in lieu of a Special Purpose Discharge Permit for a specific User with a specific volume of wastewater with a specific set of characteristics that is located at a specific location.
- B. A Wastewater Discharge Permit shall not be issued until plans submitted have been approved by the General Manager for any sewer connection which will convey industrial wastewater to the Brine Line or tributaries thereto.
- C. The General Manager shall deny or condition discharges of pollutants, or changes in the nature of pollutants, to the Brine Line or tributaries thereto, by Users where such discharges do not meet applicable Pretreatment Standards and requirements or where such discharges would cause violation of this Ordinance, OCSD Ordinance No. OCSD-48 or successors thereto, or where such discharges would cause OCSD to violate any requirements or obligations placed upon OCSD by Regulatory Agencies or agreements.
- D. Users required to obtain a Wastewater Discharge Permit shall complete and file with the General Manager a Wastewater Discharge Permit application form provided by the General Manager and shall pay all applicable fees within thirty (30) days of invoicing by SAWPA. The application form may require:
  - 1. Name, address, assessor's parcel number and location (if different from the site address) for the company, owner, and operator.
  - 2. Name and address of the authorized representative(s).

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3. North American Industry Classification System (NAICS) number according to the Federal North American Industry Classification System, Office of Management and Budget, 2012, as amended.
4. EPA hazardous waste generator's number.
5. Wastewater samples analyzed for specified pollutants. The samples shall be analyzed by a State certified laboratory in accordance with the methods published by the EPA in 40 CFR Part 136 or as specified.
6. Time and duration of the wastewater discharges.
7. Average and maximum daily wastewater flow rates, including any seasonal variation of all wastestreams discharged.
8. A list of all environmental control permits held.
9. A statement from the property owner or landlord, if different from the Industrial User, agreeing to the Industrial User's activities, manufacturing processes, and chemical and material storage.
10. Site plans, floor plans, mechanical and plumbing plans with details to show all sewers, sewer connections, pretreatment equipment, systems and devices, production areas and all areas of wastewater generation.
11. A description of operations which shall include the nature, average rate of production, and NAICS classification of the operation(s) carried out by the Industrial User. This description shall include a schematic process diagram that indicates water quality sampling location(s), and points of discharge to the Brine Line or tributaries thereto, types of wastes generated, and a list of raw materials and chemicals used or stored at the facility, which are, or could be discharged to the Brine Line, number of employees, hours of operation, and type and amount of raw materials processed.
12. Informational sheets describing the products manufactured by the User; Federal Categorical designation (if applicable); what production means are used; the waste generated; plot plans and diagrams of the facility and wastewater pretreatment facilities; process flow diagrams, wastewater flow, and wastewater pretreatment facilities; and waste disposal methods;
13. Flow measurement. The User shall submit information showing the measured average daily and maximum daily flow in gallons per day to SAWPA from federally regulated process wastestreams and other wastestreams as necessary to allow use of the Combined Wastestream Formula. Water supply information may be required, which includes the

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water supplier's name(s) and account number(s).

- 14. Measurement of pollutants. The User shall identify the National Pretreatment Standard applicable to each regulated process and shall describe which subcategories might be applicable and cite evidence and reasons why such subcategories are applicable and others are not as required by 40 CFR 403.6(a)(2). The User shall submit waste characterization information listing all anticipated waste constituents in both mass and concentration based on a daily average and daily maximum basis and the maximum flow allowed in the capacity purchase contract.
- 15. Certification statement in 40 CFR Part 403.6(a) (2) (ii) executed by an authorized representative of the User and prepared by a qualified professional, indicating whether or not Pretreatment Standards (national categorical and local) are being met on a consistent basis. If not, the industrial user shall state if additional operation and maintenance or additional pretreatment equipment is necessary to achieve compliance with Pretreatment Standards and requirements.
- 16. All data submitted, including monitoring data, shall be certified accurate by an authorized representative of the Industrial User as set forth in 40 CFR Part 403.6(a)(2)(ii).
- 17. Facility Waste Management Plan as defined in Section 520.0 of this Ordinance.
- 18. Where a federal categorical process has been identified, the User shall submit a Baseline Monitoring Report with all the elements required by 40 CFR 403.12 (b) no later than ninety (90) days before discharge commences.
- 19. Any other information as may be necessary for the General Manager to evaluate the permit application.

E. Within ninety (90) days of receiving the completed Wastewater Discharge Permit application, the General Manager shall evaluate the data furnished by the applicant in the permit application. After evaluation of the data furnished, the General Manager may issue a Wastewater Discharge Permit subject to the terms and conditions provided in this Ordinance or deny a Wastewater Discharge Permit. If the General Manager determines that sufficient information has been provided by the applicant in the Wastewater Discharge Permit application, the General Manager may issue a Wastewater Discharge Permit to the applicant within ninety (90) days of receipt of the Wastewater Discharge Permit application, if the General Manager finds that all of the following conditions are met:

- 1. The proposed discharge of the applicant is in compliance with the

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prohibitions and limitations of this Ordinance and related SAWPA resolutions;

2. The proposed operation and discharge of the applicant would not interfere with the normal and efficient operation of the Brine Line or tributaries thereto and OCSD's POTW;
3. The proposed discharge, operation or business activity of the applicant shall not result in a violation of OCSD's NPDES permit or cause a Pass Through of any toxic materials to the environment or OCSD's POTW biosolids; and
4. The applicant has been invoiced for all applicable Wastewater Discharge Permit fees by SAWPA and paid such fees.

F. The General Manager may suspend the permit application process if the User's business will not be operational and no wastewater is planned for discharge at the conclusion of the application review process. The User must notify the General Manager at least ninety (90) days prior to the commencement of the business activities and wastewater discharge.

G. If the General Manager determines that the proposed discharge(s) will not be acceptable, then the General Manager shall disapprove the application and shall notify the applicant in writing, specifying the reason(s) for denial. The denial may apply if the User has not demonstrated adequate pretreatment equipment to ensure compliance with discharge limitations and the Ordinance.

H. Approved Wastewater Discharge Permits shall be subject to all provisions of this Ordinance and all other applicable regulations, charges and fees established by resolution by SAWPA's Commission. Permits may contain the following:

1. A statement that indicates the permit issuance date, expiration date and effective date;
2. A statement that indicates the permit is non-transferrable;
3. The unit charge or schedule of user charges and fees for the wastewater discharged to the Brine Line and tributaries thereto as established by this ordinance or resolutions;
4. Limitations on the average monthly, maximum daily, and instantaneous maximum concentrations for wastewater pollutants and mass emission rates for pollutants and/or requirements for Best Management Practices (BMPs). The SAWPA Wastestream Correction Formula (WCF) may be used to adjust the Local Limits to account for the presence of SAWPA Industrial Non-Process Wastestreams.

$$C_A = \frac{C_C (\sum_{N=1}^M F_N)}{F_T}$$

Where:  $C_A$  = Adjusted Local Limit to account for Industrial Non-Process Wastestream(s)

$C_C$  = Local Limit for the pollutant constituent

$F_N$  = Average daily flow for SAWPA Industrial Process Wastestream N

$F_T$  = Average daily flow through the sample point

M = Total number of SAWPA Industrial Process Wastestreams;

5. Limitations on the average monthly and maximum daily wastewater flow rates;
6. Requirements for the submittal of a Facility Waste Management Plan;
7. Requirements for the submittal of daily, monthly, annual and long term production rates;
8. Requirements for reporting changes and/or modifications to equipment and/or processes that affect the quantity or quality of the wastewater discharged;
9. Requirements for installation and maintenance of monitoring and sampling equipment and devices;
10. Self-monitoring, sampling, reporting, notification, and record keeping requirements. These requirements shall include an identification of pollutants or BMPs to be monitored, sampling location, sampling frequency, and sample type (required);
11. The process for seeking a waiver from monitoring for a pollutant neither present, nor expected to be present, in the discharge (required);
12. Requirements for the installation of pretreatment technology, pollution control, or construction of appropriate spill containment devices;
13. Specifications for monitoring programs, which may include: sampling location(s); frequency of sampling; pollutant violation notification and resampling requirements; number, types and standards for tests; reporting schedules; and self-monitoring standard operating procedures (SOPs);
14. Requirements to control Slug Discharge, if determined by the General Manager to be necessary;
15. Requirements for reporting flow and pollutant exceedances;

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16. Consent to entry onto the User's premises to assess compliance by inspection, records examination, sampling, and monitoring;
17. If compliance with Pretreatment Standards cannot be met on a consistent basis, then a compliance schedule shall be required. This schedule shall provide the shortest possible time for the User to provide additional pretreatment and/or operations and maintenance to achieve compliance. The compliance schedule shall contain increments of progress (called milestones) in the form of dates, not to exceed nine (9) months unless specifically approved otherwise by the Commission, for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the User to achieve compliance with applicable categorical pretreatment standards;
18. Compliance Schedule Progress Reports, if required, shall be submitted every thirty (30) days during the time the compliance schedule is in force, including a final compliance report at the conclusion of the compliance schedule. The User shall state whether or not compliance was achieved for the increment of progress to be met on such a date. If progress cannot be achieved, the User shall state the reasons for the delay and the steps to be taken to return to the dates originally established in the compliance schedule;
19. Requirements for submission of technical reports, contingency plans or discharge reports, Baseline Monitoring Reports (BMR), compliance reports, or reports on continued compliance;
20. Reports on compliance with Categorical Pretreatment Standard Deadlines. All Categorical Industrial Users shall submit reports to the General Manager containing the information described in Section 501. For existing Categorical Industrial Users, the report shall be submitted within ninety (90) days following the date for final compliance with applicable categorical pretreatment standards. For new Categorical Industrial Users, the report shall be due thirty (30) days following the commencement of wastewater discharge into the Brine Line or tributaries thereto. These reports shall contain long term production rates and actual production during the wastewater sampling periods. All reports must have an accompanying statement reviewed by an authorized representative of the User and certified by a qualified professional stating whether the pretreatment standards are or are not being met as set forth in 40 CFR Section 403.12(b)(6) and amendments thereto;
21. All Significant and Categorical Industrial Users shall submit Periodic Compliance Reports at least every six (6) months as specified in the Wastewater Discharge Permit. These reports shall include effluent sample analyses with the name and concentration or mass of the pollutants in the Wastewater Discharge Permit; average and maximum daily wastewater

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flows for all regulated processes and total flow for the reporting period; average and maximum daily production rates (if applicable); total production for the reporting period (if applicable), and information related to the application and compliance with BMPs in use (if applicable);

22. All required reports: BMRs, compliance reports, periodic reports on continued compliance, and sample data submittals, must be signed and certified by an authorized representative of the User, using the certification statement contained in 40 CFR Part 403.6(a)(2)(ii). When submitting reports electronically, the authorized representative shall have filled out a signed Subscriber Agreement agreeing to submit self-monitoring data required by the Industrial Wastewater Discharge Permit, and agreeing that the use of an electronic signature device (Username, Personal Identification Number, and Challenge Question/Answer) shall serve as a legally enforceable signature in the same manner as an original signature on a paper document;

23. Requirements for maintaining and retaining all records relating to the wastewater monitoring, sample analyses, production, waste disposal, recycling, and waste minimization as specified by the General Manager;

24. Requirements for notification of slug or accidental discharges, immediate notification to the General Manager of any changes affecting the potential for a slug discharge and significant changes in volume or characteristics of the pollutants discharged;

25. Requirement for notification to SAWPA of all on-site spills;

26. Statement of applicable civil and criminal penalties for violation of pretreatment standards and requirements, and any other applicable compliance schedule, and responsibility for damages, legal expenses, attorney's fees, administrative and overhead costs for violation of any applicable pretreatment ordinances, standards and requirements and this Ordinance and amendments thereto;

27. Other conditions as deemed appropriate by the General Manager to ensure compliance with this Ordinance.

I. Wastewater Discharge Permit conditions and requirements may be appealed in writing to the General Manager within ten (10) business days after the issuance date. The written appeal shall state all of the facts and reasons that constitute the basis for such an appeal. The written appeal shall be addressed by the General Manager within thirty (30) business days from the date of filing of the written appeal and may hold an appeal hearing with the Permittee. The General Manager shall issue a final written determination on the appeal within forty-five (45) business days from the date of filing of the written appeal. Any User

1 aggrieved by the final decision issued by the General Manager under this section  
2 may seek an appeal to the SAWPA Commission by filing an appeal within ten  
3 (10) business days following the service of the General Manager's final written  
4 determination on the appeal. The written appeal to the Commission shall state all  
5 of the facts and reasons that constitute the basis for such an appeal. Failure to  
6 file such an appeal within ten (10) business days shall be deemed a waiver of the  
7 appeal process.  
8

9 **403.0 PERMIT DURATION.** Wastewater Discharge Permits or other control mechanisms  
10 shall be issued for a specified time period and shall not exceed the maximum duration of five (5)  
11 years. The actual duration of a Significant Industrial User permit shall not exceed the duration  
12 codified in OCSD's approved Pretreatment Program document, or successor thereof. The  
13 maximum durations of other permit or control mechanisms types shall not exceed the durations  
14 codified in OCSD's current Wastewater Discharge Regulations, OCSD's Ordinance No. OCSD-  
15 48, or successors thereof.  
16

17 **404.0 DUTY TO COMPLY.** All Users have a duty to comply with this Ordinance, related  
18 resolutions, and all conditions and limitations in the permit. Failure to comply with the  
19 requirements contained in this Ordinance, related resolutions and/or the permit may be grounds  
20 for Wastewater Discharge Permit Revocation pursuant to Section 607.0, termination of service  
21 pursuant to Section 608.0, administrative actions, or enforcement proceedings including,  
22 injunctive relief, civil or criminal penalties, and summary abatements pursuant to Article 6 of  
23 this Ordinance. Mandatory minimum penalties shall also be assessed where appropriate.  
24

25 **405.0 PERMIT RENEWAL, EXTENSION AND FEES.** All Users subject to wastewater  
26 discharge permitting by SAWPA shall submit a completed Wastewater Discharge Permit  
27 application for permit renewal at least ninety (90) days prior to the expiration of the User's  
28 existing permit. All Users shall pay all applicable permit fees prior to the renewal of the  
29 Wastewater Discharge Permit. No Wastewater Discharge Permit shall be renewed if the User  
30 has not paid all applicable fees within thirty (30) days of invoicing by SAWPA, submitted  
31 required monitoring information or production reports, or submitted any other required permit  
32 information. In the event the General Manager cannot issue the permit prior to the expiration  
33 date of the current permit and the submitted application has been received and deemed  
34 complete, he/she may issue a written extension of the expired permit as deemed appropriate by  
35 the General Manager. Users which do not have a valid Wastewater Discharge Permit shall be  
36 considered in violation of this Ordinance and subject to enforcement action and any applicable  
37 surcharge fees, fine, penalties, damages, legal expenses, attorney's fees, administrative and  
38 overhead costs.  
39

40 **406.0 PERMIT MODIFICATIONS.** The terms and conditions of the Wastewater Discharge  
41 Permit may be subject to modification by the General Manager during the term of the permit as  
42 limitations or requirements are modified or added or due to other just causes including, but not  
43 limited to:  
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- 45 A. To incorporate any new or revised federal, state, or local pretreatment standards  
46 or requirements;

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- B. To address significant alterations or modifications to the User’s operation, processes, or wastewater volume or character since the time of the Wastewater Discharge Permit issuance;
- C. A change in the OCSD’s POTW that requires either a temporary or permanent reduction or elimination of the permitted discharge. Reasonable time frames for compliance will be allocated for Users affected by the change(s);
- D. The User’s discharge poses a threat to the OCSD’s POTW, SAWPA and/or OCSD personnel, contract employees, the public, or receiving waters;
- E. Violation of any term or condition of the Wastewater Discharge Permit;
- F. Misrepresentations or failure to fully disclose all relevant facts in the Wastewater Discharge Permit application or in any required reporting; or
- G. To correct typographical or other errors in the Wastewater Discharge Permit.

Any modifications in the permit shall include a reasonable time schedule for compliance, if necessary.

**407.0 NO PERMIT TRANSFER OR ASSIGNMENT.** Wastewater Discharge Permits are issued to a specific User for a specific operation at a specific location or for a specific liquid waste hauler, for a specified time and create no vested rights. No Wastewater Discharge Permit shall be assigned, transferred, pledged or sold to a new owner, new User, or different premises.

- A. When the permittee is a legal entity (such as a corporation, partnership, limited liability company, or other legal entity), the permittee is deemed to have undergone a change of ownership when any other legal entity or person acquires a direct or indirect ownership or control of more than fifty percent (50%) of the total ownership interest in the permittee. The permit is void if an attempt is made to assign, transfer, pledge or sell the permit to a new owner, new User, or a different premise.
- B. At least thirty (30) days prior to the sale or change of ownership of any business operating under a permit, the Permittee shall notify SAWPA in writing of the proposed sale or change of ownership. The successor owner shall apply to SAWPA for a new permit at least fifteen (15) days prior to the sale or change of ownership in accordance with the provisions of this Ordinance. A successor owner shall not discharge any wastewater for which a permit is required by this Ordinance until a new permit or Letter to Discharge is issued to the successor owner.
- C. The written notification of intended sale or change of ownership shall be in a form approved by SAWPA and shall include a written certification by the new

owner or Authorized Representative, which shall include as a minimum:

1. the specific date on which the sale or change of ownership is to occur; and
2. an acknowledgement to comply with all the terms, conditions, limits, and provisions of this Ordinance and the new permit or Letter to Discharge.

D. In the event that the General Manager determines that any person is discharging industrial wastewater directly or indirectly to the Brine Line or tributaries thereto without a valid Permit, the General Manager may issue to such person a Temporary Wastewater Discharge permit (Temporary Permit) containing such conditions, limitations, restrictions, and other provisions or requirements, which the General Manager determines are necessary or advisable to protect the Brine Line or tributaries thereto and to assure compliance with all federal, state and SAWPA discharge requirements. This Temporary Permit shall be enforceable until such time as a Permit is issued. The User shall immediately comply with all of the provisions and requirements of such Temporary Permit, and shall apply for a permit within thirty (30) days from the issuance of the Temporary Permit. In no cases shall an extension be granted for the thirty (30) day requirement. A Temporary Permit is for a limited duration and shall not be extended. A Temporary Permit is revocable by the General Manager at any time. Any User whose Temporary Permit is revoked shall immediately cease and desist all discharge of any industrial wastewaters.

**408.0 WASTEWATER DISCHARGE CONTRACT CAPACITY RIGHTS.** Except as otherwise provided in Section 409.0 below, no User shall exceed its wastewater discharge capacity right into the Brine Line or tributaries thereto. Whenever a User's monthly average flow exceeds the User's Wastewater Discharge Permit capacity right, the User shall notify the appropriate Member Agency or Contract Agency and SAWPA within five (5) days of discovering the exceedance. If the monthly average flow exceedance is an isolated event, then the User shall be liable for costs incurred with the additional wastewater discharge in excess of the purchased discharge capacity right. If the daily exceedance is a necessary part of the User's business activities, then the User shall, within five (5) days, make application to acquire and pay for sufficient additional wastewater discharge capacity right in the Brine Line or tributaries thereto, which shall be retroactive to the date of the exceedance. The additional purchased capacity right shall result in a wastewater discharge capacity right that exceeds the User's daily flow by ten (10) percent or as approved by the General Manager. Any User who fails to purchase the additional wastewater discharge capacity right when required shall be subject to enforcement actions.

**409.0 OPERATIONAL EMERGENCY DISCHARGE.** Notwithstanding the provisions of Section 408.0 above, if due to an operational emergency, a User must discharge in excess of its existing wastewater discharge capacity right, then, after providing the General Manager with at least two (2) business days advance notice if practicable, the User may do so for a period not to exceed one-hundred eighty (180) days without incurring the obligation to purchase an additional wastewater discharge capacity right, provided that the User fully complies with the provisions of

1 this Section, this Ordinance, permit conditions at all times, and pays for such discharge as  
2 determined by the General Manager.

- 3
- 4 A. As used herein, "Operational Emergency", shall mean an equipment breakdown  
5 or other malfunction which causes the User to discharge in excess of its existing  
6 treatment and disposal capacity right in the Brine Line and tributaries thereto.  
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- 8 B. Prior to or by the next business day following the commencement of the  
9 emergency discharge the User shall provide written notice to the General  
10 Manager identifying:  
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- 12 1. The nature of the emergency requiring the excess discharge;
  - 13 2. The anticipated duration of the excess discharge; and
  - 14 3. The name of the User's employee whom the General Manager may contact  
15 for further information.  
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- 19 C. The General Manager may order that such emergency discharges cease  
20 immediately or impose on the Discharger, such requirements as the General  
21 Manager deems appropriate and necessary to protect SAWPA's facilities and  
22 interest, including the Brine Line and tributaries thereto, and OCSD's POTW.  
23
- 24 D. User shall pay to SAWPA a surcharge on the flow exceeding the User's existing  
25 wastewater discharge capacity right, in addition to the payment of the  
26 volumetric, BOD and TSS charges for the entire daily flow. The surcharge shall  
27 be applied to the excess flow, BOD and TSS and be calculated using the rate  
28 established annually by Resolution of the Commission.  
29
- 30 E. If upon expiration of the one hundred eighty (180) day period the User's daily  
31 flow continues to exceed the User's existing wastewater discharge capacity  
32 right, then the User shall immediately acquire additional increments of  
33 wastewater discharge capacity right pursuant to Section 408.0 of this Ordinance.  
34
- 35 F. A User causing or making an Operational Emergency Discharge shall be liable  
36 for any surcharges, fees, fines, penalties, damages, legal expenses, attorney's  
37 fees, administrative and overhead costs, and other direct or indirect costs  
38 incurred by SAWPA as a result of such discharge.  
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40 **410.0 LIQUID WASTE HAULER PERMITS.** Prior to discharging any wastewater to the  
41 Brine Line or tributaries thereto, Users hauling and disposing of wastewater to a Collection  
42 Station must apply for and obtain a separate Liquid Waste Hauler Permit. This permit is separate  
43 and in addition to the Wastewater Discharge Permit required for each wastewater Indirect  
44 Discharger or Generator. Liquid Waste Hauler Permits are issued by the General Manager in  
45 accordance with Sections 401 and 402; after all required permit application information,  
46 insurance, and fees are provided. Additional liquid waste hauler requirements are defined in

1 Section 509.0. All Liquid Waste Haulers shall comply with all permit requirements and  
2 conditions, permitting and disposal procedures as established by this Ordinance, and pay all  
3 applicable fees established by resolution. All Liquid Waste Haulers shall obtain all other  
4 applicable permits required by city, county or state agencies. All Liquid Waste Haulers shall  
5 also abide by the following requirements and conditions:  
6

7 A. Hauling and disposing of wastewater only to a designated and authorized Brine  
8 Line Collection Station for permitted Liquid Waste Haulers shall be established  
9 by SAWPA.

10 B. Liquid waste haulers seeking a permit to use SAWPA's Brine Line Collection  
11 Stations shall complete and file with the General Manager a Liquid Waste  
12 Hauler Permit application provided by SAWPA. This application may require  
13 the following information:  
14

- 15 1. Name, address, and phone number of the Liquid Waste Hauler.
- 16 2. Number of vehicles, gallon capacity of each vehicle, license plate of each  
17 vehicle, tanker and trailer, ownership, make and model of all vehicles that  
18 are operated by the hauler for purposes of hauling liquid wastes.
- 19 3. Person to contact regarding the information contained in the application.
- 20 4. The name and policy number of the insurance carrier and bonding company.

21 C. The Liquid Waste Hauler Company must carry the following insurance to be  
22 permitted by SAWPA:  
23

- 24 1. General Liability of \$1,000,000 per each occurrence and \$2,000,000 General  
25 Aggregate;
- 26 2. Commercial Auto Insurance of \$1,000,000 combined single limit;
- 27 3. Workers Compensation of \$1,000,000 per each accident; and
- 28 4. Pollution Liability of \$1,000,000. Such liability insurance shall be in a form  
29 and with liability limits and deductible satisfactory to the General Manager  
30 and such liability insurance requirements shall be included in the permit  
31 issued to the Liquid Waste Hauler. Separate Pollution Liability insurance is  
32 not required if specifically covered by other liability policies.

33 D. The name(s), address(es), telephone number(s), Brine Line permit information,  
34 and descriptions(s) of the industries or clients contracting the Liquid Waste  
35 Hauler to transport their wastewater to the Brine Line Collection Station.  
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37 E. Authorized representative and signature.  
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- F. Other information as may be required by the General Manager.
  
- D. All Liquid Waste Haulers shall obtain a Liquid Waste Hauler Permit from SAWPA prior to discharging to the Brine Line or tributaries thereto. Liquid Waste Hauler Permits shall be issued for a period of up to three (3) years. All terms and conditions of the permit may be subject to modification and change by the General Manager at any time during the duration of the permit. The Liquid Waste Hauler Permit may include the following:
  - 1. Business name, address(es), and phone number(es);
  - 2. Restrictions on discharge times and compliance with operating hours for designated Collection Station;
  - 3. Conditions upon which permit revocation, suspension, or termination can occur;
  - 4. Consent to enter the User's premises to assess compliance with permit requirements and conditions and this Ordinance by inspection and records examination;
  - 5. Permit number;
  - 6. Record keeping and reporting requirements;
  - 7. Compliance with applicable rules and regulations of this Ordinance and the Riverside County Health Department, San Bernardino County Health Department, or other county having jurisdiction regarding cleanliness, sanitary conditions, and liquid waste hauler vehicle requirements;
  - 8. Requirements to notify the General Manager immediately of any unusual circumstances observed during liquid waste pumping operations; and
  - 9. Other conditions, limitations or prohibitions deemed appropriate by the General Manager, including pollutant discharge limitations or local limits.
  
- E. Permits to use the Brine Line Collection Stations of SAWPA are subject to all applicable provisions of this Ordinance.
  
- F. Liquid wastes disposed of at SAWPA's Brine Line Collection Stations shall be subject to sampling and analysis to determine compliance with all applicable provisions of this Ordinance. The sampling shall be performed or supervised by authorized personnel of SAWPA or SAWPA's duly authorized designees and shall be taken at any time during the delivery of the load, including prior to the discharge of the load from the Liquid Waste Hauler to SAWPA's Brine Line Collection Stations. If the wastes are found to be unacceptable, the Liquid Waste

1 Hauler may be liable for all costs associated with the inspection, sampling, and  
2 analysis. The General Manager may reject a load and deny disposal if the  
3 wastewater or required documentation does not comply with the provisions of  
4 this Ordinance, the Liquid Waste Hauler's permit, or the Indirect Discharger's  
5 permit.  
6

7 G. If the Liquid Waste Hauler transports both industrial wastes and domestic  
8 wastes, the Liquid Waste Hauler shall remove all domestic waste contamination  
9 from the interior of the vacuum tank prior to removing any Industrial  
10 Wastewater from a permitted site.  
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12 H. The General Manager may deny the issuance of a Liquid Waste Hauler Permit  
13 on any of the following conditions:  
14

- 15 1. The applicant knowingly falsified information on the application or any  
16 document required by the Liquid Waste Hauler Permit application;  
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- 18 2. The applicant's previous Liquid Waste Hauler Permit is under suspension or  
19 probation or has been otherwise revoked; or  
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- 21 3. The applicant is not current on all disposal and permit related reports,  
22 insurance, and payment of fees.  
23

24 I. In the event a Liquid Waste Hauler Permit application is denied, the General  
25 Manager shall notify the applicant in writing of such denial and the appeal  
26 procedures. Such notification shall state the grounds for such denial and  
27 necessary actions that must be taken by the applicant prior to the issuance of a  
28 permit.  
29

30 J. All Liquid Waste Hauler Permits issued to any Liquid Waste Hauler may be  
31 revoked, suspended or entered into a probationary period upon a finding by the  
32 General Manager that any of the following conditions exist:  
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- 34 1. Such Liquid Waste Hauler, or representative thereof, has changed, altered or  
35 otherwise modified the face of a permit or authorization document without  
36 the permission of the General Manager;  
37
- 38 2. Such Liquid Waste Hauler, or representative thereof, has violated any  
39 condition of their permit;  
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- 41 3. Such Liquid Waste Hauler, or representative thereof, has falsified any  
42 application, record, report or monitoring results required to be maintained, or  
43 has failed to make them immediately available to the General Manager upon  
44 request, or has withheld required information, such Person, or representative  
45 thereof, has filed documents with falsified or repeatedly incorrect  
46 information;

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- 4. Such Liquid Waste Hauler, or representative thereof, failed to halt immediately any discharge into a SAWPA designated collection station upon the order of any authorized SAWPA employee;
- 5. Such Liquid Waste Hauler, or representative thereof, discharged or attempted to discharge a hazardous waste or material or otherwise prohibited discharge into a SAWPA designated collection station;
- 6. Such Liquid Waste Hauler, or representative thereof, discharged or attempted to discharge domestic waste into a SAWPA designated collection station;
- 7. Such Liquid Waste Hauler, or representative thereof, has done physical violence or harm to any SAWPA employee, authorized representative, or contract employee;
- 8. Such Liquid Waste Hauler, or representative thereof, has made threatening remarks or threatening acts towards any SAWPA employee, authorized representative, or contract employee.
- 9. Such Liquid Waste Hauler, or representative thereof, discharged or attempted to discharge wastewater from a source not cited on the Liquid Waste Hauler's permit.

- K. Any Liquid Waste Hauler Permit which has been revoked, suspended or entered into probation pursuant to this Section may be reinstated upon a finding by the General Manager that the condition which resulted in such revocation no longer exists.
- L. Upon determination of a violation of this Ordinance or the conditions of a Liquid Waste Hauler Permit, the permittee shall be subject to the enforcement actions set forth in Article 6 of this Ordinance, or as is otherwise contained in the Liquid Waste Hauler permit as necessary to protect the Brine Line or tributaries thereto, OCSD's POTW, the public, the environment, SAWPA employees, authorized representatives, or contract employees.
- M. Suspension and periods of probation may be imposed by the General Manager for any length of time, up to one year.

**411.0 COLLECTION STATIONS.**

- A. Nothing in this Ordinance precludes the use of an alternate Collection Station in the event of an emergency or planned maintenance activity that disrupts service provided at the primary Collection Station.

- 1 B. Collection Stations shall be operated as agreed per either a Wastewater  
2 Discharge Permit or a MOU between SAWPA and the operating agency with  
3 concurrence from OCSD.  
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6 **412.0 GROUNDWATER, SURFACE RUNOFF, OR SUBSURFACE DRAINAGE.**  
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- 8 A. The discharge of groundwater, surface runoff, or subsurface drainage directly or  
9 indirectly to the Brine Line, or tributaries thereof, is prohibited unless  
10 determined by the General Manager that there is no alternative method of  
11 disposal reasonably available and to mitigate an environmental risk or health  
12 hazard.  
13  
14 B. Stormwater discharges to the Brine Line, or tributaries thereof, are not  
15 authorized. The General Manager may provide authorization for stormwater  
16 discharges that comply with SAWPA's policy, which adheres to OCSD's policy.  
17  
18 C. Unless permitted to do so, in accordance with subparagraph (A) hereof, no User  
19 shall allow wastewater and stormwater to mix before discharging to the Brine  
20 Line or tributaries thereof.  
21  
22 D. Applications for consideration under subparagraph (A) shall be submitted to the  
23 General Manager and shall include all information deemed necessary by the  
24 General Manager. Information may include, but is not limited to:  
25  
26 1. Completed permit application;  
27  
28 2. Detailed site information including but not limited to structure locations,  
29 pavements, grades, storm drain facilities, hydrologic calculations;  
30  
31 3. Documentation justifying a need to discharge surface runoff to the Brine  
32 Line, or tributaries thereto, to prevent surface and subsurface water  
33 contamination; and  
34  
35 4. A description of the facilities to be provided and required operation and  
36 maintenance by the User to prevent the pollution of stormwater by Industrial  
37 Wastewater and waste generated by the User.  
38

39 **413.0 WASTEWATER FROM OUTSIDE THE SAWPA BRINE LINE SERVICE AREA.**

40 Any Industrial User outside of SAWPA's Brine Line Service Area proposing to discharge  
41 wastewater directly or indirectly within SAWPA's Brine Line Service Area must first obtain  
42 approval from SAWPA's Commission and OCSD's General Manager before a permit may be  
43 issued to discharge under this Ordinance, per Section 212.0. Such approval will be on a case-by-  
44 case basis and at the sole discretion of the SAWPA Commission and OCSD's General Manager.  
45 Such approval does not constitute a vested entitlement to discharge. If such approval is  
46 provided, in addition to any other conditions imposed by the SAWPA's Commission and

1 OCSD's General Manager, the Industrial User shall comply with the following conditions:  
2

- 3 A. SAWPA requires that the existing sewerage agency having jurisdiction for the  
4 Industrial User location outside SAWPA's Inland Empire Brine Line Service  
5 Area be added as a co-signer to SAWPA's Multijurisdictional Pretreatment  
6 Agreement (MJPA), classified as a Contract Agency, and assume all  
7 Pretreatment Program responsibilities as required by SAWPA. The MJPA will  
8 specifically allow SAWPA, in conjunction with the Member Agency or Contract  
9 Agency, to issue a permit and conduct the Pretreatment Program at the Industrial  
10 User's site. For agency owned facilities, which shall be classified as an Industrial  
11 User, SAWPA shall be the sole signatory and SAWPA alone shall issue the  
12 permit to the agency.  
13
- 14 B. If an Industrial User outside SAWPA's Inland Empire Brine Line Service Area  
15 is allowed to discharge to the Brine Line, or tributaries thereof, the Industrial  
16 User shall not co-sign SAWPA's MJPA, nor is the Industrial User considered a  
17 Contract Agency. The Industrial User shall abide by all SAWPA Pretreatment  
18 Program requirements.  
19
- 20 C. The Industrial User shall provide written site access authorization to SAWPA  
21 and OCSD to conduct monitoring and site inspections.  
22
- 23 D. The Industrial User shall have a contract with a SAWPA permitted Liquid Waste  
24 Hauler if operating as an indirect discharger.  
25

26 Except for an emergency, a threat to the health, safety and welfare of the community or  
27 SAWPA, or a failure to comply with, or a violation of this Ordinance and related resolutions,  
28 SAWPA will endeavor to provide ninety (90) days advance written notice prior to terminating a  
29 discharge permit issued to a Generator located outside the Brine Line Service Area. The  
30 General Manager may terminate or revoke a permit issued under this subsection as provided in  
31 this Ordinance.  
32

33 Subject to applicable legal requirements, the rates charged to the Generator may be adjusted by  
34 SAWPA as necessary to recover costs incurred. Permit and disposal fees for Generators and/or  
35 Liquid Waste Hauler Permittees are determined by a SAWPA Commission resolution.  
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**ARTICLE 5**  
**MONITORING, REPORTING, INSPECTION AND**  
**FACILITIES REQUIREMENTS**

**501.0 MONITORING AND REPORTING.**

- A. At the direction and discretion of the General Manager, any User discharging wastewater directly or indirectly into the Brine Line, or tributaries thereto, shall be required to install sampling station(s) and measuring device(s) to measure the quality and quantity of wastewater discharged. These measuring devices may include, but are not limited to:
  - 1. flow meters and recorders;
  - 2. pH meters and recorders; and
  - 3. electrical conductivity meters and recorders, and process water meters.
  
- B. The sampling station and/or measuring device shall be provided by the User in compliance with this Ordinance and all applicable building, plumbing, and construction codes. Monitoring or metering facilities may be required to have a security closure that can be locked with a SAWPA lock during sampling and monitoring. Construction shall be completed within a reasonable time frame as required in written notification from the General Manager.
  
- C. The General Manager shall have the absolute right to install temporarily upon the User's property such devices as are necessary to conduct wastewater sampling, compliance monitoring or metering operations.
  
- D. No User shall interfere with, delay, resist, or refuse entrance by authorized SAWPA personnel or contract employees or authorized OCSD personnel installing wastewater monitoring equipment on the User's property. Any permanent or temporary obstruction of easy access to the sampling, monitoring, or metering locations shall be immediately removed by the User or property owner at the written or oral request of the General Manager and shall not be replaced.
  
- E. The sampling station or measuring devices shall be maintained for continuous sampling or metering. The measuring devices shall be calibrated as often as necessary to ensure accurate measurements according to manufacturer's specifications. Flow meters shall be calibrated in accordance with 505.0. All maintenance and calibration work shall be performed at the User's expense.
  
- F. All Users that are required to install and maintain monitoring equipment shall report to SAWPA and the Member Agency or the Contract Agency the failure of such equipment within twenty-four (24) hours. The notification may be accomplished by a telephone call, electronic mail, telefax transmission, personal

1 visit to SAWPA or the Member Agency or the Contract Agency, or a hand  
2 delivered notification to SAWPA or the Member Agency or the Contract  
3 Agency. A written report documenting the cause of the failure and the corrective  
4 actions taken shall be submitted to the General Manager within five (5) business  
5 days of discovering the failure.  
6

7 G. All Users that are required to self-monitor shall have all samples collected and  
8 analyzed and reported according to 40 CFR 403.12(g) and amendments thereto.  
9 Samples shall be collected and analyzed during the period covered by the report  
10 and shall be representative of the conditions occurring.  
11

12 1. Except as indicated in subsections 2 and 3 below, the User shall collect  
13 wastewater samples using twenty-four (24) hour time or flow proportional  
14 composite samples. Time or flow proportional composite sampling or grab  
15 sampling, must be representative of the discharge.  
16

17 2. Samples for oil and grease, temperature, pH, cyanide, total phenols, sulfides  
18 and volatile organic compounds must be obtained using grab collection  
19 techniques.  
20

21 3. For sampling required in support of baseline monitoring and ninety (90) day  
22 compliance reports, a minimum of four (4) Grab Samples must be used for  
23 pH, cyanide, total phenols, oil and grease, sulfide and volatile organic  
24 compounds for facilities which historical sampling data does not exist. For  
25 facilities in which historical sampling data are available, a reduced number  
26 of samples may be allowed. For self-monitoring sampling, the User is  
27 required to collect the number of Grab Samples necessary to assess and  
28 assure compliance with discharge limits.  
29

30 4. If a User monitors for regulated pollutants at the appropriate sampling  
31 location more frequently than the minimum required, the results of the  
32 additional monitoring shall be reported.  
33

34 H. All pollutant monitoring techniques and analyses, to be submitted as part of a  
35 discharge application or self-monitoring report, shall be performed in accordance  
36 with the techniques in 40 CFR Part 136 and amendments thereto unless  
37 otherwise prescribed in a Categorical Pretreatment Standard or in the User's  
38 Wastewater Discharge Permit.  
39

40 I. All Users that are required to self-monitor shall submit and certify all records of  
41 sampling that include the following information and documents:  
42

43 1. The date, monitoring location, method, and time of monitoring (including  
44 the time for each Grab Sample whether or not they are later composited into  
45 one or more samples) and the names of the person or persons taking the  
46 samples;

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2. The dates the analyses were performed;
3. Who performed the analyses;
4. The analytical techniques/methods used;
5. The results of such analyses;
6. A copy of the laboratory sample analysis sheet; and
7. A copy of the chain-of-custody form, which includes sample collection details, such as sample container type, preservation, etc.

These records shall remain available for a period of three (3) years. This period shall automatically be extended for the duration of any litigation concerning the User, or where the User has specifically been notified of a longer retention period by the General Manager.

- J. All permitted Users that take more than one Grab Sample in a twenty-four (24) hour period to demonstrate compliance with oil and grease shall comply with the following conditions:
  1. No single oil and grease Grab Sample shall exceed the User's permitted instantaneous maximum limit for oil and grease at any time.
  2. The average result from all individual oil and grease grab samples taken in a twenty-four (24) hour period shall not exceed the User's permitted limit for oil and grease.
- K. All Users that are required to self-monitor shall report pollutant violations in any wastewater sample from an approved monitoring location to the General Manager within twenty-four (24) hours of becoming aware of the violation. The reporting may be accomplished by a telephone call, electronic mail sent to a pre-approved list of electronic mail addresses, telefax transmission, or a meeting with the General Manager or a Member Agency or a Contract Agency as necessary to comply with the conditions of the Wastewater Discharge Permit. The violation reporting shall contain the date and time of the wastewater sample, the discharge flow rate or volume represented by the sample, a preliminary explanation for the violation(s), proposed corrective action, and the date scheduled for the required resample. Failure to report pollutant violations as stated shall constitute a violation of this Ordinance and may subject the User to enforcement actions.
- L. Any sample collected from a sample box, designated monitoring point or other representative sampling location shall be considered representative of the

1 wastewater discharged to the Brine Line or tributaries thereto.  
2

3 M. All Users that are required to have flow measurement are required to take daily  
4 twenty-four (24) hour readings of their wastewater effluent flow. The User shall  
5 report exceedances of their daily permitted flow within twenty-four (24) hours of  
6 discovering the violation. The reporting may be accomplished by a telephone  
7 call, electronic mail sent to a pre-approved list of electronic mail addresses,  
8 telefax transmission, or a meeting with the General Manager or a Member or  
9 Contract Agency as necessary to comply with the conditions of the Wastewater  
10 Discharge Permit, or a hand delivered notification to SAWPA. The flow  
11 exceedance report shall have the total flow, the reason for the flow exceedance,  
12 and the name of the person reporting the flow exceedance. This report shall also  
13 be in compliance with Article 4 of this Ordinance. Failure to report flow  
14 exceedances as stated shall constitute a violation of this Ordinance and may  
15 subject the User to enforcement actions.  
16

17 N. If sampling performed by a User indicates a violation, the User shall repeat the  
18 sampling and analysis and submit the results of the repeat analysis to SAWPA  
19 within thirty (30) days after becoming aware of the violation. Where SAWPA  
20 has performed the sampling and analysis in lieu of the User, SAWPA must  
21 perform the repeat sampling and analysis unless it notifies the User of the  
22 violation and requires the User to perform the repeat analysis. Resampling is not  
23 required if:  
24

- 25 1. SAWPA performs sampling at the User at a frequency of at least once per  
26 month; or
- 27 2. SAWPA performs sampling at the User between the time when the initial  
28 sampling was conducted and the time when the User or SAWPA receives the  
29 results of this sampling.  
30

31 O. All resamples shall be obtained and analyzed according to 40 CFR 403.12(g).  
32 All laboratory analyses shall be performed by a laboratory certified by the State  
33 of California, State Water Resources Control Board, and Environmental  
34 Laboratory Accreditation Program as being competent to perform the pollutant  
35 analyses requested. The laboratory results from this resample and all required  
36 forms shall be submitted to the General Manager no later than thirty (30) days  
37 after the User discovers or becomes aware of the violation. Failure to submit the  
38 laboratory results within the thirty (30) day requirement will result in  
39 enforcement action. Failure to submit the required report within forty-five (45)  
40 days of the due date will result in a determination of Significant Noncompliance  
41 (SNC) for the User.  
42

43  
44 P. All Users, whose wastewater discharge is monitored by SAWPA, shall be  
45 responsible for all resampling requirements contained in subsection N. of this  
46 Section when a pollutant violation is detected. SAWPA shall notify the User of

1 the resampling requirements by a telephone call, electronic mail sent to a pre-  
2 approved list of electronic mail addresses, telefax transmission, or personal visit  
3 within twenty-four (24) hours of confirming a pollutant or flow violation.  
4

5 Q. All Users that desire to conduct their own wastewater sampling in lieu of a  
6 certified contract laboratory shall submit a written plan describing the equipment  
7 used, equipment cleaning methodology, employee qualifications and training,  
8 sample preservation methods, and chain of custody procedures. The User's  
9 wastewater sampling plan shall be approved by the General Manager prior to the  
10 implementation of the plan. Any sample collected by a User without an  
11 approved plan or from an unapproved laboratory may be considered invalid, and  
12 may subject the User to enforcement actions.  
13

14 R. All Users monitoring their wastewater discharge for pollutants and  
15 characteristics required for determining SAWPA user charges shall submit the  
16 sample results in the form of self-monitoring reports as required in their  
17 Wastewater Discharge Permit. The frequency of sampling, analysis, and  
18 reporting shall be set forth in the User's Wastewater Discharge Permit. The  
19 analyses of the sample pollutants and characteristics shall be at the sole expense  
20 of the User. Only sample analyses approved or performed by SAWPA shall be  
21 used in the determination of the SAWPA user charges.  
22

23 S. SAWPA will meet reporting requirements as specified by 40 CFR Part 3 (Cross-  
24 Media Electronic Reporting). Therefore, Users that send electronic (digital)  
25 documents to SAWPA to satisfy the requirements of this Section must register  
26 for the system online and submit a signed Subscriber Agreement to SAWPA for  
27 review and approval. An electronic submission shall be deemed to have been  
28 properly received by SAWPA when it is received by the electronic system,  
29 accessible by SAWPA staff and a confirmation is sent to the signatory making  
30 the submission. When the sender receives confirmation and can fully review the  
31 submitted materials, report and related data shall be considered received.  
32

33 T. The User shall submit a written Contingency Plan that details alternatives to  
34 discharging wastewater to the Brine Line during emergency situations in  
35 accordance with Section 520.0.F of this Ordinance and the User's approved  
36 Waste Discharge Permit.  
37

38 U. Notification of the Discharge of Hazardous Waste. Discharge of hazardous  
39 waste, as defined in 40 CFR 261, is prohibited. Any User that discharges any  
40 hazardous waste into the Brine Line or tributaries thereof shall notify SAWPA  
41 and OCSD immediately as required by 40 CFR 403.12(p).  
42

43 T. A Baseline Monitoring Report (BMR), when required, shall be prepared and  
44 submitted per 40 CFR 403.12(b). Completed BMR shall contain a statement of  
45 review by an authorized representative of the User and be certified by a qualified  
46 professional, indicating whether permit requirements are being met on a

1 consistent basis, and, if not, whether additional operation and maintenance,  
2 subsection P and M, and/or additional Pretreatment is required for the User to  
3 meet the requirements.  
4

5 **502.0 INSPECTION.**  
6

- 7 A. The General Manager shall inspect the facilities of any User using the Brine Line  
8 or tributaries thereto to ascertain whether all requirements of this Ordinance are  
9 being met. Persons on the premises shall allow the General Manager and OCSD  
10 authorized personnel ready access at all reasonable times to all parts of the  
11 premises for the purpose of inspection, sampling, and records examination.  
12
- 13 B. The User shall ensure that there is always a person on site, during normal  
14 business hours, knowledgeable of the User's processes and activities to  
15 accompany the duly authorized SAWPA representative(s) during the inspection.  
16
- 17 C. The User shall provide immediate access when an emergency occurs, regardless  
18 of the hour of the day.  
19
- 20 D. All pretreatment equipment shall be immediately accessible at all times for the  
21 purpose of inspection. At no time shall any material, debris, obstacles or  
22 obstructions be placed in such a manner that will prevent immediate access to  
23 the pretreatment equipment or designated monitoring point(s).  
24
- 25 E. No Person shall interfere with, delay, resist or refuse entrance to the General  
26 Manager when attempting to inspect any facility involved directly or indirectly with a discharge  
27 of wastewater to the Brine Line or tributaries thereto.  
28
- 29 F. Where a User has security measures in force which would require proper  
30 identification and clearance before entry onto/into the premises, the User shall make all  
31 necessary arrangements with the User's security personnel so that, upon presentation of suitable  
32 identification, personnel from SAWPA or duly authorized personnel from SAWPA or OCSD  
33 will be permitted to enter, without delay, for the purpose of performing their specific  
34 responsibilities.  
35
- 36 G. The User shall make available for copying by the General Manager all records  
37 required to be kept under the provisions of this Ordinance.  
38

39 **503.0 INSPECTION WARRANTS.** If the General Manager has been refused access to a  
40 building, structure, or property, or any part thereof with a wastewater discharge to the Brine Line  
41 or tributaries thereto, and is able to demonstrate cause to believe that there may be a violation of  
42 this Ordinance, or that there is a need to inspect or sample the User's facilities as part of a  
43 routine inspection and sampling program of SAWPA designed to verify compliance with this  
44 Ordinance or any permit or order issued hereunder, or to protect the overall public health, safety  
45 and welfare of the community, then the General Manager may seek issuance of an inspection  
46 warrant duly issued pursuant to the procedure set forth in Title 13 (commencing with Section

1 1822.50) of Part 3 of the Code of Civil Procedure. However, in the event of an emergency  
2 affecting the public health or safety, an inspection may be performed without consent or the  
3 issuance of a warrant.  
4

5 **504.0 RECORD KEEPING.** All Users shall keep records of waste hauling, reclamations,  
6 wastewater pretreatment, monitoring device recording charts and calibration reports, effluent  
7 flow, and sample analysis data and any documentation associated with Best Management  
8 Practices established on the site of the wastewater generation. All these records are subject to  
9 inspection and shall be copied as needed. All records must be kept on the site of wastewater  
10 generation for a minimum period of three (3) calendar years. The records retention period may  
11 be extended beyond three years in the event criminal or civil action is taken or an extensive  
12 company history is required.  
13

14 **505.0 FLOW MEASUREMENT.** All Direct Dischargers shall install a continuous monitoring  
15 flow meter capable of measuring industrial wastewater discharged to the Brine Line or  
16 tributaries thereto. The User shall maintain an effluent flow log sheet and record the effluent  
17 flow on a daily basis. The flow measurement device shall conform to standards issued by the  
18 General Manager. The User shall report to the General Manager the type and size of the flow  
19 meter. The flow meter shall be equipped with a non-resetting flow totalizer. All flow meters  
20 shall be calibrated as often as necessary, but at no less frequent than annually. All new meters  
21 shall be selected and installed to ensure accuracy of the actual flow discharged within plus or  
22 minus two (2) percent as determined at the time of calibration. All existing and replacement  
23 meters shall ensure an accuracy of the actual flow discharged within plus or minus five (5)  
24 percent. All flow meter installations shall have posted in a conspicuous place, the flow meter's  
25 size, type, totalizer units, and flow multipliers. The User shall immediately report to the  
26 General Manager any flow meter malfunction or anomaly, and shall not attempt to repair or  
27 replace the meter without the General Manager's prior written approval.  
28

29 A. Flow Measurement System Design and Installation  
30

31 1. **Design.** Design of flow measurement installations shall be performed under  
32 the supervision of a California registered professional engineer of suitable discipline  
33 competent in this field. Design and construction drawings and calculations shall be  
34 stamped with the authorized seal of the supervising professional engineer and signed in  
35 accordance with state law, to indicate review and approval of the work. Detailed  
36 construction drawings for any new or significantly modified discharge flow  
37 measurement system must be submitted for approval prior to any construction. These  
38 drawings must show relevant slopes, elevations and locations of piping, types and  
39 locations of instrumentation, details of flow measurement elements, estimated flow  
40 range (maximum, minimum and average), and details of upstream and downstream  
41 piping, structures, and devices which could influence flow conditions. Manufacturer's  
42 calculations, catalog cuts and data sheets must be included with construction drawings  
43 for any manufactured equipment to be installed as part of the flow measurement system.  
44 Complete rating data and calculations shall be submitted for any engineered flow  
45 measurement device.  
46

1                   2. **Primary Measurement Devices.** Both open channel (flume, weir) and  
2 closed-pipe (magnetic) flow measurement systems are acceptable. Magnetic flow meters  
3 are preferred for industries that have difficulty maintaining open channel flow  
4 measurement. Any flow measurement element that is adversely affected by wastewater  
5 characteristics is prohibited. Flow measurement devices shall be installed downstream of  
6 final pretreatment facilities and as close as possible to the point of connection with the  
7 Brine Line. Above-ground flow measurement installations may require a platform for  
8 automatic samplers so that the top of the sampler will be higher than the water level in  
9 the primary element. Because it is difficult to set automatic samplers for pressurized  
10 closed pipe systems, use of a well-mixed stream through an open channel device (i.e. a  
11 sample box) may be required. To function correctly, flumes and weirs must be properly  
12 installed in accordance with dimensional specifications. Additionally, flumes must be  
13 set level with smooth joints where the influent pipe meets the maintenance access  
14 structure or vault channel. To ensure accuracy of an open channel flow measurement  
15 system, the upstream channel must be designed to prevent excessive velocity and  
16 turbulence, while the downstream channel must be designed to prevent excessive  
17 submergence and backflow.

18  
19                   3. Any additional monitoring equipment must not adversely affect hydraulics of  
20 the open channel element. All open channel installations below grade must be directly  
21 beneath the vault or maintenance access structure access cover to facilitate inspections  
22 and field checks. All open channel installations at or above grade must have a staff  
23 gauge for accuracy checks. Closed pipe meters must be appropriate for the type of  
24 wastewater and range of flow rates, and must be installed to flow full at all times  
25

26 **506. INTERCEPTOR REQUIREMENTS.** All Users required to install a gravity separation  
27 interceptor shall comply with the following conditions:  
28

29                   A. All interceptor chambers shall be immediately accessible at all times for the  
30 purpose of inspection, sampling, cleaning, and maintenance. The User shall provide a separate  
31 ring and cover for each separate interceptor chamber and any additional covers to ensure  
32 adequate cleaning capabilities. All rings shall be affixed to the interceptor to ensure a gas and  
33 water tight seal. At no time shall any material, debris, obstacles or other obstructions be placed  
34 in such a manner that will prevent immediate access to the interceptor.  
35

36                   B. Any interceptor legally and properly installed before August 21, 2007, the  
37 effective date of Ordinance No. 5 shall be acceptable as an alternative to the interceptor  
38 requirements of this Ordinance. The interceptor shall be effective in removing floatable and  
39 settleable material and shall be immediately accessible for inspection, sampling, cleaning, and  
40 maintenance.  
41

42                   C. All drains and openings connected to an approved gravity separation interceptor  
43 shall be equipped with screens or devices which will exclude from the wastewater discharge all  
44 material and particles with a cubic dimension greater than one-half (1/2) of an inch.  
45

46                   D. All gravity separation interceptors shall be equipped with an influent tee

1 extending no more than six inches below the operating fluid level of the interceptor. The  
2 interceptor shall also have tees extending to within 12 inches of the bottom at the exit side of  
3 each chamber in the interceptor, including the final chamber. In a case where a manufacturer's  
4 engineered interceptor design is contrary to this requirement, the General Manager shall review  
5 the design and either approve or deny an exemption to this requirement.  
6

7 E. All interceptors shall be equipped with a sample box or sample wye as  
8 determined by the General Manager.  
9

10 F. No User shall install or use any elbows or tees in any interceptor sample box.  
11

12 G. If the General Manager finds that an interceptor is incapable of adequately  
13 retaining floatable and settleable material in the wastewater flow, is structurally inadequate, or is  
14 undersized for the facility, the General Manager shall reject such interceptor and declare that the  
15 interceptor does not meet the requirements of this Section. The User shall thereupon be required  
16 to install, at the User's expense, an interceptor that is acceptable to the General Manager.  
17

18 **507.0 STANDARD INTERCEPTOR DESIGNS.** The General Manager will maintain a file,  
19 available to the public, of suitable designs of gravity separation interceptors. This file will be  
20 for informational purposes only and shall not provide or imply any endorsements of any kind.  
21 Installation of an interceptor of a design shown in this file, or of any design meeting the size  
22 requirements set forth in this Ordinance shall not subject SAWPA to any liability for the  
23 adequacy of the interceptor under actual conditions of use. The User shall not be relieved of the  
24 responsibility for keeping floatable and settleable material out of the Brine Line or tributaries  
25 thereto.  
26

27 **508.0 INTERCEPTOR MAINTENANCE.**  
28

29 A. Any User who owns or operates a gravity separation interceptor shall properly  
30 maintain the interceptor at all times. The interceptor shall be cleaned as often as necessary to  
31 ensure that sediment and floating materials do not accumulate to impair the efficiency of the  
32 interceptor and odors do not accumulate which would cause a public nuisance. An interceptor is  
33 not considered to be properly maintained, if for any reason the interceptor is not in good  
34 working condition or if the operational fluid capacity has been reduced by more than 25% by the  
35 accumulation of floating material, sediment, oils or greases.  
36

37 B. The use of chemicals or other materials for the emulsification, suspension, or  
38 dissolution of oil and grease is prohibited.  
39

40 C. The use of microbiological agents to metabolize oil and grease or other  
41 constituents, shall be reviewed for approval on a case-by-case basis. The User shall submit a  
42 written request to the General Manager for the use of a microbiological agent prior to the use of  
43 that agent.  
44

45 D. When an interceptor is cleaned, the removed sediment, liquid and floating  
46 material shall be legally disposed of other than to the Brine Line or tributaries thereto and shall

1 not be reintroduced into the interceptor or discharged into another interceptor at another location  
2 not designed and permitted to accept such waste.

3  
4 E. If the interceptor is not maintained adequately under the conditions of use, the  
5 interceptor may be resized and the User shall install one that is effective in accomplishing the  
6 intended purpose.

7  
8 F. The User required to install an interceptor is liable for any failure to properly  
9 maintain such interceptor.

10  
11 **509.0 LIQUID WASTE HAULERS.** All liquid waste haulers shall comply with all permitting  
12 and disposal procedures as established by this Ordinance and pay all applicable fees established  
13 by resolution. All liquid waste haulers shall obtain all other applicable permits required by city,  
14 county or state agencies. All liquid waste haulers shall also abide by the following requirements  
15 and conditions:

16  
17 A. Liquid waste haulers shall only haul wastewater for Generators listed in the  
18 permit. Generators shall hold a separate permit issued by SAWPA.

19  
20 B. If any liquid waste hauler's load is determined to be hazardous pursuant to  
21 applicable federal, state, or local regulations, then the liquid waste hauler shall be required to  
22 remain at SAWPA's Brine Line Collection Station. The liquid waste hauler shall then make  
23 arrangements for the legal disposal of the load. If the liquid waste hauler refuses to remain on  
24 site, the General Manager shall notify the appropriate law enforcement agency to respond to this  
25 violation.

26  
27 C. Prior to any discharge to a SAWPA Brine Line Collection Station, all liquid waste  
28 manifest forms shall be completed in full, approved and signed by SAWPA's General Manager  
29 or his/her designated representative, or otherwise approved by an automated attendant before any  
30 load is allowed to be discharged into SAWPA's Brine Line Collection Station. Brine Line  
31 Collection Stations with less than full time staffing shall be provided with appropriate and  
32 SAWPA-approved automation and procedural safeguards as specified in the disposal site permit  
33

34 D. Falsification of any information in any permit application, hauler's report or  
35 manifest, or correspondence by a liquid waste hauler shall be a violation of this Ordinance and  
36 may result in termination, revocation or suspension of the liquid waste hauler permit and all  
37 discharge privileges.

38  
39 E. All reports and records required to be retained by this Ordinance, shall be  
40 retained for a minimum of three (3) years and shall be made available to the General Manager  
41 immediately upon request.

42  
43 F. All liquid waste haulers shall pay all applicable fees and charges. Failure to pay  
44 any applicable fee or charge shall be a violation of this Ordinance and shall be cause for the  
45 General Manager to suspend all waste discharge privileges until all applicable fees and charges  
46 have been paid.

1  
2 G. Contents of septic tanks, seepage pits, cesspools, or any other similar receptacles,  
3 which contain no industrial waste, shall not be disposed of at SAWPA's Brine Line Collection  
4 Station.  
5

6 H. All liquid waste haulers operating within SAWPA's jurisdiction or tributaries  
7 thereto shall provide documentation as to the origin of the wastes hauled prior to discharging  
8 into SAWPA's Brine Line Collection Stations. The origin of the waste means the physical  
9 address from where the wastes were generated and, if different, the physical address from where  
10 the wastes were obtained.  
11

12 I. If the waste hauled by a liquid waste hauler is found unacceptable for discharge  
13 into a SAWPA Brine Line Collection Station and is not classified as hazardous, then the liquid  
14 waste hauler shall dispose of the wastes at a non-SAWPA legal disposal site. The liquid waste  
15 hauler shall provide SAWPA with a copy of the waste hauler's manifest documenting the legal  
16 disposal of the rejected wastes within fourteen (14) days from the date the waste was rejected.  
17 As an alternative, the liquid waste hauler may return the rejected waste to the generator of such  
18 rejected wastes for additional pretreatment, and the liquid waste hauler may return to a SAWPA  
19 Brine Line Collection Station or another legal disposal site for discharge. The liquid waste  
20 hauler shall also provide SAWPA with a manifest documenting such alternative action. Failure  
21 to provide verifiable documentation shall constitute a violation of this Ordinance and may result  
22 in termination, revocation or suspension of the liquid waste hauler permit and all discharge  
23 privileges.  
24

25 J. No liquid waste hauler shall use any temporary, stationary, or mobile liquid  
26 storage device in an attempt to mix or dilute any rejected load in order to achieve compliance.  
27

28 K. Except as allowed in Section 509, Paragraph I., no liquid waste hauler shall  
29 dispose of any rejected load into any septic tank, cesspool, seepage pit or similar devices, any  
30 grease interceptor or trap, any storm drain, any collection system opening except those  
31 authorized in writing by the General Manager, or return the rejected load back to the site of  
32 origin  
33

34 L. Liquid waste haulers are prohibited from discharging domestic waste into the  
35 Brine Line or tributaries thereto. No liquid waste hauler shall mix industrial waste and domestic  
36 septic wastes in an attempt to discharge the mixture to a SAWPA Brine Line Collection Station.  
37

38 M. No liquid waste hauler shall discharge or cause to be discharged any material  
39 defined as hazardous by RCRA.  
40

41 N. Any authorized SAWPA employee, authorized representative or contract  
42 employee shall have the authority to order the immediate cessation of the discharge from any  
43 liquid waste hauler truck into a Brine Line Collection Station. Such order shall be based on the  
44 employee, authorized representative or contract employee's best professional judgment that said  
45 discharge may be in violation of any applicable condition of this Ordinance or may otherwise be  
46 harmful to the operation of the Brine Line or tributaries thereto, OCSD's POTW or its

1 employees.

2  
3 O. Any liquid waste hauler determined to be in violation of this Section may be  
4 prohibited from future liquid waste disposal at a Brine Line Collection Station.

5  
6 **510.0 USE OF AND DAMAGE TO SAWPA EQUIPMENT OR FACILITIES.**

7  
8 A. No Person shall enter, break, damage, destroy, uncover, alter, change, modify,  
9 deface or tamper with any temporary or permanent structure, equipment, or appurtenance which  
10 is part of SAWPA's Brine Line without prior written approval by the General Manager.

11  
12 B. Any Person who discharges or causes or contributes to the discharge of any  
13 wastewater or materials which cause any obstruction, Interference, damage, or any other  
14 impairment to the Brine Line, OCS D's POTW, or any other damages, including the imposition  
15 of fines or penalties by state, federal or other regulatory agencies against SAWPA, shall be  
16 liable to SAWPA for all fines, penalties, damages, legal expenses, attorney's fees,  
17 administrative and overhead costs. An administrative fee of up to ninety (90) percent of  
18 SAWPA's repairs and personnel costs shall be added to these charges at the General Manager's  
19 discretion. All charges shall be payable to SAWPA within thirty (30) days of invoicing by  
20 SAWPA.

21  
22 **511.0 SEPARATION OF DOMESTIC AND INDUSTRIAL WASTE.** Any User who  
23 discharges industrial wastewater to the Brine Line or tributaries thereto shall separate domestic  
24 wastewater from all industrial wastewater until the industrial wastewater has passed through all  
25 required pretreatment equipment or devices, and the User's industrial wastewater sample  
26 point(s). For existing Categorical Industrial Users which cannot separate the domestic wastes  
27 from the industrial wastes prior to a permitted sampling point, the Combined Wastestream  
28 Formula shall be applied to determine applicable discharge limitations. Existing Industrial  
29 Users with domestic wastewater in their discharge may be required to install a Sampling Facility  
30 upstream of the domestic wastewater connection(s).

31  
32 **512.0 LIMITATIONS ON WASTEWATER STRENGTH.** No Person shall discharge  
33 industrial wastewater into the Brine Line or tributaries thereto unless the wastewater conforms  
34 to all of the pollutant limitations and requirements of this Ordinance and related SAWPA  
35 resolutions. Pollutant limitations shall be revised and adopted by resolution as necessary to  
36 ensure compliance with OCS D's POTW effluent and biosolids reuse. The SAWPA  
37 Wastestream Correction Formula (WCF) may be used to adjust the pollutant limitations to  
38 account for the presence of SAWPA Industrial Non-Process Wastestreams.

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$$C_A = \frac{C_C (\sum_{N=1}^M F_N)}{F_T}$$

Where:  $C_A$  = Adjusted Local Limit to account for Industrial Non-Process  
Wastestream(s)  
 $C_C$  = Local Limit for the pollutant constituent  
 $F_N$  = Average daily flow for SAWPA Industrial Process Wastestream N

1  $F_T$  = Average daily flow through the sample point

2  $M$  = Total number of SAWPA Industrial Process Wastestreams

3  
4 For Categorical Industrial Users, the following options exist:

5  
6 A. Where a categorical pretreatment standard is expressed in terms of either the  
7 mass or the concentration of a pollutant in wastewater, the General Manager may impose  
8 equivalent concentration or mass limits in accordance with 40 CFR 403.6(c).

9  
10 B. When wastewater subject to a categorical pretreatment standard is mixed with  
11 wastewater not regulated by the same standard, the General Manager shall impose an alternate  
12 limit using the Combined Wastestream Formula.

13  
14 C. A variance from a categorical pretreatment standard may be issued if the User  
15 can prove, pursuant to the procedural and substantive provisions in 40 CFR 403.13, that factors  
16 relating to its discharge are fundamentally different from the factors considered by the EPA  
17 when developing the categorical pretreatment standard.

18  
19 **513.0 LOCAL LIMITS.** The General Manager shall implement pollutant limitations developed  
20 as Local Limits by OCSD pursuant to 40 CFR 403.5(c) and 403.8(f)(4) and amendments thereto,  
21 and as Local Limits and Best Management Practices to protect the operation of the Brine Line  
22 and prevent SSOs. These limitations are necessary to assure compliance with the OCSD's  
23 NPDES permit, including the prohibition against Pass Through of any pollutants that cause a  
24 violation of the permit or cause Interference with the POTW, and compliance with State Water  
25 Resources Control Board (SWRCB) adopted Order No. 2006-003, a General Waste Discharge  
26 Requirement (WDR) for all publicly owned sanitary sewer collection systems in California with  
27 more than one (1) mile of sewer pipe. Customer specific allocations at current POTW loadings  
28 may be created for public health facilities providing a lifesaving service or procedure so long as  
29 the pollutant discharged will not contribute to Pass Through, Interference or other violation of  
30 the OCSD's NPDES permit. These pollutant limitations shall be continually developed as  
31 necessary and shall be adopted by resolution. Specific pollutant limits shall not be developed  
32 and enforced without individual public notice to affected Persons or Users.

33  
34 **514.0 PRETREATMENT OF INDUSTRIAL WASTEWATERS.** All Users shall:

35  
36 A. Provide wastewater pretreatment, as required, to comply with this Ordinance and  
37 any applicable SAWPA resolution.

38  
39 B. Whenever deemed necessary, the General Manager may require Users to restrict  
40 their wastewater discharge, relocate and/or consolidate points of discharge, separate domestic  
41 wastestreams from industrial wastestreams, and other such conditions as may be necessary to  
42 protect OCSD's POTW and determine the User's compliance with the requirements of this  
43 Ordinance.

44  
45 C. Notify the General Manager of any pretreatment equipment failure within 24-  
46 hours of discovering the failure. The notification may be made by a telephone call, electronic

1 mail sent to a pre-approved list of electronic mail addresses, telefax transmission, or a meeting  
2 with the General Manager or a Member Agency or a Contract Agency as necessary to comply  
3 with the conditions of the Wastewater Discharge Permit.  
4

5 **515.0 UNAUTHORIZED MONITORING AND PRETREATMENT EQUIPMENT**  
6 **MODIFICATIONS.** No User shall knowingly falsify, tamper with, or render inaccurate any  
7 monitoring device or any pretreatment equipment or device. Such falsification, tampering, or  
8 inaccuracy will be considered a violation of this Ordinance and will subject the User to  
9 enforcement actions.  
10

11 **516.0 PRETREATMENT EQUIPMENT BYPASS.** No User shall bypass any pretreatment  
12 equipment or device unless the bypass is necessary to prevent loss of life, personal injury, and/or  
13 severe property damage or when no feasible alternative exists. The User may allow the bypass  
14 to occur provided that it does not cause pollutant limitation violations and is necessary to  
15 perform essential maintenance to ensure adequate operation of the pretreatment equipment or  
16 devices. The General Manager may approve an anticipated bypass, after considering its adverse  
17 effects, if the General Manager determines that it will meet the three conditions listed in 40 CFR  
18 403.17(d)(1). Notification of the bypass shall comply with the following conditions:  
19

20 A. Anticipated bypass: The User shall submit a written notice to the General  
21 Manager at least ten (10) days before the date of the scheduled bypass.  
22

23 B. Unanticipated bypass: The User shall notify the General Manager immediately  
24 upon learning that any pretreatment equipment or device has been bypassed. The User shall  
25 submit a written report to the General Manager within five (5) working days. The report shall  
26 include:  
27

- 28 1. A description of the bypass, the cause of the bypass, and the duration of the  
29 bypass;
- 30 2. Whether or not the bypass was corrected; and
- 31 3. The actions taken or proposed to reduce or prevent a recurrence of the  
32 bypass.  
33  
34  
35

36 **517.0 PROHIBITED DISCHARGE OF RECOVERED PRETREATMENT WASTE.** No  
37 Person shall discharge waste recovered from pretreatment equipment, systems, or devices into  
38 the Brine Line or tributaries thereto without authorization and permits from SAWPA and/or  
39 other regulatory agencies having jurisdiction over the discharge of the waste. All recovered  
40 pretreatment waste shall be disposed of in accordance with all applicable federal, state, county,  
41 and local laws and regulations.  
42

43 **518.0 INDUSTRIAL USER MODIFICATIONS.** All permitted Industrial Users shall report  
44 proposed changes in their operations to the General Manager for review and approval thirty (30)  
45 days prior to initiation of the changes. The reporting shall be done in writing from the  
46 Authorized Representative of the permitted Industrial User. For the purposes of this section

1 "changes" shall include any of the following:  
2

3 A. A sustained twenty (20) percent increase or decrease in the industrial wastewater  
4 flow discharged or in production capacity.  
5

6 B. Additions, deletions or changes to processes or equipment.  
7

8 C. Experimentation with new processes and/or equipment that will affect the  
9 quantity or quality of the wastewater discharged.  
10

11 **519.0 SPILL CONTAINMENT SYSTEMS.** Spill containment systems, as may be required,  
12 shall conform to requirements established by the General Manager. These requirements may  
13 include, but not be limited to, the following:  
14

15 A. No User shall operate a spill containment system that allows incompatible  
16 substances to mix and thereby creating a hazardous or toxic substance in the event of a failure of  
17 one or more containers.  
18

19 B. Spill containment systems shall consist of a system of dikes, walls, barriers,  
20 berms, or other devices designed to contain spillage of the liquid contents of containers.  
21

22 C. Spill containment systems shall be constructed of materials that are impermeable  
23 and non-reactive to the liquids being contained.  
24

25 D. Spill containment systems shall conform to local regulations and policies as to  
26 percent containment, container type, size, outdoor covering, and the length of time spilled  
27 material may remain in the spill containment system.  
28

29 E. At no time shall a User use a spill containment system for the storage of waste  
30 other than from a spill.  
31

32 **520.0 FACILITY WASTE MANAGEMENT PLAN.** All permitted Industrial Users shall be  
33 required to develop and maintain a Facility Waste Management Plan (FWMP). The FWMP  
34 may consist of the following documents:  
35

36 A. **TOXIC ORGANIC MANAGEMENT PLAN (TOMP).** At SAWPA's  
37 discretion Categorical Industrial Users may be permitted to submit a TOMP in lieu of required  
38 pollutant monitoring. SAWPA reserves the right to require Total Toxic Organic monitoring of  
39 all Users allowed to submit a TOMP.  
40

41 B. **SLUG DISCHARGE PREVENTION CONTROL PLAN (SDPCP).** An  
42 SDPCP may be required of Industrial Users as determined by the General Manager.  
43 Considerations to determine the need for a SDPCP include the use of Batch Discharges to  
44 dispose of wastewater, stored chemicals or materials, or the potential for a Slug Discharge  
45 which, if discharged to the Brine Line or tributaries thereto, would violate any of the prohibited  
46 discharge requirements of this Ordinance. An SDPCP showing facilities and operation

1 procedures to provide this protection shall be submitted to the General Manager for review and  
2 approval before implementation.

3  
4 Any User required to develop and implement an SDPCP shall submit an SDPCP which  
5 addresses, at a minimum, the following:

- 6  
7 (a) Description of discharge practices, including non-routine batch discharges;  
8 (b) Description of stored chemicals;  
9 (c) Procedures for immediately notifying SAWPA of any accidental or Slug Discharge.  
10 Such notification must also be given for any discharge which would violate any of the  
11 standards set forth in this Ordinance and any local, state or federal regulations; and,  
12 (d) Procedures to prevent adverse impact from any accidental or Slug Discharge. Such  
13 procedures include, but are not limited to, inspection and maintenance of storage  
14 areas, handling and transfer of materials, loading and unloading operations, control of  
15 plant site runoff, worker training, building of containment structures or equipment,  
16 measures for containing toxic organic chemicals (including solvents), and/or measures  
17 and equipment for emergency response.

18  
19 Each User shall implement its SDPCP as submitted or modified after such plan has been  
20 reviewed and approved by the General Manager. Review and approval of such plans and  
21 operations procedures by the General Manager shall not relieve the User from the responsibility  
22 to modify its facility as necessary to meet the requirements of this Ordinance.

23  
24 **C. PRETREATMENT SYSTEMS OPERATIONS AND MAINTENANCE**  
25 **MANUAL.** A Pretreatment Systems Operations and Maintenance Manual shall be maintained  
26 on site by all Industrial Users operating and maintaining pretreatment equipment for the removal  
27 of pollutants from wastewater. The General Manager may require the Industrial User to submit  
28 the manual.

29  
30 **D. HAZARDOUS MATERIALS AND HAZARDOUS WASTE**  
31 **MANAGEMENT PLAN.** A Hazardous Materials and Hazardous Waste Management Plan are  
32 required of all Industrial Users that use or possess hazardous materials or generate hazardous  
33 waste. A city or county Fire Department-required Business Emergency Plan may be substituted  
34 for this management plan.

35  
36 **E. WASTE MINIMIZATION/POLLUTION PREVENTION PLAN**  
37 **(WM/PPP).**

38  
39 1. A Waste Minimization/Pollution Prevention Plan (WM/PPP) is required of  
40 any Industrial User:

41  
42 a. For whom the General Manager has determined such WM/PPP is  
43 necessary to achieve a water quality objective;

44  
45 b. Determined by the State or Regional Board to be a chronic violator, and  
46 the State or Regional Board or SAWPA's General Manager determines that a

1 WM/PPP is necessary; or  
2

3 c. That significantly contributes, or has the potential to significantly  
4 contribute, to the creation of a toxic hot spot as defined in Water Code Section  
5 13391.5.  
6

7 2. A WM/PPP required of an Industrial User shall include all of the following:  
8

9 a. An analysis of one or more of the pollutants, as directed by the State  
10 Board, Regional Board, or SAWPA, that the User discharges to the Brine Line  
11 or tributaries thereto, description of the sources of the pollutants, and a  
12 comprehensive review of the processes used by the User that result in the  
13 generation and discharge of the pollutants.  
14

15 b. An analysis of the potential for pollution prevention to reduce the  
16 generation of the pollutants, including the application of innovative and  
17 alternative technologies and any adverse environmental impacts resulting from  
18 the use of those methods.  
19

20 c. A detailed description of the tasks and time schedules required to  
21 investigate and implement various elements of pollution prevention techniques.  
22

23 d. A statement of the User's pollution prevention goals and strategies,  
24 including priorities for short-term and long-term action.  
25

26 e. A description of the User's existing pollution prevention methods.  
27

28 f. A statement that the User's existing and planned pollution prevention  
29 strategies do not constitute cross media pollution transfers unless clear  
30 environmental benefits of such an approach are identified to the satisfaction of  
31 SAWPA and information that supports that statement.  
32

33 g. Proof of compliance with the Hazardous Waste Source Reduction and  
34 Management Review Act of 1989 (article 11.9 (commencing with Section  
35 25244.12) of Chapter 6.5 of Division 20 of the Health and Safety Code) if the  
36 User is also subject to that act.  
37

38 h. An analysis, to the extent feasible, of the relative costs and benefits of the  
39 possible pollution prevention activities.  
40

41 i. A specification of, and rationale for, the technically feasible and  
42 economically practicable pollution prevention measures selected by the User for  
43 implementation.  
44

45 3. Any User who fails to complete a WM/PPP required by SAWPA or the State  
46 or Regional Board, submits a plan that does not comply with this Section, or fails to

1 implement a plan required by SAWPA or the State or Regional Board, shall be liable to  
2 SAWPA for any civil penalty assessed administratively by SAWPA or by a court of law  
3 in accordance with this Ordinance, including any attorney's fees incurred by SAWPA.  
4

5 **F. EMERGENCY CONTACT LIST AND CONTINGENCY PLAN.** All Users  
6 are required to submit, and retain a copy on-site, a contingency plan that details the actions that  
7 will be taken in the event of an emergency or other event that causes SAWPA or the Control  
8 Authority to shut down the Brine Line. Said plan shall include, but is not limited to, the  
9 following:  
10

11 1. A list of names and telephone numbers of emergency contacts that can be  
12 reached 24 hours a day (shall be provided to SAWPA semi-annually in January and  
13 July).  
14

15 2. A written plan (updated and provided to SAWPA annually in January) that  
16 describes all available alternatives to discharging to the Brine Line, including on-site  
17 storage, hauling, ceasing the discharge, or directing all wastewater flows to a local  
18 POTW.  
19

20 **521.0 NOTICE OF POTENTIAL PROBLEMS TO POTW.** All Users shall immediately  
21 notify SAWPA of all wastewater discharges that could cause a problem at OCSD's POTW or in  
22 the Brine Line or tributaries thereto, including any Slug Discharge of any material. Wastewater  
23 discharges that may cause a problem at OCSD's POTW or the Brine Line or tributaries thereto  
24 include, but are not limited to, acids, alkalis, oils, greases, high strength organic waste,  
25 hazardous materials and waste, colored wastes, and Batch Discharges. All Users shall provide  
26 the General Manager, within five (5) business days from the incident, a written report detailing  
27 the cause of the discharge and the corrective actions taken to prevent a recurrence. A notice shall  
28 be permanently posted at a prominent location at the User's facility advising employees and  
29 listing the emergency call contact name and numbers in the event of a wastewater discharge that  
30 could cause a potential problem. Employees who could cause or become aware of such a  
31 discharge shall be advised of the emergency notification procedure.  
32

33 **522.0 WRITTEN RESPONSES.** All Users required to provide written response to any  
34 correspondence, order, or notice from the General Manager, shall do so in accordance with the  
35 date specified in the correspondence, order, or notice. Failure to provide the written response by  
36 the date requested shall constitute a violation of this Ordinance and may subject the User to  
37 enforcement actions.  
38

39 **523.0 FALSIFYING INFORMATION.** Any User who knowingly makes any false statement,  
40 representation, or certification in any record, report, correspondence, or other document  
41 submitted or required to be maintained under this Ordinance, including monitoring reports and  
42 records, or reports of compliance or noncompliance shall be in violation of this Ordinance and  
43 may subject the User to enforcement actions.  
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**ARTICLE 6  
ENFORCEMENT**

**600.0 PURPOSE AND SCOPE.** SAWPA's Commission finds that in order for SAWPA to comply with the laws, regulations, and rules imposed upon it by Regulatory Agencies and to ensure that SAWPA's and OCSD's sewerage facilities and treatment processes are protected and are able to operate with the highest degree of efficiency, and to protect the public health and environment, specific enforcement provisions must be adopted to govern the discharges to the Brine Line and tributaries thereto by permitted Users.

**601.0 ENFORCEMENT RESPONSE PLAN (ERP).** To the extent required by law or agreement, SAWPA will use an Enforcement Response Plan (ERP), as required by 40 CFR 403.8(f) (5) to coordinate enforcement actions against Users and Persons in noncompliance with this Ordinance. To the extent that there is any conflict between the ERP and this Ordinance, this Ordinance shall take precedence.

**602.0 ADMINISTRATIVE VIOLATIONS.** There is hereby established a class of violations to be known as Administrative Violations that are further subdivided into minor and major administrative violations as follows:

A. **Minor Administrative Violations** include, but are not limited to, the following:

1. Submission of incomplete reports or questionnaires;
2. Failure to submit reports by the scheduled due date;
3. Failure to respond and submit to questionnaires;
4. Missing a compliance date without proper prior notification to SAWPA;
5. Failure to conduct sampling, including self-monitoring, when required;
6. Failure to notify the General Manager of a violation of permit conditions within twenty-four (24) hours of the discovery of the violation; or
7. Failure to pay all required fees, penalties and charges within forty-five (45) days from the due date.

B. **Major Administrative Violations** include, but are not limited to, the following:

1. Failure to notify the General Manager of a Slug Discharge immediately after discovery of said discharge;
2. Failure to respond, by scheduled due date, to letters requiring responses or to administrative orders;

3. Missing a compliance date by more than forty-five (45) days;
4. Falsification of documents or attempting to mislead SAWPA or OCSD in any manner whatsoever;
5. Failure to cooperate with SAWPA or contracted employees exercising their authority under this Ordinance, including monitoring and inspection activities;
6. A pattern of minor administrative violations;
7. Failure to allow entry to authorized SAWPA employees, agents, OCSD employees, or contracted employees, in the course of their job, onto the User's property;
8. Failure to produce records as required;
9. Failure to accurately report noncompliance;
10. Failure to submit required reports (self-monitoring, baseline monitoring report, 90-day compliance report, Compliance Schedule progress reports) or submitting such reports more than forty-five (45) days late;
11. Failure to pay pursuant to Section 304.0 of this Ordinance, permit application fees, permit renewal fees, charges, or Administrative Penalties within sixty (60) days of due date;
12. Intentional discharge of a hazardous waste or material or otherwise prohibited waste into the Brine Line or tributaries thereto; or
13. Wastewater discharge without a valid Wastewater Discharge Permit after notification.

C. Upon notice of appropriate mitigating circumstances and consistent with applicable federal and state laws, the General Manager has sole discretion to treat a Major Administrative Violation as a Minor Administrative Violation, or a pattern of Minor Administrative Violations with aggravating circumstances as a Major Administrative Violation.

### **603.0 VIOLATIONS OF DISCHARGE LIMITATIONS.**

A. There is hereby established a class of violations to be known as discharge violations that are further subdivided into minor and major discharge violations as follows:

1. **Minor Discharge Violations** are those that, either alone or in combination with similar user discharge violations, as determined by the General Manager, pose no significant threat to the public health, safety or welfare, the environment, the Brine Line or tributaries thereto, OCSD's POTW or to any SAWPA employee or contractor.

1                   2. **Major Discharge Violations** may include, but are not limited to, the  
2 following:

3  
4                   a. As determined by Significant Noncompliance criteria in 40 CFR 403.8(f)  
5 (2) (viii);

6  
7                   b. Major Discharge Violations which, either alone or in combination with  
8 similar discharges, as determined by the General Manager, pose a significant  
9 threat to the public health, welfare or safety, the environment, the safe and  
10 efficient operation of the Brine Line or tributaries thereto, OCSD's POTW, or to  
11 any SAWPA employee or contractor, or cause or contribute to the additional  
12 treatment costs incurred by SAWPA or a violation of OCSD's NPDES permit,  
13 or cause or contribute to Pass Through, Interference, or other known damages;

14  
15                   c. Discharging regulated pollutants to the Brine Line or tributaries thereto  
16 without a current discharge permit;

17  
18                   d. A pattern of Minor Discharge Violations;

19  
20                   e. Failure to correct a Minor Discharge Violation within a specific time  
21 period as directed by the General Manager; or,

22  
23                   f. Tampering with or purposely rendering inaccurate any monitoring  
24 device, method or record required to be maintained pursuant to this Ordinance.

25  
26                   B. Upon notice of appropriate mitigating circumstances, the General Manager has  
27 sole discretion to treat a Major Discharge Violation as a Minor Discharge Violation. The  
28 General Manager also has sole discretion to treat a pattern of Minor Discharge Violations with  
29 aggravating circumstances as individual Major Discharge Violations.

30  
31 **604.0 UNCLASSIFIED VIOLATIONS.** For any violation by any User or Person that is not  
32 classified herein, or for the violation of any rule or regulation promulgated hereunder, the  
33 General Manager shall have the discretion to treat such violation as a minor or major violation  
34 and to exercise enforcement authority accordingly. In exercising this enforcement authority, the  
35 General Manager shall consider the magnitude of the violation, its duration, and its effect on  
36 receiving waters, the Brine Line or tributaries thereto, OCSD's POTW, the health and safety of  
37 SAWPA employees, contractors, Users, and the general public. The General Manager shall also  
38 evaluate the User's or Person's compliance history, good faith, and any other factors the General  
39 Manager deems relevant.

40  
41 **605.0 SEPARATE VIOLATIONS.** Any User or Person found to be in violation of this  
42 Ordinance shall be charged with a separate violation for each day the same violation exists.  
43 Wastewater discharge pollutant violations shall be considered an individual violation for each  
44 pollutant in violation.

45  
46 **606.0 ADMINISTRATIVE ORDERS.** The General Manager may require compliance with

1 Wastewater Discharge Permit conditions or limitations by issuing Administrative Orders that  
2 are enforceable in a court of law or by directly seeking court action. The General Manager may  
3 use Administrative Orders, either individually, sequentially, concurrently, or in any order for one  
4 or more violations as appropriate for the circumstances. Administrative Orders include:

5  
6 **A. WRITTEN WARNING.** A written warning shall be given to a User identified  
7 to have a Minor Administrative Violation of this Ordinance or permit condition or requirement.  
8 The written warning shall be served personally or by certified mail upon the User, and the  
9 written warning will state the provisions violated, the facts alleged to constitute the violation  
10 and may include a correction notice at the discretion of the General Manager.

11  
12 **B. CORRECTION NOTICE.** A correction notice shall be given to a User to  
13 require correction of minor violations noted during an inspection by the General Manager of the  
14 User's facility and may be issued in conjunction with a written warning.

15  
16 1. Compliance time extensions may be granted to Users who fail to correct  
17 minor violation(s) required by a correction notice, upon showing of good cause by such  
18 User.

19  
20 2. For purposes of this Section, "good cause" means an unforeseeable and  
21 unavoidable event or series of events, over which User had no control, which prevented  
22 or significantly impaired the User's ability to comply with the correction notice.

23  
24 3. A correction notice may require a written response within ten (10) days of  
25 receipt; User shall provide a written explanation to the General Manager of the  
26 violation, including specific actions taken to correct the violation. Submission of such a  
27 response in no way relieves the User of liability for any violations occurring before or  
28 after receipt of the written warning and/or correction notice.

29  
30 **C. MONITORING/PRODUCTION INFORMATION ORDER (MPIO)** shall be  
31 issued to a User for consecutive violations or if determined to be in SNC for the same pollutant  
32 as detected either in SAWPA samples, User samples (self-monitoring), or both. The MPIO  
33 shall be used to determine if discharge compliance has been achieved or if a detected violation is  
34 consistent. The User may be required to self-monitor the wastewater discharged for the  
35 pollutants in violation and record the daily effluent wastewater flow frequency and schedule as  
36 determined by the General Manager based on the volume and frequency of industrial wastewater  
37 discharged to the Brine Line or tributaries thereto. Production information shall be required of  
38 all Categorical Industrial Users which have production based discharge limits.

39  
40 **D. NOTICE OF VIOLATION (NOV).** When the General Manager finds that a  
41 User has violated, or continues to violate, any provision of this Ordinance, related resolution, an  
42 individual Wastewater Discharge Permit or any order issued under this Ordinance, the General  
43 Manager may serve upon the User a written Notice of Violation (NOV). The NOV shall be  
44 served personally or by certified mail upon the User, and the NOV will state the provisions  
45 violated, the facts alleged to constitute the violation and may include any proposed corrective  
46 actions or monitoring. Within ten (10) business days of the receipt of the NOV, User shall

1 provide a written explanation of the violation, a plan for the satisfactory correction and  
2 prevention thereof, including specific required actions, to the General Manager. Submission of  
3 such a response and plan in no way relieves the User of liability for any violations occurring  
4 before or after receipt of the NOV. Nothing in this Section shall limit the authority of the  
5 General Manager to take any action, including any emergency actions or any other enforcement  
6 action, with or without the issuance of a NOV.

7  
8 E. **VIOLATION MEETING** shall be required of all Users who have failed to  
9 achieve compliance after the issuance of an NOV or violation(s) resulting in significant  
10 noncompliance. This meeting shall be for the General Manager to consider drafting a Consent  
11 Order or Compliance Order and for the User to propose solutions, request time extensions, draft  
12 a compliance schedule, or file an appeal.

13  
14 F. **CONSENT ORDER.** The General Manager may, at any time after finding a  
15 violation of this Ordinance, enter into an agreement with the violating User that shall be known  
16 as a Consent Order. Such agreement may be in the form of a Compliance Schedule with  
17 milestones or other specific actions to be taken by the User to correct or prevent the  
18 noncompliance within a time period specified in the order, or payment of damages, penalties,  
19 fines, or other remedies. The Consent Order is developed between the User and SAWPA. This  
20 Order shall have the same force and effect as any other Administrative Order issued pursuant to  
21 this Ordinance and may include a civil penalty pursuant to Section 610.H. A Consent Order  
22 may be enforced by an Administrative Complaint under Section 610 or by court action.

23  
24 G. **COMPLIANCE ORDER.**

25  
26 1. A Compliance Order shall be issued to a User that has violated or continues  
27 to violate this Ordinance, the User's Wastewater Discharge Permit, or any other order  
28 issued under this Ordinance. The General Manager may issue a Compliance Order to  
29 the User responsible for the violation(s) which shall specify the provisions violated and  
30 the facts constituting the violation(s), and shall direct that adequate treatment facilities,  
31 devices, or other related appurtenances be installed and properly operated by a specified  
32 time period. Compliance Orders may also contain such other requirements as the  
33 General Manager deems reasonably necessary and appropriate to assure timely  
34 compliance with this Ordinance and to address the noncompliance. Such Order may  
35 require the installation of pretreatment technology, additional self-monitoring,  
36 management practices, adherence to a compliance schedule with milestones, submission  
37 of action plans, appearance by the User at a specific time and place for a compliance  
38 meeting, or other measures necessary to achieve and maintain compliance. The  
39 Compliance Order is developed by the General Manager without comment from the  
40 User and may include a Civil Penalty Order pursuant to Section 610.H.

41  
42 2. If no public hearing on the alleged violation(s) has been previously  
43 conducted, the alleged violating User may either submit a written explanation or other  
44 response to the Compliance Order or request the General Manager to conduct either an  
45 informal meeting or a hearing. Such submission or request shall be in writing and filed  
46 with the General Manager no later than ten (10) days after receipt of the Compliance

1 Order. The request shall not stay the Compliance Order.  
2  
3

4 3. A Compliance Order may be enforced by an Administrative Complaint under  
5 Section 610 or by court action.  
6

7 H. **CIVIL PENALTY ORDER** will be issued to a User by the General Manager or  
8 SAWPA Counsel to assess penalties required by Sections 610.0, 611.0 and 619.0 of this  
9 Ordinance and any other costs incurred by SAWPA in the investigation, monitoring, legal  
10 assistance, enforcement, cleanup or repair caused by the User's violation. The Civil Penalty  
11 Order may be included with any other Order.  
12

13 I. **CEASE AND DESIST ORDER** shall be issued by the General Manager to any  
14 User or Persons whose violation(s) of this Ordinance, a Wastewater Discharge Permit, or any  
15 Order issued hereunder pose(s) a threat to the Brine Line or tributaries thereto, OCSD's POTW,  
16 SAWPA employees or contractors, OCSD, the environment or the public. A Cease and Desist  
17 Order may also be issued by the General Manager to Users who continue to discharge  
18 wastewater to the Brine Line or tributaries thereto, without a valid Wastewater Discharge Permit  
19 or in violation of such permit. The General Manager may issue a Cease and Desist Order  
20 immediately upon discovering any such violations and direct those Users or Persons in  
21 noncompliance to take such appropriate remedial or preventive action as may be deemed  
22 necessary to eliminate a continuing or threatened violation, including halting operations and  
23 terminating the discharge. Such order shall include the provision violated and the facts  
24 constituting the violation. A Cease and Desist Order may also include a Civil Penalty Order  
25 pursuant to Section 610.H.  
26

27 J. **SHOW CAUSE HEARING.** The General Manager may order a User which has  
28 violated, or continues to violate, any provision of this Ordinance, an individual Wastewater  
29 Discharge Permit, or any Order issued under this Ordinance, or any other pretreatment standard  
30 or requirement adopted by resolution or otherwise, to appear before the General Manager at a  
31 Show Cause Hearing and provide evidence and reasons why the proposed enforcement action  
32 should not be taken. A Notice of Show Cause Hearing shall be served on the User specifying  
33 the time and place for the Show Causing Hearing, the proposed enforcement action, the reasons  
34 for such action, and a direct that the User provide evidence and reasons why the proposed  
35 enforcement action should not be taken. The Notice of Show Cause Hearing shall be served  
36 personally or by certified mail at least thirty (30) days prior to the hearing. A Show Cause  
37 Hearing shall not be a bar against, or prerequisite for, taking any enforcement action against the  
38 User.  
39

40 **607.0 WASTEWATER DISCHARGE PERMIT REVOCATION.** The General Manager  
41 may revoke any Wastewater Discharge Permit if the User is in violation of any provision of this  
42 Ordinance. These violations can include but are not limited to: falsification of information by  
43 the User required by this Ordinance; refusing right of entry by SAWPA or OCSD; failure to re-  
44 apply for a Wastewater Discharge Permit or request a required permit modification; failure to  
45 pay required permit fees or charges or discharging in violation of this Ordinance. Validity of the  
46 Wastewater Discharge Permit shall be conditioned upon the Industrial User's compliance with

1 the provisions of this Ordinance. The General Manager may revoke the Wastewater Discharge  
2 Permit upon a minimum notice (written and sent by certified mail) of fifteen (15) days when the  
3 General Manager finds that the wastewater discharge is in violation of the provisions of this  
4 Ordinance or of any applicable federal, state, county or city law or regulation or if the Industrial  
5 User has failed to pay any user fee or penalty within forty-five (45) days of invoicing by  
6 SAWPA. Within the fifteen (15) days prior to the intended permit revocation, the General  
7 Manager shall make a hearing available to the User. All costs for Wastewater Discharge Permit  
8 revocation and reissuance shall be paid by the User.

9  
10 **608.0 TERMINATION OF SERVICE.** Notwithstanding any provision to the contrary, and  
11 without prior notice, the General Manager may immediately terminate wastewater service to any  
12 User in order to stop an actual or threatened discharge which presents or may present an  
13 imminent or substantial endangerment to the health or welfare of persons or to the environment,  
14 or which causes Interference to the Brine Line or tributaries thereto, OCS D's POTW, or causes  
15 OCS D to violate any condition of its NPDES permit or if the User has failed to obtain a valid  
16 Wastewater Discharge Permit. If a suspension order has been issued, and the User fails to  
17 comply voluntarily with the suspension order, the General Manager shall take such steps as  
18 deemed necessary, including immediate termination or severance of the sewer service lateral  
19 connection, to prevent or minimize damage to the Brine Line or tributaries thereto, OCS D's  
20 POTW, or endangerment to any person or the environment. All costs for terminating service  
21 shall be paid by the User. All costs for reestablishing service shall be paid by the User.

22  
23 **609.0 ANNUAL PUBLICATION NOTICE.** The names of all Significant Industrial Users  
24 which at any time during the previous twelve (12) months were found to be in significant  
25 noncompliance with applicable Pretreatment Standards, Requirements and this Ordinance shall  
26 be published at least annually in a newspaper of general circulation that provides meaningful  
27 public notice, or other electronic means, within the jurisdictions of SAWPA in which the  
28 Significant Industrial User is located, in accordance with 40 CFR 403.8(f) (2) (viii).

29  
30 **610.0 ADMINISTRATIVE COMPLAINT.**

31  
32 A. Notwithstanding Section 606, the General Manager may issue an Administrative  
33 Complaint to a User who violates this Ordinance, permit requirement, or an Administrative  
34 Order.

35  
36 B. The Administrative Complaint shall allege the act or failure to act that constitutes  
37 the violation, the provisions of law authorizing civil liability to be imposed and the proposed  
38 civil penalty. The Administrative Complaint shall be served by personal delivery or certified  
39 mail on the User and shall inform the User served that a hearing shall be conducted within sixty  
40 (60) days after the User has been served.

41  
42 C. The hearing shall be before a hearing officer designated by the SAWPA  
43 Commission. The User who has been issued an Administrative Complaint may waive the right  
44 to a hearing, in which case SAWPA shall not conduct a hearing. A User dissatisfied with the  
45 decision of the hearing officer may appeal to the SAWPA Commission within thirty (30) days of  
46 notice of the hearing officer's decision.

1  
2 D. If after the hearing, or appeal, if any, it is found that the User has violated  
3 reporting or discharge requirements, the hearing officer or the SAWPA Commission may assess  
4 a civil penalty against that User. In determining the amount of a civil penalty, the hearing  
5 officer or SAWPA Commission may take into consideration all relevant circumstances  
6 including, but not limited to, the extent of harm caused by the violation, the economic benefit  
7 derived through any non-compliance, the nature and persistence of the violation, the length of  
8 time over which the violation occurs and corrective action, if any, attempted or taken by the  
9 User.

10  
11 E. Civil Penalties may be imposed as follows:

12  
13 1. In an amount which shall not exceed \$2,000.00 for each day for failing or  
14 refusing to furnish technical or monitoring reports [Government Code, Section  
15 54740.5(d)(1)];

16  
17 2. In an amount which shall not exceed \$3,000.00 for each day for failing or  
18 refusing to timely comply with any Compliance Schedule established by the General  
19 Manager [Government Code, Section 54740.5(d)(2)];

20  
21 3. In an amount which shall not exceed \$5,000.00 per violation for each day for  
22 discharges in violation of any waste discharge limitation, permit condition, or  
23 requirement issued, reissued or adopted by SAWPA [Government Code, Section  
24 54740.5(d)(3)];

25  
26 4. In an amount which shall not exceed \$10.00 per gallon for discharges in  
27 violation of any suspension, Cease and Desist Order or other Orders, or prohibition  
28 issued, reissued or adopted by the General Manager [Government Code, Section  
29 54740.5(d)(4)].

30  
31 F. Unless appealed, any Order setting administrative civil penalties shall become  
32 effective and final upon issuance thereof, and payment shall be made within thirty (30) days  
33 established by the Order. Copies of all Orders shall be served by personal service or by certified  
34 mail upon the parties served with the Administrative Complaint and upon other persons who  
35 appeared at the hearing and requested a copy.

36  
37 G. All monies collected under this Section shall be deposited in a special account of  
38 SAWPA and shall be made available for the monitoring, treatment and control of discharges  
39 into the Brine Line and tributaries thereto.

40  
41 H. The amount of any Civil Penalties imposed under this Section which have  
42 remained delinquent for a period of sixty (60) days shall constitute a lien against the real  
43 property of the User from which the discharge, Ordinance violation, or permit violation  
44 originated resulting in the imposition of the Civil Penalty. The lien shall be recorded with the  
45 County Recorder for the respective county and when recorded shall have the force and effect  
46 and priority of a judgment lien and continue for ten (10) years from the time of recording unless

1 sooner released, and shall be renewable in accordance with the provisions of Section 683.110 to  
2 683.220, inclusive, of the Code of Civil Procedure.

3  
4 I. No penalties shall be recoverable under this Section for any violation for which  
5 civil liability is recovered under Section 612.0.

6  
7 J. Judicial Review

8  
9 1. Any User aggrieved by a final Order issued under this Section may obtain  
10 review of the order in the Superior Court by filing with the Court a petition for Writ of  
11 Mandate within thirty (30) days following the service of a copy of a decision and order  
12 issued. Any User aggrieved by a final Order issued under this Section for which the  
13 SAWPA Commission denies review, may obtain review of the order of the hearing  
14 officer in the Superior Court by filing in the Court a petition for writ of mandate within  
15 thirty (30) days following service of a copy of a decision and order denying review by  
16 the SAWPA Commission.

17  
18 2. If an aggrieved User does not petition for a Writ of Mandate within thirty  
19 (30) days, an Order or a hearing officer shall not be subject to review by any court or  
20 agency.

21  
22 3. The evidence before the Court shall consist of the record before the SAWPA  
23 Commission, including the hearing officer's record, and any other relevant evidence  
24 which, in the judgment of the Court, should be considered to effectuate and implement  
25 policies of this Ordinance. In every such case, the Court shall exercise its independent  
26 judgment on the evidence.

27  
28 4. Subdivisions (e) and (f) of Section 1094.5 of the Code of Civil Procedure  
29 shall govern review proceedings.

30  
31 **611.0 EMERGENCY SUSPENSION.** The Commission or its General Manager may  
32 immediately suspend a User's discharge, after notice to the User, whenever such suspension is  
33 necessary to stop an actual or threatened discharge, which reasonably appears to present, or  
34 cause an imminent or substantial endangerment to the health or welfare of persons. The  
35 SAWPA Commission or its agent may also immediately suspend a User's discharge, after notice  
36 and opportunity to respond, that threatens to interfere with the operation of the POTW, or which  
37 presents, or may present, an endangerment to human health or the environment.

38  
39 A. Any User notified of a suspension of its discharge shall immediately stop or  
40 eliminate its contribution. In the event of a User's failure to immediately comply voluntarily  
41 with the Emergency Suspension, the SAWPA Commission may take such steps as deemed  
42 necessary, including immediate termination or severance of the sewer connection, to prevent or  
43 minimize damage to the POTW, its receiving stream, or endangerment to any individuals. The  
44 SAWPA Commission may allow the User to recommence its discharge when the User has  
45 demonstrated to the satisfaction of the SAWPA Commission that the period of endangerment  
46 has passed.

1  
2 B. A User that is responsible, in whole or in part, for any discharge presenting  
3 imminent endangerment shall submit a detailed written statement, describing the causes of the  
4 harmful contribution and the measures taken to prevent any future occurrence, to the  
5 Commission prior to the date of any Show Cause Hearing under Sections 606.0 Item J and  
6 608.0.

7  
8 Nothing in this Section shall be interpreted as requiring a hearing prior to any Emergency  
9 Suspension under this Section.

10  
11 **612.0 CIVIL LIABILITY FOR VIOLATIONS.**

12  
13 A. Any User that violates any provision of this Ordinance, any requirement of the  
14 Wastewater Discharge Permit, or Administrative Order, may be civilly liable to SAWPA in a  
15 total amount not to exceed \$25,000.00 per day for each violation. In addition to penalties, plus  
16 any damages, the General Manager may recover reasonable attorney's fees, court costs, and  
17 other expenses associated with the enforcement activities, including, but not limited to,  
18 sampling, monitoring, laboratory costs and inspection expenses.

19  
20 B. SAWPA's Legal Counsel is hereby authorized to petition the Superior Court to  
21 impose, assess, and recover the penalties and damages as described in Section 612.0.A. In  
22 determining the amount, the Court shall take into consideration all relevant circumstances,  
23 including but not limited to, the extent of harm caused by the violation, the economic benefit  
24 derived through any non-compliance, the nature and persistence of the violation, the length of  
25 time over which the violation occurs, and any corrective actions, if any, attempted or taken by  
26 the User.

27  
28 C. Notwithstanding any other provision of law, all civil penalties imposed by the  
29 Court for a violation of this Section shall be distributed to SAWPA.

30  
31 D. Remedies under this Section are in addition to and do not supersede or limit any  
32 and all other remedies, civil or criminal, but no liability shall be recoverable under this Section  
33 for any violation for which liability is recovered under Section 610.0.

34  
35 **613.0 CRIMINAL PENALTIES.**

36  
37 A. Any User which willfully or knowingly violates any provision of this Ordinance,  
38 or any orders or permits issued hereunder shall, upon conviction, be guilty of a misdemeanor for  
39 each separate violation per day, punishable by a fine not to exceed One Thousand Dollars  
40 (\$1,000.00) or imprisonment for not more than thirty (30) days, or both for each violation. Each  
41 violation and each day in which a violation occurs may constitute a new and separate violation  
42 of this Ordinance and shall be subject to the penalties contained herein.

43  
44 B. Any User who knowingly makes any false statements, representations, or  
45 certifications in any application, record, report, plan or other document filed or required to be  
46 maintained pursuant to this Ordinance or the User's Wastewater Discharge Permit, or who

1 falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method  
2 required under this Ordinance shall, upon conviction, be punished by a fine of not more than  
3 One Thousand Dollars (\$1,000.00) per violation per day or imprisonment for not more than six  
4 months, or both for each violation. This penalty shall be consistent with the Federal Clean  
5 Water Act, 33 U.S.C. 1251, et seq. and shall apply to the exclusion of any other Ordinance  
6 provisions more lenient.

7  
8 **614.0 LEGAL ACTION.** If any User discharges wastewater into the Brine Line or tributaries  
9 thereto in violation of the provisions of this Ordinance, federal or state pretreatment  
10 requirements, or any order or permit issued hereunder, then SAWPA may commence an  
11 enforcement and/or collection action for legal, equitable or injunctive relief in the appropriate  
12 court of Riverside or San Bernardino County. Any such court action filed by SAWPA shall  
13 entitle SAWPA to recover all reasonable attorneys' fees, court costs, expert witness fees and  
14 related litigation expenses.

15  
16 **615.0 SUPPLEMENTAL ENFORCEMENT ACTIONS.**

17  
18 A. **Performance Bonds.** The General Manager may decline to issue or reissue a  
19 Wastewater Discharge Permit to any User who has failed to comply with any provision of this  
20 Ordinance, a previous Wastewater Discharge Permit, or Administrative Order issued hereunder,  
21 or any other pretreatment standard or requirement, unless such User first files a satisfactory  
22 bond payable to SAWPA, in a sum not to exceed a value determined by the General Manager to  
23 be necessary to achieve consistent compliance.

24  
25 B. **Liability Insurance.** The General Manager may decline to issue or reissue a  
26 Wastewater Discharge Permit to any User who has failed to comply with any provision of this  
27 Ordinance, a previous Wastewater Discharge Permit, or Administrative Order issued hereunder,  
28 or any other pretreatment standard or requirement, unless such User first submits proof that  
29 liability insurance satisfactory to the General Manager has been obtained by the User sufficient  
30 to restore or repair damage to the Brine Line or tributaries thereto or OCSD's POTW.

31  
32 C. **Public Nuisance.** A violation of any provision of this Ordinance, a Wastewater  
33 Discharge Permit, or Administrative Order issued hereunder, or any pretreatment standard or  
34 requirement is hereby declared a public nuisance and shall be corrected or abated as directed by  
35 the General Manager. Any User creating a public nuisance shall be required to reimburse  
36 SAWPA for any costs incurred in removing, abating, or remedying such nuisance.

37  
38 **616.0 REMEDIES NONEXCLUSIVE.** The enforcement remedies for this Ordinance are not  
39 exclusive. The General Manager may take any, all, or any combination of these remedies  
40 against a non-compliant User. Enforcement of Ordinance, pretreatment, and Wastewater  
41 Discharge Permit violations will generally be in accordance with SAWPA's Enforcement  
42 Response Plan. The General Manager, however, may take other actions against any User when  
43 the circumstances warrant. Further, the General Manager is also empowered to take more than  
44 one enforcement action against any non-compliant User.

1 **617.0 PAYMENT OF FEES, CHARGES, AND PENALTIES.**

2  
3 A. Unless otherwise specified, all fees, charges and penalties imposed pursuant to  
4 this Ordinance are due and payable within forty-five (45) days of receipt of notice or invoicing  
5 by SAWPA.

6  
7 B. For Users who fail to pay any required fee, charge or penalty by the due date, the  
8 following penalties shall apply:

9  
10 1. Forty-six (46) days after the date of invoice, a penalty of ten percent (10%) of  
11 the original invoice amount, not to exceed \$1,000.00 shall be assessed.

12  
13 2. Ninety days (90) after the date of invoice, a total penalty of ten percent (10%)  
14 of the original invoice amount, not to exceed a maximum of \$4,000.00 shall be assessed.

15  
16 C. Any invoice outstanding and unpaid after ninety (90) days shall be cause for  
17 immediate initiation of Wastewater Discharge Permit revocation proceedings or immediate  
18 suspension of the Wastewater Discharge Permit. In addition, interest shall accrue on any unpaid  
19 fees, charges or penalties at 10% per annum from the due date until paid.

20  
21 D. Penalties charged under this Section shall not accrue to those invoices  
22 successfully appealed.

23  
24 E. Should the User dispute any fees, charges and/or penalties, User shall notify  
25 SAWPA in writing of said dispute; however, payment of disputed charges shall be required by  
26 the due date during the General Manager's review of any dispute submitted by a User.

27  
28 **618.0 DAMAGE TO FACILITIES OR INTERRUPTION OF NORMAL OPERATIONS.**

29  
30 A. Any User who discharges any waste which causes or contributes to any  
31 obstruction, interference, damage, or any other impairment to the Brine Line or tributaries  
32 thereto or OCSD's POTW and sewerage facilities or to the operation of those facilities shall be  
33 liable for all costs required to clean or repair the facilities together with expenses incurred by  
34 SAWPA or OCSD to resume normal operations. Such discharge shall be grounds for permit  
35 revocation. A service charge of up to ninety percent (90%) of SAWPA's costs shall be added to  
36 the costs and charges to reimburse SAWPA for miscellaneous overhead, including  
37 administrative personnel and record keeping at the General Manager's discretion. The total  
38 amount shall be payable within forty-five (45) days of invoicing by SAWPA.

39  
40 B. Any User who discharges a waste which causes or contributes to SAWPA  
41 violating its discharge requirements established by any Regulatory Agency and/or OCSD and  
42 causing SAWPA to incur additional expenses or suffer losses or damage to its facilities, shall be  
43 liable for any costs or expenses incurred by SAWPA, including regulatory fines, penalties, and  
44 assessments made by other agencies or a court.

1 **619.0 APPEALS.** Except for Administrative Complaints as provided in Section 610.0:  
2

3       A.       Within ten (10) business days after service of an Administrative Order or Notice  
4 under Sections 606, 607 or 608, the User may file a written appeal with the SAWPA  
5 Commission. A fee of one hundred dollars (\$100.00) shall accompany any appeal to the  
6 SAWPA Commission. The written appeal shall state all of the facts and reasons that constitute  
7 the basis for such an appeal. The written appeal shall be heard by the SAWPA Commission  
8 within thirty (30) days from the date of filing of the written appeal. The SAWPA Commission  
9 shall issue a final order on the appeal within forty-five (45) days from the date of filing of the  
10 written appeal. Any User aggrieved by a final order issued by the SAWPA Commission under  
11 this Section may seek judicial review of the order of the SAWPA Commission in superior court  
12 by filing a petition for writ of mandate within thirty (30) days following the service of a copy of  
13 the SAWPA Commission's final order. Failure to file such a petition within the thirty (30) day  
14 deadline shall be deemed a waiver of such judicial review.  
15

16 **620.0 ALTERNATIVE ENFORCEMENT PROCEDURES.** As additional and alternate  
17 enforcement provisions, the General Manager may utilize the procedures and seek the civil  
18 penalties provided in Sections 54739, 54740, 54740.5 and 54740.6 of the Government Code for  
19 violations of this Article, federal or California pretreatment requirements or the terms and  
20 provisions of any permits issued pursuant to this Ordinance.  
21

22 **621.0 INVALIDITY.** If any provision of this Ordinance or the application thereof to any User  
23 or circumstance is held invalid, the remainder of this Ordinance and the application of such  
24 provision to other Users or circumstances shall not be affected thereby.  
25

26 **622.0 INTERPRETATION – INTENT.** All the provisions of this Ordinance are to be  
27 reasonably interpreted. The intent herein is to recognize that there are varying degrees of hazard  
28 to the Brine Line, OCS D's POTW, personnel, environment and the public and to apply the  
29 principle that the degree of protection shall be commensurate with the degree of hazard.  
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**ARTICLE 7**  
**MISCELLANEOUS PROVISIONS**

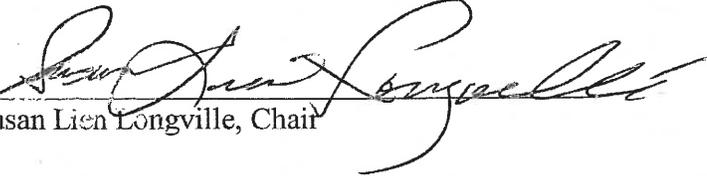
**700.0 SEVERABILITY.** If any provision of these regulations or the application to any other circumstances is held invalid, the remainder of the regulations or the application of such provision to other Users or other circumstances shall not be affected.

**701.0 EFFECTIVE DATE.** This Ordinance shall take effect immediately upon adoption, and Ordinance No. 7, and any amendments thereto, is hereby repealed and superseded by this Ordinance.

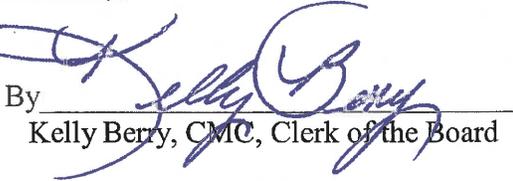
**702.0 JUDICIAL REVIEW OF ORDINANCE.** Pursuant to Section 1094.6 of the Code of Civil Procedure, the time within which judicial review shall be sought concerning the adoption of this Ordinance is ninety (90) days following the date on which the decision adopting it is final. The decision adopting this ordinance is final on the date it is adopted.

ADOPTED this 19<sup>th</sup> day of September 2017

SANTA ANA WATERSHED PROJECT AUTHORITY

By   
Susan Lien Longville, Chair

ATTEST:

  
By Kelly Berry, CMC, Clerk of the Board

**CONSENT  
CALENDAR  
ITEM**

**3A**



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

**WEDNESDAY, JANUARY 3, 2018  
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:**

Halla Razak, General Manager  
Christopher Berch, Executive Manager of Engineering/AGM  
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM  
Christina Valencia, Executive Manager of Finance & Administration/AGM  
Tina Cheng, Budget Officer  
Jason Gu, Grants Officer  
Chander Letulle, Manager of Operations & Maintenance  
Alex Lopez, Senior Financial Analyst  
Craig Proctor, Source Control/Environmental Resources Supervisor  
Shaun Stone, Manager of Engineering  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenette, JC Law Firm  
Steven Corrington, MIH Water Treatment Inc.  
Peter Kavounas, Chino Basin Watermaster  
Edgar Tellez Foster, Chino Basin Watermaster

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 President Elie 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.

## **WORKSHOP**

### **CHINO BASIN CONJUNCTIVE USE ENVIRONMENTAL WATER STORAGE/EXCHANGE PROGRAM WORKSHOP**

Executive Manager of Engineering/AGM Chris Berch started the Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program presentation by stating that this project has been in discussion for over a year and it is part of the Proposition 1 application. \$2.7 Million was authorized for water storage projects, with the surface water storage projects eligible for up to 50 percent grant funding, and conjunctive use projects eligible for up to 100 percent grant funding. IEUA submitted a concept paper in 2016, was invited to submit a formal application in August 2017, and General Manager Halla Razak and former General Manager P. Joseph Grindstaff presented on the project to the California Water Commission (CWC) in Sacramento in December 2017. He stated that today's discussion will be a follow-up with the Board of Directors as he will go through the presentation that was presented to the CWC. He gave an overview of the vision, benefits, and unique aspects of the project, and the collaboration that has taken place. He highlighted the Nature Conservancy as one of the partners/supporters of the Chino Basin Project, stating that it's unique that the application was put together in collaboration with an environmental organization. This non-profit organization has a great deal of influence in different aspects of how the delta is managed and has added considerable value to the application.

President Elie stated his agreement that the Nature Conservancy has been great partners on this project and he stated that this is a great project for the region and for the future of southern California water. Mr. Berch added that this has been an effort to build a multi-benefit project that benefits both the water supply and the environment. Director Paul Hofer requested for the copies of the letters of support from the project partners/supporters. President Elie also suggested to provide the Chino Basin Water Bank Planning Authority: Joint Powers Authority Agreement to the Directors for context.

*(Director Camacho entered the meeting at 10:17 a.m.)*

Executive Manager of External Affairs & Policy Development/AGM Kathy Besser stated that a big next step is to work to educate people who are in a position to help advance this Program. She stated that she will be creating a two page fact sheet that will be ready next week that will easily and simply explain what this project is. Staff will be working with West Coast Advisors to initiate meeting with certain agencies, California Department of Fish and Wildlife, and state legislators. Staff will also reach out to all our city councils and ask them for support letters. Staff has already obtained support letters from some agencies such as Western Municipal Water District, Southern California Water Committee, and the Regional Water Quality Control Board. Staff will go up to Sacramento and meet with the legislators and their staff, as well as work with additional groups to get additional letters of support. CWC expects to have the project ranking and scoring available in May 2018. The Agency is hoping to have support letters in hand and complete by the middle of February 2018. The Agency should know by June 2018 if we have received funding and how much funding we have received. Until this happens, staff will be working behind the scenes to gain as much traction as possible by campaigning the worthiness of this project.

Director Hall asked a question about how different entities such as the Fontana Water Company, a private company regulated by a public utilities commission, can play role in this project. Mr. Berch answered by stating that each member agencies, including the Fontana Water Company, is provided a list of infrastructures that they would need to help deal with drought conditions and water contamination. Fontana Water Company has provided a list of several points that they would want to install well head treatment or install new wells. A list has been compiled and a process of working with each of our member agencies will take place to find the best components, portfolio of projects throughout the Chino Basin that meet the project needs and help fund those projects.

General Manager Halla Razak stated the she wants to ensure that CWC understands the advantage of our project. It's a project that is dealing with completely different water that no one is competing for and it is water that will can later available for this region and for the state of California. She stated that this is a complicated project with many moving parts and Jay Ziegler from the Nature Conservancy who spoke on our behalf, did an excellent job on explaining in layman's terms and staff is aiming to do the same of educating the public of this projects benefits and goals. Ms. Besser will be working on getting more people to understand what we are doing and for them to advocate for this program to get funding because it will benefit all our partner and member agencies. Ms. Razak stated that in the following week, some staff will be going to Sacramento to present the more technical aspects of the project.

#### **COLLECTION SYSTEMS WORKSHOP**

Source Control/Environmental Resources Supervisor Craig Proctor gave a brief history and overview of the Agency's Collections Systems and all the work that goes into maintaining this valuable asset. He also spoke about the Brine Sewer System and Regional Sewer System.

Manager of Operations and Maintenance Chander Letulle spoke about the Sewer System Management Plan, Collection Systems O&M, and future topics that will be brought to the Board throughout this year.

With no further business, President Elie adjourned the meeting at 10:52 a.m.

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Jasmin A. Hall, Secretary/Treasurer

**APPROVED: FEBRUARY 21, 2018**



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

**WEDNESDAY, JANUARY 17, 2018  
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:**

Halla Razak, General Manager  
Chris Berch, Executive Manager of Engineering/AGM  
Kathryn Besser, Executive Manager of External Affairs & Policy Development/AGM  
Randy Lee, Executive Manager of Operations/AGM  
Christina Valencia, Executive Manager of Finance & Administration/AGM  
Joshua Aguilar, Senior Engineer  
Blanca Arambula, Deputy Manager of Human Resources  
Jerry Burke, Deputy Manager of Engineering  
Pietro Cambiaso, Environmental Compliance & Energy Supervisor  
Elizabeth Hurst, Water Resources Planner  
Sylvie Lee, Manager of Planning & Environmental Resources  
Rick Mykitta, Manager of Operations & Maintenance  
Jason Pivovaroff, Senior Engineer  
Jesse Pompa, Senior Engineer  
John Scherck, Senior Project Manager  
Travis Sprague, Senior Associate Engineer  
Shaun Stone, Manager of Engineering  
Teresa Velarde, Manager of Internal Audit  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

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

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

President Elie called the meeting to order at 10:03 a.m. and he dispensed with the Pledge of Allegiance. 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.

**CONSENT ITEMS**

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. There was no one desiring to do so.

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

**M2018-1-1**

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the December 6, 2017, Board workshop and the December 20, 2017, Board meeting.
- B. The Board approved the total disbursements for the month of November 2017, in the amount of \$16,861,175.34.
- C. The Board approved the legislative policy principles for Fiscal Year 2018/19.
- D. The Board:
  - 1. Awarded an engineering consultant services contract for the RW System Cathodic Protection Improvements, Project No. EN17080, to Corpro Companies Inc., for a not-to-exceed amount of \$198,900; and
  - 2. Authorized the General Manager to execute the contract subject to non-substantive changes.
- E. The Board:
  - 1. Approved a contract amendment for the RP-1 Mixed Liquor Return Pumps, Project No. EN16024, to RMC Water and Environment for a not-to-exceed amount of \$95,246; and
  - 2. Authorized the General Manager to execute the contract amendment, subject to non-substantive changes.
- F. The Board:
  - 1. Approved a contract amendment for the RP-1 RW Pump Station Upgrades, Project No. EN14042, to Stantec for a not-to-exceed amount of \$88,900; and
  - 2. Authorized the General Manager to execute the contract amendment, subject to non-substantive changes.

Continued...

**M2018-1-1** continued.

- G. The Board adopted Resolution No. 2018-1-2, authorizing the Agency-wide organizational memberships for Fiscal Year 2018/19.

**RESOLUTION 2018-1-2  
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE  
UTILITIES AGENCY\* (AGENCY), SAN BERNARDINO COUNTY,  
CALIFORNIA, AUTHORIZING AGENCY-WIDE ORGANIZATIONAL  
MEMBERSHIPS AND AFFILIATIONS** *(for full text, see Resolution Book)*

H. The Board:

1. Awarded a three-year contract to Technical Systems, Inc., for PlantPax programming and all associated support services required to maintain a standard controls platform for a not-to-exceed total amount of \$1,800,000; and
2. Authorized the General Manager to execute the contract subject to non-substantive changes.

**ACTION ITEM**

**ADOPTION OF THE IEUA ADMINISTRATIVE HANDBOOK**

General Counsel Jean Cihigoyenette stated that this item of the Administrative Handbook was brought to a Board Workshop meeting in December 2017. At the end of that workshop, the Board had no additional comments. However, there are two changes to the document being brought forth today. First, on Chapter 8 regarding the complaint procedures from employees, Board members, or members of the public regarding ethical violations. Typically, those concerns will be directed to the General Counsel to determine the process. Historically, the time perimeters provided by Resolution 2015-2-9, provide a 15-day investigation and review period. In the Administrative Handbook, the Agency sought to lengthen this time period because it has been difficult to complete the investigation and review in the 15-day time frame. Labor representatives felt that this was a material change to the existing policy and there should be a negotiation before a change is made. Therefore, the change in section 8 is reverting back to the original complaint procedures. The second change was prompted by a conversation that took place in a Board workshop about the fiduciary responsibilities of the elected officials. Included in section 6.1 of the Administration Handbook is a brief paragraph that explains the elected official's fiduciary obligations. In concurrence with the law, the Administrative Handbook states that elected official's fiduciary obligations lie with the Inland Empire Utilities Agency. Discussion ensued about particular cases of this obligation.

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

**M2018-1-2**

MOVED, to adopt the updated IEUA Administrative Handbook.

**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: DL37141 – CDA Structures Coating; EN11031 – RP-5 Flow Equalization; EN16021 – TCE Plume Cleanup; EN16049 – Conference Rooms Audio Visual Upgrades; EN17052 – RP-1 and RP-4 Safety Improvements; and EN17059 – RP-1 Iron Sponges Installation.

President Elie stated that he would like to see the percentage of change orders especially for the more completed projects at future meetings. Director Camacho requested that if the change orders can be specified as changes Agency had requested or caused by unforeseen circumstances.

**MWD UPDATE**

Senior Engineer Jason Pivovarovoff gave an update on the MWD water conditions & sales and rates & charges. He stated that the North Sierra precipitation was at 71 percent, about 16 inches to date. Regarding snowpack, it is 18 percent above normal and at 2.2 inches of snow water equivalent. Storage for the Oroville and San Luis Reservoir is at 54 percent. In regard to the supply and demand outlook, allocation is currently at 15 percent. If it doesn't change throughout the water year, MWD is forecasting a shortfall of 350,000 AF. To allow the supply and demand to balance, MWD is looking at a demand of 25 to 50 percent. The Agency has a Dry-Year Yield Program with MWD to replenish surplus supply into the Chino groundwater basin and based on the lower initial allocation and their goal of meeting put capacities, MWD will most likely stop their deliveries into the Chino Basin.

MWD is conducting a cost of service for FY 2018/19 and 2019/20. The current finance plan shows the cost of service at \$738 per acre feet (AF) by 2019 and \$783 per AF by 2020. Discussion ensued about the Oroville Dam construction.

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

**TREASURER'S REPORT OF FINANCIAL AFFAIRS**

**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**

**2<sup>nd</sup> QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE**

**COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS)**

## **AGENCY REPRESENTATIVES' REPORTS**

### **SAWPA REPORT**

Director Jasmin Hall gave an update on the January 16, SAWPA Commission Meeting. She stated that the Commissioners had met the Executive Officer of the Santa Ana Regional Water Quality Control Board - Hope Smythe. The Commissioners had asked staff to develop policy principles for the Commission to consider regarding collaboration with other entities in the use of Disadvantaged Community Involvement project development funding. SAWPA's goals is not to assist in developing homes but to help any agencies along the watershed to help clean and treat the water and remove any waste. She also stated that Amendment 2 to the Waster Water Interceptor Capacity Agreement of 1972, that addresses adjustments to identified reaches and cost shares resulting from the SARI realignment project was approved. Lastly, Commissioners directed staff to file a CEQA notice of exemption with the Riverside County Clerk's office for the proposed Reach 4B Upper Relocation Project.

### **MWD REPORT**

Director Camacho had nothing additional to report.

### **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

Director Parker stated that the January 4, 2018 Policy Committee meeting was cancelled.

### **CHINO BASIN WATERMASTER REPORT**

President Elie stated that the December Chino Basin Watermaster was cancelled. The next meeting will be on January 25, 2018. A group of appellants, along with three other groups have an interim agreement and asked the Superior Court and court appeals for a 10 month extension. The superior court has granted 8 months to work on their deal terms, and the court of appeals stated that they had 90 days to report their status.

### **GENERAL MANAGER'S REPORT**

General Manager Halla Razak had nothing additional to report.

### **BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**

There were no Board requested future agenda items.

### **DIRECTORS' COMMENTS**

Director Hall stated that from November 15-17, 2017, she had attended the AWWEE 10<sup>th</sup> Annual Anniversary Conference; on November 17, she attended Congresswoman Torres' the Water Roundtable, which was held at the Chino Basin Water Conservation District; from November 28 to December 1, she attended the ACWA Conference; on December 7, she attend the BIA Holiday Gala; on December 9, she attended the Fontana Christmas parade; and on December 14, she attended the Christmas Reception hosted by Supervisor Janice Rutherford.

Director Hall added her comments about the changes in the Administrative Handbook about fiduciary responsibility as a regional Board member. She stated that she listens to her regional constituents concerns and perception of unfairness. She brings these concerns when working together with the Board for the greater good of all.

### **CLOSED SESSION**

The Board went into Closed Session at 10:43 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) Spicer vs W.A.

Rasic Construction, Case No. CIDVS 1711812 B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: one case; C. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer Negotiations – All Bargaining Units, Negotiating Parties: General Manager Halla Razak; D. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT: (1) Manager of Internal Audit; (2) Board Secretary/Office Manager

The meeting resumed at 11:36 a.m., and General Counsel Jean Cihigoyenette 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

The Board did not discuss.

Regarding Conference with Legal Counsel – Existing Litigation:

Spicer vs. W.A. Rasic Construction, Case No. CIVDS 11711812

The Board took no reportable action.

Regarding Conference Anticipated Litigation:

One case

The Board did not discuss.

Regarding Conference with Labor Negotiator:

Meet and Confer Negotiations – All Bargaining Units

Negotiating Parties: General Manager Halla Razak

The Board did not discuss.

Regarding Public Employment:

Manager of Audit

The Board took no reportable action.

Regarding Public Employment:

Board Secretary/Office Manager

The Board took no reportable action.

With no further business, President Elie adjourned the meeting at 11:37 a.m.

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Jasmin A. Hall, Secretary/Treasurer

**APPROVED: FEBRUARY 21, 2018**

**CONSENT  
CALENDAR  
ITEM**

**3B**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors  
**Committee:**

**From:** Halla Razak, General Manager

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

**Subject:** Adoption of Resolution No. 2018-2-7, Rescinding Resolution 2005-2-9

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**Executive Summary:**

On January 17, 2018 the Board of Directors approved the new Administrative Handbook for the Agency. The Handbook includes several subject matter areas including Agency Bylaws, Ethics, Director's Code of Conduct and Procedures on Filing and Investigating Alleged Ethical Violations. Many of these policies and procedures were adopted from Agency Resolution 2005-2-9, and therefore that Resolution is now redundant and no longer necessary. A resolution is the appropriate tool to rescind a prior resolution.

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**Staff's Recommendation:**

Adopt Resolution No. 2018-2-7, rescinding Resolution No. 2005-2-9.

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

*Account/Project Name:*

This action is administrative and will have no impact on the budget.

*Fiscal Impact (explain if not budgeted):*

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**Prior Board Action:**

Adoption of Resolution 2005-2-9; adoption of Administrative Handbook.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

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**Attachments:**

Attachment 1 - Resolution 2005-2-9

Attachment 2 - Resolution 2018-2-7

# Attachment 1

RESOLUTION NO. 2005-2-9

**RESOLUTION OF THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RULES AND PROCEDURES RELATIVE TO THE CONDUCT OF MEMBERS OF THE BOARD OF DIRECTORS, EXECUTIVE MANAGERS AND AGENCY EMPLOYEES**

**WHEREAS**, the mission of the Agency is to supply imported and recycled water; collect, treat, and dispose of wastewater; and provide other utility-related services to the agencies it serves. The Agency strives to provide these services in a regionally planned, managed, and cost-effective manner which protects the public health and environment, and maintains a high level of public awareness;

**WHEREAS**, the success of the Agency depends on teamwork, mutual trust and respect, and commitment to the highest standards of quality, responsibility, accountability, and dedication;

**WHEREAS**, the Board of Directors, Executive Management and employees of the Agency are responsible for fulfilling the mission and values by demonstrating and expecting:

- Loyalty, professionalism and ethical behavior,
- Open and courteous communication with each other and with the communities served,
- Prudent and cost – effective resource planning, management, and utilization,
- Innovation in meeting the present and future needs of the Agency.

**WHEREAS**, members of the Board of Directors, Executive Management and Agency employees should be dedicated to the highest standards of integrity and accountability while serving the public;

**WHEREAS**, members of the Board of Directors, Executive Management and employees of the Inland Empire Utilities Agency are dedicated to earning and maintaining the trust, confidence and support of the public they serve;

**WHEREAS**, the objective of the Board of Directors in adopting a formal ethics policy is to supplement state and federal law, and to provide guidance for dealing with ethical issues, and heighten awareness of ethical behavior; and,

**WHEREAS**, the adoption of written guidelines regarding the ethical conduct of members of the Board of Directors, Executive Management, and Agency staff will provide a sound foundation on which to build public trust and confidence.

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

<u>Section</u>	<u>Subject Matter</u>
Section 1.	Policy Statement
Section 2.	Responsibilities of Public Services
Section 3.	Equal Treatment
Section 4.	Protection of Agency Resources, Property and Information
Section 5.	Confidential Information
Section 6.	Conflict of Interest
Section 7.	Post-Employment Relationships
Section 8.	Incompatible Offices
Section 9.	Gifts and Gratuities
Section 10.	Board Member – Executive Management - Employee Relationships
Section 11.	Political Contributions
Section 12.	Retaliation/Whistleblowers
Section 13.	Conflict of Laws
Section 14.	Training and Education
Section 15.	Complaint Procedure
Section 16.	Violations and Penalties
Section 17.	Challenges to the Code of Ethics
Section 18.	Severability
Section 19.	Development of Policies and Procedures

**Section 1. Policy Statement.** The policy of the Inland Empire Utilities Agency is to maintain the highest standards of ethics from its Board Members, Executive Managers and Agency employees and to assist Board Members, Executive Managers, and Agency employees with their decision making. The proper operation of the Agency requires decisions and policy to be made in the proper channels of governmental structure, that public office not be used for personal gain, and that all individuals associated with the Agency remain impartial and responsible towards the public to ensure public confidence in the decisions being made by the Agency. Accordingly, it is the policy of the Agency that Board Members, Executive Managers, and Agency employees shall maintain the highest standard of personal honesty and fairness in carrying out their duties.

**Section 2. Responsibilities of Public Service.** Board Members, Executive Managers, and Agency employees are obligated to uphold the Constitution of the United States and the Constitution of the State of California, and to carry out the laws of national, state and local governmental agencies. Board Members, Executive Managers, and Agency employees shall comply with both the spirit and the letter of applicable laws regulating their conduct, including conflict of interest and financial disclosure laws. Board Members, Executive Managers, and Agency employees should work in full cooperation with other public officials unless prohibited from so doing by law or officially recognized confidentiality of their work.

(a) Members of the Board of Directors, persons elected but who have not yet assumed office as a member of the Board, Executive Managers, and employees will fully comply with the provision of the state's open meeting law for Public Agencies (Brown Act).

(b) Members of the Board of Directors, Executive Managers, and employees must exercise their responsibilities, both professional and personal, above reproach and avoid even the appearance of impropriety.

(c) Members of the Board of Directors, Executive Managers, and employees of the Agency shall perform their duties/responsibilities in accordance with these rules established by the Agency, state law, federal law, and/or regulation of state and federal agencies. Board Members, Executive Managers, and Agency employees shall refrain from abusive conduct, personal attacks upon the character or morals of other Board Members, Executive Managers, Agency employees, or members of the public.

(d) Board Members, Executive Managers, and Agency employees shall not interfere with the proper performance of the official duties of others. Board Members, Executive Managers, and Agency employees are strongly encouraged to fulfill their own moral obligations to the public and the Agency by disclosing to the extent not expressly prohibited by law, improper activities within their knowledge. No Board Member, Executive Manager, or Agency employee shall directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

### **Section 3. Equal Treatment.**

(a) No Board Member, Executive Manager, or Agency employee shall grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in the same circumstances.

(b) Board Members, Executive Managers, and Agency employees are prohibited from offering inducements to potential vendors, contractors, consultants, or other parties, to the exclusion of similar persons or firms, in hopes of obtaining reciprocal favors. Agency policies pertaining to the procurement of goods, services, and contractors, as well as the hiring of personnel, must be followed to ensure fairness to the participants. A Board Member, Executive Manager, or Agency employee shall not exercise any decision-making power with respect to any transaction, contract or sale to which the Agency is a party and in which the Board Member, Executive Manager, or Agency employee has a financial or personal interest. Proposed relationships with former Board Members, Executive Managers or Agency employees subject to Board approval must be evaluated carefully in advance of completing any agreement with such persons to ensure that no unfair advantage is given to them and that the Agency's interests are fully protected in such situations.

(c) Board Members, Executive Managers, and Agency employees shall not, in the performance of their official functions, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual preference, medical condition, or disability.

**Section 4. Protection of Agency Resources, Property, and Information.**

(a) No Board Member, Executive Manager, or Agency employee shall use or permit the use of Agency-owned vehicles, equipment, computers, telephones, materials or property for personal convenience or profit.

(b) No Board Member, Executive Manager, or Agency employee shall require or request an Agency employee to perform services for the personal convenience or profit of a Board Member, Executive Manager, or Agency employee. Each Board Member, Executive Manager, and Agency employee must protect and properly use any Agency asset within his or her control, including information recorded on paper or in electronic form. Using Agency assets for personal profit/use is forbidden. Board Members, Executive Managers, and Agency employees shall safeguard Agency property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act(s) or breach of trust.

(c) Board Members, Executive Managers, and Agency employees are responsible for maintaining written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on the Agency's behalf. Creating any Agency document with misleading or false information is prohibited.

**Section 5. Confidential Information.**

(a) Board Members, Executive Managers and Agency employees are not authorized, without approval of the Agency's General Counsel, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive said information, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required to be disclosed under the California Public Records Act and/or California Government Code.

(b) Confidential information must not be released to unauthorized persons unless the disclosure is approved by the Board of Directors or the Office of the General Counsel. Board Members, Executive Managers, and Agency employees are prohibited from using any confidential information for personal advantage or profit.

(c) This section does not prohibit any of the following:

- 1) Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the Agency, an elected official or employee.

2) Expressing an opinion concerning the propriety or legality of actions taken by the Agency in closed session, including disclosure of the nature and extent of the allegedly illegal action.

3) Disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing non-confidential information pursuant to (1) or (2) above, or pursuant to this section, however, a Board Member, Executive Manager or Agency employee will first bring the matter to the attention of the Agency's General Counsel to provide the Agency an opportunity to cure an alleged violation or to assure that said information is not confidential.

4) All individuals employed by the Agency in an Executive Management position, in the Executive Management Administrative Support Group, in the Human Resources Department, in the Information Services Department or in Records Management and the Public Information Officer and Board Secretary shall be required to sign an acknowledgement regarding their need to maintain confidentiality and the possible penalties for violating confidentiality.

**Section 6. Conflict of Interest.**

(a) No Board Member shall vote on a matter before the Board of Directors if he or she has any material interest (for purposes of this Section materiality shall be as defined in the Fair Political Practices Act, as amended from time to time), financial or otherwise, direct or indirect, or any obligation of any nature which is in conflict with the proper performance of his or her duties as a Board member. No Board Member shall participate in any discussion of a matter before the Board of Directors if he or she has any material interest, financial or otherwise, direct or indirect, or any obligation of any material nature which is in conflict with the proper performance of his or her duties as a Board Member. The Board Member shall disclose the full nature of the conflict on the records of the Board. The Board Member shall not participate in the discussion or vote on such issue that he/she has a material interest in.

(b). Circumstances establishing a conflict of interest include but are not limited to, situations where:

1) The Board Member has a material financial or personal interest in the outcome of a matter before the Board, or is associated as an owner, member, partner, officer, employee, broker or material stockholder in an enterprise that will be affected by the outcome of a matter before the Board;

2). The Board Member has reason to believe or expects that he or she will receive, or a member of his or her immediate family will receive, a direct or indirect monetary gain or loss by reason of his or her participation in a matter before the Board;

3). The Board Member is participating in a decision affecting a person, vendor, contractor, firm, consultant or organization while seeking employment with that same person or entity;

4). The Board Member has a prohibited interest as defined by Government Code sections 1090, et seq. and the Political Reform Act, Government Code Section 81000 et seq., relating to conflicts of interest including, but not limited to contractual relationships, employment or other sources of income.

(c) Board Members shall refrain from voting on or otherwise influencing matters involving any person with whom the member is negotiating for, or has accepted, future employment, or with whom the member has, or is negotiating for, a direct or indirect ownership interest or business relationship. Nothing in the foregoing shall apply to the member's non-controlling interest in a publicly held entity. Board Members are prohibited from recommending the employment of a relative by the Agency. In addition, a Board Member is prohibited from recommending the employment of a relative to any person known by the Board Member to be bidding for or negotiating a contract with the Agency.

(d) No requirement or guideline contained in this Section shall supersede the Agency's Conflict of Interest Resolution and/or applicable state or federal law.

(e) No conflict shall exist if a Board Member votes on a rate increase or tax level that effects all members of a class in the same manner as it will effect the Board Member and/or a member of his/her immediate family.

**Section 7. Post-Employment Relationships.** For a period of one year after leaving office or employment with the Agency:

(a) Former Board Members shall not represent for compensation any non-governmental entity before the Agency, except as provided for in Section E hereof.

(b) Former Executive Managers and employees of the Agency shall not represent for compensation any non-governmental entity before the Agency with regard to any issues over which that Executive Manager or employee had decision-making authority during the one year prior to leaving office or employment, except as provided for in Section E hereof.

(c) For purposes of this Section, "represent" shall mean for compensation to actively support or oppose a particular decision in a proceeding by lobbying in person the Executive Managers or employees of the Agency, testifying in person before the Agency, or otherwise acting to influence the employee or Board of Directors of the Agency.

(d) These restrictions shall not apply to representation of not-for-profit charitable entities or government entities before the Agency.

(e) The Agency may not contract with former Board Members, Executive Managers or Agency employees or with businesses where the former Board Member, Executive Manager or Agency employee serves as an officer, principal, major shareholder or has been identified as a key personnel, unless approved by a majority vote of the Board of Directors at a regularly scheduled meeting of the Board.

**Section 8. Incompatible Offices.** Any Board Member, Executive Manager, or Agency employee being considered for appointment or election to a public office of another public entity, the duties of which may require action contrary or inconsistent with the interest of the Agency, may request an opinion from the Attorney General of the State of California or the California Fair Political Practices Commission, whichever may be applicable as to the compatibility of the offices.

**Section 9 Gifts and Gratuities.** No Board Member, Executive Manager, or Agency employee, shall receive or agree to receive, directly or indirectly, any compensation, reward, honoraria or gift from any source except from his or her employer, for any action related to the conduct of the Agency's business, except as set forth in Agency Policy A-28.

**Section 10. Board Member – Executive Manager/Employee Relationship.**

(a) Except for statements on the record in a scheduled public meeting, Board Members shall not directly or indirectly communicate with the Chief Executive Officer/General Manager, General Counsel, Internal Auditor (or their staffs) regarding the selection of specific vendors, contractors, consultants, or other business entities for a specific procurement of goods or services.

(b) This policy in no way restricts open communication between Board Members and the Chief Executive Officer/General Manager, General Counsel, or Internal Auditor on Agency-wide procurement policies, procedures, or other general matters.

(c) Board Members will provide policy direction and instructions to the Chief Executive Officer/General Manager on matters within the authority of the Board of Directors by a majority vote of the Board during a duly convened meeting of the Board and/or Board Committee meetings.

(d) Board Members will address matters within the authority of the Chief Executive Officer/General Manager through the Chief Executive Officer/General Manager and not directly through Agency staff. Board Members are not to directly request analyses by Agency staff, perform work assignments or change the priority of work assignments. Board Members may request non-confidential, factual information

regarding Agency operations directly from Agency staff. Agency staff are to advise the Chief Executive Officer/General Manager of all requests received by them from a Board Member within 48 hours of the request.

**Section 11. Political Contributions.**

(a) Board Members, Executive Managers, and Agency employees are prohibited from soliciting political funds or contributions at Agency facilities on Agency time or while representing the Agency.

(b) No Board Member, Executive Manager, or Agency employee shall use the Agency's seal, trademark, stationary, or other indicia of the Agency's identity, or facsimile thereof, in any solicitation for political contributions.

**Section 12. Retaliation/Whistleblowers.** The Agency is committed to providing its officials, employees and members of the public with a protective work environment that encourages individuals to report alleged violations of state and/or federal rules, regulations and laws or Agency policies without fear of retaliation. To that end, a Retaliation Free Workplace policy has been implemented (A-103).

**Section 13. Conflict with Laws.** In the event of a conflict between the contents of this Resolution and state and/or federal law/regulations, the appropriate state and/or federal law/regulations shall be the presiding document.

**Section 14. Training & Education.** All Board Members, Executive Managers and Department Managers of the Agency shall receive ethics training and refresher training on appropriate Agency policies (i.e.; gifts, retaliation, discrimination, harassment, etc.) as soon as practical following the General Election where Board Members are elected. In the event that a Board Member is seated mid-term, said Board Member shall receive from the Agency's General Counsel a tutorial on all relevant laws/regulations/policies (i.e.; conflict of interest, the Brown Act, Agency's ethics policy, etc.) within 15 calendar days of being elected or appointed to the Board of Directors.

**Section 15. Complaint Procedure.**

(a) Concerns regarding a Board member's, Executive Manager's, contractor's, consultant's or vendor's ethical behavior should be reported immediately to the Agency's General Counsel. Concerns regarding an employee's ethical behavior should be immediately reported to the Manager of Human Resources & Support Services. The ethics complaint process should be used for allegations of intentional or negligent non-compliance with this Resolution, state or federal law or Agency policies.

(b) All information relating to verbal and written complaints and investigation materials will be kept strictly confidential to the extent permitted by law.

(c) Where practical, all complaints should be submitted in writing with substantiating documentation or through the Agency's Ethics/Fraud hotline. While complaints may be submitted anonymously, individuals are strongly encouraged to identify themselves, as this will facilitate follow-up and investigation regarding the complaint.

(d) All complaints received by General Counsel or the Manager of Human Resources & Support Services regarding ethical or possible illegal behavior will be reviewed by the Agency's General Counsel and where deemed appropriate, by General Counsel, will have an investigation commenced within 15 calendar days of receipt. If practical all investigations into complaints will be completed within 60 calendar days of commencement of the investigation.

(e) Unless it is necessary as part of the investigation to communicate with the Board of Directors, Executive Manager or employee, or as provided for in Section 15.f, no Board Member, Executive Manager or employee is to be advised that an investigation is being conducted.

(f) Upon completion of the investigation, General Counsel will find the complaint to be unsubstantiated, to be mistaken, to be malicious, or find that non-compliance has occurred. If a finding of non-compliance has occurred involving members of the Board of Directors or Executive Management, General Counsel will recommend appropriate action to the full Board of Directors, as permitted by the Brown Act. If a finding of non-compliance has occurred involving an Agency employee, General Counsel will recommend appropriate action to the Manager of Human Resources & Support Services. In instances where the finding is that an employee of the Agency filed a malicious complaint, General Counsel will recommend appropriate action to the Manager of Human Resources & Support Services against the complaining employee.

(g) If a finding of non-compliance has occurred involving a contractor, consultant, or vendor, General Counsel will forward a copy of the investigation to the appropriate law enforcement agency.

(h) All records of complaints filed against a Board Member, Chief Executive Officer/General Manager, or a member of Executive Management are to be kept in a locked file in the Office of the Agency's General Counsel. All records of complaints filed against an Agency employee are to be kept in a locked file in the Office of the Manager of Human Resources & Support Services.

**Section 16. Violations and Penalties.** A violation of this Resolution may be addressed by the use of such remedies as are available by law to the Agency, including but not limited to, adoption of a resolution expressing disapproval of the conduct of a

Board Member who has violated this Resolution, injunctive relief, or referral of the violation to the San Bernardino County District Attorney or grand jury. In the instance where an employee of the Agency violates the provisions of this Resolution, appropriate disciplinary action shall be imposed as provided for in the respective personnel manual, up to and including termination.

**Section 17. Challenges to the Code of Ethics.** A violation of this Resolution shall not be considered a basis for challenging the validity of a Board action, unless said violation is also a violation of state or federal law which would invalidate the Board's action.

**Section 18. Severability.** If any section, subsection, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the validity of the entire Resolution or any of the remaining portions thereof. The Inland Empire Utilities Agency's Board of Directors hereby declares that they would have passed this Resolution, and each section, subsection, subdivision, sentence, clause or phrase thereof, irrespective of the fact that any one of more sections, subsections, subdivisions, sentences, clauses or phrases are declared unconstitutional or otherwise invalid.

**Section 19. Development of Policies and Procedures.** The Chief Executive Officer/General Manager is hereby authorized to develop policies and procedures necessary to administer this Resolution.

ADOPTED this 16<sup>th</sup> day of February, 2005

  
\_\_\_\_\_  
President of the Inland Empire  
Utilities Agency\* and of the Board  
of Directors thereof

ATTEST:

  
\_\_\_\_\_  
Secretary of the Inland Empire Utilities  
Agency\* and the Board of Directors thereof

STATE OF CALIFORNIA                    )  
COUNTY OF                                )SS  
SAN BERNARDINO                         )

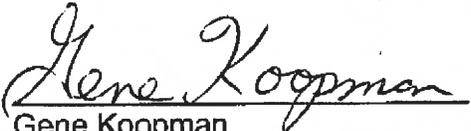
I, Gene Koopman, Secretary of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the forgoing Resolution being No. 2005-2-9 was adopted at a regular meeting on February 16, 2005 of said Agency by the following vote:

AYES:               Santiago, Catlin, Koopman, Troxel

NOES:               None

ABSTAIN:           None

ABSENT:            Anderson

  
Gene Koopman  
Secretary

(SEAL)

# Attachment 2

**RESOLUTION NO. 2018-2-7**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, IN SAN BERNARDINO COUNTY, CALIFORNIA, RESCINDING RESOLUTION NO. 2005-2-9**

**WHEREAS**, Inland Empire Utilities Agency, a Municipal Water District (“IEUA”) is a municipal water district established pursuant to Section 71000 et seq. of the California Water Code; and

**WHEREAS**, IEUA Board of Directors adopted the IEUA Administrative Handbook (the “Administrative Handbook”) on January 10, 2018; and

**WHEREAS**, the Administrative Handbook incorporated the policies and procedures of previously adopted Resolution No. 2005-2-9 rendering that Resolution duplicative and no longer necessary; and

**WHEREAS**, IEUA Board of Directors has the power to rescind resolutions at its discretion.

**NOW, THEREFORE**, the Board of Directors of IEUA hereby resolves that:

1. Resolution No. 2005-2-9 is hereby rescinded.

**ADOPTED** this 21 day of February 2018.

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

ATTEST:

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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. 2018-2-7, was adopted at an  
adjourned regular Board Meeting on February 21, 2018, 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

(SEAL)

**CONSENT  
CALENDAR  
ITEM**

**3C**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**Committee:** Finance & Administration

**From:** Halla Razak, General Manager

HR  
02/14/18

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

**Subject:** Report on General Disbursements

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**Executive Summary:**

Total disbursements for the month of December 2017 were \$32,982,821.50. Disbursement activity included check payments of \$6,893,686.00 to vendors and \$8,129.13 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$16,149,499.47 and wire transfers (excluding payroll) of \$8,199,725.68. Total payroll was \$1,726,015.10 for employees and \$5,766.12 for the Board of Directors.

The electronic ACH remittance of \$16,149,499.47 includes the SWRCB, Drinking Water Division (formerly the California Department of Public Health (CDPH) - CDA Phase III Expansion Project Grant Invoice #13 (Agreement #50124B01) in the amount of \$13,832,083.64 received by IEUA December 18, 2017, and remitted as a pass-through to the Chino Basin Desalter Authority.

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**Staff's Recommendation:**

Approve the total disbursements for the month of December 2017, in the amount of \$32,982,821.50.

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**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.

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**Environmental Determination:**

Not Applicable

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**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.

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**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	\$6,893,686.00
2	Workers' Comp Checks	\$8,129.13
3	Vendor ACHs	\$16,149,499.47
4	Vendor Wires (excludes Payroll)	\$8,199,725.68
5	Payroll-Net Pay-Directors	\$5,766.12
6	Payroll-Net Pay-Employees	\$1,726,015.10
<b>Total Disbursements</b>		<b>\$32,982,821.50</b>

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

Vendor	Amount	Description
CHINO BASIN DESALTER	\$13,832,083.64	CDPH-Chino III Expansion Projects Inv#13-G
MWD	\$6,898,223.25	OCTOBER 2017 Water Purchase
SWRCB	\$1,839,740.01	SRF Repayment #3 – C065319-110 SRF Repayment#13 – C064846-160
CSDLAC	\$1,182,539.78	FY17/18 2Q Wastewater Treatment Surcharge
KEMP BROS CONSTR INC	\$1,063,875.51	EN15008- Water Quality Laboratory- Pay Estimate #15
IRS	\$675,873.72	P/R 25, 26; Dir 011 Pyrl Taxes

# Attachment 2A

## Vendor Checks

Bank CBB CITIZENS BUSINESS BANK  
 Bank Key 122234149  
 Acct number CHECK 231167641

ONTARIO CA 917610000

Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
221804	2200087274	12/07/2017	USD	100.58	ACOSTA-GRUJALVA, SHARON CHINO HILLS CA	12/12/2017
221805	2200087192	12/07/2017	USD	58.00	AEROTEK INC ATLANTA GA	12/12/2017
221806	2200087205	12/07/2017	USD	1,540.00	ALLIANCE FOR WATER EFFICIENCY CHICAGO IL	12/18/2017
221807	2200087211	12/07/2017	USD	16,587.57	ALLIED UNIVERSAL SECURITY SERVCONSHOOCKEN PA	12/13/2017
221808	2200087175	12/07/2017	USD	395.40	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	12/12/2017
221809	2200087238	12/07/2017	USD	9,408.00	AMERICAN LOCKER DALLAS TX	12/12/2017
221810	2200087178	12/07/2017	USD	262.00	AMERICAN WATER WORKS ASSOC DALLAS TX	12/14/2017
221811	2200087169	12/07/2017	USD	766.20	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	12/12/2017
221812	2200087267	12/07/2017	USD	404.78	ARAMBULA, BLANCA CHINO HILLS CA	12/12/2017
221813	2200087166	12/07/2017	USD	1,400.32	ARIZONA INSTRUMENT LLC CHANDLER AZ	12/12/2017
221814	2200087214	12/07/2017	USD	29.60	ASAP INDUSTRIAL SUPPLY FONTANA CA	12/12/2017
221815	2200087195	12/07/2017	USD	261.00	ATMAA INC CALABASAS CA	01/03/2018
221816	2200087273	12/07/2017	USD	86.18	BOUGHAN, ARIN CHINO HILLS CA	12/12/2017
221817	2200087183	12/07/2017			voided by KMCCHRIS - Check not needed	01/08/2018
221818	2200087248	12/07/2017	USD	141.00	BURTEC WASTE INDUSTRIES INC FONTANA CA	12/13/2017
221819	2200087152	12/07/2017	USD	19,282.00	CALIFORNIA ASSOCIATION OF SACRAMENTO CA	12/13/2017
221820	2200087220	12/07/2017	USD	15,871.76	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	12/12/2017
221821	2200087153	12/07/2017	USD	1,588.68	CALTROL INC LOS ANGELES CA	12/13/2017
221822	2200087268	12/07/2017	USD	182.54	CAMACHO, MICHAEL CHINO HILLS CA	12/14/2017
221823	2200087260	12/07/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	12/19/2017
221824	2200087181	12/07/2017	USD	23,038.40	CAROLLO ENGINEERS WALNUT CREEK CA	12/21/2017
221825	2200087170	12/07/2017	USD	7,987.50	CDM SMITH INC BOSTON MA	12/11/2017
221826	2200087264	12/07/2017	USD	385.06	CHAGOYEN-LAZARO, JAVIER CHINO CA	12/11/2017
221827	2200087173	12/07/2017	USD	12,448.38	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	12/12/2017
221828	2200087202	12/07/2017	USD	7,979.52	CINTAS CORPORATION LOC#150 PHOENIX AZ	12/19/2017
221829	2200087188	12/07/2017	USD	1,385.85	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	12/13/2017
221830	2200087258	12/07/2017	USD	404.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	12/14/2017
221831	2200087241	12/07/2017	USD	4,854.27	CITY OF CHINO CHINO CA	12/12/2017
221832	2200087154	12/07/2017	USD	3,220.52	COLE PARMER INSTRUMENT CO CHICAGO IL	12/11/2017
221833	2200087155	12/07/2017	USD	29.80	COUNTY SANITATION DISTRICTS OFWHITTIER CA	12/13/2017
221834	2200087242	12/07/2017	USD	506.86	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	12/12/2017
221835	2200087206	12/07/2017	USD	953.29	CUMMINS PACIFIC LLC LOS ANGELES CA	12/11/2017
221836	2200087221	12/07/2017	USD	9,801.59	D & H WATER SYSTEMS INC OCEANSIDE CA	12/12/2017
221837	2200087215	12/07/2017	USD	11,615.60	DAVID T WADSEN INC RIVERSIDE CA	12/18/2017
221838	2200087213	12/07/2017	USD	500.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	12/13/2017
221839	2200087172	12/07/2017	USD	9,713.85	DELL MARKETING L P PASADENA CA	12/11/2017
221840	2200087234	12/07/2017	USD	22,434.10	DORGAN LEGAL SERVICES LLP PASADENA CA	12/14/2017
221841	2200087228	12/07/2017	USD	5,337.22	DXP ENTERPRISES INC DALLAS TX	12/11/2017
221842	2200087218	12/07/2017	USD	2,558.14	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	12/13/2017
221843	2200087225	12/07/2017	USD	880.00	ENVIRONMENTAL CONCEPTS COMP INMISSION VIEJO CA	12/15/2017
221844	2200087224	12/07/2017	USD	9,850.00	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	12/13/2017
221845	2200087156	12/07/2017	USD	4,219.21	FISHER SCIENTIFIC LOS ANGELES CA	12/13/2017
221846	2200087167	12/07/2017	USD	245.27	FLW INC HUNTINGTON BEACH CA	12/13/2017
221847	2200087168	12/07/2017	USD	9.08	FONTANA HERALD NEWS FONTANA CA	12/12/2017

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	
221848	2200087245	12/07/2017	USD	865.65	FONTANA WATER COMPANY FONTANA CA	12/13/2017	
221849	2200087257	12/07/2017	USD	238.39	FRANCHISE TAX BOARD SACRAMENTO CA	12/20/2017	
221850	2200087261	12/07/2017	USD	2,494.54	FRESQUEZ, ADRIAN CHINO HILLS CA	12/15/2017	
221851	2200087249	12/07/2017	USD	2,351.25	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	12/15/2017	
221852	2200087179	12/07/2017	USD	3,978.92	GEORGE YARDLEY CO INC SANTA ANA CA	12/12/2017	
221853	2200087232	12/07/2017	USD	465.00	GILLIS + PANICHAPAN ARCHITECTSCOSTA MESA CA	12/20/2017	
221854	2200087271	12/07/2017	USD	9.22	GRINDSTAFF, PHILIP JOSEPH CHINO HILLS CA	12/18/2017	
221855	2200087174	12/07/2017	USD	1,813.75	HI-WAY SAFETY RENTALS INC CHINO CA	12/12/2017	
221856	2200087187	12/07/2017	USD	300.00	INDUSTRIAL HEARING & PULMONARYUPLAND CA	12/12/2017	
221857	2200087208	12/07/2017	USD	436.39	INDUSTRIAL RUBBER & SUPPLY INCSAN BERNARDINO CA	12/13/2017	
221858	2200087253	12/07/2017	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	12/20/2017	
221859	2200087157	12/07/2017	USD	1,760.01	INLAND VALLEY DAILY BULLETIN COVINA CA	12/13/2017	
221860	2200087197	12/07/2017	USD	8,000.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	12/18/2017	
221861	2200087164	12/07/2017	USD	378.45	INTERSTATE BATTERY SYSTEM ALTA LOMA CA	01/02/2018	
221862	2200087210	12/07/2017	USD	2,300.00	JB'S POOLS & PONDS INC UPLAND CA	12/12/2017	
221863	2200087177	12/07/2017	USD	529.45	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	12/12/2017	
221864	2200087237	12/07/2017	USD	6,500.00	KRD MANAGEMENT CONSULTING LLC TEMECULA CA	12/13/2017	
221865	2200087275	12/07/2017	USD	112.00	LEE, SALLY H CHINO HILLS CA	12/08/2017	
221866	2200087265	12/07/2017	USD	154.62	LETULLE, CHANDER CHINO HILLS CA	12/13/2017	
221867	2200087226	12/07/2017	USD	5,114.46	MANAGED MOBILE INC PLACENTIA CA	12/13/2017	
221868	2200087263	12/07/2017	USD	1,117.65	MARSEILLES, JASON CHINO HILLS CA	12/12/2017	
221869	2200087186	12/07/2017	USD	97.37	MCO - THE MICROFILM CO CORONA CA	01/11/2018	
221870	2200087219	12/07/2017	USD	2,300.00	MICROAGE PHOENIX AZ	12/12/2017	
221871	2200087184	12/07/2017	USD	345.85	MIDPOINT BEARING ONTARIO CA	12/11/2017	
221872	2200087278	12/07/2017	USD	144.80	MONFORE, KENNETH CHINO HILLS CA	12/22/2017	
221873	2200087277	12/07/2017	USD	74.97	MYKITTA, RICK CHINO HILLS CA	12/21/2017	
221874	2200087193	12/07/2017	USD	533.90	NATIONAL BUSINESS INVESTIGATIONMURRIETA CA	12/12/2017	
221875	2200087200	12/07/2017	USD	1,417.90	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	12/12/2017	
221876	2200087207	12/07/2017	USD	777.46	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	12/15/2017	
221877	2200087231	12/07/2017	USD	5,083.22	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	12/11/2017	
221878	2200087191	12/07/2017	USD	214.50	OLSON HAGEL & FISHBURN LLP SACRAMENTO CA	12/12/2017	
221879	2200087189	12/07/2017	USD	1,969.20	PALM AUTO DETAIL INC COLTON CA	12/12/2017	
221880	2200087259	12/07/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	12/14/2017	
221881	2200087269	12/07/2017	USD	894.42	POMPA, JESSE CHINO HILLS CA	12/08/2017	
221882	2200087240	12/07/2017	USD	30,250.24	PRUFTECHNIK INC PITTSBURGH PA	12/13/2017	
221883	2200087201	12/07/2017	USD	2,047.54	RAM FIBERGLASS INC CHINO CA	12/11/2017	
221884	2200087239	12/07/2017	USD	160.00	RANCHO DEL CHINO ROTARY OPERATCHINO CA		
221885	2200087266	12/07/2017	USD	734.33	SCHERCK, JOHN CHINO HILLS CA	12/18/2017	
221886	2200087160	12/07/2017	USD	255.00	SMART & FINAL LOS ANGELES CA	12/18/2017	
221887	2200087217	12/07/2017	USD	753.07	SNAP GRAPHICS & DESIGN RANCHO CUCAMONGA CA	12/12/2017	
221888	2200087243	12/07/2017	USD	53,392.75	SO CALIF EDISON ROSEMEAD CA	12/12/2017	
221889	2200087244	12/07/2017	USD	136.17	SO CALIF GAS MONTEREY PARK CA	12/15/2017	
221890	2200087194	12/07/2017	USD	10,000.00	SO CALIF SALINITY COALITION FOUNTAIN VALLEY CA	12/14/2017	
221891	2200087165	12/07/2017	USD	2,631.19	SOUTH COAST AQMD DIAMOND BAR CA	01/04/2018	

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221892	2200087161	12/07/2017	USD	2,771.94	SOUTHWEST ALARM SERVICE UPLAND CA	12/12/2017
221893	2200087198	12/07/2017	USD	18,205.96	STANTEC CONSULTING INC CHICAGO IL	12/12/2017
221894	2200087176	12/07/2017	USD	450.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	12/14/2017
221895	2200087199	12/07/2017	USD	22,728.00	THE AUSTIN COMPANY CLEVELAND OH	12/12/2017
221896	2200087209	12/07/2017	USD	1,500.00	TOTALFUNDS BY HASLER TAMPA FL	12/15/2017
221897	2200087223	12/07/2017	USD	3,840.00	TRIPEPI SMITH AND ASSOCIATES, IRVINE CA	12/13/2017
221898	2200087203	12/07/2017	USD	12,005.05	U S BANK ST LOUIS MO	12/15/2017
221899	2200087190	12/07/2017	USD	228.00	U S HEALTHWORXKS MEDICAL GROUP LOS ANGELES CA	12/14/2017
221900	2200087162	12/07/2017	USD	453.85	UNDERGROUND SERVICE ALERT/SC CORONA CA	12/15/2017
221901	2200087229	12/07/2017	USD	11,113.97	UNITED LABORATORIES INC ST CHARLES IL	12/13/2017
221902	2200087255	12/07/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	12/19/2017
221903	2200087222	12/07/2017	USD	212.00	W3IT CONSULTING INC NAPERVILLE IL	12/13/2017
221904	2200087227	12/07/2017	USD	2,558.29	VANTAGE TECHNOLOGY CONSULTING EL SEGUNDO CA	12/14/2017
221905	2200087236	12/07/2017	USD	1,639.02	VECTOR USA TORRANCE CA	12/12/2017
221906	2200087185	12/07/2017	USD	11,776.67	VERIZON WIRELESS DALLAS TX	12/13/2017
221907	2200087216	12/07/2017	USD	8,307.13	XYLEM WATER SOLUTIONS USA INC CHICAGO IL	12/12/2017
221908	2200087262	12/07/2017	USD	349.34	ZIEGENBEIN, JEFF CHINO HILLS CA	12/21/2017
221909	2200087292	12/11/2017	USD	100.00	CALIFORNIA BAPTIST UNIVERSITY RIVERSIDE CA	01/08/2018
221910	2200087291	12/11/2017	USD	9,700.00	ELECTRIC SERVICE & SUPPLY PASADENA CA	12/18/2017
221911	2200087293	12/11/2017	USD	2,000.00	HIGHLANDER EDUCATIONAL FOUNDATUPLAND CA	12/18/2017
221912	2200087296	12/11/2017	USD	5.05	MYKITTA, RICK CHINO HILLS CA	12/21/2017
221913	2200087290	12/11/2017	USD	20,830.00	POWER ENGINEERING SERVICES INCBREA CA	
221914	2200087288	12/11/2017	USD	4,909.95	POWER SYSTEMS SERVICES INC CHINO CA	12/29/2017
221915	2200087294	12/11/2017	USD	193,209.70	SO CALIF EDISON ROSEMEAD CA	12/15/2017
221916	2200087295	12/11/2017	USD	1,438.15	SO CALIF GAS MONTEREY PARK CA	12/19/2017
221917	2200087287	12/11/2017	USD	14,251.00	TETRA TECH INC DENVER CO	12/18/2017
221918	2200087289	12/11/2017	USD	6,621.10	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	12/18/2017
221919	2200087339	12/14/2017	USD	58.00	AEROTEK INC ATLANTA GA	12/19/2017
221920	2200087393	12/14/2017	USD	115.00	AGUILAR, JOSHUA CHINO HILLS CA	12/28/2017
221921	2200087325	12/14/2017	USD	813.69	AIRGAS WEST INC PASADENA CA	12/18/2017
221922	2200087350	12/14/2017	USD	1,098.46	AMERICAN PRINTING & PROMOTIONSCHINO CA	12/26/2017
221923	2200087357	12/14/2017	USD	2,970.28	ASAP INDUSTRIAL SUPPLY FONTANA CA	12/19/2017
221924	2200087364	12/14/2017	USD	178.10	AUTOZONE INC ATLANTA GA	12/20/2017
221925	2200087390	12/14/2017	USD	316.95	BERCH, CHRISTOPHER CHINO HILLS CA	01/03/2018
221926	2200087358	12/14/2017	USD	618.09	BIG SKY ELECTRIC INC UPLAND CA	12/19/2017
221927	2200087327	12/14/2017	USD	246.59	BLAZE CONE COMPANY PORTLAND OR	12/26/2017
221928	2200087398	12/14/2017	USD	80.25	BOUGHAN, ARIN CHINO HILLS CA	12/21/2017
221929	2200087382	12/14/2017	USD	6,000.00	BRI COMMUNICATIONS SEATTLE WA	12/21/2017
221930	2200087365	12/14/2017	USD	17,341.79	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	12/18/2017
221931	2200087386	12/14/2017	USD	7,110.82	BURRTEC WASTE INDUSTRIES INC FONTANA CA	12/20/2017
221932	2200087328	12/14/2017	USD	95.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	12/22/2017
221933	2200087352	12/14/2017	USD	16,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	12/27/2017
221934	2200087367	12/14/2017	USD	44,858.47	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	12/18/2017
221935	2200087395	12/14/2017	USD	267.03	CAMACHO, MICHAEL CHINO HILLS CA	12/22/2017

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221936	2200087391	12/14/2017	USD	359.41	CAMBIASO, PIETRO CHINO HILLS CA	12/26/2017	
221937	2200087369	12/14/2017	USD	1,207.50	CAMET RESEARCH, INC. GOLETA CA	12/29/2017	
221938	2200087333	12/14/2017	USD	262,327.89	CAROLLO ENGINEERS INC SALT LAKE CITY UT	12/19/2017	
221939	2200087377	12/14/2017	USD	3,384.88	CHEMTRADE CHEMICALS US LLC DETROIT MI	12/19/2017	
221940	2200087349	12/14/2017	USD	5,701.73	CINTAS CORPORATION LOC#150 PHOENIX AZ	12/26/2017	
221941	2200087326	12/14/2017	USD	1,100.82	CITY OF CHINO CHINO CA	12/21/2017	
221942	2200087368	12/14/2017	USD	5,304.06	CIVILTEC ENGINEERING, INC. MONROVIA CA	01/05/2018	
221943	2200087362	12/14/2017	USD	22,585.47	CONSERV CONSTRUCTION INC MENIFEE CA	12/18/2017	
221944	2200087355	12/14/2017	USD	705.00	CORRPRO COMPANIES INC DALLAS TX	12/19/2017	
221945	2200087353	12/14/2017	USD	600.00	CRB SECURITY SOLUTIONS WESTMINSTER CA	12/19/2017	
221946	2200087342	12/14/2017	USD	2,528.34	CS-AMSCO HUNTINGTON BEACH CA	12/22/2017	
221947	2200087378	12/14/2017	USD	8,272.00	CSI SERVICES INC SANTA CLARITA CA	01/08/2018	
221948	2200087384	12/14/2017	USD	55.20	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	12/19/2017	
221949	2200087332	12/14/2017	USD	220.00	DEPT OF CONSUMER AFFAIRS SACRAMENTO CA	12/26/2017	
221950	2200087345	12/14/2017	USD	397.91	DETECTION INSTRUMENTS CORP PHOENIX AZ	01/03/2018	
221951	2200087359	12/14/2017	USD	290.72	DOWNES ENERGY CORONA CA	12/19/2017	
221952	2200087363	12/14/2017	USD	3,100.00	EPI-USE AMERICA INC ATLANTA GA	12/28/2017	
221953	2200087346	12/14/2017	USD	61,641.88	FAIRVIEW FORD SAN BERNARDINO CA	12/20/2017	
221954	2200087372	12/14/2017	USD	29,693.54	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	12/19/2017	
221955	2200087388	12/14/2017	USD	4,015.05	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	12/22/2017	
221956	2200087347	12/14/2017	USD	6,762.50	GEI CONSULTANTS INC BOSTON MA	12/22/2017	
221957	2200087360	12/14/2017	USD	11,993.65	GHD PASADENA CA	12/20/2017	
221958	2200087389	12/14/2017	USD	61.87	HAMLETT, DONALD CHINO HILLS CA		
221959	2200087400	12/14/2017	USD	300.00	HO, QUINN RANCHO CUCAMONGA CA	12/21/2017	
221960	2200087322	12/14/2017	USD	1,684.73	HOME DEPOT CREDIT SERVICES DES MOINES IA	12/26/2017	
221961	2200087344	12/14/2017	USD	849.67	I D SYSTEMS & SUPPLIES CO CARSON CA	01/05/2018	
221962	2200087361	12/14/2017	USD	2,913.25	ICE QUBE INC GREENSBURG PA	12/20/2017	
221963	2200087336	12/14/2017	USD	40.84	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	12/19/2017	
221964	2200087341	12/14/2017	USD	8,322.28	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	12/20/2017	
221965	2200087348	12/14/2017	USD	5,107.50	INTEGRATED DESIGN SERVICES INC IRVINE CA	01/02/2018	
221966	2200087401	12/14/2017	USD	300.00	JAMISON, JAMILLA FONTANA CA	01/08/2018	
221967	2200087331	12/14/2017	USD	3,556.23	KONICA MINOLTA PASADENA CA	12/18/2017	
221968	2200087330	12/14/2017	USD	3,187.40	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	12/19/2017	
221969	2200087338	12/14/2017	USD	42,024.20	LEE & RO INC CITY OF INDUSTRY CA	12/20/2017	
221970	2200087387	12/14/2017	USD	883.18	LEVEL 3 COMMUNICATIONS LLC DENVER CO	12/19/2017	
221971	2200087371	12/14/2017	USD	1,445.42	LINDSAY ENGINEERING, INC. CAMARILLO CA	12/20/2017	
221972	2200087370	12/14/2017	USD	190.00	LITTLE SISTER'S TRUCK WASH, INBONSALL CA	12/20/2017	
221973	2200087379	12/14/2017	USD	4,911.70	LOCAL GOVERNMENT COMMISSION SACRAMENTO CA	12/19/2017	
221974	2200087375	12/14/2017	USD	4,380.00	MANAGED MOBILE INC PLACENTIA CA	12/19/2017	
221975	2200087335	12/14/2017	USD	1,557.91	MIDPOINT BEARING ONTARIO CA	12/18/2017	
221976	2200087399	12/14/2017	USD	174.36	MONFORE, KENNETH CHINO HILLS CA	12/22/2017	
221977	2200087356	12/14/2017	USD	480.00	MULTY INDUSTRIES PRECISION MACONTARIO CA	12/19/2017	
221978	2200087397	12/14/2017	USD	32.64	NANGIA, SAPNA CHINO HILLS CA	12/22/2017	
221979	2200087351	12/14/2017	USD	844.53	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	01/02/2018	

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221980	2200087383	12/14/2017	USD	1,027.41	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	12/18/2017
221981	2200087323	12/14/2017	USD	175.85	P L HAWN COMPANY INC HUNTINGTON BEACH CA	12/18/2017
221982	2200087392	12/14/2017	USD	84.11	PANTAYATIWONG, KANES CHINO HILLS CA	12/20/2017
221983	2200087381	12/14/2017	USD	4,935.00	PIPE TEC INC IRWINDALE CA	12/28/2017
221984	2200087396	12/14/2017	USD	146.16	PIVOVAROFF, JASON CHINO HILLS CA	12/21/2017
221985	2200087340	12/14/2017	USD	9,309.60	RACO MANUFACTURING & ENGINEERIEMERYVILLE CA	12/22/2017
221986	2200087324	12/14/2017	USD	3,879.07	RAMONA TIRE & SERVICE CENTERS HEMET CA	12/27/2017
221987	2200087374	12/14/2017	USD	6,785.00	RESA POWER SOLUTIONS FAIRFIELD CA	12/22/2017
221988	2200087394	12/14/2017	USD	68.48	RUSSO, EFRAIN CHINO HILLS CA	12/26/2017
221989	2200087329	12/14/2017	USD	108.84	SIGMA-ALDRICH INC ATLANTA GA	12/19/2017
221990	2200087366	12/14/2017	USD	77.14	SIGNATURE SCUBA RANCHO CUCAMONGA CA	12/22/2017
221991	2200087385	12/14/2017	USD	243,383.09	SO CALIF EDISON ROSEMEAD CA	12/21/2017
221992	2200087334	12/14/2017	USD	335,713.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	12/29/2017
221993	2200087402	12/14/2017	USD	300.00	STROPE, KELLEY UPLAND CA	12/21/2017
221994	2200087343	12/14/2017	USD	1,839,740.01	SWRCB ACCOUNTING OFFICE SACRAMENTO CA	12/20/2017
221995	2200087373	12/14/2017	USD	120.00	THE SHREDDERS LOS ANGELES CA	12/29/2017
221996	2200087376	12/14/2017	USD	31,313.90	TONY PAINTING GARDEN GROVE CA	12/18/2017
221997	2200087380	12/14/2017	USD	194.68	TRANSENE COMPANY INC DANVERS MA	12/26/2017
221998	2200087403	12/14/2017	USD	300.00	TSENG, WILLY ONTARIO CA	12/18/2017
221999	2200087337	12/14/2017	USD	145.61	U S HOSE INC ONTARIO CA	12/20/2017
222000	2200087404	12/14/2017	USD	1,697.21	YAMASAKI, LORRAINE RANCHO CUCAMONGA CA	01/02/2018
222001	2200087354	12/14/2017	USD	273.83	YRC PASADENA CA	12/18/2017
222002	2200087412	12/14/2017	USD	3,159.97	WORLDWIDE EXPRESS ALBANY NY	12/19/2017
222003	2200087417	12/14/2017	USD	1,140.94	BERLIN PACKAGING LLC CHICAGO IL	12/22/2017
222004	2200087420	12/14/2017	USD	3,484.33	CHEMTRADE CHEMICALS US LLC DETROIT MI	12/22/2017
222005	2200087415	12/14/2017	USD	1,619.08	CS-AMSCO HUNTINGTON BEACH CA	12/26/2017
222006	2200087418	12/14/2017	USD	29,693.55	FERRERA COASTAL CONSTRUCTION BRANCBURG NJ	12/26/2017
222007	2200087413	12/14/2017	USD	540.91	HOME DEPOT CREDIT SERVICES DES MOINES IA	
222008	2200087419	12/14/2017	USD	91,224.00	INDUSTRIAL COATING AND RESTORAOCEANSIDE CA	12/19/2017
222009	2200087416	12/14/2017	USD	5,536.80	KAESER COMPRESSORS FREDERICKSBURG VA	12/22/2017
222010	2200087414	12/14/2017	USD	145.00	NATIONAL BUSINESS INVESTIGATIOMURRIETA CA	12/22/2017
222011	2200087589	12/21/2017	USD	350.00	AGUILAR, JOSHUA CHINO HILLS CA	12/28/2017
222012	2200087608	12/21/2017	USD	220.75	ASPRER, KEVIN CHINO HILLS CA	12/22/2017
222013	2200087575	12/21/2017	USD	224.95	BATONGMALAQUE, CHARLIE L CHINO HILLS CA	12/26/2017
222014	2200087606	12/21/2017	USD	1,767.27	BHOJANI, SHARMEEN CHINO HILLS CA	12/26/2017
222015	2200087611	12/21/2017	USD	329.95	BURKE, JERRY CHINO HILLS CA	12/22/2017
222016	2200087594	12/21/2017	USD	175.00	CHAVEZ, NESTOR C CHINO HILLS CA	12/26/2017
222017	2200087586	12/21/2017	USD	259.98	CHEN, TING CHINO HILLS CA	12/29/2017
222018	2200087574	12/21/2017	USD	350.00	DELGADO-ORAMAS III, JOSE M CHINO HILLS CA	12/28/2017
222019	2200087573	12/21/2017	USD	197.09	DELZER, HARLAN CHINO HILLS CA	
222020	2200087578	12/21/2017	USD	350.00	GARCIA, PAUL CHINO HILLS CA	
222021	2200087581	12/21/2017	USD	178.00	HAMLETT, DONALD CHINO HILLS CA	
222022	2200087593	12/21/2017	USD	350.00	HANSON, MATTHEW CHINO HILLS CA	12/26/2017
222023	2200087600	12/21/2017	USD	199.94	HAWES, STEPHANIE CHINO HILLS CA	12/22/2017

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222024	2200087583	12/21/2017	USD	149.95	HEIN, DAVID CHINO HILLS CA	12/28/2017
222025	2200087605	12/21/2017	USD	96.00	HULL, KURT CHINO HILLS CA	12/28/2017
222026	2200087585	12/21/2017	USD	150.00	JACKSON, PAT CHINO HILLS CA	12/26/2017
222027	2200087612	12/21/2017	USD	190.00	JAHN, JERRY CHINO HILLS CA	12/26/2017
222028	2200087580	12/21/2017	USD	350.00	KREIMEYER, CARL CHINO HILLS CA	12/22/2017
222029	2200087599	12/21/2017	USD	77.47	LENING, SCOTT CHINO HILLS CA	12/22/2017
222030	2200087609	12/21/2017	USD	238.25	MANTILLA, LAURA CHINO HILLS CA	12/26/2017
222031	2200087576	12/21/2017	USD	350.00	MEDEIROS, SHAWN CHINO HILLS CA	12/22/2017
222032	2200087596	12/21/2017	USD	230.66	MORGAN-PERALES, LISA CHINO HILLS CA	
222033	2200087603	12/21/2017	USD	350.00	MROCHEK, STEVEN CHINO HILLS CA	01/08/2018
222034	2200087602	12/21/2017	USD	179.94	NGUYEN, ROSE CHINO HILLS CA	12/27/2017
222035	2200087582	12/21/2017	USD	350.00	O'DEA, KRISTINE CHINO HILLS CA	12/29/2017
222036	2200087577	12/21/2017	USD	18.47	OAKDEN, SCOTT CHINO HILLS CA	12/29/2017
222037	2200087579	12/21/2017	USD	229.95	POESKE, MATTHEW CHINO HILLS CA	01/08/2018
222038	2200087607	12/21/2017	USD	219.94	REED, MICHELLE CHINO HILLS CA	12/26/2017
222039	2200087590	12/21/2017	USD	154.45	RESECK-FRANCIS, CHEYANNE CHINO HILLS CA	12/27/2017
222040	2200087587	12/21/2017	USD	179.94	REYES, RAYMOND CHINO HILLS CA	12/26/2017
222041	2200087595	12/21/2017	USD	346.00	RUSSO, EFRAIN CHINO HILLS CA	12/26/2017
222042	2200087598	12/21/2017	USD	350.00	SARMIENTO, JESSICA CHINO HILLS CA	12/26/2017
222043	2200087601	12/21/2017	USD	249.90	SCHERCK, JOHN CHINO HILLS CA	12/26/2017
222044	2200087588	12/21/2017	USD	52.91	SOLIS, RACHAEL CHINO HILLS CA	12/22/2017
222045	2200087604	12/21/2017	USD	350.00	TE, GARY CHINO HILLS CA	12/26/2017
222046	2200087592	12/21/2017	USD	350.00	TOMLINSON, BILL CHINO HILLS CA	12/28/2017
222047	2200087584	12/21/2017	USD	350.00	VALENCIA, CHRISTINA CHINO HILLS CA	
222048	2200087597	12/21/2017	USD	219.45	VASQUEZ, RUBEN CHINO HILLS CA	
222049	2200087591	12/21/2017	USD	323.24	WELBORN, ROCKY CHINO HILLS CA	12/27/2017
222050	2200087610	12/21/2017	USD	149.75	WOMACK, ASHLEY CHINO HILLS CA	12/26/2017
222051	2200087704	12/21/2017	USD	445.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	12/27/2017
222052	2200087674	12/21/2017	USD	116.00	AEROTEK INC ATLANTA GA	12/29/2017
222053	2200087628	12/21/2017	USD	908.01	AIRGAS WEST INC PASADENA CA	12/26/2017
222054	2200087709	12/21/2017	USD	1,159.19	ALTA FOODCRAFT COFFEE LONG BEACH CA	01/03/2018
222055	2200087697	12/21/2017	USD	6,640.00	AMP MECHANICAL INC COSTA MESA CA	12/29/2017
222056	2200087640	12/21/2017	USD	3,670.20	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	12/27/2017
222057	2200087742	12/21/2017	USD	100.00	ARMENDAREZ III, JESUS M FONTANA CA	
222058	2200087711	12/21/2017	USD	50.32	ASAP INDUSTRIAL SUPPLY FONTANA CA	12/28/2017
222059	2200087718	12/21/2017	USD	154.90	AUTOZONE INC ATLANTA GA	01/02/2018
222060	2200087672	12/21/2017	USD	450.00	BABCOCK LABORATORIES, INC RIVERSIDE CA	12/28/2017
222061	2200087706	12/21/2017	USD	1,630.61	BAM GRAPHICS N LAS VEGAS NV	12/28/2017
222062	2200087737	12/21/2017	USD	55,993.45	BANNER BANK SACRAMENTO CA	12/28/2017
222063	2200087651	12/21/2017	USD	410.24	BEN MEADOWS CO CHICAGO IL	12/26/2017
222064	2200087690	12/21/2017	USD	100.00	BOWMAN, JIM W ONTARIO CA	12/27/2017
222065	2200087753	12/21/2017	USD	183.34	BREIG, ANNA VICTORVILLE CA	01/05/2018
222066	2200087723	12/21/2017	USD	346.47	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	12/26/2017
222067	2200087731	12/21/2017	USD	11,052.57	BUSINESS CARD WILMINGTON DE	12/27/2017

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222068	2200087646	12/21/2017	USD	100.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/12/2018
222069	2200087725	12/21/2017	USD	24,084.36	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	12/26/2017
222070	2200087614	12/21/2017	USD	31,654.09	CALTROL INC LOS ANGELES CA	12/26/2017
222071	2200087678	12/21/2017	USD	686.27	CAPITOL ENQUIRY SOUTH LAKE TAHOE CA	01/09/2018
222072	2200087671	12/21/2017	USD	1,250.00	CAREERS IN GOVERNMENT INC LOS ANGELES CA	01/02/2018
222073	2200087763	12/21/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	12/27/2017
222074	2200087659	12/21/2017	USD	22,994.70	CAROLLO ENGINEERS INC SALT LAKE CITY UT	12/27/2017
222075	2200087642	12/21/2017	USD	111,740.24	CDM SMITH INC BOSTON MA	01/03/2018
222076	2200087664	12/21/2017	USD	4,453.19	CDW GOVERNMENT INC CHICAGO IL	12/27/2017
222077	2200087739	12/21/2017	USD	3,268.53	CHEMTRADE CHEMICALS US LLC DETROIT MI	
222078	2200087647	12/21/2017	USD	675.00	CHINO BASIN WATER CONSERVATIONMONTCLAIR CA	01/02/2018
222079	2200087692	12/21/2017	USD	8,057.42	CINTAS CORPORATON LOC#150 PHOENIX AZ	01/03/2018
222080	2200087669	12/21/2017	USD	91.43	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	01/04/2018
222081	2200087761	12/21/2017	USD	414.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	12/28/2017
222082	2200087747	12/21/2017	USD	643.33	CITY OF CHINO CHINO CA	12/26/2017
222083	2200087637	12/21/2017	USD	404.00	CITY OF ONTARIO ONTARIO CA	01/10/2018
222084	2200087615	12/21/2017	USD	51.22	CITY RENTALS INC ONTARIO CA	12/28/2017
222085	2200087715	12/21/2017	USD	986.00	CIVIC PUBLICATIONS INC LA VERNE CA	12/29/2017
222086	2200087667	12/21/2017	USD	138.00	COUNTY OF SAN BERNARDINO SAN BERNARDINO CA	01/05/2018
222087	2200087616	12/21/2017	USD	1,182,509.98	COUNTY SANITATION DISTRICTS OPWHITTIER CA	12/29/2017
222088	2200087685	12/21/2017	USD	1,102.26	CS-AMSCO HUNTINGTON BEACH CA	
222089	2200087638	12/21/2017	USD	12,820.50	CUCAMONGA VALLEY WATER DISTRICTCRANCHO CUCAMONGA CA	01/09/2018
222090	2200087726	12/21/2017	USD	1,867.44	D & H WATER SYSTEMS INC OCEANSIDE CA	12/28/2017
222091	2200087710	12/21/2017	USD	1,150.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	12/28/2017
222092	2200087745	12/21/2017	USD	14,000.00	DECISIONWISE LLC SPRINGVILLE UT	01/02/2018
222093	2200087645	12/21/2017	USD	8,848.06	DELL MARKETING L P PASADENA CA	12/26/2017
222094	2200087629	12/21/2017	USD	2,167.50	DEPT OF TOXIC SUBSTANCES CONTRSACRAMENTO CA	
222095	2200087673	12/21/2017	USD	4,360.50	DUDEK & ASSOCIATES INC ENCINITAS CA	01/05/2018
222096	2200087708	12/21/2017	USD	2,800.00	E NOR INNOVATIONS INC LONG BEACH CA	01/11/2018
222097	2200087652	12/21/2017	USD	7,500.00	EASTERN MUNICIPAL WATER DIST PERRIS CA	12/29/2017
222098	2200087717	12/21/2017	USD	3,174.00	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	12/27/2017
222099	2200087720	12/21/2017	USD	4,668.48	ENVIRONMENTAL SCIENCE ASSOCIATSAN FRANCISCO CA	12/29/2017
222100	2200087716	12/21/2017	USD	5,720.00	EUROFINS EATON ANALYTICAL, INCGRAPEVINE TX	12/27/2017
222101	2200087689	12/21/2017	USD	61,641.88	FAIRVIEW FORD SAN BERNARDINO CA	12/28/2017
222102	2200087729	12/21/2017	USD	4,111.60	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	12/28/2017
222103	2200087730	12/21/2017	USD	6,403.49	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	12/28/2017
222104	2200087618	12/21/2017	USD	4,433.83	FISHER SCIENTIFIC LOS ANGELES CA	12/26/2017
222105	2200087631	12/21/2017	USD	2,743.55	FLUID METERING INC ATLANTA CA	12/27/2017
222106	2200087639	12/21/2017	USD	156.64	FONTANA HERALD NEWS FONTANA CA	12/27/2017
222107	2200087760	12/21/2017	USD	674.62	FRANCHISE TAX BOARD SACRAMENTO CA	01/08/2018
222108	2200087752	12/21/2017	USD	1,936.86	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/03/2018
222109	2200087696	12/21/2017	USD	155.91	GALCO INDUSTRIAL ELECTRONICS IMADISON HEIGHTS MI	12/27/2017
222110	2200087633	12/21/2017	USD	102.38	GRAINGER PALATINE IL	12/27/2017
222111	2200087634	12/21/2017	USD	113.36	GRAINGER PALATINE IL	12/27/2017

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222112	2200087680	12/21/2017	USD	21,944.18	HACH COMPANY CHICAGO IL	12/26/2017
222113	2200087656	12/21/2017	USD	974.22	HAWTHORNE LIPT SYSTEMS LOS ANGELES CA	12/27/2017
222114	2200087756	12/21/2017	USD	499.68	HOBBS, DIANA APPLE VALLEY CA	12/28/2017
222115	2200087754	12/21/2017	USD	499.68	HORNE, WILLIAM YUCCA VALLEY CA	12/26/2017
222116	2200087681	12/21/2017	USD	795.00	INLAND EMPIRE MAGAZINE RIVERSIDE CA	01/03/2018
222117	2200087758	12/21/2017	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	12/26/2017
222118	2200087654	12/21/2017	USD	72,785.42	J F SHEA CONSTRUCTION INC WALNUT CA	12/27/2017
222119	2200087655	12/21/2017	USD	100,593.74	J F SHEA CONSTRUCTION INC WALNUT CA	12/27/2017
222120	2200087650	12/21/2017	USD	2,311.09	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	12/27/2017
222121	2200087764	12/21/2017	USD	576.00	MARIA PRESQUEZ N LAS VEGAS NV	01/03/2018
222122	2200087668	12/21/2017	USD	269.38	MCO - THE MICROFILM CO CORONA CA	01/11/2018
222123	2200087721	12/21/2017	USD	3,400.00	MICROAGE PHOENIX AZ	12/28/2017
222124	2200087660	12/21/2017	USD	1,327.69	MIDPOINT BEARING ONTARIO CA	12/26/2017
222125	2200087755	12/21/2017	USD	826.04	MILLER, EIMER L BLUE JAY CA	12/29/2017
222126	2200087643	12/21/2017	USD	1,701.69	MISCO WATER FOOTHILL RANCH CA	12/28/2017
222127	2200087682	12/21/2017	USD	252.11	MITECH CONTROLS INC YORBA LINDA CA	12/29/2017
222128	2200087740	12/21/2017	USD	3,100.00	MSDSOONLINE INC CHICAGO IL	01/09/2018
222129	2200087738	12/21/2017	USD	128,147.69	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	12/26/2017
222130	2200087695	12/21/2017	USD	22,060.74	NEW YORK BLOWER COMPANY WILLOWBROOK IL	01/02/2018
222131	2200087648	12/21/2017	USD	58.64	O RINGS & THINGS FONTANA CA	01/09/2018
222132	2200087617	12/21/2017	USD	38.57	OFFICE DEPOT PHOENIX AZ	01/03/2018
222133	2200087641	12/21/2017	USD	1,300.00	ONTARIO FIRE EXTINGUISHER CO ONTARIO CA	01/08/2018
222134	2200087748	12/21/2017	USD	5,208.97	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	12/27/2017
222135	2200087620	12/21/2017	USD	586.16	P L HAWN COMPANY INC HUNTINGTON BEACH CA	12/26/2017
222136	2200087734	12/21/2017	USD	4,361.90	PACIFIC COURIERS INC ORANGE CA	01/05/2018
222137	2200087676	12/21/2017	USD	1,969.94	PANTHER PROTECTION ORANGE CA	01/03/2018
222138	2200087762	12/21/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	12/26/2017
222139	2200087619	12/21/2017	USD	73.53	PATTON SALES CORP ONTARIO CA	12/27/2017
222140	2200087630	12/21/2017	USD	1,374.14	PETE'S ROAD SERVICE FULLERTON CA	12/29/2017
222141	2200087632	12/21/2017	USD	877.63	PETTY CASH EXPENDITURES CHINO CA	12/21/2017
222142	2200087691	12/21/2017	USD	3,068.73	POLLARDWATER.COM BOSTON MA	12/27/2017
222143	2200087679	12/21/2017	USD	235.62	PONTON INDUSTRIES INC YORBA LINDA CA	01/08/2018
222144	2200087735	12/21/2017	USD	31,143.19	PRIORITY BUILDING SERVICES LLCBREA CA	12/28/2017
222145	2200087666	12/21/2017	USD	157.91	PUMP ENGINEERING SANTA FE SPRINGS CA	12/27/2017
222146	2200087621	12/21/2017	USD	1,778.04	RAMONA TIRE & SERVICE CENTERS HEMET CA	01/02/2018
222147	2200087622	12/21/2017	USD	221.00	RAYNE WATER CONDITIONING COVINA CA	12/26/2017
222148	2200087712	12/21/2017	USD	2,242.69	RDO TRUST # 80-5800 LAKESIDE CA	12/28/2017
222149	2200087662	12/21/2017	USD	433.49	RED WING SHOE STORE UPLAND CA	12/28/2017
222150	2200087684	12/21/2017	USD	13,604.00	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	01/02/2018
222151	2200087693	12/21/2017	USD	100.00	ROGERS, PETER J CHINO HILLS CA	01/03/2018
222152	2200087623	12/21/2017	USD	5,017.11	ROYAL WHOLESALE ELECTRIC LOS ANGELES CA	01/02/2018
222153	2200087688	12/21/2017	USD	3,132.78	RSD LAKE FOREST CA	12/26/2017
222154	2200087705	12/21/2017	USD	261.99	RUSSELL SIGLER INC LOS ANGELES CA	12/26/2017
222155	2200087700	12/21/2017	USD	2,205.00	RUTAN & TUCKER LLP COSTA MESA CA	12/26/2017

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222156	2200087698	12/21/2017	USD	260.50	SAFE-ENTRY TECHNICAL INC RANCHO CUCAMONGA CA	12/28/2017
222157	2200087636	12/21/2017	USD	5,092.97	SAN BERNARDINO VALLEY MWD SAN BERNARDINO CA	01/02/2018
222158	2200087714	12/21/2017	USD	1,437.50	SCHEEVEL ENGINEERING LLC ANAHEIM CA	12/26/2017
222159	2200087744	12/21/2017	USD	5,570.68	SCHWEITZER ENGINEERING LABS INPULLMAN WA	12/27/2017
222160	2200087757	12/21/2017	USD	19.80	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	01/10/2018
222161	2200087686	12/21/2017	USD	506.05	SKALAR INC BUFORD GA	01/02/2018
222162	2200087749	12/21/2017	USD	345.13	SO CALIF EDISON ROSEMEAD CA	12/29/2017
222163	2200087750	12/21/2017	USD	215.12	SO CALIF GAS MONTEREY PARK CA	01/02/2018
222164	2200087741	12/21/2017	USD	4,024.00	SOFTWAREONE INC WAUKESHA WI	12/27/2017
222165	2200087724	12/21/2017	USD	100.00	STONE, DEBRA KAYE UPLAND CA	
222166	2200087732	12/21/2017	USD	510.63	SUPERIOR ELECTRIC MOTOR SERVICVERNON CA	12/28/2017
222167	2200087675	12/21/2017	USD	657.00	SYSTEMS SOURCE INC IRVINE CA	12/26/2017
222168	2200087687	12/21/2017	USD	4,073.00	THE AUSTIN COMPANY CLEVELAND OH	12/28/2017
222169	2200087727	12/21/2017	USD	1,612.42	THERMO ELECTRON NORTH AMERICA ATLANTA GA	12/27/2017
222170	2200087702	12/21/2017	USD	3,277.35	THOMAS HARDER & CO INC ANAHEIM CA	12/28/2017
222171	2200087661	12/21/2017	USD	20.00	THREE VALLEYS MWD CLAREMONT CA	
222172	2200087719	12/21/2017	USD	100.00	TIEGS, KATHLEEN ALTA LOMA CA	01/11/2018
222173	2200087665	12/21/2017	USD	13,022.70	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	01/03/2018
222174	2200087736	12/21/2017	USD	126,823.10	TONY PAINTING GARDEN GROVE CA	12/22/2017
222175	2200087701	12/21/2017	USD	1,566.59	TOTALFUNDS BY HASLER TAMPA FL	12/29/2017
222176	2200087743	12/21/2017	USD	196.40	TRANSENE COMPANY INC DANVERS MA	12/29/2017
222177	2200087657	12/21/2017	USD	150.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	12/28/2017
222178	2200087728	12/21/2017	USD	770.25	TRIPLEI SMITH AND ASSOCIATES, IRVINE CA	01/09/2018
222179	2200087670	12/21/2017	USD	5,408.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	12/26/2017
222180	2200087663	12/21/2017	USD	282.35	U S HOSE INC ONTARIO CA	12/29/2017
222181	2200087658	12/21/2017	USD	1,818.63	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	12/29/2017
222182	2200087624	12/21/2017	USD	349.90	UNDERGROUND SERVICE ALERT/SC CORONA CA	12/29/2017
222183	2200087713	12/21/2017	USD	7,124.47	UPS PROTECTION INC ANAHEIM CA	12/27/2017
222184	2200087703	12/21/2017	USD	9,631.01	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	12/27/2017
222185	2200087759	12/21/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	01/02/2018
222186	2200087722	12/21/2017	USD	11,372.50	UTILIQUESST LLC ATLANTA GA	12/26/2017
222187	2200087751	12/21/2017	USD	457.79	VERIZON BUSINESS ALBANY NY	12/27/2017
222188	2200087733	12/21/2017	USD	100.00	VINCENT, TRISHA LYNN MONTCLAIR CA	
222189	2200087625	12/21/2017	USD	31.08	VISTA PAINT CORP FULLERTON CA	12/27/2017
222190	2200087746	12/21/2017	USD	7,787.00	VISTAGE WORLDWIDE INC LOS ANGELES CA	12/26/2017
222191	2200087626	12/21/2017	USD	795.85	VWR INTERNATIONAL LLC PITTSBURGH PA	12/28/2017
222192	2200087677	12/21/2017	USD	331,163.86	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	12/29/2017
222193	2200087653	12/21/2017	USD	228.81	WASTE MANAGEMENT OF LOS ANGELES CA	12/27/2017
222194	2200087635	12/21/2017	USD	9,630.00	WATEREUSE ASSOCIATION ALEXANDRIA VA	01/04/2018
222195	2200087627	12/21/2017	USD	5,337.18	WEST VALLEY MOSQUITO AND ONTARIO CA	01/03/2018
222196	2200087694	12/21/2017	USD	29,483.00	WESTECH ENGINEERING INC SALT LAKE CITY UT	12/28/2017
222197	2200087699	12/21/2017	USD	29,554.26	WESTIN ENGINEERING INC RANCHO CORDOVA CA	01/03/2018
222198	2200087649	12/21/2017	USD	500.00	WILLDAN FINANCIAL SERVICES TEMECULA CA	12/27/2017
222199	2200087707	12/21/2017	USD	6,900.00	WORKFORCE SAFETY MURRIETA CA	12/27/2017

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222200	2200087683	12/21/2017	USD	523.99	WORLDWIDE EXPRESS ALBANY NY	12/27/2017
222201	2200087644	12/21/2017	USD	339.80	YALE CHASE EQUIPMENT AND SERVILOS ANGELES CA	12/26/2017
222202	2200087774	12/21/2017	USD	236,318.20	CDM CONSTRUCTORS INC BOSTON MA	01/09/2018
222203	2200087773	12/21/2017	USD	290.93	KONICA MINOLTA PASADENA CA	01/08/2018
222204	2200087775	12/21/2017	USD	123.51	SO CALIF EDISON ROSEMEAD CA	01/05/2018
* Payment method Check			USD	6,893,686.00		

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	6,893,686.00		

# Attachment 2B

## Workers' Comp Checks

Bank CBB CITIZENS BUSINESS BANK  
 Bank Key 122234149  
 Acct number WCOMP 231159290

ONTARIO CA 917610000

Checks created manually

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
04853	2200087780	12/06/2017	USD	411.72	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/14/2017
04854	2200087781	12/06/2017	USD	63.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04855	2200087782	12/06/2017	USD	9.41	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04856	2200087783	12/06/2017	USD	46.88	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04857	2200087784	12/06/2017	USD	21.04	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04858	2200087785	12/06/2017	USD	16.58	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04859	2200087786	12/06/2017	USD	7.10	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04860	2200087787	12/13/2017	USD	3,256.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/19/2017
04861	2200087788	12/13/2017	USD	810.90	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/18/2017
04862	2200087789	12/13/2017	USD	147.60	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/18/2017
04863	2200087790	12/13/2017	USD	2,345.14	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/19/2017
04864	2200087791	12/13/2017	USD	543.14	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/15/2017
04865	2200087792	12/20/2017	USD	31.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/05/2018
04866	2200087793	12/20/2017	USD	146.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
04867	2200087794	12/20/2017	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
04868	2200087795	12/20/2017	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
04869	2200087796	12/20/2017	USD	145.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
04869	2200087797	12/27/2017	USD	103.48	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/08/2018
* Payment method Checks created manually			USD	8,129.13		

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	8,129.13		

# Attachment 2C

## Vendor ACHs





Check	Payee / Description	Amount
	FOUNDATION HA ENERGY GENERATIO\$	5,521.74
ACH	IEUA EMPLOYEES' ASSOCIATION	
	P/R DIR 12 12/8 Employee Ded      HR      0063000      12.00	
	P/R 25 12/8 Employee Ded      HR      0063300      177.00	
	IEUA EMPLOYEES' ASSOCIATION      \$      189.00	
ACH	IEUA SUPERVISORS UNION ASSOCIA	
	P/R 25 12/8 Employee Ded      HR      0063300      345.00	
	IEUA SUPERVISORS UNION ASSOCIA\$      345.00	
ACH	IEUA GENERAL EMPLOYEES ASSOCIA	
	P/R 25 12/8 Employee Ded      HR      0063300      1,231.60	
	IEUA GENERAL EMPLOYEES ASSOCIA\$      1,231.60	
ACH	IEUA PROFESSIONAL EMPLOYEES AS	
	P/R 25 12/8 Employee Ded      HR      0063300      520.00	
	IEUA PROFESSIONAL EMPLOYEES AS\$      520.00	
ACH	DISCOVERY BENEFITS INC	
	P/R 25 12/8 Cafeteria Plan      HR      0063300      3,020.46	
	DISCOVERY BENEFITS INC      \$      3,020.46	
ACH	ELIE, STEVE	
	Elie,S-ExpRpt-11/28-11/30/17 ACWA      11/28/17 ACWA      212.75	
	MlgReim-11/17 Meetings-Elie,S      MLG 11/17      107.91	
	ELIE, STEVE      \$      320.66	
ACH	HALL, JASMIN	
	MlgReim-11/17 Meetings-Hall,J      MLG 11/17      96.30	
	Hall,J-ExpRpt-11/15-11/17/17 AWWE      11/15/17 AWWE      513.07	
	HALL, JASMIN      \$      609.37	
ACH	PARKER, KATI	
	MlgReim-11/17 Meetings-Parker,K      MLG 11/17      77.95	
	PARKER, KATI      \$      77.95	
ACH	AQUA BEN CORPORATION	
	RP2-18,400 Lbs Polymer 748E      36649      20,321.65	
	AQUA BEN CORPORATION      \$      20,321.65	
ACH	NAPA GENUINE PARTS COMPANY	
	License Plate Screw      4584-239191      4.91	
	Cylinder Hone Stones      4584-239170      32.72	
	NAPA GENUINE PARTS COMPANY      \$      37.63	
ACH	MCMASTER-CARR SUPPLY CO	
	Folding Guard,Belt Barriers      51640906      1,969.99	
	5 Brass Hex Head Screws      50467155      75.38	

Check	Payee / Description	Amount
	Railing, Guard, Hose Reel, Rope, Probe, Belt 51459982	6,992.82
	MCMaster-CARR SUPPLY CO \$	9,038.19
ACH	ALFA LAVAL INC Upper Belt 277059790	4,912.88
	ALFA LAVAL INC \$	4,912.88
ACH	GK & ASSOCIATES INC 46-2054-10/17 Prof Svcs 17-085	20,496.00
	46-2054-10/17 Prof Svcs 17-087	23,851.00
	GK & ASSOCIATES INC \$	44,347.00
ACH	DAVE'S PLUMBING 5 Water Softener Removal 10/23/17 5171	1,225.00
	1 Water Softener Removal 10/23/17 5169	250.00
	DAVE'S PLUMBING \$	1,475.00
ACH	EPI-USE LABS LLC 12/23/17-12/22/18 HCM Annual Maintenance INV-US3897	2,201.83
	EPI-USE LABS LLC \$	2,201.83
ACH	ARCADIS U.S., INC. WR18028-7/24-8/31/17 Professional Servic 0868357	17,970.53
	WR18028-9/1-10/31/17 Professional Servic 0871901	78,117.35
	ARCADIS U.S., INC. \$	96,087.88
ACH	AMAZON BUSINESS 5 Snap Hook Self Locking Key Tags 1PCJ-6FGL-QJL	86.25
	Return 3 Cable Weights 1RLV-P6NM-4DK	48.03
	Maint Planning & Scheduling Handbook 19VT-QCND-33Q	74.10
	Outdoor Convex Security Mirror 11KL-VXJH-N6W	133.56
	2 Varidesk, 2 Comfort Floor Mats 11KL-VXJH-RWT	1,196.02
	Milwaukee Bare Pad, Straight Bar Hasp 14TH-3MWX-MWG	148.46
	On The Job-Accuform Signs 1KXD-WR3W-W73	218.39
	On The Job-Accuform Signs 1CXR-YHNJ-CCQ	218.39
	Franklin Day Planner 1QHV-1CJQ-QQG	58.95
	1 Varidesk, 2 Comfort Floor Mats, 1 Moni 1PCJ-6FGL-DTT	1,012.85
	AMAZON BUSINESS \$	3,098.94
ACH	AMERICAN OFFICE PROFESSIONALS Service HP LJ 600 M601 1241	89.95
	Service HP Color LJ CP6015 1287	89.95
	AMERICAN OFFICE PROFESSIONALS \$	179.90
ACH	SHELL ENERGY NORTH AMERICA LP 10/17 Gas Cmmnty-Core, 8/17 Adj 1100002880410	932.43
	SHELL ENERGY NORTH AMERICA LP \$	932.43
ACH	HALL, JASMIN Hall, J-ExpRpt-11/28-12/1/17 ACWA-Anaheim 11/28/17 ACWA	885.97

Check	Payee / Description	Amount
	HALL, JASMIN	\$ 885.97
ACH	ICMA RETIREMENT TRUST 457 P/R 26 12/22/17 Deferred Comp Ded      HR      0064200	11,323.53
	ICMA RETIREMENT TRUST 457	\$ 11,323.53
ACH	LINCOLN NATIONAL LIFE INS CO P/R 26 12/22/17 Deferred Comp Ded      HR      0064200	16,145.30
	P/R 26 12/22/17 Deferred Comp Ded      P/R 26 ADJUST	319.03
	LINCOLN NATIONAL LIFE INS CO	\$ 16,464.33
ACH	ICMA RETIREMENT TRUST 401 P/R 26 12/22/17 Exec Deferred Comp      HR      0064200	5,976.54
	ICMA RETIREMENT TRUST 401	\$ 5,976.54
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem      HEALTH PREM	499.68
	ESTRADA, JIMMIE J	\$ 499.68
ACH	LICHTI, ALICE Reim Monthly Health Prem      HEALTH PREM	183.34
	LICHTI, ALICE	\$ 183.34
ACH	MORASSE, EDNA Reim Monthly Health Prem      HEALTH PREM	183.34
	MORASSE, EDNA	\$ 183.34
ACH	NOWAK, THEO T Reim Monthly Health Prem      HEALTH PREM	499.68
	NOWAK, THEO T	\$ 499.68
ACH	SONNENBURG, ILSE Reim Monthly Health Prem      HEALTH PREM	183.34
	SONNENBURG, ILSE	\$ 183.34
ACH	DYKSTRA, BETTY Reim Monthly Health Prem      HEALTH PREM	183.34
	DYKSTRA, BETTY	\$ 183.34
ACH	TORRES, ROBERT G Reim Monthly Health Prem      HEALTH PREM	183.34
	TORRES, ROBERT G	\$ 183.34
ACH	MUELLER, CAROLYN Reim Monthly Health Prem      HEALTH PREM	183.34
	MUELLER, CAROLYN	\$ 183.34

Check	Payee / Description	Amount
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem HEALTH PREM GRIFFIN, GEORGE \$	183.34 --- 183.34
ACH	CANADA, ANGELA Reim Monthly Health Prem HEALTH PREM CANADA, ANGELA \$	183.34 --- 183.34
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem HEALTH PREM CUPERSMITH, LEIZAR \$	183.34 --- 183.34
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem HEALTH PREM DELGADO-ORAMAS JR, JOSE \$	316.34 --- 316.34
ACH	GRANGER, BRANDON Reim Monthly Health Prem HEALTH PREM GRANGER, BRANDON \$	158.17 --- 158.17
ACH	GADDY, CHARLES L Reim Monthly Health Prem HEALTH PREM GADDY, CHARLES L \$	158.17 --- 158.17
ACH	BAKER, CHRIS Reim Monthly Health Prem HEALTH PREM BAKER, CHRIS \$	25.17 --- 25.17
ACH	WEBB, DANNY C Reim Monthly Health Prem HEALTH PREM WEBB, DANNY C \$	133.00 --- 133.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem HEALTH PREM HUMPHREYS, DEBORAH E \$	158.17 --- 158.17
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem HEALTH PREM MOUAT, FREDERICK W \$	158.17 --- 158.17
ACH	MORGAN, GARTH W Reim Monthly Health Prem HEALTH PREM MORGAN, GARTH W \$	133.00 --- 133.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem HEALTH PREM ALLINGHAM, JACK \$	25.17 --- 25.17

Check    Payee / Description      Amount

ACH	MAZUR, JOHN			
	Reim Monthly Health Prem	HEALTH PREM		491.57
			- - - - -	- - - - -
	MAZUR, JOHN	\$		491.57

ACH	RUDDER, LARRY			
	Reim Monthly Health Prem	HEALTH PREM		25.17
			- - - - -	- - - - -
	RUDDER, LARRY	\$		25.17

ACH	HAMILTON, MARIA			
	Reim Monthly Health Prem	HEALTH PREM		133.00
			- - - - -	- - - - -
	HAMILTON, MARIA	\$		133.00

ACH	PICENO, TONY			
	Reim Monthly Health Prem	HEALTH PREM		183.34
			- - - - -	- - - - -
	PICENO, TONY	\$		183.34

ACH	RAMOS, CAROL			
	Reim Monthly Health Prem	HEALTH PREM		25.17
			- - - - -	- - - - -
	RAMOS, CAROL	\$		25.17

ACH	FISHER, JAY			
	Reim Monthly Health Prem	HEALTH PREM		133.00
			- - - - -	- - - - -
	FISHER, JAY	\$		133.00

ACH	KING, PATRICK			
	Reim Monthly Health Prem	HEALTH PREM		25.17
			- - - - -	- - - - -
	KING, PATRICK	\$		25.17

ACH	HOWARD, ROBERT JAMES			
	Reim Monthly Health Prem	HEALTH PREM		25.17
			- - - - -	- - - - -
	HOWARD, ROBERT JAMES	\$		25.17

ACH	DIETZ, JUDY			
	Reim Monthly Health Prem	HEALTH PREM		133.00
			- - - - -	- - - - -
	DIETZ, JUDY	\$		133.00

ACH	DAVIS, GEORGE			
	Reim Monthly Health Prem	HEALTH PREM		25.17
			- - - - -	- - - - -
	DAVIS, GEORGE	\$		25.17

ACH	MONZAVI, TAGHI			
	Reim Monthly Health Prem	HEALTH PREM		25.17
			- - - - -	- - - - -
	MONZAVI, TAGHI	\$		25.17

ACH	PETERSEN, KENNETH			
	Reim Monthly Health Prem	HEALTH PREM		183.34
			- - - - -	- - - - -

Check	Payee / Description	Amount
	PETERSEN, KENNETH	\$ 183.34
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 183.34
	TRAUTERMAN, HELEN	\$ 183.34
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 959.04
	TIEGS, KATHLEEN	\$ 959.04
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 499.68
	DIGGS, GEORGE	\$ 499.68
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 499.68
	HAYES, KENNETH	\$ 499.68
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 158.17
	HUNTON, STEVE	\$ 158.17
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 158.17
	RODRIGUEZ, LOUIS	\$ 158.17
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 642.70
	VARBEL, VAN	\$ 642.70
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 509.70
	CLIFTON, NEIL	\$ 509.70
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 133.00
	DELGADO, FRANCOIS	\$ 133.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 642.70
	WELLMAN, JOHN THOMAS	\$ 642.70
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 25.17
	SPEARS, SUSAN	\$ 25.17
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 183.34

Check	Payee / Description	Amount
	TROXEL, WYATT	\$ 183.34
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 491.57
	CORLEY, WILLIAM	\$ 491.57
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 345.53
	CALLAHAN, CHARLES	\$ 345.53
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 183.34
	LESNIAKOWSKI, NORBERT	\$ 183.34
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 478.53
	VER STEEG, ALLEN J	\$ 478.53
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 479.52
	HACKNEY, GARY	\$ 479.52
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 25.17
	CAREL, LARRY	\$ 25.17
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 183.34
	TOL, HAROLD	\$ 183.34
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 533.80
	BANKSTON, GARY	\$ 533.80
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 133.00
	ATWATER, RICHARD	\$ 133.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 491.57
	FIESTA, PATRICIA	\$ 491.57
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 632.68
	DIGGS, JANET	\$ 632.68
ACH	CARAZA, TERESA	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	188.35
	CARAZA, TERESA	\$ 188.35
ACH	ANDERSON, JOHN Reim Monthly Health Prem	499.68
	ANDERSON, JOHN	\$ 499.68
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	866.84
	SANTA CRUZ, JACQUELYN	\$ 866.84
ACH	HECK, ROSELYN Reim Monthly Health Prem	25.17
	HECK, ROSELYN	\$ 25.17
ACH	SOPICKI, LEO Reim Monthly Health Prem	316.34
	SOPICKI, LEO	\$ 316.34
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	358.57
	HERNANDEZ, BENJAMIN	\$ 358.57
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	133.00
	GOSE, ROSEMARY	\$ 133.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	133.00
	KEHL, BARRETT	\$ 133.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	133.00
	RITCHIE, JANN	\$ 133.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	509.70
	LONG, ROCKWELL DEE	\$ 509.70
ACH	FATTAHI, MIR Reim Monthly Health Prem	133.00
	FATTAHI, MIR	\$ 133.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	316.34
	VERGARA, FLORENTINO	\$ 316.34

Check	Payee / Description	Amount
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM 183.34
	WARMAN, RALPH	\$ 183.34
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 183.34
	ROGERS, SHIRLEY	\$ 183.34
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 321.35
	WALL, DAVID	\$ 321.35
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 158.17
	CHUNG, MICHAEL	\$ 158.17
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 183.34
	ADAMS, PAMELA	\$ 183.34
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 509.70
	BLASINGAME, MARY	\$ 509.70
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 158.17
	ANDERSON, KENNETH	\$ 158.17
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 25.17
	MOE, JAMES	\$ 25.17
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 835.51
	POLACEK, KEVIN	\$ 835.51
ACH	ELROD, SONDRAL Reim Monthly Health Prem	HEALTH PREM 321.35
	ELROD, SONDRAL	\$ 321.35
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 200.40
	FRAZIER, JACK	\$ 200.40
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 133.00
	HOAK, JAMES	\$ 133.00

Check	Payee / Description	Amount
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 200.40
	DEZHAM, PARIVASH	\$ 200.40
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 188.35
	FOLEY III, DANIEL J.	\$ 188.35
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 133.00
	CLEVELAND, JAMES	\$ 133.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 666.86
	LANGNER, CAMERON	\$ 666.86
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 188.35
	HAMILTON, LEANNE	\$ 188.35
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 133.00
	HOOSHMAND, RAY	\$ 133.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 133.00
	SCHLAPKOHL, JACK	\$ 133.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 188.35
	POOLE, PHILLIP	\$ 188.35
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 158.17
	ADAMS, BARBARA	\$ 158.17
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 539.33
	RUESCH, GENECE	\$ 539.33
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 533.80
	VANDERPOOL, LARRY	\$ 533.80
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 642.70

Check	Payee / Description	Amount
	AMBROSE, JEFFREY	\$ 642.70
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 478.53
	MERRILL, DIANE	\$ 478.53
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 636.70
	HOUSER, ROD	\$ 636.70
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 188.35
	RUSSO, VICKI	\$ 188.35
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 509.70
	HUSS, KERRY	\$ 509.70
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 702.51
	BINGHAM, GREGG	\$ 702.51
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 133.00
	CHARLES, DAVID	\$ 133.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 133.00
	YEBOAH, ERNEST	\$ 133.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 346.52
	ALVARADO, ROSEMARY	\$ 346.52
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 133.00
	BARELA, GEORGE	\$ 133.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 835.51
	FETZER, ROBERT	\$ 835.51
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 188.35
	SPAETH, ERIC	\$ 188.35
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 188.35

Check	Payee / Description	Amount
	DAVIS, MARTHA	\$ 188.35
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 188.35
	BRULE, CHRISTOPHER	\$ 188.35
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 509.70
	ROOS, JAMES	\$ 509.70
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 321.35
	MULLANEY, JOHN	\$ 321.35
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 509.70
	VALENZUELA, DANIEL	\$ 509.70
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 509.70
	PACE, BRIAN	\$ 509.70
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 133.00
	KING, JOSEPH	\$ 133.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 188.35
	VILLALOBOS, HECTOR	\$ 188.35
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 321.35
	BAXTER, KATHLEEN	\$ 321.35
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM 509.70
	PENMAN, DAVID	\$ 509.70
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM 509.70
	ANGIER, RICHARD	\$ 509.70
ACH	MERRILL, DEBORAH Reim Monthly Health Prem	HEALTH PREM 358.57
	MERRILL, DEBORAH	\$ 358.57
ACH	O'DEA, KRISTINE	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEATH PREM	158.17
	O'DEA, KRISTINE	\$	158.17
ACH	OAKDEN, LISA Reim Monthly Health Prem	HEATH PREM	866.84
	OAKDEN, LISA	\$	866.84
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A RP1-4,600 Lbs Polymer 748E	36492 36491	21,608.36 4,064.33
	AQUA BEN CORPORATION	\$	25,672.69
ACH	UNIVAR USA INC RP5-12,989 Lbs Sodium Bisulfite PradoLS-14,019 Lbs Sodium Bisulfite CCWRP-13,204 Lbs Sodium Bisulfite RP5-14,041 Lbs Sodium Bisulfite RP5-14,052 Lbs Sodium Bisulfite PradoLS-12,211 Lbs Sodium Bisulfite RP5-12,230 Lbs Sodium Bisulfite TP1-14,052 Lbs Sodium Bisulfite PradoLS-12,812 Lbs Sodium Bisulfite CCWRP-12,827 Lbs Sodium Bisulfite TP1-12,127 Lbs Sodium Bisulfite	LA595041 LA585758 LA582208 LA585759 LA590906 LA580282 LA580281 LA592496 LA596237 LA593855 LA594630	2,804.81 3,027.08 2,980.72 3,031.83 3,034.20 2,636.67 2,640.84 2,796.05 2,766.44 2,769.76 2,618.63
	UNIVAR USA INC	\$	31,107.03
ACH	PACIFIC PARTS & CONTROLS Ethernet/IP Option Card	I415661	466.23
	PACIFIC PARTS & CONTROLS	\$	466.23
ACH	ENVIRONMENTAL RESOURCES ASSOC Total Cyanide Ceriodaphnia Dubia, Cyanide & Phenol	846481 845101	132.29 397.74
	ENVIRONMENTAL RESOURCES ASSOC	\$	530.03
ACH	WESTERN MUNICIPAL WATER DISTRI WR16011-9/1/17-9/30/17 425 Sprinkler Noz IEUA-1486		1,487.50
	WESTERN MUNICIPAL WATER DISTRI	\$	1,487.50
ACH	MCMaster-CARR SUPPLY CO Copper Tubing, Lever Handles Shrink Tubing Printer 4 5 Gallon White Carboy Foam Insulation, Paint, Roller Foam Insulation	52143323 52143322 52143321 51826079 51915007	45.66 322.31 147.44 110.81 42.20
	MCMaster-CARR SUPPLY CO	\$	668.42
ACH	AGRICULTURAL RESOURCES 1/18 Wtr Quality Consult	1/18 WTR QLTY	3,500.00
	AGRICULTURAL RESOURCES	\$	3,500.00

Check Payee / Description Amount

ACH CHINO BASIN DESALTER AUTHORITY  
 CDPH-Chino III Expnasion Prjcts Inv#13-G 378 13,832,083.64  
 - - - - -  
 CHINO BASIN DESALTER AUTHORITY\$ 13,832,083.64

ACH ALFA LAVAL INC  
 Lower Belt 277064023 2,390.45  
 - - - - -  
 ALFA LAVAL INC \$ 2,390.45

ACH SCHNEIDER ELECTRIC SYSTEMS INC  
 Calibration Plugs 93665510 2,838.67  
 - - - - -  
 SCHNEIDER ELECTRIC SYSTEMS INC\$ 2,838.67

ACH PEST OPTIONS INC  
 October 2017 GWR Weed Abatement Services 287332 6,034.32  
 October 2017 Weed Abatement Services 287209 3,064.95  
 - - - - -  
 PEST OPTIONS INC \$ 9,099.27

ACH SUNGARD AVAILABILITY SERVICES  
 1/18 Disaster Recovery Svc 152670565 4,152.00  
 12/17 Disaster Recovery Svc 152668261 4,152.00  
 11/17 Disaster Recovery Svc 152667226 4,152.00  
 - - - - -  
 SUNGARD AVAILABILITY SERVICES \$ 12,456.00

ACH OLIN CORP  
 CCWRP-4,940 Gals Sodium Hypochlorite 2416312 2,914.60  
 RP4-2,002 Gals Sodium Hypochlorite 2421870 1,181.18  
 RP4-1,992 Gals Sodium Hypochlorite 2427759 1,175.28  
 RP4-3,342 Gals Sodium Hypochlorite 2417841 1,971.78  
 TP1-4,944 Gals Sodium Hypochlorite 2418284 2,916.96  
 TP1-4,934 Gals Sodium Hypochlorite 2418285 2,911.06  
 RP4-1,994 Gals Sodium Hypochlorite 2418450 1,176.46  
 CCWRP-4,902 Gals Sodium Hypochlorite 2419455 2,892.18  
 TP1-4,970 Gals Sodium Hypochlorite 2420156 2,932.30  
 RP5-4,902 Gals Sodium Hypochlorite 2420157 2,892.18  
 TP1-4,856 Gals Sodium Hypochlorite 2421152 2,865.04  
 CCWRP-2,896 Gals Sodium Hypochlorite 2421153 1,708.64  
 RP4-2,012 Gals Sodium Hypochlorite 2421494 1,187.08  
 TP1-4,930 Gals Sodium Hypochlorite 2421871 2,908.70  
 CCWRP-3,000 Gals Sodium Hypochlorite 2422389 1,770.00  
 TP1-4,952 Gals Sodium Hypochlorite 2422951 2,921.68  
 RP5-4,892 Gals Sodium Hypochlorite 2422952 2,886.28  
 RP4-2,024 Gals Sodium Hypochlorite 2422953 1,194.16  
 TP1-4,756 Gals Sodium Hypochlorite 2424177 2,806.04  
 TP1-4,990 Gals Sodium Hypochlorite 2424584 2,944.10  
 RP4-2,002 Gals Sodium Hypochlorite 2424734 1,181.18  
 TP1-4,938 Gals Sodium Hypochlorite 2425043 2,913.42  
 RP4-2,004 Gals Sodium Hypochlorite 2425657 1,182.36  
 TP1-4,846 Gals Sodium Hypochlorite 2426282 2,859.14  
 RP5-4,864 Gals Sodium Hypochlorite 2426283 2,869.76  
 TP1-4,904 Gals Sodium Hypochlorite 2427402 2,893.36  
 CCWRP-4,500 Gals Sodium Hypochlorite 2427403 2,655.00  
 RP5-4,880 Gals Sodium Hypochlorite 2427404 2,879.20  
 RP4-1,992 Gals Sodium Hypochlorite 2419454 1,175.28

Check	Payee / Description	Amount
TP1-4,942	Gals Sodium Hypochlorite	2416747 2,915.78
RP5-4,874	Gals Sodium Hypochlorite	2416748 2,875.66
TP1-4,968	Gals Sodium Hypochlorite	2417349 2,931.12
CCWRP-2,984	Gals Sodium Hypochlorite	2417840 1,760.56
TP1-4,780	Gals Sodium Hypochlorite	2427760 2,820.20
TP1-4,982	Gals Sodium Hypochlorite	2427761 2,939.38
TP1-4,762	Gals Sodium Hypochlorite	2428256 2,809.58
RP5-4,966	Gals Sodium Hypochlorite	2429435 2,929.94
RP4-1,970	Gals Sodium Hypochlorite	2429436 1,162.30
TP1-4,908	Gals Sodium Hypochlorite	2429437 2,895.72
CCWRP-2,500	Gals Sodium Hypochlorite	2430102 1,475.00
TP1-4,970	Gals Sodium Hypochlorite	2430103 2,932.30
RP4-4,972	Gals Sodium Hypochlorite	2430104 2,933.48
TP1-4,966	Gals Sodium Hypochlorite	2430105 2,929.94
RP4-1,996	Gals Sodium Hypochlorite	2430474 1,177.64
TP1-4,912	Gals Sodium Hypochlorite	2430783 2,898.08
RP5-4,904	Gals Sodium Hypochlorite	2430784 2,893.36
CCWRP-3,014	Gals Sodium Hypochlorite	2431471 1,778.26
RP4-2,006	Gals Sodium Hypochlorite	2431472 1,183.54
TP1-4,902	Gals Sodium Hypochlorite	2432050 2,892.18
RP5-4,902	Gals Sodium Hypochlorite	2432051 2,892.18
RP4-2,004	Gals Sodium Hypochlorite	2432755 1,182.36
TP1-4,908	Gals Sodium Hypochlorite	2433386 2,895.72
TP1-4,690	Gals Sodium Hypochlorite	2433759 2,767.10
RP4-2,034	Gals Sodium Hypochlorite	2433760 1,200.06
CCWRP-3,000	Gals Sodium Hypochlorite	2433882 1,770.00
TP1-4,892	Gals Sodium Hypochlorite	2434203 2,886.28
	OLIN CORP	\$ 131,492.12
ACH	GK & ASSOCIATES INC 46-2054-10/17 Prof Svcs	17-086 16,016.00
	GK & ASSOCIATES INC	\$ 16,016.00
ACH	YORK RISK SERVICES GROUP INC 10/17-12/17 W/C Adm Fee - 4Q17 7/17-9/17 W/C Adm Fee - 3Q17	500016514 4,623.50 500016268 4,623.50
	YORK RISK SERVICES GROUP INC	\$ 9,247.00
ACH	ROGER BRYENTON & ASSOCIATES 5 Rubber Dam Inspections	2017-001 5,400.00
	ROGER BRYENTON & ASSOCIATES	\$ 5,400.00
ACH	TRIBOLOGIK CORPORATION Oil Analysis Oil Analysis Oil Analysis Oil Analysis Oil Analysis Oil Analysis Oil Analysis	36942 60.00 36943 240.00 36944 60.00 37202 120.00 37473 60.00 37472 90.00 37471 330.00
	TRIBOLOGIK CORPORATION	\$ 960.00
ACH	KEMP BROS CONSTRUCTION INC EN15008-11/17 Pay Est 15	PE 15-EN15008 1,063,875.51

Check	Payee / Description	Amount
	KEMP BROS CONSTRUCTION INC \$	1,063,875.51
ACH	JC LAW FIRM 11/17 IEUA vs Mwembu 00372	2,760.00
	JC LAW FIRM \$	2,760.00
ACH	AMAZON BUSINESS Varidesk, Comfort Mat 1T7H-GKR1-XYK 598.01 3 Cable Weights 1GHW-JCNP-KLC 48.03 1.1 Cubic Feet Upright Freezer 16MG-K9JY-DVK 196.43 Return 1.1 Cubic Feet Upright Freezer 13QK-G794-NPK 196.43 Return-RP1Ops-Compact Upright Freezer 11KL-VXJH-TD9 131.07 20 - 3v Lithium Batteries 1L33-H9VR-KPQ 7.47 ExtAffs-RTV-Refillable Notebook Covers 19MR-47QC-4Y9 20.40 Power Cords 1JFY-7JQK-XRL 269.80 Acct-Varidesks, Anti-Fatigue Mats 143C-ND7D-DT3 1,196.02 HQmnt-Mange for Success Books 1DQY-DPP4-3TX 479.76 RP5-Workplace Communications Books 1CJP-RFYF-4NV 215.02 HQmnt-Uptime Elements TM Dictionary Ldrs 1DQY-DPP4-T3D 14.98	
	AMAZON BUSINESS \$	2,677.62
ACH	AMERICAN OFFICE PROFESSIONALS 5 HP M506DN Printers 1359	4,504.73
	AMERICAN OFFICE PROFESSIONALS \$	4,504.73
ACH	SHELL ENERGY NORTH AMERICA LP CCWRP/TP/RWP-11/1-11/30 14950 Tlphn 8/1- 2046 11/17 35,884.47 CCWRP/TP/RWP-11/1-11/30 14950 Tlphn 8/1- 2044 11/17 7,557.23 RP1-11/1-11/30 2450 Phila St 8/1-8/31 Ad 2042 11/17 115,473.41	
	SHELL ENERGY NORTH AMERICA LP \$	158,915.11
ACH	FOUNDATION HA ENERGY GENERATIO RP4/RWPS-11/1-11/30 12811 6th St-Wind Po 2246	208.56
	FOUNDATION HA ENERGY GENERATIO \$	208.56
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 26 12/22/17 Employee Ded HR 0064200	177.00
	IEUA EMPLOYEES' ASSOCIATION \$	177.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 26 12/22/17 Employee Ded HR 0064200	345.00
	IEUA SUPERVISORS UNION ASSOCIA \$	345.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 26 12/22/17 Employee Ded P/R 26 ADJUST 25.00 P/R 26 12/22/17 Employee Ded HR 0064200 1,131.60	
	IEUA GENERAL EMPLOYEES ASSOCIA \$	1,156.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 26 12/22/17 Employee Ded HR 0064200	520.00

Check	Payee / Description	Amount
	IEUA PROFESSIONAL EMPLOYEES ASS	520.00
ACH	DISCOVERY BENEFITS INC P/R 26 12/22/17 Cafeteria Plan      HR      0064200	3,020.45
	DISCOVERY BENEFITS INC      \$	3,020.45

Grand Total Payment Amount: \$ 16,149,499.47

# Attachment 2D

Vendor Wires  
(excludes Payroll)

Check    Payee / Description      Amount

Wire    STATE BOARD OF EQUALIZATION  
 11/17 Sales Tax Deposit      23784561 11/1      7,833.00  
 STATE BOARD OF EQUALIZATION    \$      7,833.00

Wire    PUBLIC EMPLOYEE'S RETIREMENT S  
 P/R 25 12/8 Deferred Comp Ded      HR    0063300      16,644.65  
 PUBLIC EMPLOYEE'S RETIREMENT S\$      16,644.65

Wire    EMPLOYMENT DEVELOPMENT DEPARTM  
 P/R 25 12/8 Taxes      HR    0063300      64,882.30  
 P/R 125 Sick Buy Back 12/8 Taxes      HR    0062900      9,327.80  
 P/R 125 Sick Buy Back 12/8 Taxes      HR    0062900      998.10  
 P/R DIR 12 12/8 Taxes      HR    0063000      412.98  
 P/R 25 12/8 Taxes      HR    0063300      7,264.03  
 EMPLOYMENT DEVELOPMENT DEPARTM\$      82,885.21

Wire    INTERNAL REVENUE SERVICE  
 P/R 25 12/8 Taxes      HR    0063300      327,799.68  
 P/R 125 Sick Buy Back 12/8 Taxes      HR    0062900      54,990.22  
 P/R DIR 12 12/8 Taxes      HR    0063000      2,562.95  
 INTERNAL REVENUE SERVICE    \$      385,352.85

Wire    STATE DISBURSEMENT UNIT  
 P/R 25 12/8      HR    0063300      198.00  
 STATE DISBURSEMENT UNIT    \$      198.00

Wire    PUBLIC EMPLOYEES RETIREMENT SY  
 P/R 25 12/22/17 PERS Adjustment      PR 25 ADJUSTM      66.45  
 P/R 25 12/8 PERS      HR    0063300      172,527.32  
 PUBLIC EMPLOYEES RETIREMENT SY\$      172,593.77

Wire    PUBLIC EMPLOYEES' RETIREMENT S  
 12/17 Health Ins-Board      15124531 12/1      5,414.96  
 12/17 Health Ins-Retirees, Employees      15124529 12/1      260,613.82  
 PUBLIC EMPLOYEES' RETIREMENT S\$      266,028.78

Wire    STATE DISBURSEMENT UNIT  
 P/R 26 12/22/17      HR    0064200      198.00  
 P/R 26 12/22/17      HR    0064200      2,290.12  
 STATE DISBURSEMENT UNIT    \$      2,488.12

Wire    EMPLOYMENT DEVELOPMENT DEPARTM  
 P/R 26 12/22/17 Taxes      P/R 26 ADJUST      162.11  
 P/R 26 12/22/17 Taxes      HR    0064200      5,966.67  
 P/R 26 12/22/17 Taxes      HR    0064200      55,233.76  
 EMPLOYMENT DEVELOPMENT DEPARTM\$      61,362.54

Wire    INTERNAL REVENUE SERVICE  
 P/R 26 12/22/17 Taxes      P/R 26 ADJUST      1,104.70

Check	Payee / Description	Amount
	P/R 26 12/22/17 Taxes	289,416.17
	INTERNAL REVENUE SERVICE	290,520.87
Wire	PUBLIC EMPLOYEE'S RETIREMENT S	
	P/R 26 12/22/17 Deferred Comp Ded Adjust P/R 26 ADJUST	1,000.00
	P/R 26 12/22/17 Deferred Comp Ded HR 0064200	14,594.64
	PUBLIC EMPLOYEE'S RETIREMENT S\$	15,594.64
Wire	METROPOLITAN WATER DISTRICT	
	October 2017 Water Purchase 9175	6,898,223.25
	METROPOLITAN WATER DISTRICT \$	6,898,223.25

Grand Total Payment Amount: \$ 8,199,725.68

# Attachment 2E

## Payroll-Net Pay-Directors

# INLAND EMPIRE UTILITIES AGENCY

## RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR DECEMBER 8, 2017  
PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$4,156.54	\$1,579.67
STEVEN J. ELIE	\$4,525.72	\$1,504.43
JASMIN HALL	\$3,099.92	\$1,952.46
KATHERINE PARKER	\$2,449.29	\$729.56
<b>TOTALS</b>	<b>\$14,231.47</b>	<b>\$5,766.12</b>

TOTAL EFTS PROCESSED	3
BEGINNING CHECK NO.	110153
ENDING CHECK NO.	110153
TOTAL CHECKS PROCESSED	1

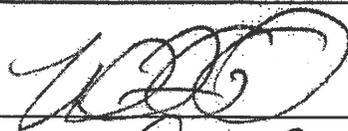
## IEUA DIRECTOR PAYSHEET

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

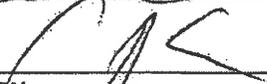
**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Workshop	Yes	\$247.50
12-07-17	Southern Coalition/Inland Caucus	Yes	\$247.50
12-07-17	CBWM Reception to Welcome IEUA's New General Manager Halla Razak	Yes (same day)	\$-0-
12-13-17	Engineering, Ops. & Water Resources Committee meeting	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Awards Presentations	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$1,237.50
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			7
Total No. of Meetings Paid			5

DIRECTOR  
SIGNATURE



Approved by:

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

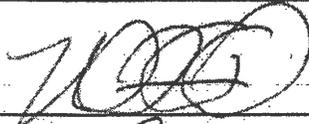
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

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

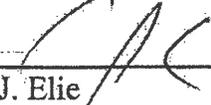
**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	Regional Policy Committee Meeting.	No	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17.) IEUA pays Regional Policy Committee members (total amount of \$247.50, should reflect on timesheet)			\$-0-
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR  
SIGNATURE**

  
\_\_\_\_\_

**Approved by:**

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

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE**

**ON MWD BOARD**

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-11-17	MWD Standing Committee	Yes	\$247.50
12-12-17	MWD Standing Committee Meetings and Board Meeting	Yes	\$247.50
<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17).			\$495.00
Total No. of Meetings Attended			2
Total No. of Meetings Paid			2

DIRECTOR  
SIGNATURE

  
\_\_\_\_\_

Approved by:

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

**IEUA DIRECTOR PAYSHEET**

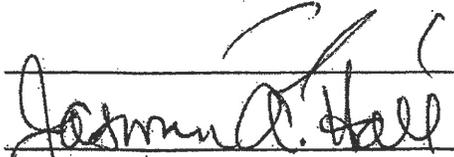
STEVEN J. ELIE  
 EMPLOYEE NO. 1175  
 ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-17	Facility tour for Assembly Member Phillip Chen	Yes	\$247.50
12-02-17	Chino Hills Tree Lighting Ceremony	Yes	\$247.50
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-05-17	WaterNow Alliance--Call with CEO Cynthia Koehler	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	CBWM Reception to Welcome new General Manager Halla Razak	Yes	\$247.50
12-11-17	IEUA Audit Committee	Yes	\$247.50
12-11-17	Meeting w/General Manager Halla Razak	Yes (staff)	\$-0-
12-12-17	NWRI Operations meeting (via telecon)	Yes	\$247.50
12-19-17	WaterNow Alliance Steering Committee telecon	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Awards presentation	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$2,475.00
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff: 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			12
Total No. of Meetings Paid			10

DIRECTOR  
SIGNATURE

Approved by:

  
 \_\_\_\_\_  
 Jasmin Hall  
 Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA  
ON WATERMASTER BOARD**

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-28-17	CBWM Board Meeting	No (cancelled)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			<b>\$-0-</b>
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance. (i.e., \$122.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50 (eff. 7/01/17). 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. <u>Record full amount on timesheet for attendance by alternates</u>			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

**\*Decline IEUA portion**

DIRECTOR  
SIGNATURE \_\_\_\_\_

Approved by: \_\_\_\_\_

*Jasmin A. Hall*  
Jasmin Hall  
Secretary/Treasurer

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

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-7-17	CDA Board Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$97.50 – difference between CDA (\$150.00 and Agency meetings \$247.50 (eff.7/01/17), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet.			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR  
SIGNATURE \_\_\_\_\_

Approved by: \_\_\_\_\_

*Jasmin Hall*  
Jasmin Hall  
Secretary/Treasurer

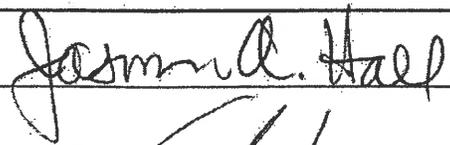
**IEUA DIRECTOR PAYSHEET**

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

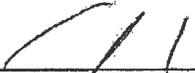
**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-17	ACWA Fall Conference	No (3 day max pymt on conf.)	\$-0-
12-01-17	CASA Federal Legislative Committee Conference Call	Yes	\$247.50
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	BIA Baldy View Chapter Holiday Gala	Yes (same day)	\$-0-
12-09-17	Fontana Holiday Parade	Yes	\$247.50
12-11-17	ASBCSD Dinner Meeting	Yes	\$247.50
12-13-17	IEUA Special Finance & Administration Committee	Yes	\$247.50
12-14-17	Supervisor Janice Rutherford Holiday Reception	Yes	\$247.50
12-20-17	IEUA Board Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b>			
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			\$1,732.50
Total No. of Meetings Attended			8
Total No. of Meetings Paid			7

DIRECTOR  
SIGNATURE



Approved by:

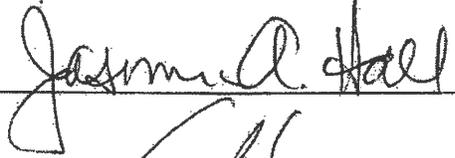
  
 Steven J. Elie, President, Board of Directors

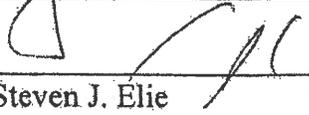
**DIRECTOR PAYSHEET FOR IEUA  
ON SAWPA COMMISSION**

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-05-17	SAWPA Commission Workshop	Yes	\$47.50
12-05-17	Welcome Reception for IEUA new General Manager Halla Razak	Yes (same day)	\$-0-
12-18-17	OWOW Disadvantage and Tribal Communities Pillars	Yes	\$47.50
12-19-17	SAWPA Reg. Commission Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$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 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
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 CHINO DESALTER AUTHORITY**

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	CDA Board Meeting	Yes	\$247.50
<b>TOTAL REIMBURSEMENT</b>			\$247.50
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17). Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency. Record full amount on timesheet. CDA pays both primary and alternate for attendance			
Total No. of CDA Meetings Attended			1
Total No. of CDA Meetings Paid			1

DIRECTOR SIGNATURE Jasmin A. Hall

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

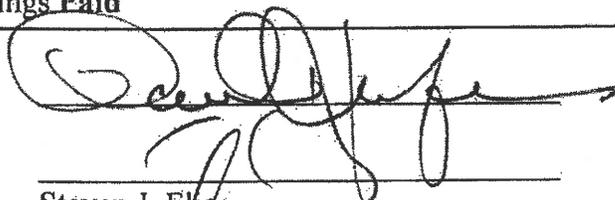
**IEUA DIRECTOR PAYSHEET**

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-17	IEUA Board Meeting	Yes	\$-0-
12-07-17	CBWM Reception to Welcome new General Manager Halla Razak	Yes	\$-0-
12-13-17	IEUA Special Finance and Administration Committee	Yes	\$-0-
12-20-17	IEUA Board Meeting	Yes	\$-0-
<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			\$-0-
Total No. of Meetings Attended			4
Total No. of Meetings Paid			0

DIRECTOR  
SIGNATURE



Approved by:

Steven J. Elle  
 President, Board of Directors

Director Hofer has waived all stipend payments.

**IEUA DIRECTOR PAYSHEET**

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	CBWM Reception for new General Manager Halla Rezak	Yes (same day)	\$-0-
12-11-17	IEUA Audit Committee	Yes	\$247.50
12-13-17	Engineering, Operations & Water Resources Committee	Yes	\$247.50
12-14-17	Meeting with new General Manager Halla Rezak	Yes (staff)	\$-0-
12-18-17	Meeting with Facilitator from Kearns & West - Regional Contract	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Award presentation	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$1,485.00
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			9
Total No. of Meetings Paid			6

DIRECTOR SIGNATURE 

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

DIRECTOR PAYSHEET FOR IEUA  
ON SAWPA COMMISSION (ALTERNATE)

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-05-17	SAWPA Commission Workshop	Yes	\$47.50
12-19-17	SAWPA Regular Commission Meeting	Yes	\$47.50
<b>TOTAL REIMBURSEMENT</b>			\$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 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
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 REGIONAL POLICY COMMITTEE**

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	Regional Policy Committee Meeting	Yes	\$247.50
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17.) IEUA pays Regional Policy Committee members. (total amount of \$247.50, should reflect on timesheet))			\$247.50
Total No. of Meetings Attended			1
Total No. of Meetings Paid			1

**DIRECTOR  
SIGNATURE**

  
\_\_\_\_\_

Approved by:

  
\_\_\_\_\_  
Steven J. Elje  
President, Board of Directors

DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON WATERMASTER BOARD (ALTERNATE)

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

**DECEMBER 2017**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-28-17	CBWM Board Meeting	No (cancelled)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$-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 (eff. 7/01/17), including MWD meetings. 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. Record full amount on timesheet for attendance by alternates			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

DIRECTOR  
SIGNATURE Kati Parker

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

# Attachment 2F

## Payroll-Net Pay-Employees

	Period 25	Period 25	Sick Cashout	Sick Cashout	Period 26	Period 26	
Non-Board Member	Checks	EFTs	Checks	EFTs	Checks	EFTs	December
NET PAY to Employees	\$0.00	\$815,930.06	\$152,694.58	\$0.00	\$0.00	\$757,390.46	\$1,726,015.10

# INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR DECEMBER 8, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

GROSS PAYROLL COSTS	\$1,414,404.16
DEDUCTIONS	\$598,474.10
<b>NET PAYROLL</b>	<b>\$815,930.06</b>
CHECKS USED	0
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	361
TOTAL PAYROLL PROCESSED	361

# INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR DECEMBER 8, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

GROSS PAYROLL COSTS	\$205,147.99
DEDUCTIONS	\$52,453.41
<b>NET PAYROLL</b>	<b>\$152,694.58</b>
TOTAL EFTS PROCESSED	0
BEGINNING CHECK NO.	110014
ENDING CHECK NO.	110152
TOTAL CHECKS PROCESSED	139

# INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR DECEMBER 22, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

GROSS PAYROLL COSTS	\$1,317,792.07
DEDUCTIONS	\$560,401.61
<b>NET PAYROLL</b>	<b>\$757,390.46</b>
CHECKS USED	0
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	368
TOTAL PAYROLL PROCESSED	368

**CONSENT  
CALENDAR  
ITEM**

**3D**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

HR

**Committee:** Community & Legislative Affairs

02/14/18

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

**Subject:** Support of Proposition 68 - The California Clean Water and Safe Parks Act

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**Executive Summary:**

Introduced by Senator Kevin de León as SB 5 - California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 - the bill was approved by Governor Brown on October 15, 2017, and will be on the June ballot as Proposition 68, and is a general obligation bond totaling \$4 billion.

Proposition 68 funding related to water: (for full breakdown of the bond see attachment 1)

- \$250 million for clean drinking water and drought preparedness
- \$290 million for regional water sustainability
- \$100 million to enhance water supplies by conserving and recycling water
- \$180 million for watershed improvement (line item of \$16 million for the Santa Ana River)

Support for Proposition 68 includes Senator Leyva, Senator Newman, Assemblymember Holden, Assemblymember Reyes, Assemblymember Rodriguez, City of Chino, ACWA, MWD, OCWD, OCSD, SCWC, WateReuse CA, and numerous environmental groups, park districts and community groups.

Through the bond, IEUA would be able to compete for funding for water recycling, groundwater, wastewater, stormwater, conservation, and water quality projects.

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**Staff's Recommendation:**

Support Proposition 68 - The California Clean Water and Safe Parks Act.

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

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

**Prior Board Action:**

Support for Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014;  
Support for Proposition 50, the 2002 Water Quality, Supply and Safe Drinking Water Projects Act;  
Support for Proposition 13, the 2000 Water Bond Act.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

Supporting Proposition 68 is in line with IEUA's business practices goal of advocating for development of policies, legislation and regulations that benefit the region.

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**Attachments:**

Attachment 1 - Investment Priorities Fact Sheet

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# THE CALIFORNIA CLEAN WATER & SAFE PARKS ACT

PROTECTING WHAT MATTERS. PREPARING FOR THE FUTURE.



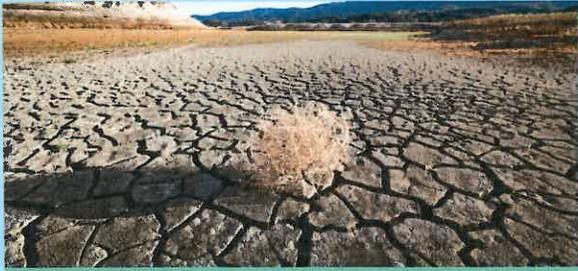
## Ensuring Clean Drinking Water

- + Cleans up and protects our drinking water supplies
- + Protects streams and rivers that provide drinking water from pollution



## Safe Parks for Every Child

- + Improves the safety of neighborhood parks throughout California
- + Helps ensure every California community has access to quality parks



## Preparing for the Next Drought

- + Smart, proven, efficient solutions to secure future water supplies
- + Restores groundwater, which was severely drained in the last drought



## Protecting Our Coastline and Natural Areas

- + Increases access to our coast and beaches
- + Restores and protects our natural areas and implements wildfire protection measures



## Helping Communities That Lack Clean Water

- + Keeps toxic pollution out of our drinking water
- + Provides safe drinking water to communities with contaminated water



## Increasing Local Water Supplies

- + Cleans up groundwater and funds water recycling projects
- + Captures more stormwater and prevents flooding

# THE CALIFORNIA CLEAN WATER & SAFE PARKS ACT Investment Priorities

## ENSURING CLEAN DRINKING WATER

- + \$250 million for clean drinking water and drought preparedness
- + \$80 million for groundwater cleanup
- + \$290 million for regional water sustainability, including \$50 million for groundwater sustainability planning
- + \$100 million to enhance water supplies by recycling water and helping farms conserve water

## PROTECTING LOCAL COMMUNITIES FROM FLOOD

- + \$550 million for flood protection and repair, including \$350 million for flood protection, \$100 million for stormwater, mudslide, and other flood-related protections, and \$100 million for urban multibenefit flood projects

## PROTECTING CALIFORNIA'S RIVERS, LAKES AND STREAMS

- + \$162 million for river parkways and urban streams restoration
- + \$30 million to connect habitat areas, including \$10 million for the California Waterfowl Habitat Program
- + \$25 million to restore rivers and streams in support of fisheries and wildlife, including \$5 million for salmon and steelhead projects in Klamath-Trinity watershed
- + \$60 million to improve wildlife and fish passage, including \$30 million for Southern California steelhead habitat
- + \$60 million for upper watersheds protection in the Sierra Nevada and Cascades
- + \$30 million to improve conditions for fish and wildlife in streams

## PROTECTING COAST, BEACHES, BAYS, AND OCEANS

- + \$175 million for coastal and ocean resource protection of beaches, bays, wetlands, lagoons, and coastal watersheds and wildlife areas
- + \$40 million to assist coastal communities in adapting to climate change
- + \$20 million for San Francisco Bay restoration

## SAFE PARKS FOR EVERY CHILD

- + \$725 million for parks in neighborhoods with the greatest need
- + \$285 million to cities, counties, and local park and open space districts to make local parks safer and improve facilities
- + \$218 million to repair and improve state parks

## IMPROVING RESILIENCE TO CLIMATE CHANGE

- + \$30 million for innovative farm practices that improve climate resilience
- + \$50 million for forest restoration, fire protection and management for wildfire and climate change
- + \$40 million to restore natural and community resources, including conversion of fossil fuel power plants to green space
- + \$20 million for green infrastructure projects that benefit disadvantaged communities

## CONSERVING AND PROTECTING NATURAL AREAS

- + \$160 million to state conservancies, including \$87 million for rivers, lakes and streams, and \$73 million for open green space
- + \$200 million to restore the Salton Sea and prevent toxic air pollution
- + \$137 million to the Wildlife Conservation Board, including \$5 million for regional conservation investment strategies, \$52 million for Natural Community Conservation Plan projects, and up to \$10 million to the UC Natural Reserve System
- + \$200 million to implement habitat restoration
- + \$50 million to repair and improve state fish and wildlife areas

## PROMOTING RECREATION AND TOURISM AND SUPPORTING CONSERVATION JOBS

- + \$25 million in grants for rural recreation, tourism and economic enrichment programs
- + \$30 million to improve access to parks, waterways, natural areas, and outdoor recreation areas, including expanding outdoor experiences for disadvantaged youth
- + \$40 million for state and local conservation corps for restoration projects and equipment
- + \$18 million for wildlife and land conservation



Paid for by Californians for Clean Water and Safe Parks, sponsored by Conservation Groups. Committee major funding from  
The Nature Conservancy  
Conservation Action Fund for clean water and parks, sponsored by environmental organizations  
Committee for Clean Water Natural Resources and Parks

**CONSENT  
CALENDAR  
ITEM**

**3E**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Finance & Administration

HR  
02/14/18

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

**Subject:** Adoption of Resolution for the USBR WaterSMART Drought Response Program:  
Drought Resiliency Projects for Fiscal Year 2018

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**Executive Summary:**

The U.S. Department of Interior - Bureau of Reclamation (USBR) announced the 2018 WaterSMART Drought Response Grant Program in November 2017. The grant supports projects in 17 western states to build long-term resiliency to drought through cost sharing with non-federal agencies on projects that increase the reliability of water supplies, improving water management and reducing the need for emergency response actions to be taken. This grant program offers \$750,000 maximum per project and will be available for projects over a three-year period. A resolution is mandatory for the WaterSMART Grant Program application.

The joint IEUA and Chino Basin Watermaster (CBWM) project for the Wineville Basin, Jurupa Basin Improvements and Pumping and Conveyance System Project will construct stormwater facilities at Wineville and Jurupa Basins, and will build a conveyance system to transport stormwater and dry-weather runoff from the Wineville Basin to the Jurupa Basin and to the RP-3 Basin for groundwater recharge, which will capture 2,796 AFY stormwater as new and reliable water supply. This project has a total estimated cost of \$15.8 million and will be completed by February 2020. IEUA and CBWM jointly propose the Project for \$750,000 federal grant funding.

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**Staff's Recommendation:**

1. Adopt Resolution No. 2018-2-4, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior - Bureau of Reclamation for the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

---

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

*Account/Project Name:*

This project is part of the Recharge Master Plan Update (RMPU) project included in the FY2017/18 TYCIP under Project No. EN18007 (RMPU Construction). Wineville, Jurupa Basin Improvements, Pumping and Conveyance System project name is for the grant application only.

*Fiscal Impact (explain if not budgeted):*

Project No. EN18007 has an approved budget of \$38,622,500 in IEUA's Ten-Year Capital Improvement Plan (TYCIP). This application will request \$750,000 in grant funding as a contribution to these total costs. Upon approval by USBR, the TYCIP and annual appropriations will be revised to align with the new grant and total project budget.

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

**Prior Board Action:**

On February 15, 2017, Board of Directors adopted Resolution No. 2017-2-1, approving the application submitted under the WaterSMART: Drought Resiliency Grant Program.

On April 20, 2016, IEUA's Board of Directors adopted Resolution No. 2016-4-1 and 2, approving the applications submitted under both the WaterSMART: Drought Contingency and Drought Resiliency Grant Programs respectively.

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**Environmental Determination:**

Program Environmental Impact Report (Finding of Consistency)

Staff is currently completing a Finding of Consistency with IEUA's Program Environmental Impact Report. The USBR will review IEUA's environmental package before funding is awarded.

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**Business Goal:**

This action supports the Agency's mission of promoting sustainable use of groundwater and increasing the local water supply. It is also consistent with the Agency's mission of pursuing grants and low-interest financing.

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**Attachments:**

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Resolution No. 2018-2-4

## Background

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Subject: Adoption of Resolution for the USBR WaterSMART Drought Response Program:  
Drought Resiliency Projects for Fiscal Year 2018

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### ***USBR Drought Resiliency Implementation Grant:***

In November 2017, the U.S. Department of the Interior - Bureau of Reclamation (USBR) announced the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018 to fund projects that will build long-term resiliency to drought and reduce the need for emergency response actions by leveraging funds and resources through cost sharing on projects that will: increase the reliability of water supply; improve water management; and provide benefits for fish, wildlife, and the environment to mitigate impacts caused by drought. This grant program offers \$750,000 maximum per project and will be available for projects over a three-year period.

The Wineville Basin, Jurupa Basin Improvements and Pumping and Conveyance Project, part of the Chino Basin Recharge Master Plan Update (RMPU) Project 23a, includes construction at two stormwater facilities: Wineville Basin and Jurupa Basin. The project will also build a pumping and conveyance system to transport stormwater and dry-weather runoff from the Wineville Basin to the Jurupa Basin and to the RP-3 Basin for groundwater recharge. The project will capture 2,796 acre-feet per year (AFY) stormwater as new and reliable local water supply. The project has an estimated cost of \$15.8 million. The project will be completed by December 31, 2019.

IEUA and Chino Basin Watermaster jointly propose the RMPU Project 23a for the 2018 WaterSMART Drought Response Grant. The grant application is seeking \$750,000 in federal funding.

In January 2018, IEUA proposed the Wineville Basin, Jurupa Basin Improvements and Pumping and Conveyance Project for the Drought Resiliency Implementation Grant under the USBR's WaterSMART Drought Response Program.

This project combines two of the priority projects identified in the 2013 Recharge Master Plan Update (RMPU) and provides benefits to both IEUA and Chino Basin Watermaster.

### **Prior Board Actions:**

On February 15, 2017, IEUA's Board of Directors adopted Resolution No. 2017-2-1, approving the application submitted under the WaterSMART: Drought Resiliency Project Grants with the U.S. Department of Interior - Bureau of Reclamation (USBR) for the Recharge Master Plan Update (RMPU) Jurupa Basin Improvements Project.

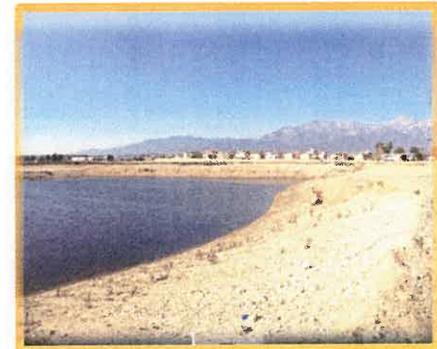
On May 18, 2016, the Board adopted Resolution Nos. 2016-5-4 and 2016-5-5, approving the application and dedicating certain revenues in connection with the Preliminary Design Planning for Recharge Master Plan Update (RMPU) State Revolving Fund (SRF) loan with the SWRCB.

On April 20, 2016, IEUA's Board of Directors adopted Resolution No. 2016-4-1, approving the application submitted under the WaterSMART: Drought Contingency Planning Grants for FY 2016 with the U.S. Department of Interior - Bureau of Reclamation (USBR), and

On April 20, 2016, IEUA's Board of Directors adopted Resolution No. 2016-4-2, approving the application submitted under the WaterSMART: Drought Resiliency Project Grants with the U.S. Department of Interior - Bureau of Reclamation (USBR) for the Recharge Master Plan Update (RMPU) Project No. 23a Wineville, Jurupa and RP-3 Basin Improvements Project.

On October 16, 2013, the RMPU Plan was approved by the Board.

# Wineville & Jurupa Basin Improvements and Conveyance System Project Grant Application



**2018 WaterSMART Drought Resiliency Grant Program**

**U.S. Department of Interior, Bureau of Reclamation (USBR)**

# Grant Funding and Proposed Project

- 2018 USBR Drought Resiliency Grant Program (\$750,000 per project)
- Increase the reliability of water supply
- Improve regional water management

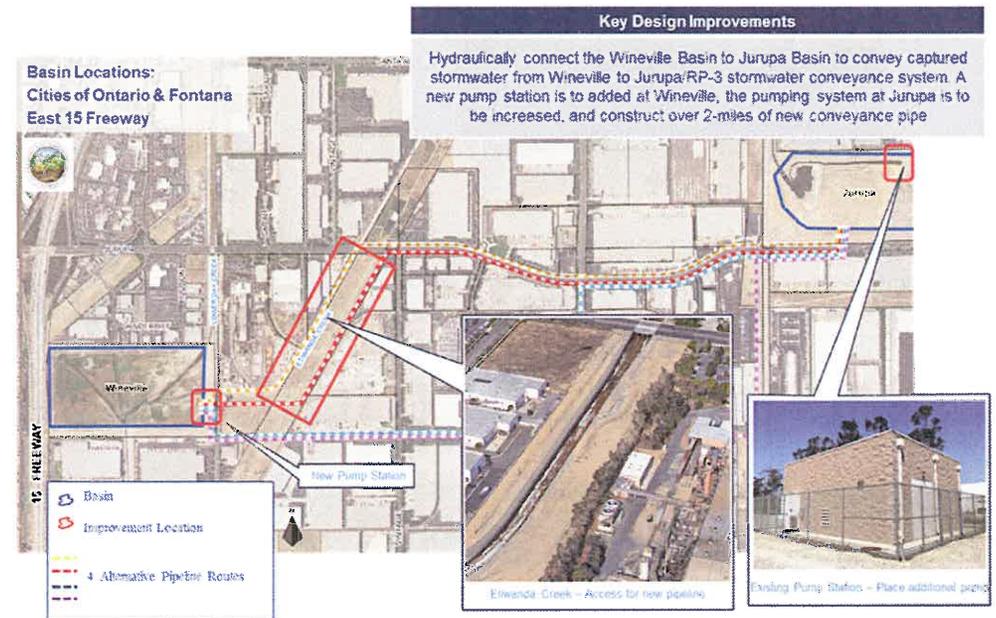
Project: Wineville & Jurupa Basin Improvements and Conveyance System Project

Cost: \$15,866,646

Benefit: 2,796 AFY

Completion: 2/28/2020

Requesting: \$750,000



# Project Benefit, Cost and Grant Funding

Project	Storm Water Yield (AFY)	Prop 1 Grant Award (50%)	SRF Loan Application (45%)	USBR Grant Application (5%)	Estimated Capital Cost (100%)
Wineville Basin	2,796	\$1,794,000	\$1,624,399	\$169,601	\$3,588,000
Jurupa Basin		\$1,147,223	\$1,038,767	\$108,456	\$2,294,446
Conveyance System		\$4,992,100	\$4,520,157	\$471,943	\$9,984,200
<b>Total</b>	<b>2,796</b>	<b>\$ 7,933,323</b>	<b>\$ 7,183,323</b>	<b>\$ 750,000</b>	<b>\$ 15,866,646</b>

# Recommendation

1. Adopt Resolution No. 2018-2-4, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior - Bureau of Reclamation for the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

*This action supports the Agency's mission to increase sustainability through the development of reliable local water supplies and is consistent with the Agency's mission of pursuing grants and low-interest financing.*

**RESOLUTION NO. 2018-2-4**

**THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR 2018 WITH THE U.S. DEPARTMENT OF INTERIOR - BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO**

**WHEREAS**, the United States Department of the Interior, Bureau of Reclamation under the WaterSMART: Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018 will make funding available to qualifying applicants; and

**WHEREAS**, the Board of Directors of the Inland Empire Utilities Agency\* has approved a project that exemplifies the objectives of the WaterSMART Drought Response Program: Drought Resiliency Project Grants FY 2018 No. BOR-DO-18-F008; and

**WHEREAS**, that the Inland Empire Utilities Agency\* is authorized to enter into a financial assistance agreement under the WaterSMART: Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and

**WHEREAS**, the General Manager has reviewed and supports the application being submitted; and

**WHEREAS**, that the Inland Empire Utilities Agency, along with project partner Chino Basin Watermaster are capable of providing the amount of funding and/or in-kind contributions specified in the grant application funding plan; and

**WHEREAS**, that the Inland Empire Utilities Agency will work with the Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement.

**BE IT RESOLVED**, that the Board of Directors hereby agrees and further does authorize the General Manager to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the USBR and any amendments or changes thereto; and

**BE IT FURTHER RESOLVED**, that the General Manager is authorized to represent the Agency in carrying out the Agency's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Agency and compliance with applicable state and federal laws.

**ADOPTED** this 21<sup>st</sup> day of February 2018.

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

ATTEST:

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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. 2018-2-4, was adopted at a regular  
Board Meeting on February 21, 2018, 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

**CONSENT  
CALENDAR  
ITEM**

**3F**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Finance & Administration

HAR

02/14/18

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

**Subject:** Adoption of Resolutions Approving an Application to the State Water Resources Control Board for the RP-1/RP-5 Construction Expansion Project

**Executive Summary:**

The State Water Resources Control Board (SWRCB) administers the Clean Water State Revolving Fund (CWSRF) Program for water recycling, wastewater treatment and non-point sources projects. IEUA has filed an application for CWSRF construction program funds to support the RP-1/RP-5 Construction Expansion Project. The CWSRF loan application requires three mandatory resolutions: 1) authorizing resolution, 2) pledging resolution, and 3) reimbursement resolution.

The proposed project will construct the RP-1 Liquids Capacity Recovery, RP-1 Solids Capacity Recovery, RP-5 Liquids Treatment Expansion, and the RP-5 Solids Treatment Facility to promote state planning priorities by utilizing existing infrastructure located at both RP-1 & RP-5. Additional facilities will be required to meet the expanded treatment capacity at both RP-1 and RP-5 to comply with the waste discharge requirements. The project protects all watersheds and parks adjacent to the project sites and supports population growth within IEUA's service area.

**Staff's Recommendation:**

1. Adopt Resolution No. 2018-2-1, authorizing the General Manager to sign and file the State Revolving Fund (SRF) loan application with the SWRCB for construction for projects in the RP-1/RP-5 Construction Expansion Project (Project);
2. Adopt Resolution No. 2018-2-2, dedicating certain revenues in connection with the construction of the Project SRF financing from the SWRCB;
3. Adopt Resolution No. 2018-2-3, establishing the Agency's intention to apply for and be reimbursed for expenditures related to the construction of the Project; and
4. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

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

*Account/Project Name:*

EN24001/ RP-1 Liquids Capacity Recovery, EN24002/ RP-1 Solids Capacity Recovery,  
EN19001/ RP-5 Liquids Expansion and EN19006/RP-5 Solids Treatment Facility

*Fiscal Impact (explain if not budgeted):*

The proposed project has a total project cost of \$533,350,000 in IEUA's Ten-Year Capital Improvement Plan (TYCIP). This application will request \$533,350,000 in CWSRF funding as a contribution to these total costs. Upon approval by SWRCB, the TYCIP and annual appropriations will be revised to align with the new SRF loan, grant, and total project budget.

Full account coding (internal AP purposes only):

- - -  
- - -

Project No.:

---

**Prior Board Action:**

On December 20, 2017, the Board of Directors approved an award for 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.

On May 17, 2017 the Board of Directors approved the amendment to Parsons for final design in the amount of \$17,993,681.

On March 15, 2017, the Board of Directors approved the Planning/Design Report of the Project

---

**Environmental Determination:**

Program Environmental Impact Report (Finding of Consistency)

Staff is currently completing a Finding of Consistency with IEUA's Program Environmental Impact Report and a CEQA Plus evaluation for SRF Loan Funding.

The State Water Resources Control Board will review IEUA's environmental package before funding is awarded as a requirement of SRF Loan Funding.

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**Business Goal:**

This action supports the Agency's mission of promoting sustainable use of groundwater and increasing the local water supply. It is also consistent with the Agency's mission of pursuing grants and low-interest financing.

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**Attachments:**

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Resolution No. 2018-2-1

Attachment 4 - Resolution No. 2018-2-2

Attachment 5 - Resolution No. 2018-2-3

## Background

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Subject: Adoption of Resolutions for a State Water Resources Control Board SRF Loan

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The RP-1 Liquids Capacity Recovery, RP-1 Solids Capacity Recovery, RP-5 Liquids Treatment Expansion, and RP-5 Solids Treatment Facility Project promotes state planning priorities by utilizing existing infrastructure located at both RP-1 & RP-5. The project protects all watersheds and parks adjacent to the project sites and supports population growth within IEUA's service area. Additional facilities will be required to meet the expanded treatment capacity at both RP-1 and RP-5 to comply with the waste discharge requirements. The facilities, with a total estimated cost of \$533,350,000, are described below:

### **RP-1 Liquids Capacity Recovery Project**

The RP-1 Liquids Capacity Recovery Project will consist of the following major components:

1. Replace the mechanical course screening equipment including rag conveyor and rag compactor systems.
2. Replace all primary clarifier sludge pumps, scum pumps, and flight drive components.
3. Provide new primary clarifier covers for the Plant No. 2 clarifiers including odor control.
4. Expand the Intermediate Pump Station.
5. Convert the existing conventional activated sludge secondary system to a membrane bio-reactor (MBR) system consistent with RP-5 Liquids Treatment Expansion.
6. Modify Lagoon No. 3 to allow for secondary effluent equalization eliminating the requirement to expand the tertiary treatment process.
7. Replace the existing odor control system with a new two-stage Bioscrubber with carbon polishing system.

### **RP-1 Solids Capacity Recovery Project**

The RP-1 Solids Capacity Recovery Project will consist of the following major components:

1. Replace the existing solids thickening systems with new rotary drum thickeners to improve solids thickening.
2. Construct three new smaller acid phase digesters to improve operational performance.
3. Add recuperative thickening to the digestion process to increase performance and eliminate the need to construct one additional digester.
4. Make minor modifications to the existing dewatering system.
5. Replace the existing solids odor control system with a new two-stage Bioscrubber with carbon polishing system.

The project costs for the RP-1 Capacity Recovery Projects are provided in the tables below.

*RP-1 Liquids Capacity Recovery Project Cost*

<b>Major Systems</b>	<b>Estimated Cost</b>
Headworks & Primary	\$10,250,000
Secondary	\$118,100,000
Tertiary	\$800,000
Odor Control	\$10,250,000
<b>Estimated Construction Cost</b>	<b>\$139,400,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$27,900,000</b>
<b>Total Project Cost</b>	<b>\$167,300,000</b>

*RP-1 Solids Capacity Recovery Project Cost*

<b>Major Systems</b>	<b>Estimated Cost</b>
Thickening	\$20,150,000
Digestion	\$11,450,000
Dewatering	\$700,000
Odor Control	\$3,950,000
<b>Estimated Construction Cost</b>	<b>\$36,250,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$7,250,000</b>
<b>Total Project Cost</b>	<b>\$43,500,000</b>

Therefore, the total project cost for the RP-1 Capacity Recovery Projects is approximately **\$212,000,000**.

### **RP-5 Liquids Treatment Expansion Project**

The RP-5 Liquids Treatment Expansion Project will consist of the following major components:

1. Expand the Influent Pump Station.
2. Provide Headworks improvements including: bar screens, vortex grit chamber, fine screens for MBR, and a screenings/grit building.
3. Two primary clarifiers and new primary clarifier covers.
4. Provide improvements to the existing aeration basin including new aeration diffusers, mixed liquor pumps, and air headers.
5. Demolish two secondary clarifiers and construct a 30 MGD MBR system for improved water quality.
6. Construct a UV disinfection system for improved water quality.
7. Construct a centralized odor control system for Solids and Liquids to meet the objectives of the IEUA's Business Goals.

8. Provide an emergency overflow and storm water system.
9. Construct the new Mountain Avenue Lift Station and modify the City of Chino Hills Butterfield Ranch Pump Station.

### **RP-5 Solids Treatment Facility**

The RP-5 Solids Treatment Facility will consist of the following major components:

1. Construct a rotary drum thickening building for primary and secondary solids thickening.
2. Provide phased digestion including acid phase digesters and methane digesters.
3. Provide digested sludge storage.
4. Construct a centrifuge dewatering building, biosolids cake storage, and centrate equalization.
5. Provide digester gas treatment, digester gas flaring and emissions control systems for the existing REEP engines.
6. Construct a food waste receiving station and digestate transfer pump station at RP-5 Solids Handling Facility.

The project costs for the RP-5 Liquids Expansion & RP-5 Solids Treatment Facility are provided in the tables below.

*RP-5 Liquids Expansion Project Cost*

<b>Major Systems</b>	<b>Estimated Cost</b>
Influent Pump Station	\$6,750,000
Headworks & Primary	\$21,500,000
Secondary	\$61,250,000
Tertiary	\$15,000,000
Odor Control	\$9,850,000
Emergency Overflow and Storm Water System	\$5,500,000
Permanent and Standby Power System Expansion	\$9,100,000
Offsite Facilities (does not include RP-2 Decommissioning)	\$4,000,000
<b>Estimated Construction Cost</b>	<b>\$132,950,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$26,600,000</b>
<b>Total Project Cost</b>	<b>\$159,550,000</b>

*RP-5 Solids Treatment Facility Project Cost*

<b>Major Systems</b>	<b>Estimated Cost</b>
Thickening	\$9,850,000
Digestion	\$51,650,000
Dewatering	\$42,950,000
Odor Control	\$1,900,000
Digester Gas Treatment, Flaring, and Emissions Controls	\$10,000,000
Permanent Power System Expansion	\$2,100,000
Site Work	\$7,900,000
Food Waste System	\$9,450,000
<b>Estimated Construction Cost</b>	<b>\$135,800,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$27,200,000</b>
<b>Total Project Cost</b>	<b>\$163,000,000</b>

Therefore, the total project cost for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility is approximately **\$325,000,000**.

**Project Schedule****RP-1 Expansion:**

<b>Project Phase</b>	<b>Date</b>
Design Engineering Services Contract Award	December 2017
RP-1 Liquids & Solids Treatment Expansion 30% Design Completion	December 2018
RP-1 Liquids & Solids Treatment Expansion Final Design Completion	TBD
Construction Contract Award	TBD
Construction Completion	TBD

**RP-5 Expansion:**

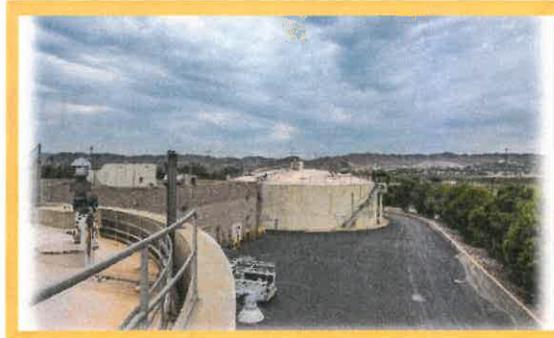
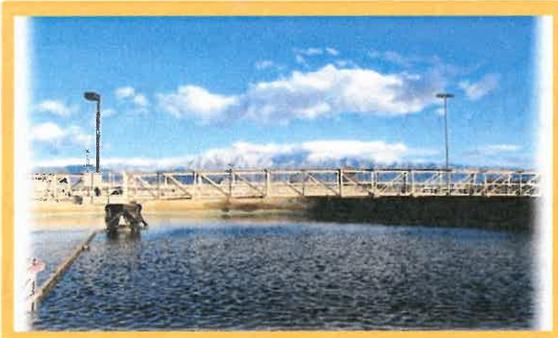
<b>Project Phase</b>	<b>Date</b>
Design Engineering Services Contract Award	May 2017
RP-5 Liquids Expansion & RP-5 Solids Treatment Facility Design Completion	June 2019
Construction Contract Award	December 2019
Construction Completion	December 2022

**Additional Prior Board Actions:**

On January 20, 2016, the Board of Directors approved the consulting engineering services contract award for the RP-1/RP-5 Expansion PDR to Parsons Water & Infrastructure Inc.

On November 18, 2015, the Board of Directors approved Resolution No. 2015-11-6, authorizing the General Manager to enter into a financial assistance agreement with SWRCB for the RP-1/RP-5 Expansion Preliminary Design Report.

# RP-1/RP-5 Expansion Project Loan Application



**Clean Water State Revolving Fund (SRF) Loan Program**

**State Water Resources Control Board (SWRCB)**

# Grant Funding and Proposed Project

- State Wastewater Discharge Requirements
  - Preliminary Design Report
  - RP-1/RP-5 Expansion Project
  - Estimated Cost \$533,350,000
1. RP-1 Liquids Capacity Recovery (EN24001)
  2. RP-1 Solids Capacity Recovery (EN24002)
  3. RP-5 Liquids Treatment Expansion (EN19001)
  4. RP-5 Solids Treatment Facility (EN19006)



# Project Cost, Budget and Schedule

Project Name/Project Number	Requested Funding Amount	Total Project Budget	Construction Starting
RP-5 Liquids Expansion (EN19001)	\$159,550,000	\$175,000,000	December 2020
RP-5 Solids Treatment Facility (EN19006)	\$163,000,000	\$165,000,000	December 2020
RP-1 Liquids Capacity Recovery (EN24001)	\$167,300,000	\$182,050,000	TBD
RP-1 Solids Capacity Recovery (EN24002)	\$43,500,000	\$48,050,000	TBD
<b>Total</b>	<b>\$533,350,000</b>	<b>\$570,100,000</b>	

# Recommendation

1. Adopt Resolution No. 2018-2-1, authorizing the General Manager to sign and file the State Revolving Fund (SRF) loan application with the SWRCB for construction for projects in the RP-1/RP-5 Construction Expansion Project (Project);
2. Adopt Resolution No. 2018-2-2, dedicating certain revenues in connection with the construction of the Project SRF financing from the SWRCB;
3. Adopt Resolution No. 2018-2-3, establishing the Agency's intention to apply for and be reimbursed for expenditures related to the construction of the Project; and
4. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

*This action supports the Agency's mission to increase sustainability through the development of reliable local water supplies and is consistent with the Agency's mission of pursuing grants and low-interest financing.*

**RESOLUTION NO. 2018-2-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO SIGN AND FILE ON BEHALF OF THE AUTHORITY, FINANCIAL ASSISTANCE APPLICATIONS AND AGREEMENTS WITH THE STATE WATER RESOURCES CONTROL BOARD, FOR THE RP-1/RP-5 EXPANSION PROJECT**

**BE IT RESOLVED**, by the Board of Directors of the Inland Empire Utilities Agency\*(Agency) that the General Manager is hereby authorized and directed to sign and file, on behalf of the Agency, a Financial Assistance Application for financing agreements from the State Water Resources Control Board (SWRCB) for the construction of all projects related to the RP-1/RP-5 Expansion Project (Project); and

**BE IT RESOLVED**, that the Board of Directors hereby agrees and further does authorize the General Manager to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the SWRCB and any amendments and any amendments or changes thereto; and

**BE IT FURTHER RESOLVED**, that the General Manager is authorized to represent the Agency in carrying out the Agency's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Agency and compliance with applicable state and federal laws.

**ADOPTED** this 21<sup>st</sup> day of February 2018.

\_\_\_\_\_  
Steven J. Elie, President of the Inland Empire Utilities Agency\* and 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



**RESOLUTION NO. 2018-2-2**

**THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, DEDICATING CERTAIN REVENUES IN CONNECTION WITH THE RP-1/RP-5 EXPANSION PROJECT FOR THE CLEAN WATER STATE REVOLVING FUND FINANCING FROM THE STATE WATER RESOURCES CONTROL BOARD**

**WHEREAS**, the State Water Resources Control Board (SWRCB) offers funding to assist local agencies to provide funding for the planning, design, and construction of water recycling projects that offset or augment state fresh water supplies; and

**WHEREAS**, the Board of Directors of the Inland Empire Utilities Agency (IEUA) has authorized the IEUA's General Manager to apply for and execute the RP-1/RP-5 Expansion Project Clean Water State Revolving Fund (CWSRF) loan with the SWRCB; and

**WHEREAS**, the IEUA has applied for a SRF loan from SWRCB for the construction of the RP-1/RP-5 Expansion Project; and

**WHEREAS**, the SWRCB's CWSRF loan program requires each recipient to establish one or more dedicated sources of revenue for repayment of the CWSRF loan.

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Directors that the IEUA hereby dedicates and pledges net revenues of the Enterprise Fund of IEUA to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the RP-1/RP-5 Expansion Project, CWSRF Project #8173-210. The IEUA commits to collecting such revenues and maintaining such funds(s) throughout the term of such financing and until the IEUA has satisfied its repayment obligation thereunder, unless modification or change is approved in writing by the SWRCB. So long as the financing agreements are outstanding, the IEUA pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreements are outstanding, the IEUA commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreements.

**ADOPTED** this 21<sup>st</sup> day of February 2018.

\_\_\_\_\_  
Steven J. Elie, President of the Inland Empire Utilities Agency\* and 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



**RESOLUTION NO. 2018-2-3**

**THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO BE REIMBURSED FOR EXPENDITURES RELATED TO THE CONSTRUCTION OF PUBLIC FACILITIES AND IMPROVEMENT RELATED TO THE RP-1/RP-5 EXPANSION PROJECT**

**WHEREAS**, the Inland Empire Utilities Agency (the “Agency”) desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities and other infrastructure (the “Project”); and

**WHEREAS**, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys (Project Funds) provided by the State of California, acting by and through the State Water Resources Control Board (SWRCB); and

**WHEREAS**, the SWRCB may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

**WHEREAS**, prior to either the issuance of the Obligations or the approval by the SWRCB of the Project Funds, the Agency desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available monies of the Agency; and

**WHEREAS**, the Agency has determined that those moneys to be advanced on and after the date hereof to pay to the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

**NOW, THEREFORE**, the Board of Directors of the Inland Empire Utilities Agency\* does hereby RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

**SECTION 1.** The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the SWRCB of the Project Funds.

**SECTION 2.** The reasonably expected maximum principal amount of the Project Funds is \$533,350,000.00

**SECTION 3.** This Resolution is being adopted no later than 60 days after the date on which the Agency will expend the moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

**SECTION 4.** Each Agency expenditures will be a type of properly chargeable to a capital account under general federal income tax principles.

**SECTION 5.** To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

**SECTION 6.** This Resolution is adopted as an official intent of the Agency in order to comply with Treasure Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

**SECTION 7.** All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

**ADOPTED** this 21<sup>st</sup> day of February 2018.

\_\_\_\_\_  
Steven J. Elie, President of the Inland Empire  
Utilities Agency\* and 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



**CONSENT  
CALENDAR  
ITEM**

**3G**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

HR

**Committee:** Engineering, Operations & Water Resources

02/14/18

**Executive Contact:** Randy Lee, Executive Manager of Operations/AGM

**Subject:** Maintenance Process and SAP Enhancement Project Proposal Rejection

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**Executive Summary:**

In June of 2017, the Agency's Operation & Maintenance (O&M) Department began working on a project to enhance the SAP system. The goal of the project was to implement recommendations that resulted from an external system assessment and business process overview conducted by Vesta Partners in March 2010 and from recommendations from an assessment conducted in February 2017 by Agency staff. On August 15, 2017, a Request for Proposal was advertised in Planet Bids. Seven contractors responded to the project solicitation and were evaluated to determine which proposal offered the best value to the Agency. The proposals received were higher than the project's estimate.

After further review and discussion with the executive team members, a decision was made to delay the efforts to implement changes to SAP and concentrate on existing system modifications and training. Staff recommends rejecting all proposals.

---

**Staff's Recommendation:**

Reject the September 14, 2017 bids for the Maintenance Process and SAP Enhancement Project.

---

**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.:

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**Prior Board Action:**

None

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The rejection of the bids for the Maintenance Process and SAP Enhancement Project is consistent with the Agency's Business Goal of Business Practices by applying ethical, fiscally responsible, and environmentally sustainable principles to all aspects of business and organizational conduct.

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**Attachments:**

CONSENT  
CALENDAR  
ITEM

**3H**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

HIR  
02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** CCWRF Improvements Package III Consultant Contract Award

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**Executive Summary:**

Carbon Canyon Water Recycling Facility (CCWRF) has been in operation for over 25-years and now requires major overhaul services and process improvements to maintain high quality wastewater treatment and remain in compliance with the discharge permit. Improvements are required in various locations throughout the plant. The project has been divided into three packages. Package I is currently in design and will address preliminary through secondary treatment process areas. Package II will provide tenant and buildings improvements. Package III (current action) will address improvements and rehabilitation for the tertiary filters, chlorine contact basins, and the storage lagoon. In addition, the project will also provide an engineering design solution to resolve the grading and drainage issues throughout the facility.

On January 8, 2018, IEUA received four proposals. The proposals were reviewed by a selection committee consisting of IEUA staff from Engineering, Operations and Maintenance, and the City of Chino Hills. Based on the project team qualifications and understanding of project scope, the committee unanimously concurred that GHD was the most qualified firm to do the work.

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**Staff's Recommendation:**

1. Award a consultant contract for the CCWRF Asset Management and Improvements Package III, Project No. EN18036, to GHD for the not-to-exceed amount of \$242,362; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

---

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

*Account/Project Name:*

EN18036/CCWRF Asset Management and Improvements Package III

*Fiscal Impact (explain if not budgeted):*

None.

**Prior Board Action:**

None.

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**Environmental Determination:**

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This project qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. When the project will be implemented will be subject to future environmental evaluation.

---

**Business Goal:**

The CCWRF Asset Management and Improvements Package III Project is consistent with IEUA's Business Goal of Wastewater Management, specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

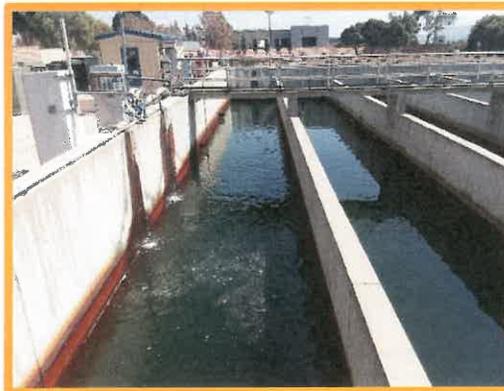
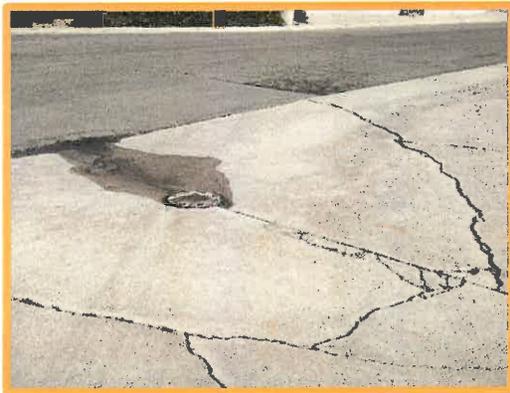
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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Consultant Contract

# CCWRF Improvements Package III Consultant Contract Award Project No. EN18036



# Project Location



Plant Entrance

# The Project

- Tertiary Filters
  - Replace/Rehabilitate corroded equipment
  - Connect operational controls to SCADA
- Chlorine Contact Basins
  - Evaluate the feasibility/benefits of adding a cover
  - Replace outfall flow meter and drain valves
- Lagoon
  - Install washdown hydrants and concrete lining
  - Replace discharge pump and integrate to SCADA
- Plantwide
  - Address site grading and drainage



Corroded Gates at the Filters



Cracked Pavement and Ponding

# Consultant Selection

- Evaluation and Selection Committee
  - IEUA Engineering, Operations & Maintenance
- Justification for unanimously selecting GHD
  - Project team qualifications and experience
  - Understanding of the project scope and expectations
- Four proposals received on January 8, 2018

Proposals Received
GHD
CivilTec
PACE
Woodard & Curran

# Project Budget and Schedule

Description	Estimated Cost
<b>Design Services</b>	<b>\$312,362</b>
Design Consultant (this action)	\$242,362
IEUA Design Services (4%)	\$70,000
<b>Construction Services</b>	<b>\$175,000</b>
Engineering Services During Construction (5%)	\$87,500
IEUA Construction Services (5%)	\$87,500
<b>Construction</b>	<b>\$1,925,000</b>
Construction	\$1,750,000
Contingency (10%)	\$175,000
<b>Total Project Cost:</b>	<b>\$2,412,362</b>
<b>Total Project Budget:</b>	<b>\$2,420,000</b>
<b>Remaining Budget</b>	<b>\$7,638</b>

Project Milestone	Date
<b>Design</b>	
Consultant Contract Award	February 2018
Design Completion	March 2019
<b>Construction</b>	
Construction Contract Award	June 2019
Construction Completion	November 2020

# Recommendation

- Award a consultant contract for the CCWRF Asset Management and Improvements Package III, Project No. EN18036, to GHD for the not-to-exceed amount of \$242,362; and
- Authorize the General Manager to execute the contract subject to non-substantive changes.

The CCWRF Asset Management and Improvements Package III Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.



**CONTRACT NUMBER: 4600002484**  
**DESIGN CONSULTING SERVICES**  
**FOR**

**CARBON CANYON WATER RECYCLING FACILITY (CCWRF)**  
**ASSET MANAGEMENT AND IMPROVEMENTS - PACKAGE III**

THIS CONTRACT (the "Contract"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, 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 GHD Inc. with offices located in Irvine, California (hereinafter referred to as "Consultant") for the provision of professional design consulting services in support of CCWRF Asset Management and Improvements - Package III, Project EN18036.

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

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

Project Manager: Adham Almasri, P.E., Senior Engineer  
Address: 6075 Kimball Avenue, Building "B"  
Chino, California 91708  
Telephone: (909) 993-1462  
Email: [aalmasri@ieua.org](mailto:aalmasri@ieua.org)  
Facsimile: (909) 993-1982

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

Consultant: Jamal Awad, PhD, P.E.  
Address: 175 Technology Drive, Suite 200  
Irvine, CA 91730  
Telephone: (949) 585-5235  
Email: [jamal.awad@ghd.com](mailto:jamal.awad@ghd.com)

2. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
  - A. Amendments to Contract 4600002484.
  - B. Contract Number 4600002484, General Terms and Conditions.
  - C. IEUA Request for Proposals RFP-RW-17-038 and all germane Addenda, incorporated herein by reference.
  - D. Consultant's proposal dated January 8, 2018, incorporated herein by reference, and revised organizational chart of proposal, which is incorporated herein as **Attachment 1**.
3. **SCOPE OF WORK AND SERVICES:** Consultant is to provide design consulting services as offered within the Consultant's revised Proposal, which is attached hereto, referenced herein, and made a part hereof as **Attachment 1**.
4. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate within one (1) year upon acceptance of the design's construction by the Agency's Board of Directors, cognizant Engineering & Construction Management Department personnel, and project management, unless agreed to by both parties, reduced to writing, and amended to this Contract.
5. **COMPENSATION:** The Agency shall pay Consultant's properly-executed invoices, subsequent to approval by the Project Manager, within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract or has proven unacceptable until such service is revised, resubmitted, and accepted by the Project Manager.

As compensation for work performed under this Contract, Agency shall pay Consultant a **NOT-TO EXCEED maximum of \$249,870.00** in accordance with **Attachment 2** and as approved by SAP Purchase Requisition 10043404.

All invoices shall be submitted electronically with all required back-up to [apgroup@ieua.org](mailto:apgroup@ieua.org)

Consultant's invoice must be submitted according to milestones achieved by Consultant and accepted by the Agency's Project Manager, and shall include a breakdown by items completed, all associated labor provided, labor hours supplied and associated hourly rates, dates worked, the current monthly amount due, and the cumulative amount invoiced to-date against this Contract, using the Agency's standard Excel-based invoicing template **Attachment 3**. Invoice shall not be submitted in advance and shall not be dated earlier than the actual date of submittal.

A copy of subject Excel invoicing template shall be furnished by the Agency's Project Manager.

6. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Work Schedule's milestones. If performance of the Work falls behind schedule, the Consultant 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 Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.
7. **GRANT FUNDED PROJECTS:** This is not a grant-funded (e.g., Federal Grant and State Revolving Funds combined) project.
8. **FITNESS FOR DUTY:**
  - A. **Fitness:** Consultant and its Subcontractor 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.
  - B. **Compliance:** Consultant shall advise all Consultant and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.
9. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant'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 Consultant 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 Consultant's profession, with limit no less than \$1,000,000 per 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 Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims 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 Consultant 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 Consultant'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 Consultant'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 Consultant'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 Consultant'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 Consultant 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 Agency a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Agency by virtue of the payment of any loss under such insurance. Consultant 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 Consultant's written notice by certified mail, return receipt requested, has been given to the Agency.

Acceptability of Insurers: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VII, and who are authorized insurers in the State of California.

Verification of Coverage: Consultant shall furnish the Agency with current Certificates of Insurance and amendatory endorsements or copies of the applicable policy language effecting coverage required by

this clause of like kind as are presently on file with the IEUA Risk Department.

Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District

Attn: Angela Witte, Risk Specialist

P.O. Box 9020

Chino Hills, California 91709

email [awitte@ieua.org](mailto:awitte@ieua.org)

10. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Consultant 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 Consultant: The Consultant is retained as an independent Consultant 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 Consultant 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 Consultant 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 and employees against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant 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. Hours of Labor: The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution of the Contract by the Consultant or by any

subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) calendar week in violation of the provisions of the Labor Code.

- F. Travel and Subsistence Pay: The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- G. Liens: Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant 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. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- 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 and Unlawful Discrimination: During the performance of this Contract, the Consultant 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 Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency's Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency's Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency's Human Resources Administrator. Please be assured that any possible infraction shall be thoroughly investigated by the Agency.

J. Non-Conforming Work and Warranty: Consultant represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Consultant's receipt of notice of the error. Upon request of Agency, Consultant 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 Consultant'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, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for the Consultant's position. Any dispute that cannot be resolved between the Project Manager and Consultant 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 Consultant 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 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 during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant 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 Consultant 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 Consultant'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 Consultant 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 hereto 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 Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person shall be designated as Arbitrator.
  - b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant 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. Joinder in Mediation/Arbitration: The Agency may join the Consultant in mediation or arbitration commenced by a contractor 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 Consultant.
  
11. INDEMNIFICATION: Consultant shall indemnify the Agency, its directors, employees and assigns, and shall fund the defense of and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, to the extent caused by the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this Contract, to the extent caused by Consultant's negligence or willful misconduct. Notwithstanding the foregoing, to the extent that this Contract includes design professional services under Civil Code Section 2782.8, as may be amended from time to time, such duties of Consultant to defend and to indemnify Agency shall only be to the full extent permitted by Civil Code Section 2782.8.
  
12. 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 ("Work Product") prepared by the Consultant and/or the Consultant's subcontractor(s) pertaining to this Contract upon full payment of all monies owed to the Consultant. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.
  
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 Consultant for its records and internal use. Consultant 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.

- 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. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Consultant shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and/or Agency.

14. PROPRIETARY RIGHTS:

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 Consultant in the performance of the Work, shall be governed by the following provisions:

Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.

If Proprietary Rights conceived, developed, or reduced to practice by Consultant 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, Consultant 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.

If the Work or Documentation includes the Proprietary Rights of others, Consultant 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.

15. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.
16. INFRINGEMENT: Consultant 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.

Consultant shall indemnify and hold harmless Agency, its officers, directors, employees, successors, assigns, and servants 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.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its reasonable 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.

17. 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: Mr. Warren T. Green  
Manager of Contracts and Procurement  
Inland Empire Utilities Agency, a Municipal Water District  
P.O. Box 9020  
Chino Hills, California 91709

Consultant: Mr. Paul Hermann  
Principal  
GHD Inc.  
175 Technology Drive, Suite 200  
Irvine, CA 92618

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.

18. **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 Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant 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.
19. **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 Consultant of any requests for disclosure of any documents pertaining to Consultant. In the event of litigation concerning disclosure of information Consultant 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 Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant 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.
20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Consultant'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 Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Consultant 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 Consultant.
22. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
23. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Consultant. In the event of such termination, the Agency shall pay

Consultant for all authorized and Consultant invoiced services up to the date of such termination.

24. 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, etcetera.
25. NOTICE TO PROCEED: No services shall be performed or furnished 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 Consultant.

(Signature page immediately follows)

IN WITNESS WHEREOF, 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)**

**GHD INC.:**

\_\_\_\_\_  
Halla H. Razak  
General Manager

\_\_\_\_\_  
(Date)



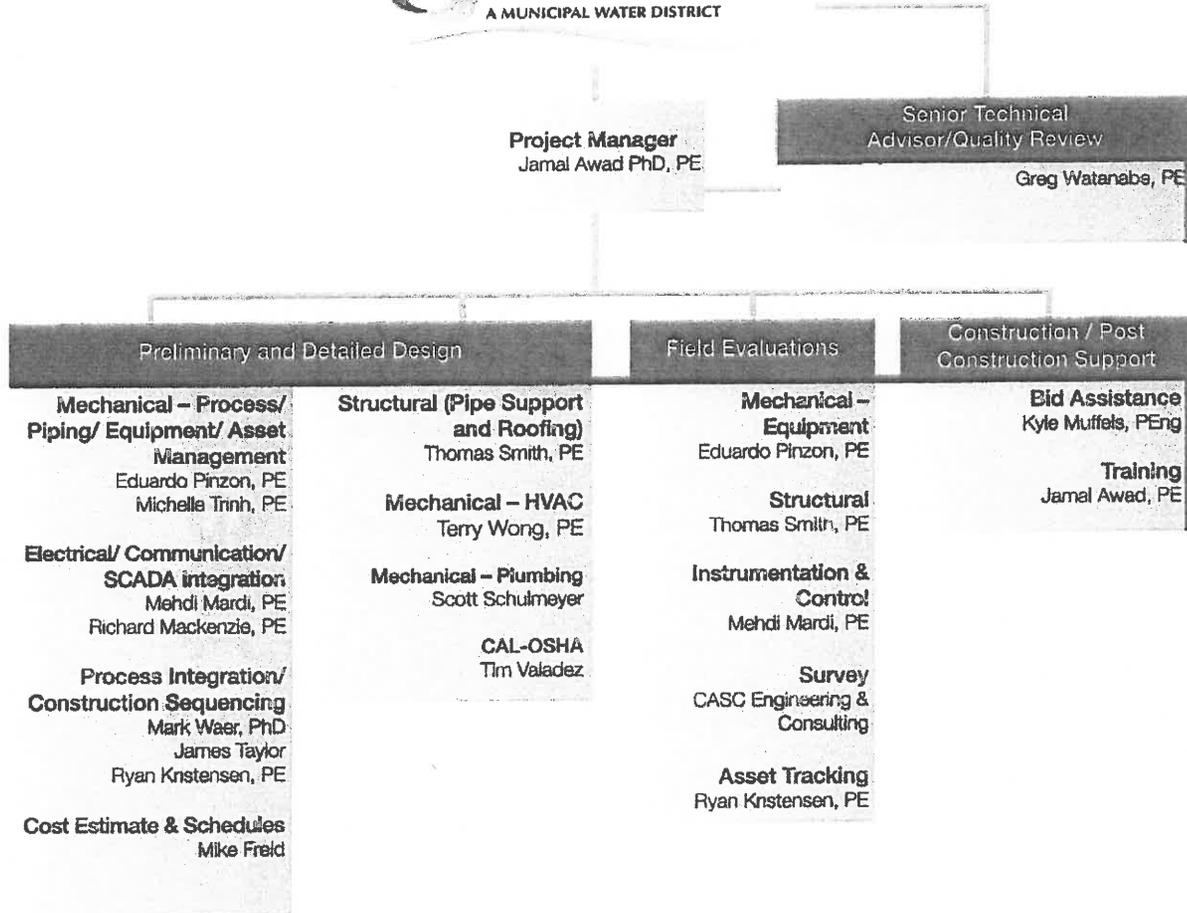
\_\_\_\_\_  
Paul Hermann  
Principal

1/30/18

\_\_\_\_\_  
(Date)

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# **Attachment 1**



Technical and Administrative support of 3,500 staff and over 200 offices, including 33 Staff Base in Irvine

# **Attachment 2**

FEE ESTIMATE WORKSHEET



Rate (\$ USD / HR)

Greg Wintrobe	Senior Technical Advisor/ Quality Review	\$246
Janae Aved	Project Manager	\$255
Eduardo Picon	Mechanical - Process/Piping Equipment Asset Management	\$215
Thomas Smith	Structural	\$155
Kyle Mathis	Bld Assistance	\$197
Michelle Tinn	Mechanical - Process/Piping Equipment Asset Management	\$175
Mehdi Mandi	Electrical	\$215
Mark Hear	Process Integrational/ Construction Engineering	\$185
James Taylor	Process Integrational/ Construction Engineering	\$189
Ryan McInnes	Process Integrational/ Construction Engineering	\$145
Mike Proff	Cost Estimate & Scheduling	\$185
Larry Torbaya	Drainage	\$185
Samuel Pajo	Pavement	\$235
Nathan Tomlinson	GHD/ Specialist	\$155
Cecy Lane	Hydraulic Modeling	\$123
Subtotal Hours		
Consumable Costs		\$8
Direct Expenses		
Total		

Phase 01 - Preliminary Design

1	TM1	Covering Chlorine Contact Basins		2	8	40		12		2		4	8				76	\$456.00		\$13,436.00	
2	TM2	Grading, Drainage and Settlement Issues	2	2									6	40	40	12	104	\$824.00		\$22,164.00	
3	Task 1	Renovations		6	12			12		2			8				40	\$240.00		\$8,320.00	
4	Task 2	Replacements		6	20			16	20	2		20	4				88	\$528.00		\$17,488.00	
5	Task 3	Demolition		2	20					2			2				26	\$156.00		\$5,726.00	
6	Task 4	Upgrades		2	12					2			8			20	44	\$144.00		\$8,804.00	
7	Task 5	Meetings	4	14	8				8	4		12		6	6	6	68	\$408.00	\$600.00	\$15,028.00	
SUB-TOTAL PHASE 01 - Preliminary Design			6	34	80	40	0	40	28	14	0	36	38	26	48	18	20	468	\$2,556.00	\$600.00	\$90,956.00
			1%	0%	10%	0%	0%	0%	3%	0%	5%	0%	10%	10%	4%	4%					

Phase 02 - 50% Design

1	Task 1	Renovations		6	12			12		2			8				40	\$240.00		\$8,320.00	
2	Task 2	Replacements		6	20			12	20	2		20	4				84	\$504.00		\$16,764.00	
3	Task 3	Demolition		4	20								2				26	\$156.00		\$5,846.00	
4	Task 4	Upgrades		4	12								8			20	44	\$144.00		\$8,524.00	
5	Task 5	Meetings	4	20	12				12	4		12		8	8	8	88	\$528.00	\$1,000.00	\$19,968.00	
6	Task 6	Grading, Drainage and Settlement Improvements	2	6										20	16	20	64	\$384.00		\$13,164.00	
	TM1	Covering Chlorine Contact Basins	Level of effort will be defined based on the recommendations from TM 1																		
SUB-TOTAL PHASE 02 - 50 percent Design			6	48	76	0	0	28	32	8	0	32	22	28	24	28	20	368	\$1,956.00	\$1,000.00	\$72,968.00
			2%	13%	22%	0%	0%	7%	9%	2%	0%	9%	6%	8%	7%	8%					

FEE ESTIMATE WORKSHEET



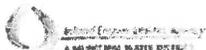
Rate (\$ USD / HR)

Senior Technical Advisor/ Quality Review	Project Manager	Mechanical - Process/Piping/ Equipment/Asset Management	Structural	BM Assistance	Mechanical - Process/Piping/ Equipment/Asset Management	Electrical	Process Integration/ Construction Sequencing	Process Integration/ Construction Sequencing	Process Integration/ Construction Sequencing	Cost Estimate & Schedule	Drainage	Pavement	Civil/ Stormwater	Hydraulic Modeling				
Greg Williams	Jamal Aweid	Eduardo Pizaron	Thomas Smith	Kyle Mullins	Michelle Trish	Mehdi Maraf	Mark West	James Taylor	Ryan Krichman	Mike Field	Larry Torboys	Bernard Fajlo	Nathan Towdston	Cassy Rabus	Subtotal Hours	Consumable Costs	Direct Expenses	Total
\$225	\$258	\$216	\$166	\$197	\$178	\$218	\$186	\$188	\$148	\$188	\$186	\$225	\$255	\$188	\$6			

Phase 03 - 100 % Design

1	Task 1	Renovations	2	6	16			20								52	\$312.00	\$300.00	\$11,052.00				
2	Task 2	Replacements	2	6	16		20	20								88	\$528.00	\$300.00	\$17,728.00				
3	Task 3	Demolition		4	12											18	\$108.00	\$400.00	\$4,478.00				
4	Task 4	Upgrades		4	12									20		44	\$144.00	\$400.00	\$9,324.00				
5	Task 5	Meetings	4	20	12			12								84	\$504.00	\$400.00	\$18,584.00				
6	Task 6	Grading, Drainage, and Settlement Improvements	2	6												84	\$504.00	\$400.00	\$17,284.00				
	TM1	Covering Chlorine Contact Basins	Level of effort will be defined based on the recommendations from TM 1																				
	SUB-TOTAL PHASE 03 - 100 percent Design		10	48	68	0	0	40	32	0	0	32	22	32	28	40	20						
			3%	12%	10%	0%	0%	11%	8%	0%	0%	8%	6%	9%	8%	11%	5%						
	Assistance During Bidding						36										36	\$216.00	\$200.00	\$7,508.00			
TOTAL SCOPE OF WORK			Total Hours Per Person		22	126	224	40	36	104	92	22	0	100	82	105	98	86	60	1,198	\$6,612.00	\$3,850.00	\$249,873.00
			Percent of Project Time		2%	11%	19%	3%	3%	5%	8%	2%	0%	8%	7%	9%	8%	7%	5%				

# **Attachment 3**



**INLAND EMPIRE UTILITIES AGENCY  
CONSULTING SERVICES INVOICE**

Company: ABC Company	Pay Est. No.:	Contract Date:	Invoice Date: #####
Address:	Contract No.: 45-xxxx	IEUA Project Manager:	This Period: From: 9/1/2015
Phone No.:		Jamal Zughbi	To: 9/30/2015
Proj. Name & No: RP-1 Improvements Project, EN15xxx			Invoice No./Consult Ref: XXXXXX

**ORIGINAL CONTRACT:**

PO No.	SAP Line Item No.	WBS Element No.	Item Description	Original Contr. Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
45-xxxxx	1	EN15xxx.00.F.DN50	50% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	2	EN15xxx.00.F.DN85	85% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	3	EN15xxx.00.F.DFLP	Final Design	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	4	EN15xxx.00.G.CNSW.00.	Constr Support Services		#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
<b>Subtotal Original Contract</b>				<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>

**CONTRACT AMENDMENTS:**

PO No.	SAP Line Item No.	WBS Element No.	Amendment Description	Amended Contract Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
<b>Subtotal Contr. Amendm</b>				<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>
<b>Total Cont. with Amendr</b>				<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>

**PAYMENT SUMMARY FOR THIS PERIOD:**

	From: 9/1/2015
	To: 9/30/2015
Amount Earned Original Contract	\$0.00
Amount Earned Amendments	\$0.00
Back Charges	\$0.00
<b>Amount Due This Period</b>	<b>\$0.00</b>

**PRIOR PAYMENT SUMMARY:**

	From:
	To:
Amount Earned Orig Contract	\$0.00
Amount Earned Amendments	\$0.00
Back Charges	\$0.00
<b>Prior Payments</b>	<b>\$0.00</b>

**TOTAL PAYMENT SUMMARY:**

	<b>Total Contract</b>
Total Original Contract	\$0.00
Total Contract Amendments	\$0.00
Total Payments to Date	\$0.00
Back Charges	\$0.00
Payment this period	\$0.00
<b>Balance of Contract</b>	<b>\$0.00</b>

**CONTRACT SCHEDULE SUMMARY:**

Contract Start Date:	10/9/2014
Contract Duration:	365
Contract Completion Date:	10/9/2015
Authorized Time Extension:	0
Revised Completion Date:	10/9/2015

**PROJECT COMPLETION SUMMARY:**

Contract Time Expired:	102%
Contract Work Complete:	#DIV/0!

**Consultant Approval:**

Title: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Inland Empire Utilities Agency Approvals:**

Proj. Engineer: \_\_\_\_\_ Date: \_\_\_\_\_ Exec Mgr. / Assistant GM: \_\_\_\_\_ Date: \_\_\_\_\_  
 Deputy Manager: \_\_\_\_\_ Date: \_\_\_\_\_ General Manager: \_\_\_\_\_ Date: \_\_\_\_\_  
 Dept. Manager: \_\_\_\_\_ Date: \_\_\_\_\_

**CONSENT  
CALENDAR  
ITEM**

**31**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

HHR  
02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** RP-1 Maintenance Building Construction Contract Award

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**Executive Summary:**

The heating, ventilation, and air conditioning (HVAC) systems throughout the IEUA service area are critical in order to maintain the proper operating temperature conditions for equipment and personnel. The Regional Recycling Plant No.1 (RP-1) Maintenance Building utilizes eight evaporative coolers for space cooling. The evaporative coolers are more than 20 years old and have reached the end of their useful life. The evaporative coolers are heavily corroded with broken components which rendered some units nonfunctional.

This project will procure and install eight roof-mounted evaporative cooling units along with associated electrical equipment to replace the existing units. Additionally, the access ladder leading to the building roof and guard railing will be upgraded to enhance safety.

On January 9, 2018, IEUA received three construction bids. Allison Mechanical, Inc., was the lowest responsive, responsible bidder with a bid price of \$167,967.

---

**Staff's Recommendation:**

1. Award a construction contract for the RP-1 Maintenance Building HVAC Replacement, Project No. EN18040, to Allison Mechanical, Inc., in the amount of \$167,967; and
2. Authorize the General Manager to execute the contract.

---

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

Account/Project Name:

EN18040/RP-1 Maintenance Building HVAC Replacement

*Fiscal Impact (explain if not budgeted):*

N/A

**Prior Board Action:**

None.

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**Environmental Determination:**

Statutory Exemption

CEQA exempts a variety of project from compliance with the statute. This project qualifies for a General Rule Statutory Exemption as defined in Section 15061(b)(3) of the State CEQA Guidelines.

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**Business Goal:**

The master services contract for condition assessments, is consistent with IEUA's Business Goal of Wastewater Management specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

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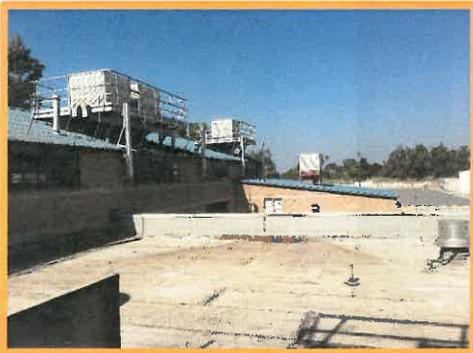
**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

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# RP-1 Maintenance Building Construction Contract Award Project No. EN18040



# Project Location



RP-1 Maintenance Building:  
HVAC Replacement

# The Project

- Evaluate HVAC structural framing and roof ducting
- Replace eight evaporative coolers
- Replace electrical equipment
- Upgrade access ladder and guard railing
- Protective coatings



Access Ladder to HVAC Units



Disconnect and Motor Control Panels

# Contractor Selection

Three bids were received on January 9, 2018:

## Bids Received

Bidder's Name	Total
Allison Mechanical, Inc.	\$ 167,967
F. M. Thomas Air Conditioning, Inc.	\$ 230,594
Airite Heating & Air Conditioning, Inc.	\$ 259,900
<b>Engineer's Estimate</b>	<b>\$ 300,000</b>

# Project Budget and Schedule

Description	Estimated Cost
<b>Design Services</b>	<b>\$13,000</b>
IEUA Design Services (actual cost)	\$13,000
<b>Construction Services (IEUA)</b>	<b>\$25,000</b>
IEUA Construction Services (15%)	\$25,000
<b>Construction</b>	<b>\$192,967</b>
Construction Contract (this action)	\$167,967
Contingency (15%)	\$25,000
<b>Total Project Cost:</b>	<b>\$230,967</b>
<b>Total Project Budget:</b>	<b>\$650,000</b>

Project Milestone	Date
<b>Construction</b>	
Construction Contract Award	February 2018
Construction Completion	July 2018

# Recommendation

- Award a construction contract for the RP-1 Maintenance Building HVAC Replacement, Project No. EN18040, to Allison Mechanical, Inc., in the amount of \$167,967; and
- Authorize the General Manager to execute the contract.

The master services contract for condition assessments, is consistent with **IEUA's Business Goal of Wastewater Management** specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.



**CONTRACT NUMBER: 4600002480**  
**FOR**  
**RP-1 MAINTENANCE BUILDING HVAC REPLACEMENT**  
**PROJECT NUMBER EN18040**

THIS CONTRACT (the "Contract") is made and entered into this 25<sup>th</sup> day of January, 2018 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 Allison Mechanical, Inc., with offices located in Redlands, California (hereinafter referred to as "Contractor"), for the RP-1 Maintenance Building HVAC Replacement Project No. EN18040.

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

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

Project Manager: Jamal Zughbi, P.E., Senior Engineer  
Address: 6075 Kimball Avenue, Building "B"  
Chino, CA 91708  
Telephone: (909) 993-1698  
Email: [izughbi@ieua.org](mailto:izughbi@ieua.org)  
Facsimile: (909) 993-1982

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

Project Manager: Jacob Johanson  
Address: 1968 Essex Court  
Redlands, CA 92373  
Telephone: (909) 478-5633  
Email: [jjohanson@allison1.net](mailto:jjohanson@allison1.net)  
Facsimile: (909) 478-5637

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
  - A. Amendments to Contract number 4600002480.
  - B. Contract number 4600002480 General Terms and Conditions.
  - C. Agency's Invitation for Bid RFP-RW-17-036 and Addendum Number One, both incorporated herein by this reference.
  - D. Contractor's bid dated January 9, 2018 (**Attachment 1**).
4. **SCOPE OF WORK AND SERVICES:** Contractor services and responsibilities shall include and be in accordance with the Agency's Request for Proposals RFP-RW-17-036 and Addendum Number One, both incorporated herein by this reference.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate on July 31, 2018, unless agreed to by both parties, reduced to writing, and amended to this Contract.
6. **PAYMENT, INVOICING AND COMPENSATION:** The Contractor shall submit once-monthly invoicing, basis materials and labor completed to-date. IEUA shall pay the Contractor's invoice within thirty (30) days following receipt of the approved invoice. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

All invoices shall be submitted electronically with all required back-up to [apgroup@ieua.org](mailto:apgroup@ieua.org).

Contractor shall provide with their invoice certified payroll verifying that Consultant has paid prevailing wage in accordance with the Department of Industrial Relations requirements as stipulated in SB-854 [ <http://www.dir.ca.gov/Public-Works/Certified-Payroll-Reporting.html> ].

**Effective January 1, 2015:** The call for bids and contract documents must include the following information:

- A. No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- B. No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

C. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. As such, a PWC-100 will be generated.

As compensation for the work performed under this Contract, Agency shall pay Contractor a **not-to-exceed maximum \$167,967.00** for all work satisfactorily provided hereunder in accordance with Attachment 1, referenced herein, attached hereto, and made a part hereof.

7. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant'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.
  - a. The insurance shall include coverage for each of the following hazards:

Premises – Operations  
Owners and Contractors Damage  
Broad Form Property Damage  
Contractual for Specific Contract  
Severability of Interests or Cross-Liability  
XCU [Explosion, Collapse and Underground] Hazards  
Personal Injury – with the "Employee" Exclusion Deleted

2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant 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 Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
5. **Payment, Labor & Material, and Performance Bonds:** Bonding is required, per Public Contract Code Article 121, Section 21565, for public works projects. All construction-related labor for this project is designated as the

public works portion of this project and therefore subject to prevailing wage. Contractor and subcontractor shall furnish bonding with the use of IEUA forms as furnished by Project Manager or their designee.

- 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 Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- C. Other Insurance Provisions: The insurance 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 Consultant 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 Consultant'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 Consultant'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 Consultant'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 Consultant'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 Consultant 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 Agency a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Agency by virtue of the payment of any loss under such insurance. Consultant 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: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:-VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Consultant 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 Consultant'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: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District  
Attn: Angela Witte, Risk Specialist  
P.O. Box 9020  
Chino Hills, California 91709

8. CONTROL OF THE WORK: Contractor shall perform the Work in compliance with the 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.

9. 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.

**Effective July 1, 2014, all Contractors must be registered with the California Dept. of Industrial Relations as required by law SB-854 for public works construction projects.**

D. Confined Space Work:

I. Precautions and Programs:

- a. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work or the activities of subcontractors, suppliers, and others at the work site.
- b. The Contractors and subcontractors shall comply with the provisions of the Safety and Health Regulations for Construction, promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act," as set forth in Title 29 C.F.R. If the Agency is notified of an alleged violation of the Occupational Safety and Health Standards referred to in this Section and it is established that there is a violation, the Contractor shall be subject to liquidated damages as provided in the Contract.
- c. The Contractor and all subcontractors shall comply with the provisions of the Occupational Safety and Health Standards, promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970," as set forth in Title 29, C.F.R. Where an individual State act on occupational safety and health standards has been approved by federal authority, then the provisions of said state act shall control.

d. The Contractor shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control, and direction to prevent damage, injury, or loss to:

- 1) All employees on the work or work site and other persons and organizations who may be affected thereby;
- 2) All the work and materials and equipment to be incorporated therein, whether in storage or on or off the work site; and
- 3) All other property at the site.

e. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to the start of the project:

- 1) *Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157. This regulation also requires the following to be submitted to IEUA for approval prior to the entry of a confined space:*
- 2) *A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for permit-required and non-permit required spaces, and a rescue plan.*

f. The Contractor must also submit a copy of their Safety Program or IIPP prior to the start of the project for approval by the Safety & Risk Department.

- E. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.
- F. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.
- G. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- H. 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.

- I. Indemnification: Contractor shall indemnify IEUA, its directors, employees, agents, and assigns, and shall defend and hold them harmless from all liability, demands, actions, claims, losses, and expenses, including reasonable attorney's fees, which arise out of or are related to the negligence, recklessness or willful misconduct of Contractor, its directors, employees, agents and assigns, in the performance of work under this contract.
  
- J. 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.
  
- K. 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.
  
- L. 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 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 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 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 hereto 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 Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
  - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator 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 Arbitrator. The Contractor 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. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor 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.
- N. Workers' Legal Status: For performance against this Contract, Supplier shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.
- O. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less than the general prevailing wage rates, as determined by the Director of the State of California

Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor [ <http://www.dir.ca.gov/Public-Works/PublicWorks.html> ].

10. **FITNESS FOR DUTY:**

A. **Fitness:** Consultant and its Subcontractor 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.

B. **Compliance:** Consultant shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

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.

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. **NON-CONFORMING WORK AND WARRANTY:** Contractor represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. 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 errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Contractor by Agency, or any other person or entity.
13. **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: Inland Empire Utilities Agency, a Municipal Water District  
Attn: Mr. Warren T. Green  
Manager of Contracts and Procurement  
P.O. Box 9020  
Chino Hills, California 91709-0902

Contractor: Allison Mechanical, Inc.  
Attn: Mr. Donald Allison  
President  
1968 Essex Court  
Redlands, CA 92373-8008

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.

15. **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.

16. **INTEGRATION:** The Contract Documents represent the entire Contract 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.
17. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.
18. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract 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.
19. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor'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 Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
20. **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, etcetera.
21. **LIQUIDATED DAMAGES:** Liquidated Damages, in the amount of \$1,000.00 per day, may be assessed by the Agency for each calendar day that the Contractor fails to complete this project in accordance with its final, contractually-committed delivery schedule. Any and all Liquidated Damages assessed by the Agency will be taken as a direct credit against the Contractor's invoice for this project. The Contractor's acceptance of a contract subsequently issued in conjunction with this solicitation, shall serve to indicate acceptance of this Liquidated Damages clause, and the daily assessment of damages expressed herein.
22. **CHANGES:** The Agency 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.
23. **NOTICE TO PROCEED:** No services shall be performed or furnished 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 Contractor.

AS WITNESS HEREOF, 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)

ALLISON MECHANICAL, INC.:

\_\_\_\_\_  
Halla H. Razak  
General Manager

(Date)

*Donald P. Allison*  
\_\_\_\_\_  
Donald P. Allison  
President

*1/25/18*  
\_\_\_\_\_  
(Date)

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**CONSENT  
CALENDAR  
ITEM**

**3J**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

HR  
02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** SCADA Training Contract Award

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**Executive Summary:**

Consistent with IEUA's Supervisory Control and Data Acquisition (SCADA) Master Plan, the control systems at IEUA's treatment facilities are being migrated to a standardized software platform, Rockwell PlantPax. The SCADA system is used by operations staff to monitor plant processes and ensure compliance. Programming for the PlantPax systems requires specific training and experience. Through the SCADA Migration Project (EN13016), IEUA prequalified system integrators will program all of the systems at IEUA's treatment facilities to the PlantPax platform. Following this migration, IEUA's Integrated System Services (ISS) staff will be required to maintain the PlantPax system.

Royal Industrial Solutions (Royal) was contracted by IEUA in September 2014 to develop and conduct customized PlantPax training tailored to the equipment and programming strategies that IEUA utilizes. Royal is the local representative (located in Rancho Cucamonga) for Rockwell Automation and is also a partner with Rockwell in a long-term contract with IEUA for SCADA services during the migration process.

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**Staff's Recommendation:**

1. Award a single source service contract for the PlantPax training program to support the SCADA Enterprise System, Project No. EN13016, to Royal Industrial Solutions, for a not-to-exceed amount of \$156,039; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

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

Account/Project Name:

EN13016.04/SCADA Enterprise System (Regional Plant No. 5)

*Fiscal Impact* (explain if not budgeted):

None.

**Prior Board Action:**

On December 17, 2014, the Board of Directors approved the services contract award for the SCADA Enterprise System to Royal Wholesale Electric.

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**Environmental Determination:**

Categorical Exemption

In June 2014, IEUA filed a Notice of Exemption with San Bernardino County for the SCADA Enterprise System, Project No, EN13016, which included the RP-5 facility.

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**Business Goal:**

The SCADA Enterprise System Project is consistent with IEUA's Business Goal of Business Practices that strives to apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public.

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**Attachments:**

Attachment 1 - Training Services Contract



**CONTRACT NUMBER: 4600002483**

**CONSULTING SERVICES**

**FOR**

**RP-5 SCADA ENTERPRISE SYSTEM**

THIS CONTRACT (the "Contract"), is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, 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 Royal Wholesale Electric with offices located in Rancho Cucamonga, California (hereinafter referred to as "Consultant") for the delivery of onsite training services.

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

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

Project Manager: Jesse Pompa, P.E., Senior Engineer  
Address: 6075 Kimball Avenue, Building "B"  
Chino, California 91708  
Telephone: (909) 993-1545  
Email: [jpompa@ieua.org](mailto:jpompa@ieua.org)  
Facsimile: (909) 993-1982

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

Consultant: Jamie Colflesh, Services Product Manager  
Address: 10096 6th Street, Suite "D"  
Rancho Cucamonga, CA 91730  
Telephone: (951) 385-7776  
Email: [JColflesh@royalasg.com](mailto:JColflesh@royalasg.com)

2. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
  - A. Amendments to Contract 4600002483.
  - B. Contract Number 4600002483, General Terms and Conditions.
  - C. Consultant's proposal #7B03F-EFD-10 V3 dated January 16, 2018, which is incorporated herein as **Appendix 1**.
3. SCOPE OF WORK AND SERVICES: Consultant is to provide training consulting services as offered within the Consultant's Proposal, which is attached hereto, referenced herein, and made a part hereof as **Appendix 1**.
4. TERM: The term of this Contract shall extend from the date of the Notice to Proceed and terminate on December 31, 2020, unless agreed to by both parties, reduced to writing, and amended to this Contract.
5. COMPENSATION: The Agency shall pay Consultant's properly-executed invoices, subsequent to approval by the Project Manager, within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract or has proven unacceptable until such service is revised, resubmitted, and accepted by the Project Manager.

As compensation for work performed under this Contract, Agency shall pay Consultant a **NOT-TO EXCEED maximum of \$156,039.00** in accordance with **Appendix 1** and as approved by SAP Purchase Requisition 10043113.

All invoices shall be submitted electronically with all required back-up to [apgroup@ieua.org](mailto:apgroup@ieua.org)

Payment shall be made according to milestones achieved by Consultant and accepted by the Agency's Project Manager.
6. CONTROL OF THE WORK: Consultant shall perform the Work in compliance with the Work Schedule's milestones. If performance of the Work falls behind schedule, the Consultant 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 Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.
7. GRANT FUNDED PROJECTS: This is not a grant-funded (e.g., Federal Grant and State Revolving Funds combined) project.
8. FITNESS FOR DUTY:
  - A. Fitness: Consultant and its Subcontractor 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.

B. Compliance: Consultant shall advise all Consultant and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

9. INSURANCE: During the term of this Contract, the Consultant shall maintain at Consultant'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 Consultant 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 Consultant'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 Consultant shall

procure a bond guaranteeing payment of losses and related investigations, claims 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 Consultant 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 Consultant'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 Consultant'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 Consultant'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 Consultant'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 Consultant 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 Agency a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Agency by virtue of the payment of any loss under such insurance. Consultant 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: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Consultant 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 Consultant'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: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District  
Attn: Angela Witte, Risk Specialist  
P.O. Box 9020  
Chino Hills, California 91709

10. LEGAL RELATIONS AND RESPONSIBILITIES

A. Professional Responsibility: The Consultant 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 Consultant: The Consultant is retained as an independent Consultant 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 Consultant 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 Consultant 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 and employees against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant 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. Hours of Labor: The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the execution of the Contract by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) calendar week in violation of the provisions of the Labor Code.
- F. Travel and Subsistence Pay: The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- G. Liens: Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant 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. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- 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 and Unlawful Discrimination: During the performance of this Contract, the Consultant 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 Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency's Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency's Human

Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency's Human Resources Administrator. Please be assured that any possible infraction shall be thoroughly investigated by the Agency.

J. Non-Conforming Work and Warranty: Consultant represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Consultant's receipt of notice of the error. Upon request of Agency, Consultant 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 Consultant'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, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for the Consultant's position. Any dispute that cannot be resolved between the Project Manager and Consultant 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 Consultant 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 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 during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant 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

Consultant 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 Consultant'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 Consultant 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 hereto 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 Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person shall be designated as Arbitrator.
  - b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant 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. **Joinder in Mediation/Arbitration:** The Agency may join the Consultant in mediation or arbitration commenced by a contractor 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 Consultant.
  
10. **INDEMNIFICATION:** Consultant shall indemnify the Agency, its directors, employees and assigns, 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 Consultant, its directors, employees, agents and assigns, in the performance of work under this contract.
  
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 ("Work Product") prepared by the Consultant and/or the Consultant's subcontractor(s) pertaining to this Contract upon full payment of all monies owed to the Consultant. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.
  
12. **TITLE AND RISK OF LOSS:**
  - A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant 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.
  
  - 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. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
  
  - C. **Disposition:** Consultant shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and/or Agency.

13. PROPRIETARY RIGHTS:

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 Consultant in the performance of the Work, shall be governed by the following provisions:

Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.

If Proprietary Rights conceived, developed, or reduced to practice by Consultant 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, Consultant 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.

If the Work or Documentation includes the Proprietary Rights of others, Consultant 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.

15. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.

16. INFRINGEMENT: Consultant 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.

Consultant shall indemnify and hold harmless Agency, its officers, directors, employees, successors, assigns, and servants 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.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its reasonable 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.

17. 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: Mr. Warren T. Green  
Manager of Contracts  
Inland Empire Utilities Agency, a Municipal Water District  
P.O. Box 9020  
Chino Hills, California 91709

Consultant: Gary Yost, Account Manager  
Royal Wholesale Electric  
10096 6<sup>th</sup> Street, Unit "B"  
Rancho Cucamonga, CA 91730

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.

18. 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 Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant 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.
19. 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 Consultant of any requests for disclosure of any documents pertaining to Consultant. In the event of litigation concerning disclosure of information Consultant 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 Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant 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.

20. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Consultant'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 Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
21. INTEGRATION: The Contract Documents represent the entire Contract of the Agency and the Consultant 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 Consultant.
22. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California.
23. TERMINATION FOR CONVENIENCE: The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant invoiced services up to the date of such termination.
24. 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, etcetera.
25. NOTICE TO PROCEED: No services shall be performed or furnished 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 Consultant.

(Signature page immediately follows)

IN WITNESS WHEREOF, 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)**

**ROYAL WHOLESALE ELECTRIC:**

\_\_\_\_\_  
Halla H. Razak  
General Manager

\_\_\_\_\_  
(Date)

*Gary M. Yost* 1/24/18  
\_\_\_\_\_  
Gary M. Yost  
Account Manager

\_\_\_\_\_  
(Date)

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# Appendix 1

LISTEN.  
THINK.  
SOLVE.™



**INLAND EMPIRE UTILITIES AGENCY  
CHINO, CA 91708**

**ROCKWELL AUTOMATION  
TRAINING SERVICES**

**FIXED PRICE  
PROPOSAL #: 7B03F-EFD-10 V3**



**Global Solutions & Services**  
Bringing You a World of Experience

PRESENTED TO: Don Hamlett  
Inland Empire Utilities Agency  
6075 Kimball Ave  
Chino, CA 91708

PROPOSED BY: Royal Wholesale Electric/Royal Industrial Solutions  
Jamie Colflesh  
10096 6th St Ste D  
Rancho Cucamonga, CA 91730-5750

*Rockwell Automation*  
2125 East Katella Avenue  
Suite 250  
Anaheim, CA 92806



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Date:	Description of change:	Edited by:	Revision:
16 January 2018	Added PRS015	Michael Garner	3



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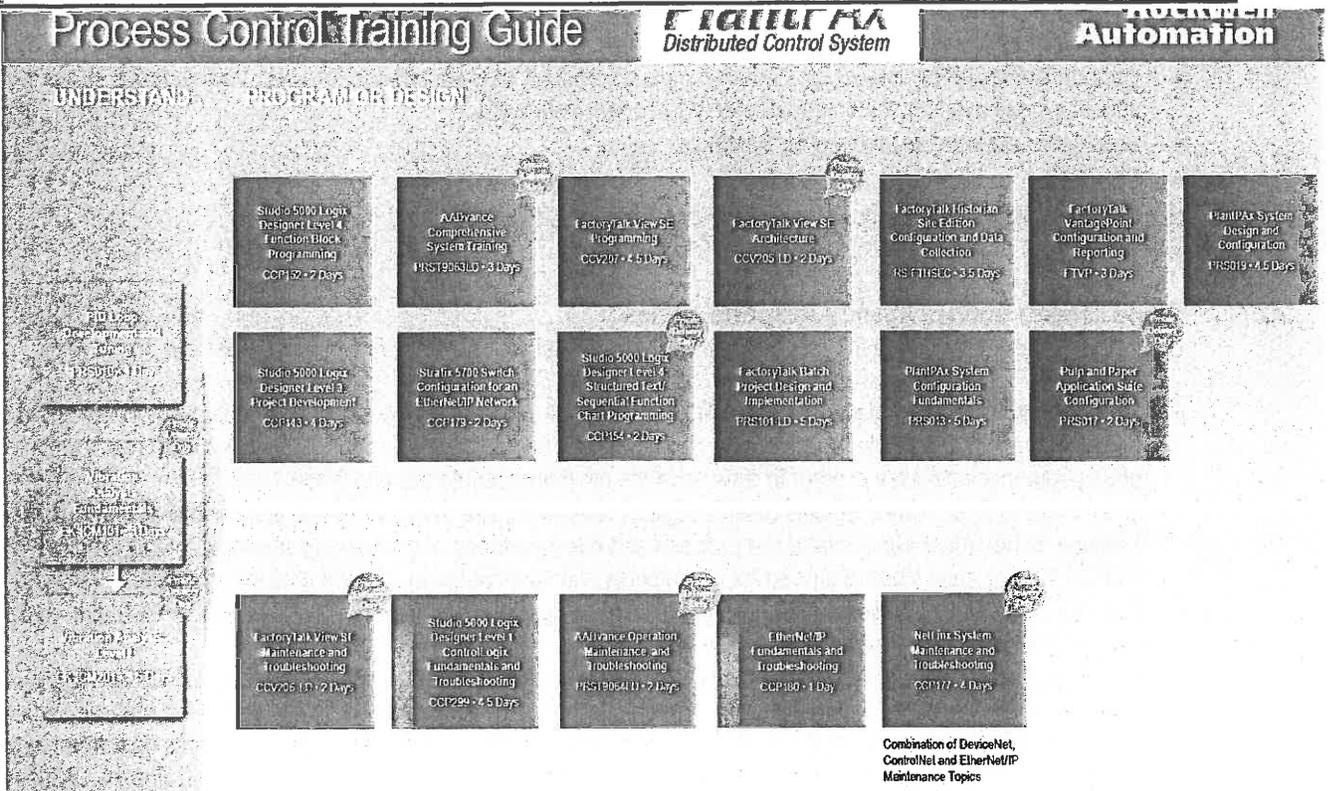
# 1 Solution Summary

An experienced Rockwell Automation instructor will deliver on-site training to Inland Empire Utilities Agency employees. The assigned factory-trained instructor will conduct hands-on training classes at the Inland Empire Utilities Agency plant or local Royal Wholesale Electric facility.

The following table identifies the Rockwell Automation training deliverables associated with the course(s) that will be delivered by a Rockwell Automation factory-trained instructor:

Course	Class Days	RA CEUs	Student Manual	Job Aid	# of Students per session	Course Description
CCP143 CCP143: Development and Programming of ControlLogix Projects	4	2.8	Yes	Yes	Up to 12	See Below*
PRS013 PlantPax System Configuration Fundamentals: PRS013 In Round 1, this class was cut down to 4 days.	4.5	3.15	Yes	Yes	Up to 10	See Below*
RS-FTHSEC FactoryTalk Historian Site Edition Configuration and Data Collection: RS-FTHSEC In Round 1, this class was cut down to 3 days. - "2 types of dashboards were discussed. The Agency may only need training on one type of dashboard."	3.5	2.45	Yes	Yes	Up to 12	See Below*
FTVP FactoryTalk VantagePoint Configuration and Reporting: FTVP	3	2.1	Yes	Yes	Up to 12	See Below*
CCV207 FactoryTalk View SE Programming: CCV207 In Round 1, this class was cut down to 4 days.	4.5	3.15	Yes	Yes	Up to 12	See Below*
CCP152 Studio 5000 Logix Designer Level 4: Function Block Programming: CCP152	2	1.4	Yes	Yes	Up to 12	See Below*
PRS015 PlantPax Process System Troubleshooting	4	2.8	Yes	Yes	Up to 10	See Below*

The information contained in this document consists of technical, commercial and/or financial information which is confidential and proprietary to Rockwell Automation, Inc. This information is furnished in confidence and with the understanding that it may not be disclosed to third parties or reproduced or used, in whole or in part, for any purpose other than evaluation of this document. The recipient agrees to return the document to Rockwell upon request.



\*Note: For a detailed agenda of all Rockwell Automation standard courses, please refer to the Course Descriptions found on the Rockwell Automation Services Training website: [www.rockwellautomation.com/go/training](http://www.rockwellautomation.com/go/training). Courses requiring eligibility forms to be completed, such as TUV courses must have proper forms approved and submitted in advance of scheduling. Tailored courses: Final agenda(s) to be determined between Inland Empire Utilities Agency and Rockwell Automation 4 weeks prior to scheduling. All topics in course descriptions may not be covered due to time constraints.

## 2 Statement of Work

This proposal is for the delivery of training services outlined in the Solution Summary only. Implementation and/or delivery of additional services are not within the scope of this proposal. However, Rockwell Automation is highly skilled and staffed to deliver additional training components upon request. Rockwell Automation would be available to quote these services separately.

The Scope of Work is divided into the following two areas of responsibility: Rockwell Automation and Inland Empire Utilities Agency responsibilities.

### 2.1 Rockwell Automation Responsibilities

A Rockwell Automation instructor will deliver course(s) in accordance with an agreed upon training schedule. Rockwell Automation will have responsibility for scheduling, shipping, and setting up the necessary training workstations associated with the outlined course(s). All necessary software for training purposes will be provided and installed on classroom computers.

In summary, the following services will be provided:

- Qualified instructor(s) to teach the designated courses (See Solution Summary)

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- Training materials and job aids for course delivery as needed
- Support/simulation equipment for student hands-on practice, one workstation for every two students. (Craft skills courses may have four students to one demo in some instances)
- Application software as required for training
- Completion certificates for each student
- Setup, configuration, tear down, and shipping of support equipment

## 2.2 Inland Empire Utilities Agency Responsibilities

The following requirements are the responsibility of Inland Empire Utilities Agency management and employees:

- **Single Point-of-Contact:** Inland Empire Utilities Agency will designate a representative authorized to act on their behalf with respect to training decisions, e.g., priorities, schedule, etc. This representative must have access to plant personnel schedules in order to advise on the most appropriate training times.
- **Local Plant Support:** Inland Empire Utilities Agency must legitimize the training and ensure that all individuals involved in the process understand the purpose and the importance of the training sessions. Inland Empire Utilities Agency must stress the need for participants and supervisors to allocate time for scheduled events.
- **Training Class Time:** Classes will be held at the location specified and training will be held from 8:00 a.m. to 5:00 p.m. (or as requested by Inland Empire Utilities Agency)
- **Access to Facility:** Venue is the responsibility of Inland Empire Utilities Agency. Inland Empire Utilities Agency is will make available to the Rockwell Automation on-site instructor access to the facility during the mutually agreed upon schedule for the purpose of, and that which is applicable to, providing the training services described in this proposal. If necessary, some assistance with handling equipment may be required from Inland Empire Utilities Agency. In order to be fully prepared at the scheduled class time, it may be necessary for the Rockwell Automation Instructor to have access to the classroom one day prior to the beginning of class. Venue location is the responsibility of Inland Empire Utilities Agency to provide.



The instructor will require assistance during setup and teardown to lift training workstations greater than 50 pounds. Please provide the Training Coordinator the name of a designate person from your location who will be available to assist prior the class begin date.

- **Equipment Security:** It is the responsibility of Inland Empire Utilities Agency to safeguard the Rockwell Automation training equipment while on-site.
- **Training Classroom:** The training environment influences the quality of learning; therefore, Rockwell Automation requires a suitable space for conducting the training. Based upon our instructors' experience, the following list represents minimum facility requirements:
  - **Internet Connectivity:** Rockwell Automation has adopted an online student data collection and event assessment feedback system. The training classroom must have wired or wireless Internet access available to all Rockwell Automation computers used in the training. Some Rockwell Automation courses, such as IMINS and IMINS2, utilize an offsite hardware lab which students connect to remotely, also requiring wired or wireless Internet connections. Please advise the Rockwell Automation Logistics Specialist on Internet connectivity at time of scheduling,
  - 700 square feet of class space
  - Adequate seating and work space
  - Two (2) writing boards with markers
  - Projection screen
  - 110V Power outlets – Adequate enough to power up to 6 workstations. PowerFlex DC courses require 240V 3-phase power 30 Amp
- **Course Participant Prerequisites:** Success of this training depends on all prerequisite skills being met by the participants prior to attending the training. It is imperative that Inland Empire Utilities Agency ensures that the

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target audience meets the prerequisite requirements in order to maximize the learning experience for its employees. Rockwell Automation and Inland Empire Utilities Agency identified the following prerequisite skills as being necessary for attendance in the course(s) designated in the Solution Summary:

- Ability to perform basic Microsoft® Windows® tasks, such as using a mouse, browsing for files, opening, closing, sizing and moving windows)
- Pre-requisites per Course Description

### 3 Scheduling Requirements

At release of an order, Inland Empire Utilities Agency and Rockwell Automation will mutually agree upon the date for conducting the on-site course(s). The date will be confirmed upon receipt and acceptance of the purchase order.

After order acceptance, Rockwell Automation will use the following schedule:

- Each session will be for the number of students specified in the Solution Summary section.
- Courses less than 4.5 days in length will not start on a Monday
- Courses greater than 4 days in length or Monday start dates will require set up on Sunday and overtime travel
- Suggested schedule will run Tuesday through Friday

A minimum of six weeks advance notice must be given to Rockwell Automation for on-site training scheduling and it is subject to instructor and equipment availability. After the order is released, every reasonable effort must be made on the part of Inland Empire Utilities Agency to provide Rockwell Automation with all pertinent information in an expedient manner.

### 4 Clarifications and Exceptions

#### 4.1 Standard Working Hours

The standard work day refers to 8 hours of training, including time for lunch, to be scheduled between the hours of 7:00 a.m. and 6:00 p.m. Training required outside of these hours may be subject to additional charge to be approved by Inland Empire Utilities Agency prior to training.

#### 4.2 Substance Abuse Policy

Rockwell Automation will comply with its own Substance Abuse Policy, which meets the intent of the Drug Free Workplace Act and all other legal requirements regarding drug testing. This policy provides for pre-employment drug testing and testing for cause, however, it does not include random testing. Because this policy has to be implemented uniformly among all our employees, we cannot mandate that any single employee or group of employees submit to random drug testing. In the event an individual contract or purchase order contains unique considerations for on-site performance which mandates random testing, Rockwell Automation will make a good faith effort to identify qualified personnel who will voluntarily submit to the requisite testing with the understanding that all associated costs will be borne by Inland Empire Utilities Agency.

If the resultant contract requires drug testing prior to performance of on-site activities, Inland Empire Utilities Agency must advise Rockwell Automation at the time of award so that we may determine whether or not the qualified volunteer will be available within the time frame required by Inland Empire Utilities Agency.

#### 4.3 No-Hire Agreement

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Inland Empire Utilities Agency expressly acknowledges that during the course of its relationship with Rockwell Automation under any resultant contract, it may come into contact with various employees or representatives of Rockwell Automation. To the extent not prohibited by law, Inland Empire Utilities Agency agrees not to directly or indirectly attempt to solicit or receive any confidential information of Rockwell Automation from any such employee or representative. Inland Empire Utilities Agency further agrees that it will not directly or indirectly attempt to solicit, induce or accept the employment or other involvement or activity of any such employee or representative for its own or other parties' use or benefit, or to the detriment of Rockwell Automation. The foregoing will not apply to inquiries received in response to general solicitations of employment directed to the general public. Inland Empire Utilities Agency's obligation under this paragraph will remain in effect for a period of one year following the latter of the termination date of the resultant contract or the last date on which goods are delivered or services are provided by Rockwell Automation under the contract.

#### 4.4 Video Taping Restrictions

Video Recording. Rockwell Automation advises, and Inland Empire Utilities Agency acknowledges, that the Training class is a standard training offering which was designed by Rockwell Automation for delivery by a knowledgeable Rockwell Automation employee trained in all aspects of Rockwell Automation products who is present to evaluate the comprehension of students and address any questions. Much of the training class is designed for learning by the student through active hands-on demonstration and training during the class. Accordingly, video recording is not permitted as use of such recording for training purposes represents a safety issue. In the event Inland Empire Utilities Agency requires videotaping of Training classes, Inland Empire Utilities Agency must first execute a separate agreement relieving Rockwell Automation of all liability for injury or damage arising out of use of such video recording and indemnifying Rockwell Automation for such injury or damage.

#### 4.5 Attendees Personal Property

All attendees of Training classes will be responsible for the care of their own personal belongings. Rockwell Automation disclaims all liability for any theft of, or damage to, the personal property of attendees.

#### 4.6 Cancellation Policy

Cancellation terms are as follows:

- A cancellation fee of 50% of a one-week session if cancellation occurs less than 14 days before the start of the scheduled class will be assessed.
- A 10% postponement fee will be charged for any class sessions postponed less than 14 days from the start of that specific session. The postponement fee will be waived if the class is rescheduled with 30 days of the original scheduled date.



## 5 Pricing Summary

Inland Empire Utilities Agency's price is based on the Statement of Work set forth in Section 1 above. All prices are in USD. Proposal is valid for 30 days from date of issue.

### Training Investment:

Course	Class Days	Inland Empire Utilities Agency Price Up to 6 Students per Session
CCP143 CCP143: Development and Programming of ControlLogix Projects (Max 12 students)	4	\$20,889
PRS013 PlantPAx System Configuration Fundamentals: PRS013 (Max 10 students)	4	\$26,342
RS-FTHSEC FactoryTalk Historian Site Edition Configuration and Data Collection: RS-FTHSEC (Max 12 students)	3	\$20,889
FTVP FactoryTalk VantagePoint Configuration and Reporting: FTVP (Max 12 students)	3	\$19,456
CCV207 FactoryTalk View SE Programming: CCV207 (Max 12 students)	4	\$26,342
CCP152 Studio 5000 Logix Designer Level 4: Function Block Programming: CCP152 (Max 12 students)	2	\$14,551
PRS015 PlantPAx Process System Troubleshooting	4	\$27,570

Monday Start Adder*:	included
Course Materials, Instructor Setup, and Prep	included
Instructor and Living Expenses:	included
Shipment of Workstations:	included

\*Any class **less than 4.5 days** requiring a Monday start date will have a "Monday start adder" applied to accommodate for OT travel/setup on Sunday.

These prices do not include any food, beverages and/or other refreshments that might be required during these training courses. Please note that Rockwell Automation may only represent any prices specified herein as suggested prices only. Actual selling prices (and other terms of sale affecting price) will, in all cases, be solely determined by separate and independent agreement between Inland Empire Utilities Agency and Royal Wholesale Electric.

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### 5.1 Assumptions

This is an estimate of training costs based upon our understanding of the functional requirements and what is required to implement them. If influences beyond our control extend training beyond our estimated time, we reserve the right to receive just compensation for the extra work performed subject to approval by Inland Empire Utilities Agency.

### 5.2 Payment Terms

Classes are billed upon delivery. Payment terms are net thirty (30) days from invoice. Please issue purchase order to:

Royal Wholesale Electric/Royal Industrial Solutions  
Jamie Colflesh  
10096 6th St Ste D  
Rancho Cucamonga, CA 91730-5750

### 5.3 Royal Wholesale Electric Terms and Conditions of Sale Apply

## 6 Rockwell Automation Commitment for System Sales Through Distribution

**General.** This Commitment ("Commitment") covers purchase by Distributor's customer ("Customer") from Distributor of the hardware, software, and/or services (individually a "Product" and collectively "Products") described and integrated pursuant to this Statement of Work (collectively as integrated pursuant to the Statement of Work, the "WORK") to be provided by Rockwell Automation, Inc. and/or its affiliates ("Rockwell Automation"). Its terms are integral to the Statement or Work. In other words, Customer purchases the Work subject to the terms contained in this Commitment (as well as other terms that may be included elsewhere in the Statement of Work). These terms apply directly to Customer and Rockwell Automation. Previously negotiated and signed terms and conditions with Customer that include provisions between Rockwell Automation and Customer for sale of systems through distribution supersede these terms.

**Warranty.** (a) *Warranty:* Rockwell Automation warrants to Customer for the lesser period of 18 months from delivery or 12 months from startup, that the WORK will perform as stated in the Statement of Work and the Products will be free of defects in material, fabrication, and workmanship provided that: (1) the operating conditions and use of the WORK are in accordance with any standards set forth in the Statement of Work, Rockwell Automation's published specifications, and applicable recommendations of Rockwell Automation; and (2) the installation, adjustment, tuning, and start-up of the WORK have been properly performed in accordance with Rockwell Automation's published specifications and any applicable recommendations of Rockwell Automation. Repaired or replacement Products provided pursuant to subparagraph (b) below are similarly warranted for the longer period of six months from date of shipment or the remainder of the original warranty term.

(b) *Remedies:* Remedies under this warranty will be limited to, at Rockwell Automation's discretion, replacement, repair, re-performance, modification, or issuance of a credit for the purchase price of the Products involved, but only after the return of such Products pursuant to Rockwell Automation's instructions. Replacement Products, at Rockwell Automation's discretion, may be new, remanufactured, refurbished, or reconditioned. If the repair, re-performance, or replacement does not cure the defective performance, Customer may request emergency on-site service, which will be at Rockwell Automation's expense (consisting of time, travel, and expenses incurred by Rockwell Automation related to such services). If the defective performance is not due to warranted defects in the WORK or Products, the on-site service will be at Customer's expense. On-site warranty services performed at Rockwell Automation expense shall not include removal or reinstallation costs related to large-scale assemblies such as motors or transformers. The foregoing will be the exclusive remedies for any breach of warranty or breach of contract arising from warranted defects.

(c) *General:* Warranty satisfaction is available only if (a) Rockwell Automation is provided prompt written notice of the warranty claim, and (b) Rockwell Automation's examination discloses that any alleged defect has not been caused by misuse, neglect,

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improper installation, operation, maintenance, repair, alteration, or modification by other than Rockwell Automation, accident, or unusual deterioration or degradation of the Products or parts thereof due to physical environment or electrical or electromagnetic noise environment.

(d) *Services*: Rockwell Automation warrants that service (including, but not limited to, training, installation, modifications, additions, software programming, engineering, startup, or repairs) shall be performed in a workmanlike manner conforming to standard industry practice. Rockwell Automation must receive written notification of non-conforming services within 30 days after the services are provided. If such services are confirmed to be non-conforming, Rockwell Automation will, at its option, re-perform the service or provide a refund or credit to Customer in the amount paid for the service. The foregoing will be the exclusive remedies for any breach of warranty or breach of contract arising from warranted non-conforming services.

(e) THE ABOVE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY, INFRINGEMENT, OR FITNESS FOR A PARTICULAR USE.

**Disclaimer and Limitation of Liability.** NEITHER ROCKWELL AUTOMATION NOR CUSTOMER WILL BE LIABLE TO THE OTHER FOR BUSINESS INTERRUPTION OR LOSS OF PROFIT, REVENUE, MATERIALS, OR THE LIKE (WHETHER DIRECT OR INDIRECT) OR FOR ANY INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES. EACH PARTY'S MAXIMUM CUMULATIVE LIABILITY TO EACH OTHER FOR ALL OTHER CLAIMS AND LIABILITIES WILL NOT EXCEED THE LESSER OF \$1,000,000 OR THE COST OF THE WORK. ROCKWELL AUTOMATION DISCLAIMS ALL LIABILITY FOR TO GRATUITOUS ASSISTANCE PROVIDED BY ROCKWELL AUTOMATION BUT NOT REQUIRED BY THE STATEMENT OF WORK. THESE DISCLAIMERS AND LIMITATIONS OF LIABILITY WILL APPLY REGARDLESS THE FORM OF ACTION, WHETHER CONTRACT, TORT, OR OTHERWISE, AND EXTEND TO THE BENEFIT OF ROCKWELL AUTOMATION'S VENDORS AND APPOINTED DISTRIBUTOR.

**Intellectual Property.** (a) *Firmware and Packaged Software.* Software comprised of firmware or packaged software is subject to Customer's acceptance of additional terms and conditions set forth in separate Rockwell Automation or third-party license agreements. In the absence of a separate Rockwell Automation license agreement, Rockwell Automation hereby grants Customer a non-exclusive, non-transferable license to use such firmware or packaged software only in object code form and solely in conjunction with the WORK, without the right to sublicense, disclose, disassemble, decompile, reverse engineer, or otherwise modify the firmware or software. Ownership of the respective Rockwell Automation or third-party firmware or packaged software shall remain with Rockwell Automation or the third party.

(b) *Documentation and Other Software.* Rockwell Automation hereby grants to Customer a non-exclusive, non-transferable license to modify and use solely in conjunction with the WORK all documentation and any software created by Rockwell Automation as specified in the Statement of Work.

(c) *Ownership of Pre-existing Intellectual Property.* Each party shall continue to own all right, title, and interest in all patents, trademarks, copyrights, confidential information, and other intellectual property rights as it owned on the Effective Date of this Commitment.

(d) *No Other Licenses.* Except as expressly set forth herein, no license under any patents, trademarks, copyrights, confidential information, or other intellectual property rights is granted or implied under this Commitment by either party.

**Government Clauses and Contracts.** No government contract clauses, specification, or regulations apply to the WORK, Products, or otherwise to this Statement of Work except to the extent agreed in writing by Rockwell Automation.

**Confidentiality.** (a) During the term of this Commitment and for a period of three years thereafter, each party will maintain in strict confidence all technical and business data and information disclosed by one party to the other that is marked "Confidential" and will not use or reveal such information without the prior written authorization of the other.

(b) The obligations of confidentiality and non-use will not apply to information (i) that is published or becomes part of the public domain other than by means of a breach of this Commitment; (ii) that a party can prove by written documentation was known to it prior to disclosure by the other party; (iii) that a party subsequently rightfully receives from a third party without an obligation of

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confidentiality; (iv) that a party discloses to a third party on a non-confidential basis; or (v) that was independently developed by the receiving party.

(c) Each party will take reasonable precautions to instruct its employees and consultants of its obligation under this section. Additionally, each party shall protect the exchanged information of the other against unauthorized use or disclosure with the same degree of care as it accords its own proprietary information of a similar type, but not less than reasonable care.

(d) Disclosure of confidential information will not be precluded if it is: (i) in response to a valid order of a court or governmental body of the United States or any political subdivision thereof; provided, however, that the disclosing party will first have made a reasonable effort to obtain a protective order requiring that the confidential information be used only for the purpose for which the order was issued; or (ii) otherwise required by law.

**Independent Terms.** Rockwell Automation is not a party to or bound by any contract between Customer and Distributor, including by Distributor's acceptance of a Customer purchase order. Distributor is an independent enterprise, not an agent or representative of Rockwell Automation, and is not authorized to bind Rockwell Automation.

**Effective Date.** This Commitment will become effective when Customer purchases the WORK from Distributor. Customer agrees that by purchasing the WORK it accepts the Statement of Work and Commitment. Absent such purchase, this Commitment will become null and void. No addition or modification to the Commitment and Statement of Work, including terms appearing in Customer's purchase order or requisition, will bind Rockwell Automation unless mutually agreed to in writing.

**Delivery.** Ex Works Rockwell Automation's plant or warehouse (per current Incoterms) or as otherwise specified in the Statement of Work (Delivery). In all cases, title transfers to Customer upon the earlier of Rockwell Automation's delivery to Customer or receipt by the first carrier for transport to Customer, except that title to all intellectual property rights associated with the WORK remains with Rockwell Automation or its suppliers and licensors.

**Acceptance.** (a) Acceptance occurs (i) on the date the WORK conforms to acceptance criteria in the Statement of Work or is otherwise beneficially used by Customer, but in no event later than 120 days following Delivery; or (ii) if otherwise unspecified, upon Delivery.

(b) *Interim Approvals.* Any Rockwell Automation submittal or deliverable requiring Customer approval pursuant to the Scope of Work will be deemed accepted if formal Customer approval, written or as otherwise required, is not received by Rockwell Automation within two calendar weeks after the date submitted.

**Changes.** Any change resulting from any of the following circumstances is subject to equitable adjustments to price, scheduling, and other affected terms and conditions: (a) Customer requested changes, including those affecting the identity, scope, and delivery of the WORK or Products; (b) physical conditions differing materially from those indicated or anticipated in the Statement of Work or that otherwise differ materially from those ordinarily found under similar circumstances; (c) delays caused by Customer, its employees, affiliates, other contractors to Customer, or any other party within Customer's reasonable control; and (d) an emergency endangering persons or property; in such emergency circumstances, Rockwell Automation may act at its discretion to prevent damage, injury, or loss.

All changes, except actions necessitated by emergencies as provided in (d) above, must be executed by a written change order signed or otherwise definitively authorized by both parties, and Rockwell Automation will not begin work on a change until it is authorized. All claims must be made within a reasonable time after the occurrence giving rise to the claim.

**Safety and Standards.** Rockwell Automation is responsible for compliance of the WORK with laws, regulations, and standards, including safety regulations and standards, of the country where the WORK will be located that are applicable to the WORK at the effective date of this Agreement. Customer must inform Rockwell Automation of any other laws, regulations, or standards that may apply to the WORK. Rockwell Automation will be responsible for compliance with such other safety or other standards only if documented in the Statement of Work. Rockwell Automation is not responsible for laws, regulations, or standards that apply to Customer's (or end user's, if different from Customer) facility, equipment, process, information system, or data.

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**Site Rules, Licenses, Permits, Site Preparation.** (a) Rockwell Automation agrees to comply with all applicable posted site rules of Customer (unless inconsistent with the obligations set forth in the Statement of Work) and any additional Customer's site rules that have been incorporated into the Statement of Work.

(b) Customer is responsible for: (1) all licenses, permits, clearances, and site access rights; (2) all sites being ready and equipped with all necessary Customer furnished equipment and facilities; (3) any required customer fixtures or facilities being hazard free, structurally sound, and sufficient; and (4) reasonable access to the worksite as required for installing, commissioning or using the WORK.

**Customer Specification.** Unless otherwise specified in the Statement of Work, Rockwell Automation will not be liable for (i) design, materials, or construction criteria furnished or specified by Customer and incorporated into the WORK or Products, (ii) products made by or sourced from other manufacturers or vendors specified by Customer; or (iii) commercially available computer software, hardware, and electrical components. (Such Customer-specified products shall include but not be limited to any identified in the Statement of Work.)

**Customer Information.** Customer warrants that access and use of information made available by Customer to Rockwell Automation, including technical specifications, drawings, source code, application code, communication interfaces, protocols, and other documentation, will not infringe or violate any intellectual property rights of the original vendor or other third party.

**RoHS.** 1. Customer-Furnished Equipment (CFE) will meet all applicable material restrictions as defined in RoHS. If it does not, customer will notify Rockwell Automation prior to shipment of the CFE to Rockwell Automation. Customer will defend, indemnify, and hold harmless Rockwell Automation, its Distributor's, representatives, agents and employees from and against all claims, damage, losses and expenses, including attorney fees, associated with any requirements or regulations requiring these material restrictions for products or solutions.

2. The EU RoHS regulation takes effect July 22, 2017. Prior to this date, Distributor reserves the right to submit a change order proposal to customer for any requirements for RoHS-compliant products or solutions imposed on Distributor or Rockwell Automation from customer or any third parties empowered to do so.

CONSENT  
CALENDAR  
ITEM

**3K**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

HHR

02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** CCWRF Improvements Package II Consultant Contract Award

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**Executive Summary:**

Carbon Canyon Water Recycling Facility (CCWRF) has been in operation for over 25-years and now requires major overhaul services and process improvements to maintain high quality wastewater treatment and remain in compliance with the discharge permit. The improvements are required in various locations throughout the plant. The project has been divided into three packages. Package I is currently in design and will address the preliminary, primary, and secondary treatment. Package II (current action) will re-purpose the unused space inside the control building to add office space for plant staff. The project will also improve access to the chemical containment areas inside the chemical disinfection building and install security cameras throughout the facility. Package III will address the tertiary treatment process areas and site drainage.

On January 4, 2018, IEUA received two proposals. The proposals were reviewed by a selection committee consisting of IEUA staff from Engineering, Operations and Maintenance, and the City of Chino Hills. Based on the project team qualifications and understanding of the project scope, the committee unanimously concurred that Gillis and Panichapan Architects was the most qualified firm to do the work.

---

**Staff's Recommendation:**

1. Award a consultant contract for the CCWRF Asset Management and Improvements Package II, Project No. EN18037, to Gillis and Panichapan Architects, Inc., for a not-to-exceed amount of \$140,125; and
2. Authorize the General Manager to execute the contract subject to non-substantive changes.

---

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

*Account/Project Name:*

EN18037/CCWRF Asset Management and Improvements Package II

*Fiscal Impact (explain if not budgeted):*

None.

**Prior Board Action:**

None.

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**Environmental Determination:**

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This project qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. When the project will be implemented will be subject to future environmental evaluation.

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**Business Goal:**

The CCWRF Asset Management and Improvements - Package II Project is consistent with IEUA's Business Goal of Wastewater Management, specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

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**Attachments:**

Attachment 1 - PowerPoint

Attachment 2 - Consultant Contract

# CCWRF Improvements Package II Consultant Contract Award Project No. EN18037



# Project Location



Plant  
Entrance

# The Project

- Repurpose the unused space into office space
- Improve access to the chemical building
- Install security cameras throughout the plant



Existing Laboratory Space



Current Access to Chemical Building

# Consultant Selection

- Evaluation and Selection Committee
  - IEUA Engineering, Operations & Maintenance
- Justification for unanimously selecting Gillis and Panichapan Architects
  - Comprehensive understanding of project scope and expectation
  - Most qualified consultant
  - Success in similar past projects
- Two proposals received on January 4, 2018

Proposals Received
Gillis and Panichapan Architects
IDS Group

# Project Budget and Schedule

Description	Estimated Cost
<b>Design Services</b>	<b>\$178,525</b>
Design Consultant (this action)	\$140,125
IEUA Design Services (6%)	\$38,400
<b>Construction Services</b>	<b>\$64,000</b>
Engineering Services During Construction (5%)	\$32,000
IEUA Construction Services (5%)	\$32,000
<b>Construction</b>	<b>\$704,000</b>
Construction	\$640,000
Contingency (10%)	\$64,000
<b>Total Project Cost:</b>	<b>\$946,525</b>
<b>Total Project Budget:</b>	<b>\$950,000</b>
<b>Remaining Budget</b>	<b>\$3,475</b>

Project Milestone	Date
<b>Design</b>	
Consultant Contract Award	February 2018
Design Completion	March 2019
<b>Construction</b>	
Construction Contract Award	June 2019
Construction Completion	July 2020

# Recommendation

- Award a consultant contract for the CCWRF Asset Management and Improvements Package II, Project No. EN18037, to Gillis and Panichapan Architects, Inc., for a not-to-exceed amount of \$140,125; and
- Authorize the General Manager to execute the contract subject to non-substantive changes.

The CCWRF Asset Management and Improvements Package II Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.



**CONTRACT NUMBER: 4600002485**  
**ARCHITECTURAL SERVICES**  
**FOR**  
**CARBON CANYON WATER RECYCLING FACILITY (CCWRF)**  
**ASSET MANAGEMENT AND IMPROVEMENTS - PACKAGE II**  
**PROJECT NO. EN18037**

THIS CONTRACT (the "Contract"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, 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 Gillis + Panichapan Architects, Inc. of Costa Mesa, California (hereinafter referred to as "Consultant"), to provide professional architectural services for the Carbon Canyon Water Recycling Facility Asset Management and Improvements - Package II Project No. EN18037.

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

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

Project Manager: Adham Almasri, P.E., Senior Engineer  
Address: 6075 Kimball Avenue, HQ,B  
Chino, CA 91708  
Telephone: (909) 993-1462  
Email: [aalmasri@ieua.org](mailto:aalmasri@ieua.org)

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

Project Manager: Jack Panichapan, AIA, LEED AP, License N<sup>o</sup>. C29344  
Principal, CEO, Gillis + Panichapan Architects, Inc.  
Address: 2900 Bristol Street, Suite G-205  
Costa Mesa, CA 92626  
Telephone: (714) 668-4260, extension 261  
Email: [jack@gparchitects.org](mailto:jack@gparchitects.org)

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
- A. Amendments to Contract 4600002485;
  - B. Contract 4600002485 General Terms and Conditions;
  - C. Agency's Request for Proposal RFP-RW-17-040 and Addendum Number One, referenced herein, made a part hereof, and incorporated herein by reference;
  - D. Consultant's Proposal dated January 4, 2018, referenced herein, made a part hereof, and incorporated herein by reference.

4. SCOPE OF WORK AND SERVICES: The Consultant's scope of work shall include all necessary professional consulting engineering services as outlined in Consultant's Proposal dated January 4, 2018, referenced herein, made a part hereof, incorporated by this reference, and as negotiated by the cognizant Project Manager.

5. TERM: The term of this Contract shall extend from the date of the Notice to Proceed and terminate on 06/28/2019, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. COMPENSATION: Agency shall pay Consultant's properly-executed once-monthly invoice approved by the Project Manager within thirty (30) days following electronic receipt of the invoice. Payment will be withheld for any service which does not meet or exceed Agency requirements or has proven unacceptable until such service is revised, resubmitted, and accepted by the Project Manager. Invoice shall include the Contract number 4600002485 for payment. Monthly invoicing shall be submitted electronically to [apgroup@ieua.org](mailto:apgroup@ieua.org).

In compensation for the work represented by this Contract, Agency shall pay Consultant a NOT-TO-EXCEED maximum total of **\$141,620.00** for selected services provided as outlined in Consultant's Fee Schedule, attached hereto, referenced herein, and made a part hereof as **Attachment 1**.

Consultant's invoice must be submitted according to milestones achieved by Consultant and accepted by the Agency's Project Manager, and shall include a breakdown by items completed, all associated labor provided, labor hours supplied and associated hourly rates, dates worked, the current monthly amount due, and the cumulative amount invoiced to-date against this Contract, using the Agency's standard Excel-based invoicing template **Attachment 2**. Invoice shall not be submitted in advance and shall not be dated earlier than the actual date of submittal. A copy of subject Excel invoicing template shall be furnished by the Agency's Project Manager.

7. INSURANCE: During the term of this Contract, the Consultant shall maintain at Consultant'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 Consultant 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 Consultant'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 Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims 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 Consultant 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 Consultant'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 Consultant'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 Consultant'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 Consultant'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 Consultant 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 Agency a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Agency by virtue of the payment of any loss under such insurance. Consultant 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: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:-VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Consultant 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 Consultant'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: Consultant shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency, a Municipal Water District  
Attn: Angela Witte  
P.O. Box 9020  
Chino Hills, California 91709  
email [awitte@ieua.org](mailto:awitte@ieua.org)

8. CONTROL OF THE WORK: Consultant shall perform the Work in compliance with the Work Schedule as mutually agreed by both parties.

If performance of the Work falls behind schedule, the Consultant 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 Consultant is unable to accelerate the Work, Consultant shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: The Consultant 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 Consultant: The Consultant is retained as an independent Consultant 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 Consultant 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 Consultant 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 Consultant 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. Verification of Coverage: Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency

for themselves and all subconsultants prior to commencing work or allowing any subconsultant to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

- F. Travel and Subsistence Pay: The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.
- G. Liens: Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant 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. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. Indemnification: Consultant shall indemnify IEUA, its directors, employees, agents, and assigns, and shall defend and hold them harmless from all liability, demands, actions, claims, losses, and expenses, including reasonable attorney's fees, which arise out of or are related to the negligence, recklessness or willful misconduct of Consultant, its directors, employees, agents and assigns, in the performance of work under this contract. Notwithstanding the foregoing, to the extent that this Contract includes design professional services under Civil Code Section 2782.8, as may be amended from time to time, such duties of Consultant to defend and to indemnify Agency shall only be to the full extent permitted by Civil Code Section 2782.8.
- I. 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.
- J. Equal Opportunity: During the performance of this Contract, the Consultant 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.
- K. Disputes:
  - 1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant 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 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 during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant 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 Consultant 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 Consultant'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 Consultant 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 hereto 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 Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person will be designated as Arbitrator.
  - b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant 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. Joinder in Mediation/Arbitration: The Agency may join the Consultant in mediation or arbitration commenced by a Consultant 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 Consultant.

L. Grant-Funded Projects: This is a not a grant-funded project.

M. FITNESS FOR DUTY:

1. Fitness: Consultant and its subconsultant personnel on the Jobsite:
  - a. shall report for work in a manner fit to do their job;
  - b. 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);
  - c. 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; and
  - d. shall receive standard safety training as furnished by Agency personnel.
  
2. Compliance: Consultant shall advise all Consultant and subconsultant personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its subconsultants. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

10. Department of Industrial Relations SB854 Requirements: This section does not apply. No work shall be performed which would be classified as "Public Works."

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 Consultant and/or the Consultant's subconsultant(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 Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

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 Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant 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 Consultant has marked "Confidential," "Proprietary," or "Trade Secret," Consultant 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. NON-CONFORMING WORK AND WARRANTY: Consultant represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors or shortcomings of the Work, regardless of whether any such errors or shortcomings is brought to the attention of the Consultant by Agency, or any other person or entity.
14. 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: Mr. Warren T. Green  
Manager of Contracts and Procurement  
c/o Inland Empire Utilities Agency, a Municipal Water District  
6075 Kimball Avenue, Building "A"  
Chino, California 91708

Consultant: Mr. Longkavach "Jack" Panichapan, AIA, LEED AP  
Principal / CEO  
c/o Gillis + Panichapan Architects, Inc.  
2900 Bristol Street, Suite G-205  
Costa Mesa, CA 92626

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.

15. 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 Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant 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.
16. INTEGRATION: The Contract Documents represent the entire Contract of the Agency and the Consultant 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 Consultant.

- 17. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California.
- 18. TERMINATION FOR CONVENIENCE: The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant-invoiced services up to the date of such termination.
- 19. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Consultant'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 Consultant. The Consultant shall make all records and related documentation available within ten (10) working days after said records are requested by the Agency.
- 20. 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, et cetera.
- 21. NOTICE TO PROCEED: No services shall be performed or furnished 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 Consultant.

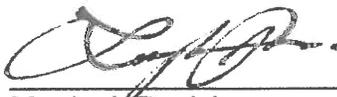
IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY,  
A MUNICIPAL WATER DISTRICT:

GILLIS + PANICHAPAN ARCHITECTS, INC.

\_\_\_\_\_  
Halla H. Razak  
General Manager

(Date)

  
\_\_\_\_\_  
Mr. Jack Panichapan  
Principal / CEO

1/25/18  
(Date)

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# **Attachment 1**

**IEUA: Carbon Canyon Water Recycling Facility (CCWRF)  
Asset Management And Improvements  
1/4/2018**

Activity	ARCHITECT (Ops)					ARCHITECT
	Project Mgr	Project Mgr	Project Arch	3rd Party	Designer	
1. Consultation on Construction gathering. Conduct meetings with both IEUA and City staff to discuss goals, scope, and impact of improvements including scope on the existing site, structural systems, MEP, security, infrastructure.	2	2	4	4	0	\$1,600
2. Facility Assessment. Assist in providing data; Review general needs, operations and performance needs.	2	2	4	4	0	\$1,600
3. Site Visit. Conduct knowledge and design review operations review space, furniture, and corresponding equipment, and HVAC needs. Meet with IEUA to discuss the overall building-related impacts of the proposed upgrades and respond as part of the overall needs assessment.	4	4	2	2	0	\$1,600
4. HVAC Assessment and Program Refinement. Document and provide space planning options for new space design.	2	4	6	3	4	\$2,400
5. Risk Assessment and Review. Identify and document proposed spatial needs of individual, common, and department spaces that offer a direct comparison to the existing conditions of the current existing facility.	4	4	6	6	0	\$2,400
6. Utility Penetration Space Assessment and Layout. This stage would offer a direction regarding space planning design for work space furniture.	4	2	4	2		\$1,760
7. HVAC Improvements - Enclose and access improvements for the HVAC from renovation. Evaluate the HVAC modifications required to facilitate the design, evaluate the building code requirements. Evaluate and recommend an appropriate system location for the renovation.	1	2	4			\$1,035
8. Security. Confirm compliance with current security philosophies, local codes, and standards. Evaluate and recommend potential security systems. Evaluate and provide for proper security and CCTV system.	1	2	4			\$1,035
9. Provide conceptual design information in formal design report Phase 1 and 2 regarding the renovation including MEP and outside infrastructure, schematic drawings and reconstruction items. Provide schematic statement of probable costs. Planning and Presentation to IEUA.	2	4	16	28	24	\$7,750
10. Preliminary Design for Items to Subcontract. Provide a preliminary design package which includes the following: schematic drawings necessary detailing CCTV system. Site plan and floor plans showing device locations. A preliminary construction budget.	1	1	2	2	2	\$920
<b>TOTAL</b>						<b>\$22,795</b>

Activity	ARCHITECT (Ops)					ARCHITECT
	Project Mgr	Project Mgr	Project Arch	3rd Party	Designer	
1. 3D-Concept Cost Projection (includes design information). Development of 3D-percent Architectural, Mechanical, Electrical, and Plumbing, drawings for low level improvements. Prepare preliminary technical specifications. Conduct a cost estimating review and a cost-work pricing situation. MEP design development. Security Design Development. Update BDC.	8	24	42	60	40	\$19,770
2. 3D-Percent Cost Est of building improvements documents including engineering. A complete package for final IEUA review and bidding preparation. Full of documents will be incorporated from the design review meeting and plan check to complete the final drawing and specifications preliminary design shall include a statement of probable construction cost.	8	24	40	86	40	\$19,120
<b>TOTAL</b>	<b>16</b>	<b>48</b>	<b>82</b>	<b>146</b>	<b>80</b>	<b>\$38,890</b>

Activity	ARCHITECT (Ops)					ARCHITECT
	Project Mgr	Project Mgr	Project Arch	3rd Party	Designer	
1. BIM Phase Services: Attend the pre-bid meeting. Provide technical support at the pre-bid meeting. Prepare addenda in response to requests for information (RFI) and requests for clarification (RFC) prepare a corrected set of contract documents that incorporate all addenda and revisions to the contract documents.	2	6	12	8	4	\$4,000
<b>TOTAL</b>	<b>2</b>	<b>6</b>	<b>12</b>	<b>8</b>	<b>4</b>	<b>\$4,000</b>

Activity	ARCHITECT (Ops)					ARCHITECT
	Project Mgr	Project Mgr	Project Arch	3rd Party	Designer	
1. Biographic Services During Construction: review and guide the progress and direction of construction documents including RFI response, BDC and review Shop Drawings, Product Data, Samples and similar submittals to verify conformity with the information by the original contract documents includes CALGreen Commissioning.	12	42	60	48	36	\$24,270
2. Site Walks During Construction: provide meetings on-site during the course of construction (up to 6 meetings with architect) and administrative coordination.	12	12	8	8	4	\$6,240
3. Project Close-out: Participate in final walk-through of the site. Assist in the development of Project punch list. Record drawings provided from information provided by GC after substantial completion.	1	2	4	6	6	\$2,025
<b>TOTAL</b>	<b>25</b>	<b>56</b>	<b>72</b>	<b>62</b>	<b>46</b>	<b>\$32,535</b>

Subtotal	66	187	218	227	160	\$69,500
Total Invoice						810
Sub-TOTAL						\$69,500

Architects	\$37,270
Sub-TOTAL	\$37,270
Reimbursable Allowance *	\$1,495
<b>Total with Reimbursable</b>	<b>\$38,765</b>

Activity	MEP					MEP
	Project Manager	Project Engineer	Engineer	Designer	3rd Party	
						\$0
						\$0
						\$0
	2	2	2	2		\$1,350
	3	3				\$1,215
						\$0
	2	2	4	4	6	\$2,760
						\$0
	2	4	6	8	6	\$4,000
						\$0
	2	2	2	2	2	\$920
						\$0
<b>TOTAL</b>						<b>\$6,285</b>

Activity	MEP					MEP
	Project Manager	Project Engineer	Engineer	Designer	3rd Party	
	4	12	12	16	12	\$8,720
	4	12	12	16	8	\$8,160
<b>TOTAL</b>	<b>8</b>	<b>24</b>	<b>24</b>	<b>32</b>	<b>20</b>	<b>\$16,880</b>

Activity	MEP					MEP
	Project Manager	Project Engineer	Engineer	Designer	3rd Party	
	2	2	4	2	2	\$1,530
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>\$1,530</b>

Activity	MEP					MEP
	Project Manager	Project Engineer	Engineer	Designer	3rd Party	
	6	12	12	12	4	\$7,530
						\$0
						\$0
<b>TOTAL</b>	<b>6</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>4</b>	<b>\$7,530</b>

Subtotal	25	49	57	60	38	\$33,220
Total Invoice						224
Sub-TOTAL						\$33,220

MEP	\$33,220
Sub-TOTAL	\$33,220

Activity	Security					Security
	Project Manager	System Engineer	System Designer	System Designer	3rd Party	
						\$0
	4	2	1			\$1,070
	3					\$465
	3	2				\$785
	4	1	1			\$920
						\$0
	2	6	2			\$1,660
						\$0
	2	2	2	2		\$4,715
						\$0
<b>TOTAL</b>						<b>\$9,805</b>

Activity	Security					Security
	Project Manager	System Engineer	System Designer	System Designer	3rd Party	
	8	16	16	16	16	\$17,365
	6	12	12	12	8	\$15,320
<b>TOTAL</b>	<b>14</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>24</b>	<b>\$32,685</b>

Activity	Security					Security
	Project Manager	System Engineer	System Designer	System Designer	3rd Party	
	2	15	4	4		\$9,915
<b>TOTAL</b>	<b>2</b>	<b>15</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>\$9,915</b>

Activity	Security					Security
	Project Manager	System Engineer	System Designer	System Designer	3rd Party	
	4	20	10	15		\$8,445
						\$0
						\$0
<b>TOTAL</b>	<b>4</b>	<b>20</b>	<b>10</b>	<b>15</b>	<b>0</b>	<b>\$8,445</b>

Subtotal	25	117	63	68	0	\$26,800
Total Invoice						307
Sub-TOTAL						\$26,800

Security	\$26,800
Sub-TOTAL	\$26,800

# **Attachment 2**

**INLAND EMPIRE UTILITIES AGENCY  
CONSULTING SERVICES INVOICE**

Company: ABC Company	Pay Est. No.:	Contract Date:	Invoice Date: #####
Address:	Contract No.: 46-xxxx	IEUA Project Manager: Jamal Zughbi	This Period: From: 9/1/2015 To: 9/30/2015
Phone No.:	Proj. Name & No: RP-1 Improvements Project, EN15xxx		Invoice No. / Consult Ref: XXXXXX

**ORIGINAL CONTRACT:**

PO No.	SAP Line Item No.	WBS Element No.	Item Description	Original Contr. Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
45-xxxx	1	EN15xxx.00.F.DN50	50% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	2	EN15xxx.00.F.DN85	85% Design Services	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	3	EN15xxx.00.F.DFLP	Final Design	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
	4	EN15xxx.00.G.CNSW.00	Constr Support Services		#DIV/0!	\$0.00	#DIV/0!	\$0.00	#DIV/0!	\$0.00
<b>Subtotal Original Contract</b>				<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>

**CONTRACT AMENDMENTS:**

PO No.	SAP Line Item No.	WBS Element No.	Amendment Description	Amended Contract Value	Total This Period		Total to Date		Progress to Date	Remaining Contract Value
				Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)	% Complete	Amount (\$)
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
						\$0.00		\$0.00	0%	0%
<b>Subtotal Contr. Amendm</b>				<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>
<b>Total Cont. with Amendr</b>				<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>

**PAYMENT SUMMARY FOR THIS PERIOD:**

**PRIOR PAYMENT SUMMARY:**

	From: 9/1/2015 To: 9/30/2015	From: To:
Amount Earned Original Contract	\$0.00	Amount Earned Orig Contract
Amount Earned Amendments	\$0.00	Amount Earned Amendments
Back Charges	\$0.00	Back Charges
<b>Amount Due This Period</b>	<b>\$0.00</b>	<b>Prior Payments</b>
		<b>\$0.00</b>

**TOTAL PAYMENT SUMMARY:**

**CONTRACT SCHEDULE SUMMARY:**

<b>Total Contract</b>		Contract Start Date:	10/9/2014
Total Original Contract	\$0.00	Contract Duration:	365
Total Contract Amendments	\$0.00	Contract Completion Date:	10/9/2015
Total Payments to Date	\$0.00	Authorized Time Extension:	0
Back Charges	\$0.00	Revised Completion Date:	10/9/2015
Payment this period	\$0.00	<b>PROJECT COMPLETION SUMMARY:</b>	
<b>Balance of Contract</b>	<b>\$0.00</b>	Contract Time Expired:	102%
		Contract Work Complete:	#DIV/0!

**Consultant Approval:**

Title: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Inland Empire Utilities Agency Approvals:**

Proj. Engineer: \_\_\_\_\_ Date: \_\_\_\_\_ Exec Mgr. / Assistant GM: \_\_\_\_\_ Date: \_\_\_\_\_  
 Deputy Manager: \_\_\_\_\_ Date: \_\_\_\_\_ General Manager: \_\_\_\_\_ Date: \_\_\_\_\_  
 Dept. Manager: \_\_\_\_\_ Date: \_\_\_\_\_

**CONSENT  
CALENDAR  
ITEM**

**3L**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

HHH  
02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** Labor Compliance Services Task Order Amendment

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**Executive Summary:**

IEUA has several Grant and SRF funded projects that must comply with Davis Bacon and State of California Department of Industrial Relation prevailing wage requirements. In accordance with these State and Federal provisions, IEUA must implement and administer a Labor Compliance Program that ensures contractors are paying prevailing wages for public works projects. Golden State Labor Compliance, LLC (Golden State) currently assists IEUA, via a task order under a master services contract, in administering and monitoring this program on the Water Quality Laboratory, Project No. EN15008.

Golden State's original scope to support the labor compliance on the Water Quality Laboratory Project was for 13 subcontractors; however, the actual amount of subcontractors on the project exceeds 40. Staff negotiated with Golden State a cost based on an average of 26 subcontractors.

Staff is recommending a task order amendment be issued to Golden State increasing their task order for the Water Quality Laboratory Project for a not-to-exceed amount of \$45,120 from \$55,640 to \$100,760.

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**Staff's Recommendation:**

1. Award a master service contract amendment to Golden State Labor Compliance for a not-to-exceed total amount of \$45,120 and for a one-year term extension; and
2. Authorize the General Manager to execute the task order amendment subject to non-substantive changes.

---

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

Account/Project Name:

EN15008/Water Quality Laboratory

**Fiscal Impact** (explain if not budgeted):

None.

**Prior Board Action:**

On August 20, 2014, the Board of Directors approved a contract amendment to Golden State Labor Compliance for labor compliance services in the amount of \$300,000.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The labor compliance task order amendment is consistent with IEUA's Business Goal of Business Practices that strives to apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public.

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**Attachments:**

Attachment 1 - Task Order Amendment

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## INLAND EMPIRE UTILITIES AGENCY TASK ORDER AMENDMENT

Date: January 04, 2018

Amendment 1 to Task Order Number: 26

Consultant: Golden State Labor Compliance, LLC

Contract Number: 4600001503

Project/Task Description: Water Quality Laboratory Labor Compliance

### I. RECITALS:

This Task Order Amendment is issued to furnish additional labor compliance services needed conjunction with Agency's Project Number EN15008.00.

Agency and the Consultant previously entered into Master Services Contract N<sup>o</sup>. 4600001503. Except as otherwise specified herein, the terms and conditions of that Contract are incorporated into this Task Order via this reference.

### II. TASK ORDER AMENDMENT AGREEMENTS

1. **Scope Of Work Is Changed To Read:** Consultant shall furnish the additional qualified personnel, equipment, materials, and supplies necessary to perform the work as described in Consultant's Change Order Request and referenced as **Exhibit C**, referenced herein, attached hereto and made a part hereof.
  - 1.1 **Grant-Funded Projects Is Changed To Read:** This is a grant-funded / State Revolving Funds funded project. The Consultant shall be responsible to comply with all grant requirements related to the project as outlined in **Exhibit B**, referenced herein and as remains in full force and effect.
2. **Period Of Performance Is Changed To Read:** The term of this Contract shall extend from the date of the Notice to Proceed through Project's Close Out Acceptance by the Agency's Board of Directors.
3. **Compensation Is Changed To Read:** Authorized total for labor costs shall be billed at the rates established in Consultant's Master Proposal, incorporated herein by reference, with a Not-To-Exceed maximum total of **\$100,760.00**. This represents an increase of **\$45,120.00** as described in Consultant's Change Order Request **Exhibit C**, and as approved by SAP Purchase Requisition 10043292.

III. **PROJECT MANAGER ASSIGNMENT IS CHANGED TO READ:** All technical direction related to this Task Order shall come from the designated Project Manager. Details of the Agency's assignment are as follows:

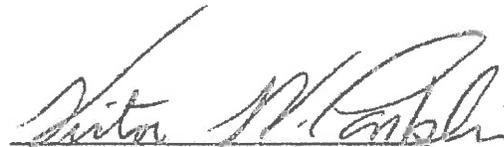
Project Manager: Gary Dix, Construction Project Manager  
Address: 6075 Kimball Avenue, Bldg. B  
Chino, CA 91708  
Telephone: (909) 993-1670  
Facsimile: (909) 993-1982  
Email: [gdix@ieua.org](mailto:gdix@ieua.org)

**Task Order Amendment 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 Amendment. Remainder of this Task Order is unchanged.

**INLAND EMPIRE UTILITIES AGENCY: GOLDEN STATE LABOR COMPLIANCE, LLC:**  
**(A Municipal Water District)**

V. SIGNATURES

\_\_\_\_\_  
Warren T. Green  
Manager of Contracts  
and Procurement

  
\_\_\_\_\_  
Victor W. Conklin  
Vice President

Date: \_\_\_\_\_

Date: 1/30/2018

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# **Exhibit B**

## ARTICLE V MISCELLANEOUS PROVISIONS

### 5.1 Covenants.

- (a) **Tax Covenant.** Notwithstanding any other provision hereof, the Recipient covenants and agrees that it will comply with the Tax Covenants set forth in Article IV attached hereto if any portion of the Project Funds is derived from proceeds of Bonds.
- (b) **Disclosure of Financial Information, Operating Data, and Other Information.** The Recipient covenants to furnish such financial, operating and other data pertaining to the Recipient as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5). The Recipient further covenants to provide the State Water Board with copies of all continuing disclosure reports and materials concerning the Recipient required by the terms of any financing other than this Agreement and to submit such reports to the State Water Board at the same time such reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website or other person or entity.

### 5.2 Assignability.

The Recipient agrees and consents to any pledge, sale, or assignment to the Bank or a trustee for the benefit of the owners of the Bonds, if any, at any time of any portion of the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement and the right to make all related waivers and agreements in the name and on behalf of the State Water Board, as agent and attorney-in-fact, and to perform all other related acts which are necessary and appropriate under this Agreement, if any, and the State Water Board's estate, right, title, and interest and claim in, to and under this Agreement to Installment Payments (but excluding the State Water Board's rights to Additional Payments and to notices, opinions and indemnification under each Obligation). This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

### 5.3 State Reviews and Indemnification.

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which

they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the discharge of the Recipient's Obligation hereunder.

5.4 Termination; Immediate Repayment; Interest.

- (a) This Agreement may be terminated by written notice during construction of the Project, or thereafter at any time prior to complete repayment by the Recipient, at the option of the State Water Board, upon violation by the Recipient of any material provision of this Agreement after such violation has been called to the attention of the Recipient and after failure of the Recipient to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the Division.
- (b) In the event of such termination, the Recipient agrees, upon demand, to immediately repay to the State Water Board an amount equal to Installment Payments due hereunder, including accrued interest, and all penalty assessments due. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Recipient to the date of full repayment by the Recipient.
- (c) Where the Recipient is a private entity that has been determined to have violated an applicable prohibition in the Prohibition Statement below or has an employee who is determined by USEPA to have violated an applicable prohibition in the Prohibition Statement below that is either associated with performance under this aware or imputed to the Recipient using the standards and due process for imputing the conduct of an individual to an organization pursuant to 2 CFR Part 180, the Recipient acknowledges and agrees that this Obligation may become immediately due and payable and that penalties up to \$175 million may be due by the Recipient to the State Water Board, in addition to any other criminal or civil penalties that may become due. The Recipient, its employees, its contractors, and any subrecipients or subcontractors may not engage in trafficking in persons, procure a commercial sex act, or use forced labor.

5.5 Income Restrictions.

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement shall be paid by the Recipient to the State, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State under this Agreement.

5.6 Prevailing Wages.

The Recipient agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. The Recipient shall monitor all agreements subject to reimbursement from this Agreement to assure that the prevailing wage provisions of State Labor Code Section 1771 are being met.

5.7 Timeliness.

Time is of the essence in this Agreement.

5.8 Governing Law.

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

5.9 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

5.10 Bonding.

Where contractors are used, the Recipient shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$20,000.00.

5.11 Compliance with Law, Regulations, etc.

- (a) The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Recipient agrees that, to the extent applicable, the Recipient will:
- (1) Comply with the provisions of the adopted environmental mitigation plan for the term of this Agreement;
  - (2) Comply with the State Water Board's "Policy for Implementing the Clean Water State Revolving Fund," dated May 7, 2013;
  - (3) Comply with and require its contractors and subcontractors on the Project to comply with federal DBE requirements; and
  - (4) Comply with and require its contractors and subcontractors to comply with the list of federal laws attached as Exhibit E.

5.12 Conflict of Interest.

The Recipient certifies that it is in compliance with applicable state and/or federal conflict of interest laws.

5.13 Damages for Breach Affecting Tax Exempt Status or Federal Compliance

In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the loss of tax exempt status for any bonds of the State or any subdivision or agency thereof, including Bonds issued on behalf of the State Water Board, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government by reason of any arbitrage profits, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

In the event that any breach of any of the provisions of this Agreement by the Recipient shall result in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach shall result in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient shall immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

5.14 Disputes.

- (a) An applicant or recipient may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. An applicant or recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.
- (b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
- (c) Recipient shall continue with the responsibilities under this Agreement during any dispute.

5.15 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

5.16 Non-Discrimination Clause.

- (a) During the performance of this Agreement, Recipient and its contractors and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.
- (b) The Recipient, its contractors, and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- (c) The Recipient, its contractors, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subs. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- (d) The Recipient, its contractors, and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- (e) The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

5.17 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

5.18 Operation and Maintenance; Insurance.

The Recipient agrees to sufficiently and properly staff, operate and maintain all portions of the Project during its useful life in accordance with all applicable state and federal laws, rules and regulations.

The Recipient will procure and maintain or cause to be maintained insurance on the System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System) as are usually covered in connection with systems similar to the System. Such insurance may be maintained by the maintenance of a self-insurance plan so long as any such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund funded in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The Recipient shall begin such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the System shall be free and clear of all claims and liens. If such net proceeds are insufficient to enable the Recipient to pay all remaining unpaid principal portions of the Installment Payments, the Recipient shall provide additional funds to restore or replace the damaged portions of the System.

5.19 Permits, Subcontracting, and Remedies.

The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules and regulations. Recipient shall procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses shall be submitted to the Division before construction begins.

5.20 Recipient's Responsibility for Work.

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

5.21 Related Litigation.

Under no circumstances may a Recipient use funds from any disbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to complete the Project funded by this Agreement or to repay all of the disbursed funds plus interest.

5.22 Rights in Data.

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free,

nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request. (40 CFR 31.34, 31.36)

5.23 State Water Board Action; Costs and Attorney Fees.

The Recipient agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

5.24 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

5.25 Useful Life.

The economic useful life of the Project, commencing at Project Completion, is at least equal to the term of this Agreement, as set forth in Exhibit B hereto.

5.26 Venue.

The State Water Board and the Recipient hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

5.27 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under the Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

**INLAND EMPIRE UTILITIES AGENCY:**

By: \_\_\_\_\_

Name: Halla H. Razak

Title: General Manager

Date: \_\_\_\_\_

**STATE WATER RESOURCES CONTROL BOARD:**

By: \_\_\_\_\_

Name:

Title: Deputy Director

Division of Financial Assistance

Date: \_\_\_\_\_

**EXHIBIT E — FEDERAL CONDITIONS & CROSS-CUTTERS**

The Recipient agrees to comply with the following conditions required by USEPA:

1. No Recipient or subrecipient may receive funding under this Agreement unless it has provided its DUNS number to the State Water Board. (2011 Cap Grant)
2. **Executive Compensation.** Where the Recipient received 80 percent or more of its annual gross revenues from federal procurement contracts (and subcontracts) and \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), the Recipient agrees to notify the State Water Board. The Recipient agrees to provide information regarding executive compensation to the State Water Board upon request, in order for the State Water Board to comply with USEPA requirements.
3. **Trafficking in Persons.** The Recipient, its employees, contractors and subcontractors and their employees may not engage in severe forms of trafficking in persons during the term of this Agreement, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds in the amount of \$101,065,000. The Recipient agrees to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement and full repayment will be due immediately, if a subrecipient that is a private entity is determined to have violated the foregoing. Trafficking Victims Protection Act of 2000.
4. **Contractors, Subcontractors, Debarment and Suspension, Executive Order 12549; 2 CFR Part 180; 2 CFR Part 1532.** The Recipient shall not subcontract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". The Recipient shall not subcontract with any individual or organization on USEPA's List of Violating Facilities. (40 CFR, Part 31.35, Gov. Code 4477)

The Recipient certifies to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
- (b) Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
- (d) Have not within a three (3) year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

EXHIBIT E — FEDERAL CONDITIONS & CROSS-CUTTERS

Suspension and debarment information can be accessed at <http://www.sam.gov>. The Recipient represents and warrants that it has or will include a term or conditions requiring compliance with this provision in all of its contracts and subcontracts under this Agreement. The Recipient acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the termination, delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

5. Anti-Lobbying Provisions (40 CFR Part 34) & Anti-Litigation Provisions (2 CFR 220, 225, or 230). The Recipient shall ensure that no funds under this Agreement are used to engage in lobbying of the federal government or in litigation against the United States unless authorized under existing law. The Recipient shall abide by 2 CFR 225 (OMB Circular A-87) (or, if not applicable, other parallel requirements), which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities. The Recipient agrees to comply with 40 CFR Part 24, New Restrictions on Lobbying. The Recipient agrees to submit certification and disclosure forms in accordance with these provisions. In accordance with the Byrd Anti-Lobbying Amendment, any Recipient who makes a prohibited expenditure under 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure. The Recipient shall abide by its respective 2 CFR 200, 225, or 230, which prohibits the use of federal grant funds for litigation against the United States or for lobbying or other political activities.
6. Disadvantaged Business Enterprises. 40 CFR Part 33. The Recipient agrees to comply with the requirements of USEPA's Program for Utilization of Small, Minority and Women's Business Enterprises. The DBE rule can be accessed at [www.epa.gov/osbp](http://www.epa.gov/osbp). The Recipient shall comply with, and agrees to require its prime contractors to comply with 40 CFR Section 33.301, and retain all records documenting compliance with the six good faith efforts.
7. The Recipient agrees to comply with the Davis-Bacon provisions attached as Exhibit G.

The Recipient agrees to comply with the following federal laws, as applicable to recipients of CWSRF funding:

**Environmental Authorities**

1. Archeological and Historical Preservation Act of 1974, Pub. L. 86-523, as amended, Pub. L. 93-291 16 USC § 469a-1.
2. Clean Air Act, Pub. L. 84-159, as amended.
3. Coastal Barrier Resources Act, Pub. L. 97-348, 96 Stat. 1653; 16 USC § 3501 et seq.
4. Coastal Zone Management Act, Pub. L. 92-583, as amended; 16 USC § 1451 et seq.
5. Endangered Species Act, Pub. L. 93-205, as amended; 16 USC § 1531 et seq..
6. Environmental Justice, Executive Order 12898.
7. Floodplain Management, Executive Order, 11988 as amended by Executive Order 12148.
8. Protection of Wetlands, Executive Order 11990, as amended by Executive Order No. 12608.

**EXHIBIT E — FEDERAL CONDITIONS & CROSS-CUTTERS**

9. Farmland Protection Policy Act, Pub. L. 97-98; 7 USC § 4201 et seq.
10. Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended.
11. National Historic Preservation Act of 1966, Pub. L. 89-665, as amended, 80 Stat. 917 (1966) 16 USC § 470 et seq.
12. Safe Drinking Water Act, Pub. L. 93-523, as amended; 42 USC § 300f et seq.
13. Wild and Scenic Rivers Act, Pub. L. 90-542, as amended, 82 Stat. 913; 16 USC § 1271 et seq.
14. Essential Fish Habitat Consultation. Pub. L. 94-265, as amended, 16 USC § 1801 et seq.
15. Recycled Materials. Executive Order 13101; Section 6002 Resource Conservation and Recovery Act – 42 USC § 6962.

**Economic and Miscellaneous Authorities**

1. Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372/ 42 USC § 3331 et seq.
2. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368; 40 CFR Part 31.
3. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655
- 4.. Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects, EO 13202, as amended by EO 13208.
6. Hotel and Motel Fire Safety Act of 1990 (PL 101-391, as amended). All conference, meeting, convention, or training funded in whole or in part with federal funds shall comply with the protection and control guidelines of this act. Recipients may search <http://www.usfa.dhs.gov/applications/hotel/>.
7. Records and financial reporting requirements. 40 CFR Part 31.
8. Copyright requirements. 40 CFR Part 31.

**Social Policy Authorities**

1. Age Discrimination Act of 1975, Pub. L. 94-135; 42 USC § 6102.
2. Race Discrimination. Title VI of the Civil Rights Act of 1964, Pub. L. 88-352.1; 42 USC § 2000d; 40 CFR Part 7.

**EXHIBIT E — FEDERAL CONDITIONS & CROSS-CUTTERS**

3. **Sex Discrimination.** Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act); 33 USC § 1251; 40 CFR Part 7.
4. **Disability Discrimination.** Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250); 29 USC § 794; 40 CFR Part 7.
5. **Equal Employment Opportunity, Executive Order 11246.**
6. **Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590.**

**EXHIBIT G – DAVIS BACON REQUIREMENTS**

**1. Contract and Subcontract provisions for Recipients**

(a) The Recipient shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF the following clauses:

(1) **Minimum wages.**

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, [www.dol.gov](http://www.dol.gov).

(ii)(A) The Recipient, on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and

EXHIBIT G – DAVIS BACON REQUIREMENTS

- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the Recipient agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the Recipient to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.
- (C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and Recipient do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- (D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- (iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- (iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
- (2) Withholding. The Recipient, shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime

**EXHIBIT G – DAVIS BACON REQUIREMENTS**

contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

**(3) Payrolls and basic records.**

- (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
- (ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the Recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State or EPA. As to each payroll copy received, the Recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide

**EXHIBIT G – DAVIS BACON REQUIREMENTS**

them upon request to the Recipient for transmission to the State Water Board or EPA if requested by EPA, the State Water Board, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the Recipient.

- (B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
- (1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;
  - (2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
  - (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
- (C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.
- (D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
- (iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.
- (4) Apprentices and trainees.

**EXHIBIT G – DAVIS BACON REQUIREMENTS**

- (i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- (ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the Journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program

EXHIBIT G – DAVIS BACON REQUIREMENTS

associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- (iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.
- (5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.
- (6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.
- (7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.
- (8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Recipient, State, EPA, the U.S. Department of Labor, or the employees or their representatives.
- (10) Certification of eligibility.
  - (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

**EXHIBIT G – DAVIS BACON REQUIREMENTS**

- (ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
- (iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

**2. Contract Provision for Contracts in Excess of \$100,000.**

- (a) **Contract Work Hours and Safety Standards Act.** The Recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Section 1, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.
  - (1) **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
  - (2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.
  - (3) **Withholding for unpaid wages and liquidated damages.** The Recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.
  - (4) **Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

**EXHIBIT G – DAVIS BACON REQUIREMENTS**

- (b) In addition to the clauses contained in Section 1, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the United States Environmental Protection Agency, the Department of Labor, or the State Water Resources Control Board, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

**3. Compliance Verification**

- (a) The Recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The Recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the Recipient should conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. The Recipient must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. The Recipient shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c) The Recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The Recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the Recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. The Recipient must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the Recipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d) The Recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

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Project No.: C-06-7885-110

**EXHIBIT G – DAVIS BACON REQUIREMENTS**

- (e) The Recipient must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/esa/contacts/whd/america2.htm>.

## 2.20 Signage.

The Recipient shall place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign shall include the following color logos (available from the Division) and the following disclosure statement:



**"Funding for this project has been provided in full or in part by the Clean Water State Revolving Fund through an agreement with the State Water Resources Control Board. California's Clean Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."**

The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

The Recipient shall include the following disclosure statement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

**"Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the State Water Resources Control Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use. (Gov. Code § 7550, 40 CFR § 31.20.)"**

The Recipient shall be required to maintain separate books, records and other material relative to the Project. The Recipient shall also be required to retain such books, records, and other material for itself and for each contractor or subcontractor who performed work on this project for a minimum of thirty-six (36) years after Project Completion. The Recipient shall require that such books, records, and other material be subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Bureau of State Audits, the United States Environmental Protection Agency (USEPA), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned, and shall allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar right regarding audit, interviews, and records retention in any subcontract related to the performance of this Agreement. The provisions of this section shall survive the discharge of the Recipient's Obligation hereunder and shall survive the term of this Agreement. .

Program Special Condition:

Buy American. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board, the Recipient shall not use Project Funds to purchase "iron and steel products" produced outside of the United States. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board, the Recipient hereby certifies that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

Environmental Special Conditions:

In accordance with the June 16, 1999 adopted *Mitigation Monitoring and Reporting Plan/Program*, the Recipient shall comply with the mitigation measures:

- 4.4-1, 4.4-3, 4.4-5, 4.4-8, and 4.4-11 through 4.4-14 for Geologic Resources / Constraints,
- 4.5-1 for Water Resources / Water Quality,
- 4.6-1 through 4.6-10 for Air Quality,
- 4.7-2 through 4.7-5 for Traffic / Circulation,
- 4.9-1 through 4.9-3 and 4.9-6 for Noise,
- I-1 and I-6 for Aesthetics, and
- VII-1, VII-5, and VII-6 for Hazards and Hazardous Materials

The Recipient will make no changes in the Project, construction area, or special conditions, without obtaining prior approval from the State Water Board. The Recipient understands that it is prohibited from such changes without those approvals.  
such changes without those approvals.

# **Exhibit C**

FEE CALCULATION							
FOR							
LABOR COMPLIANCE SERVICES							
<b>New Water Quality Laboratory</b>							
(Project Name)							
<b>EN15008</b>							
Pursuant to the Task Order Fee Schedule established under Contract No. 4600001503, applicable fees for the above named Project are calculated as:							
<b>I. PROJECT DATA</b>							
<b>A. Contractors/Subcontractors Subject to Labor Compliance</b>							
1.	Prime Plus 13 Subs.						
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
<b>TOTAL CONTRACTORS/SUBS</b>			<b>14</b>				
<b>B. Total Construction Value</b>							
Construction Contract(s)		not material					
Survey		not material					
Inspections		not material					
Material Testing		not material					
<b>Total Construction Value</b>		<b>\$17,460,000</b>					
<b>C. Construction Duration</b>							
		<b>26</b>	<b>months</b>				
<b>D. Construction Value per Month (Prime Contract)</b>							
		<b>671,538</b>					
<b>II. FEE CALCULATION</b>							
Project Initiation Fee						<b>\$3,000</b>	
File Set-up / Orientation		\$250	x	14	Contractors	= \$3,500	
Program Administration		\$135	x	14	x 26	= \$49,140	
High Value per Contractor Adjustment		\$15	x	Not applicable		=	
<b>TOTAL CALCULATED FEE</b>						<b>\$55,640</b>	

FEE CALCULATION						
FOR						
LABOR COMPLIANCE SERVICES						
New Water Quality Laboratory						
(Project Name)						
EN15008 C/O Request						
Pursuant to the Task Order Fee Schedule established under Contract No. 4600001503 applicable fees for the above named Project are calculated as:						
<b>I. PROJECT DATA</b>						
<b>Contractors/Subcontractors Subject to Labor Compliance</b>						
<b>A.</b>						
1.	Prime Plus 24 Subs.					
2.	2 District hires					
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
	<b>TOTAL CONTRACTORS/SUBS</b>	<b>26</b>				
<b>B.</b>	<b>Total Construction Value</b>					
	Construction Contract(s)	not material				
	Survey	not material				
	Inspections	not material				
	Material Testing	not material				
	<b>Total Construction Value</b>	<b>\$17,460,000</b>				
<b>C.</b>	<b>Construction Duration</b>	<b>26</b>	<b>months</b>			
<b>D.</b>	<b>Construction Value per Month (Prime Contract)</b>	<b>671,538</b>				
<b>II. FEE CALCULATION</b>						
	Project Initiation Fee					\$3,000
	File Set-up / Orientation	\$250	x	Contractors 26	Months	= \$6,500
	Program Administration	\$135	x	26	x 26	= \$91,260
	High Value per Contractor Adjustment	\$15	x	Not applicable		=
	<b>TOTAL CALCULATED FEE</b>					<b>\$100,760</b>

**CONSENT  
CALENDAR  
ITEM**

**3M**

---

**Date:** February 21, 2018

HR

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** Adoption of Resolution No. 2018-2-6, Establishing Guidelines for Capacity Right Agreements for Inland Empire Brine Line Users

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**Executive Summary:**

The guidelines establishing Capacity Right Agreements between the Inland Empire Utilities Agency (IEUA) and a User of the Inland Empire Brine Line (Brine Line) are defined in section 303.0 of existing IEUA Ordinance No. 96. The Santa Ana Watershed Project Authority (SAWPA) recently adopted Ordinance No. 8, which establishes regulations for use of the Brine Line. SAWPA requires member agencies to adopt a Brine Line specific ordinance that is at least as stringent as SAWPA's Ordinance No. 8. IEUA will adopt Ordinance No. 106, which will adopt, in full, the provisions of SAWPA Ordinance No. 8 and repeal IEUA Ordinance No. 96. IEUA intends to continue its policy pertaining to reviewing and granting Capacity Right Agreements between IEUA and potential Users of the Brine Line. Resolution No. 2018-2-6, establishes the guidelines for creating Capacity Right Agreements between IEUA and a potential user of the Brine Line.

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**Staff's Recommendation:**

Adopt Resolution No. 2018-2-6, establishing guidelines to create Capacity Right Agreements between the Inland Empire Utilities Agency and potential users of the Inland Empire Brine Line.

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

Account/Project Name:

*Fiscal Impact (explain if not budgeted):*

**Prior Board Action:**

None

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Adoption of Resolution 2018-2-6 is consistent with the Agency's Business Goal of Business Practices by applying 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.

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**Attachments:**

Resolution No. 2018-2-6

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**RESOLUTION NO. 2018-2-6**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, IN SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING GUIDELINES TO CREATE CAPACITY RIGHT AGREEMENTS BETWEEN INLAND EMPIRE UTILITIES AGENCY AND POTENTIAL USERS OF THE INLAND EMPIRE BRINE LINE.**

**WHEREAS**, Inland Empire Utilities Agency, a Municipal Water District (“IEUA”) is a municipal water district established pursuant to Section 71000 et seq. of the California Water Code; and

**WHEREAS**, Orange County Sanitation District (“OCSD”) has expressed a desire to consolidate permitting, inspection, monitoring, and enforcement activities over the Inland Empire Brine Line (“Brine Line”) into one public agency, specifically the Santa Ana Watershed Project Authority (“SAWPA”), to ensure continuity and consistency in the operation of the Brine Line; and

**WHEREAS**, SAWPA enacted its Ordinance No. 8 to revise regulations for the use of the Brine Line; and

**WHEREAS**, SAWPA requires that its member agencies, including IEUA, Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District of Riverside County adopt the ordinance so as to provide uniform and consistent guidelines governing the use of the Brine Line; and

**WHEREAS**, IEUA enacted Ordinance No. 106, an Ordinance by the Board of Directors of IEUA seeking to adopt SAWPA’s Ordinance No. 8 and repeal IEUA’s previous Ordinance No. 96; and

**WHEREAS**, IEUA Board of Directors intends to continue its policy pertaining to reviewing and granting Capacity Right Agreements between the IEUA and a potential User of the Brine Line.

**NOW, THEREFORE**, the Board of Directors of IEUA hereby resolves that:

**SECTION 1.**

**Definitions:**

1. Board shall mean the Board of Directors of the IEUA.
2. Capacity Right shall mean a right to discharge wastewater into the Brine Line in accordance with the Wastewater Discharge Permit and the Capacity Right Agreement issued by the IEUA to the Capacity Right holder.
3. Capacity Right Agreement shall mean an Agreement between IEUA and a potential User of the Brine Line defining the rights and obligations of that User to discharge Wastewater into the Brine Line expressed in terms of Capacity Units.

4. Capacity Unit shall mean the maximum instantaneous peak flow not to exceed 15 gallons per minute. (The number of IEUA Capacity Units acquired by a User prior to November 5, 1997 shall be multiplied by three).
5. Inland Empire Brine Line or Brine Line shall mean all wastewater conveyance systems owned and maintained by SAWPA, excluding sewer service lateral line connections owned and operated by others.
6. Monthly Capacity Charge shall mean a monthly charge based upon the number of Capacity Units owned by each User of the Brine Line.
7. Person shall mean any individual, firm, company, association, society, general or limited partnership, limited liability company, trust, corporation, governmental agency or group, and includes the plural or singular.
8. User shall mean any Person or entity, public or private, residential, industrial, commercial, governmental, institutional, or liquid waste hauler that discharges or causes to be discharged, wastewater into the Brine Line or tributaries.
9. Wastewater shall mean the used water and water carried waste from a User that is discharged into a sewer.
10. Wastewater Discharge Permit shall mean the permit issued and enforced by the SAWPA General Manager or designee permitting and regulating the discharge of wastewater into the Brine Line and tributaries thereto.

**SECTION 2.** Any potential User of the Brine Line or tributaries thereto must first apply to the IEUA for a Capacity Right. After review and acceptance of the potential User's Capacity Right application, the potential User must enter into a Capacity Right Agreement with IEUA before the User may discharge to the Brine Line or tributaries thereto. The potential User shall pay to IEUA all costs associated with the Capacity Right Agreement. A Capacity Right Agreement must be obtained from IEUA prior to filing an application for a Wastewater Discharge Permit.

**SECTION 3.** All Wastewater to be discharged pursuant to the Capacity Right Agreement between the IEUA and a User shall be contingent upon the issuance by SAWPA to the potential User, a Wastewater Discharge Permit, pursuant to Article 4 of Ordinance No. 8. The User shall also apply for a Wastewater Discharge Permit in accordance with Article 4 of Ordinance No. 8.

**SECTION 4.** All fees and charges paid by the User in connection with the processing of the Capacity Right Agreement and the Wastewater Discharge Permit are non-refundable.

**SECTION 5.** Upon Board approval, a Capacity Right is granted by execution of a Capacity Right Agreement between the IEUA and any Person. A Capacity Right shall not be used at a location other than the Property described in the Capacity Right Agreement.

1. The Person holding the Capacity Right shall be the owner of the property or owner of the business generating the Wastewater.
2. With prior approval of the Board, a Capacity Right holder may rent or lease the use of the Capacity Right for the purpose stated in the Capacity Right Holder's Capacity Right application.
3. A Capacity Right may be assigned to a successive Capacity Right holder upon written request from the Capacity Right holder and the successor, and approval of the Board.

**SECTION 6.** A Person or User may initiate Capacity Right Agreement procedures by completion and submittal to the IEUA of a Capacity Right application and payment of the application fee. The application shall be on a form provided by the IEUA. Upon receipt of the application, the IEUA shall within 30 days notify the applicant in writing of any additional information determined to be necessary for the IEUA to complete the review of the Capacity Right application.

**SECTION 7.** The number of Capacity Units included in a Capacity Right Agreement shall be determined by the IEUA based upon the information collected during the application process and after analysis by the IEUA of the processes, the nature and character of effluent, and the provisions which have been or could be made for in-plant segregation of Wastewater and flow equalization.

**SECTION 8.** After execution of the Capacity Right Agreement, the Capacity Right shall be retained from year to year, conditioned upon payment of Monthly Capacity Charges and associated O&M or administrative charges as established by resolution of the Board. The term of the Capacity Right Agreement between a Person and the IEUA shall be concurrent with the term of the current Wastewater Treatment and Disposal Agreement between the OCSD and SAWPA which expires April 12, 2046.

**SECTION 9.** In the event the User has not commenced discharge of Wastewater to the Brine Line within 24 months after execution of the Capacity Right Agreement, the IEUA may declare all or any portion of the Capacity Right Agreement void. If the IEUA declares all or any part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the IEUA.

**SECTION 10.** In the event the Wastewater Discharge Permit is revoked, the User shall not be entitled to any refund of any fees and charges it has paid to the IEUA or SAWPA.

**SECTION 11.** The User may terminate all or any portion of their Capacity Right in the Brine Line and thereby be relieved of all or a portion of their obligation to pay monthly capacity charges upon completion of the following:

1. The User shall give 90 days advance written notice to the IEUA of its intention to so terminate, and
2. The User shall be required to pay the IEUA, at least 30 days prior to the termination date requested by the User, a termination fee equal to the amount obtained by multiplication of the number of IEUA Capacity Units being terminated by the current Monthly Capacity Charge by six months. The six-month termination fee shall be calculated from the termination date requested by the User.

**SECTION 12.** Upon payment of the required sums, all or that portion of the rights and obligations of User being terminated in the Brine Line shall cease as of the identified termination date.

**SECTION 13.** In the event the User has ceased discharge for a period of 24 months without assigning the Capacity Right pursuant to Section 5, or terminating the Capacity Right pursuant to

Section 11 of this Resolution, the IEUA may declare all or any portion of the Capacity Right Agreement void. If the IEUA declares all or a part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the IEUA and the provisions of Section 11 of this Resolution shall apply.

**SECTION 14.** Prior to execution of the Capacity Right Agreement by the Board, the User shall be required to pay the capacity fee for each Capacity Unit purchased by certified check. The check shall be held by IEUA until the Capacity Right Agreement is approved by the Board. In the event that the Capacity Right Agreement or permit is denied, the check shall be returned to User. The capacity fee shall be established from time to time by resolution of the Board. The capacity fee shall be deposited in the IEUA's non-reclaimable wastewater program fund.

**SECTION 15.** The Monthly Capacity Charge shall be established at least annually by resolution of the Board. The following provisions shall apply to Monthly Capacity Charges:

A User holding a Capacity Right Agreement shall not be required, during the first year after execution of the Capacity Right Agreement, to make payment of the Monthly Capacity Charge unless the User commences discharge to the Brine Line. Monthly Capacity Charges will commence beginning with the 13<sup>th</sup> month after execution of the Capacity Right Agreement or in the month that discharge to the Brine Line starts, whichever occurs first.

**ADOPTED** this 21<sup>st</sup> day of February 2018.

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

ATTEST:

---

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

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. 2018-2-6, was adopted at an  
adjourned regular Board Meeting on February 21, 2018, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

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

\*A Municipal Water District

(SEAL)

**CONSENT  
CALENDAR  
ITEM**

**3N**

---

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Engineering, Operations & Water Resources

02/14/18

**Executive Contact:** Chris Berch, Executive Manager of Engineering/AGM

**Subject:** Master Service Contracts for Condition Assessment

---

**Executive Summary:**

In March 2014, the Board of Directors approved three master service contracts to HDR Engineering, Inc., Lockwood, Andrews, & Newman, Inc., and V&A Consulting Engineering Inc. This provided IEUA staff the immediate resources on performing condition assessments as part of the Asset Management Program. Since its implementation, over 12 condition assessments, for a total cost of \$275,000, have been performed across multiple facilities.

The condition assessment master service contracts have provided three valuable pieces of information: the condition on the remaining useful life of the assets, the recommendations to maintain them, and the fiscal and scheduled plan for rehabilitation/repair. In order to continue the use of the master service contracts, staff is recommending the increase of the existing aggregate expense from \$300,000 to \$600,000.

---

**Staff's Recommendation:**

Increase the spending authorization to perform corrosion and condition assessment services for a total aggregate not-to-exceed amount of \$600,000 to the following:

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

---

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

*Account/Project Name:*

This increase in spending authorization is for work required on various projects throughout the next year. Funding for the work is included in each individual projects under various program funds.

*Fiscal Impact (explain if not budgeted):*

None.

**Prior Board Action:**

On April 19, 2017, the Board of Directors extended the three-year contracts for an additional three-years and raised the total aggregate not-to-exceed limit to \$300,000.

On March 19, 2014, the Board of Directors approved the three-year contracts to HDR Engineering, Inc., Lockwood, Andrews, & Newman, Inc., and V&A Consulting Engineering Inc., with a total aggregate not-to-exceed limit of \$240,000.

---

**Environmental Determination:**

**Statutory Exemption**

CEQA exempts a variety of projects from compliance with the statute. This project qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. When the project will be implemented will be subject to future environmental evaluation.

---

**Business Goal:**

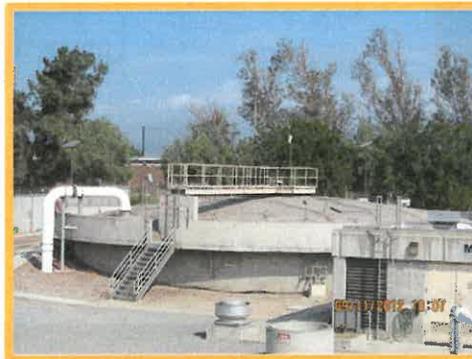
The master services contract for condition assessments, is consistent with IEUA's Business Goal of Wastewater Management specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

---

**Attachments:**

Attachment 1 - PowerPoint

# Master Services Contract Condition Assessment



# The Background

- Aging assets require condition assessments
  - Useful life
  - Recommendations for rehabilitation
- Key element to the Asset Management Program
- Completed condition assessments have utilized \$275,000 of the \$300,000 contract value
- Request increased aggregate limit of \$600,000



RP-1 Digester

# Completed Assessments

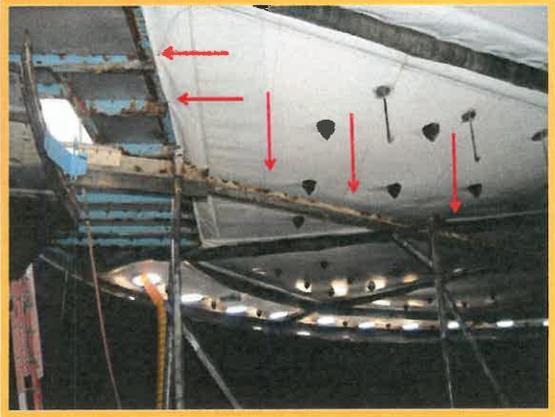
- 12 valuable condition assessments completed since 2014
- Aggregate increase enables these assessments to continue for the next two years



RP-1 Gravity Thickener



RP-1 Digester



RP-5 Primary Clarifier

# Video of Completed Assessment

Condition Assessment of RP-1's  
42-inch Piping  
Headworks to Primary Clarifiers

# Future Assessments at RP-1



# Future Assessments at RP-5



# Recommendation

- Increase the spending authorization to perform corrosion and condition assessment services for a total aggregate not-to-exceed amount of \$600,000 with V&A Consulting Engineering Inc.; Lockwood, Andrews, & Newman, Inc.; and HDR Engineering, Inc.

The master services contract for condition assessments, is consistent with **IEUA's Business Goal of Wastewater Management** specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

**ACTION  
ITEM**

**4A**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

#4R

**Committee:** Finance & Administration

02/14/18

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

**Subject:** Adoption of Resolution No. 2018-2-5 to Update the Agency's Investment Policy

---

**Executive Summary:**

On December 20, 2017, the Board awarded PFM Asset Management LLC (PFM) a contract to provide advisory services and day to day management of the Agency's investment portfolio. The Agency's Investment Policy (Policy) mandates an annual review and Board approval of the Policy, or whenever there are significant changes. Engagement of an investment advisor requires changes to various sections of the Policy, including updating roles and responsibilities, the use of authorized broker/dealers, and monitoring credit of investment securities. Based on the recommended investment strategy jointly developed by staff and PFM, changes to certain authorized investments and corresponding thresholds are also being proposed. One example is an increase in the threshold for medium term notes from 10 percent to 30 percent. The higher threshold is consistent with the California Government Code and will allow more effective leverage of investment opportunities for these securities. A detailed list of the proposed changes is shown in Attachment 8. The initial amount of investment portfolio to be managed by PFM will be between \$80 and \$100 million. Staff will continue to manage approximately \$50 million in highly liquid assets to support the Agency's cash flow needs.

---

**Staff's Recommendation:**

Adopt Resolution No. 2018-2-5, approving the update of the Agency's Investment Policy.

---

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

*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

None.

**Prior Board Action:**

On April 19, 2017, the Board of Directors adopted Resolution No. 2017-4-1, approving the Agency's Investment Policy for Fiscal Year 2017/18.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The amendments to the investment policy are 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.

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**Attachments:**

- Attachment 1- Background
- Attachment 2 - PowerPoint
- Attachment 3 - PFM PowerPoint Presentation
- Attachment 4 - PFM PowerPoint Supplemental Only
- Attachment 5 - PFM Memorandum
- Attachment 6 - Resolution 2018-2-5
- Attachment 7 - Agency Investment Policy
- Attachment 8 - Blacklined or Tracked Changes to 2017/18 Investment Policy

# Attachment 1

## Background

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Subject: Adoption of Resolution No. 2018-2-5 to Update the Agency's Investment Policy

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The FY 2017/18 Investment Policy (Policy) establishes procedures and guidelines by which surplus funds can be managed in a prudent and fiscally-sound manner. The Policy encompasses those funds over which the Agency exercises fiscal control, stipulates allowable and unallowable investment alternatives, establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business and prioritizes the Agency's public funds management objectives of safety, liquidity, and yield. The Policy also mandates a review and approval by the Board be done annually, or whenever there are significant changes. The Policy was updated and approved in April 2017.

On December 20, 2017, the Board awarded a contract to PFM Asset Management LLC (PFM), to provide investment advisory services and day to day management of the Agency's portfolio consistent with the Agency's Investment Policy Section 5. As part of their due diligence, PFM reviewed the Policy and is recommending changes to better align with best investment practices of public agencies nationwide, and California in particular. The review focused on four key policy elements: compliance, comprehensiveness, balance, and clarity.

Overall, PFM found the Policy to be comprehensive, well written and in compliance with the California Government Code (CGC) Section 53600.

The recommended changes are summarized below and detailed changes are shown under Attachment 8 and have been incorporated in the proposed FY 2018/19 Investment Policy.

- (1) Clarify the role and functions of investment advisor.
  - Delegation of Authority
  - Authorized Financial Institutions, Brokers and Dealers
  - Trading of Securities
  - Monitoring Credit Ratings
  - Performance Standards
  
- (2) Section 11 – Diversification - To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type, with the exception of U.S. Treasuries, federal agencies, supranationals, and pooled investments such as Local Agency Investment Fund (LAIF), money market funds, and local government investment pools.
  
- (3) Authorized & Suitable Investment Section 8.G – Negotiable Certificates of Deposit (NCD) - revise the requirements for NCD to permit purchases limited to securities rated in a rating category of "A" "and/or "A-1" or their equivalents or better by a Nationally Recognized Statistical Ratings Organization. The language used is consistent with the credit language used for medium-term notes, as the investment advisor evaluate the credit worthiness of the NCD as they would with corporate securities.

- (4) Authorized & Suitable Investment Section 8.M – Medium Term Notes - increase the percent holding limit from ten percent to thirty percent to enhance the risk and reward profile of the portfolio and increase diversification.
- (5) Authorized & Suitable Investment Section 8.N – Supranational – increase the percent holding from ten percent to twenty percent.

# Attachment 2

# Investment Policy & Strategy Update



# Investment Policy



Purpose: Establishes procedures & guidelines by which surplus funds are to be managed



Dec. 2017 – Awarded contract to PFM Asset Management, LLC to provide investment advisory services



Policy mandates annual approval, or whenever there are significant changes, by the Board of Directors

# Proposed Significant Changes



## INVESTMENT ADVISOR

- Delegation of Authority
- Brokers and dealers
- Trading
- Monitoring
- Performance standards



## AUTHORIZED INVESTMENTS

- Negotiable Certificates of Deposit
- Medium Term Notes
- Supranational



## DIVERSIFICATION

- 5% limit invested in the securities of any one issuer

# Investment Strategy & Performance

Size of managed portfolio and investment strategy development

Performance benchmark ~ 1-5 Year US Treasury Index

Cashflow analysis to ensure portfolio provides liquidity

Periodic review and reporting

# PFM Presentation

Engagement Manager:  
Sarah Meacham, Managing Director



Relationship Manager:  
Richard D. Babbe, Senior Managing Consultant



# Recommendation

- Adopt Resolution No. 2018-2-5, approving the update of the Agency's Investment Policy.

The amendments to the investment policy are 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.

# Attachment 3



# Inland Empire Utilities Agency

## Finance Committee Presentation

**Sarah Meacham, Managing Director**

**Richard Babbe, Senior Managing Consultant**

February 14, 2018

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PFM Asset  
Management LLC

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601 South Figueroa  
Suite 4500  
Los Angeles, CA 90017

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(213) 489-4075  
[pfm.com](http://pfm.com)

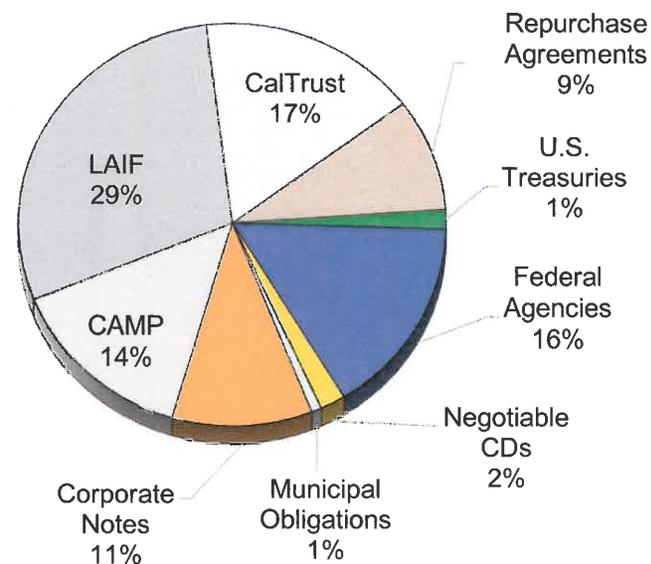


## Review of the IEUA's Portfolio

### Strategy Recommendations

1. Reduce excess liquidity
2. Utilize full range of permitted sectors
3. Capitalize on current market opportunities
4. Implement a disciplined long-term investment strategy with a related benchmark

### Portfolio Composition



### Portfolio Statistics

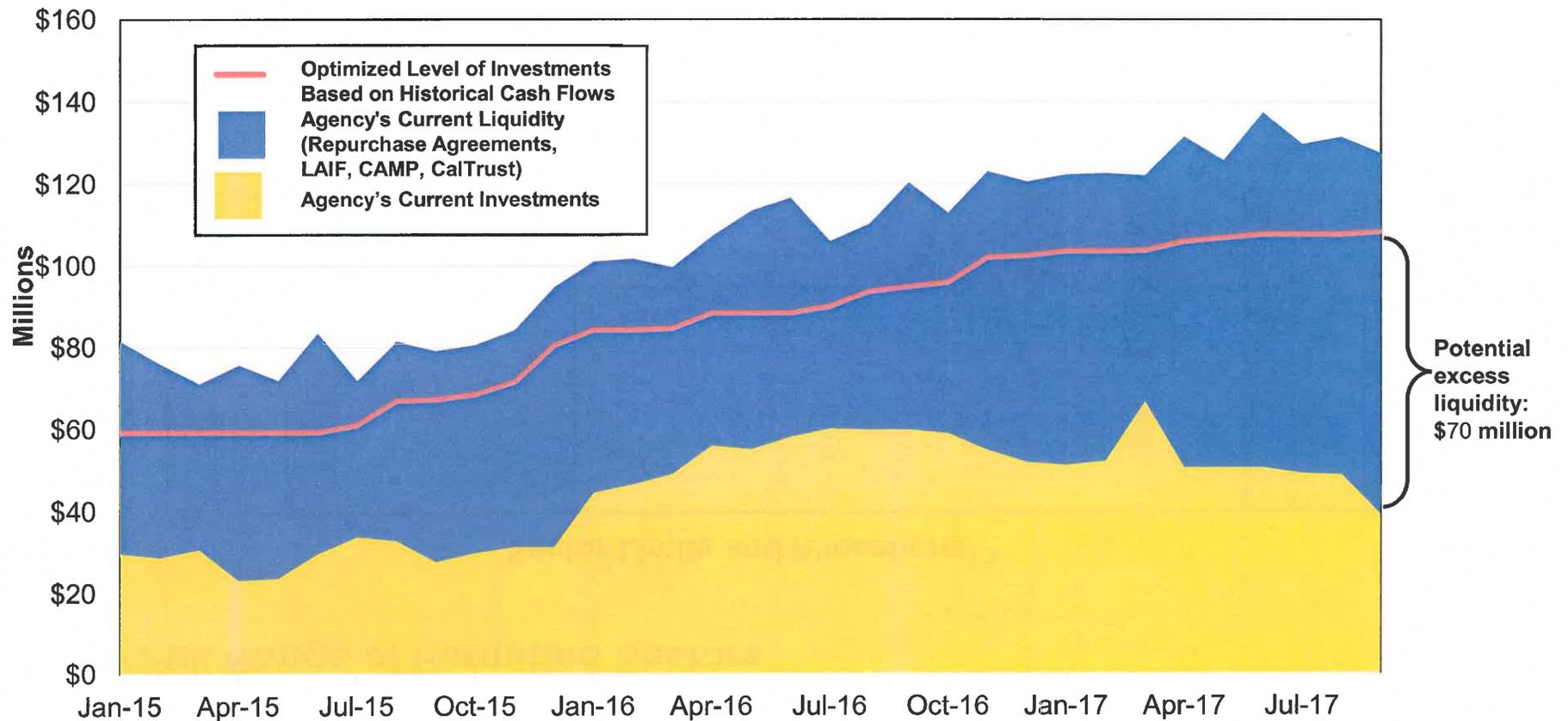
Par Amount Invested	\$127,542,897
Duration	0.41 years
Average Maturity	0.43 Years
Average Market Yield	1.14%
Average Credit Quality*	AA

Source: Bloomberg, portfolio data as of 9/30/17.  
\* Ratings by S&P



## Reduce Excess Liquidity

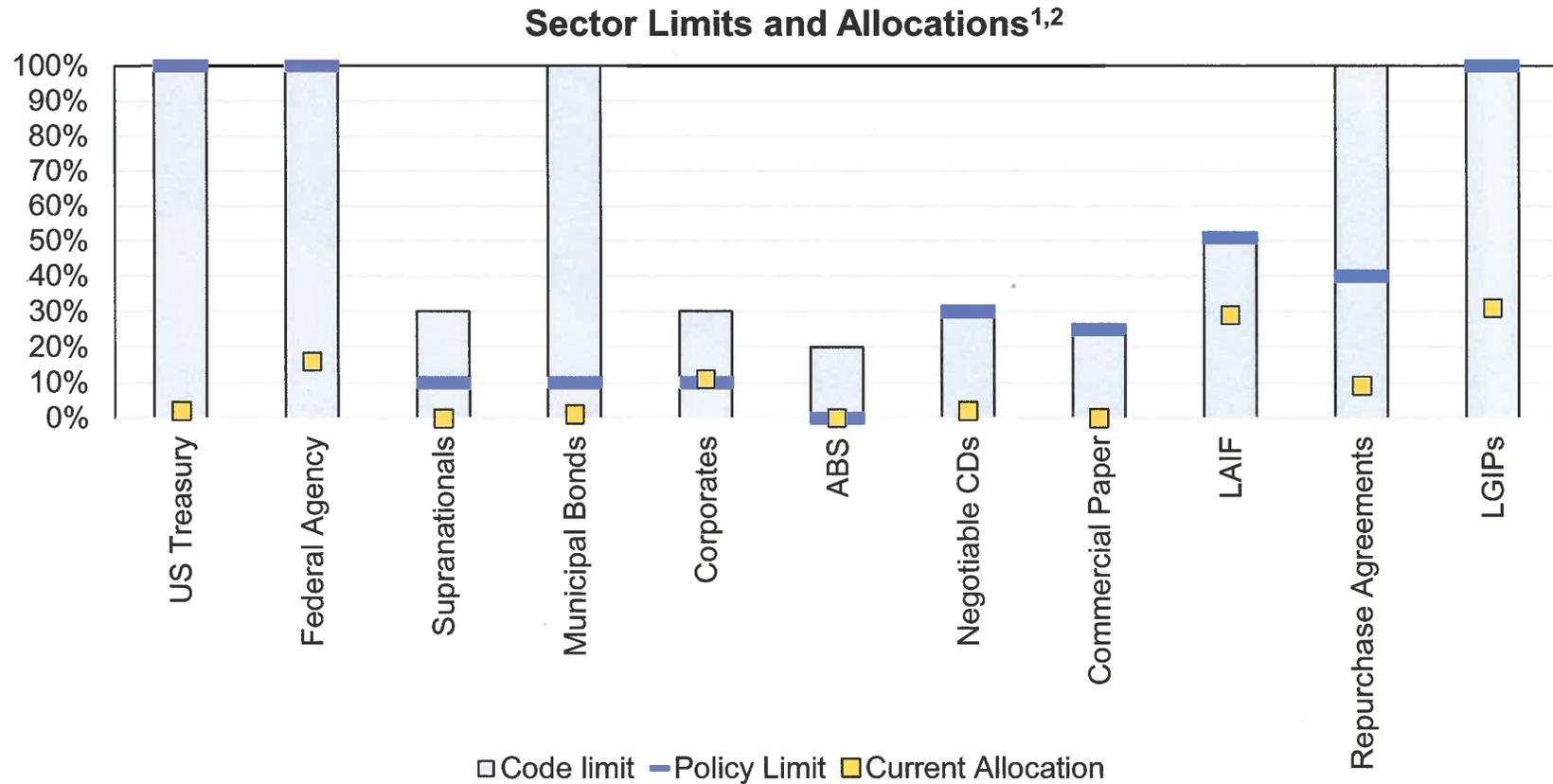
- Based on historical cash flows, we estimate that the Agency's allocation to its longer-term investment portfolio could prudently be increased by \$60+ million to capitalize on higher interest rates.
- Cash flow analysis suggests an optimized core portfolio size of approximately \$100 million.



*Suggested split based on monthly historical balances from 1/31/15 through 9/30/17. Assumes a 15% liquidity cushion.*



## Utilize Full Range of Permitted Sectors



Source: Agency Investment Policy for Fiscal Years 2017-18 and 2018-19. Agency's September 2017 Investment Report. California Government Code Section 53601. Policy limit for LAIF based on maximum \$65 million permitted by State Treasurer as a percentage of Agency's total portfolio value.

1. LGIP refers to the CalTrust and CAMP investment.

2. Repurchase agreements refer to the Agency's sweep account.



## Capitalize on Current Market Opportunities

Yield Environment as of January 31, 2018

Maturity	Treasury	Federal Agency	AA Corporate	A Corporate
1-Year	1.89%	1.74%	2.05%	2.16%
2-Year	2.15%	2.15%	2.33%	2.45%
3-Year	2.31%	2.34%	2.53%	2.66%
4-Year	2.41%	2.46%	2.68%	2.81%
5-Year	2.51%	2.58%	2.83%	2.96%

Source: Bloomberg, MarketAxess, and PFM Asset Management LLC As of 1/31/18.



## Benefit of Proposed Investment Strategy

- The table below compares the average yield on IEUA's portfolio with the average yield on PFM's 1-3 and 1-5 Year Composites for the third quarter and the past 1 and 3 year periods.
- For each \$10 million invested in the 1-5 Year Composite over the past year, the portfolio could have generated \$72,000 in additional earnings. On a net basis after fees, the earnings could have been \$64,000 higher.

### Historical Yield Comparison for Periods Ending September 30, 2017

	3Q17	1 Year	3 Year
IEUA's 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%

*Source: IEUA yield provided by the Agency. PFM Composite Yield data is Yield to Maturity at Market as of 9/30/17. PFM 1-3 and 1-5 Composites can be found as attachments to the presentation. A full list of composite descriptions can be available upon request. The firm's policies for valuing portfolios, calculating performance, and preparing compliance presentations are also available upon request. Past performance does not guarantee future performance. Earnings calculations are hypothetical and based on each \$10 million invested.*



## Strategy Implementation Recommendations

- ◆ Invest funds needed for liquidity in pooled investments.
- ◆ With rates at highest level since 2008, implement a “core” portfolio of approximately \$100 million.
- ◆ Invest in securities with maturities up to five years, but maintain an average duration for the core portfolio of approximately 2.6 years.
- ◆ Utilize the full-range of investment options permitted by Code to further diversify the portfolio and enhance returns while managing risk.
- ◆ Actively manage portfolio duration and sector weightings to capture best relative value in a dynamic investment environment.
- ◆ Measure core portfolio total return performance against the 1-5 year U.S. Treasury Index to evaluate risk-adjusted performance.



## Disclaimer

*This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.*

# Attachment 4



# Inland Empire Utilities Agency

## Finance Committee: Supplemental Materials

**Sarah Meacham, Managing Director**

**Richard Babbe, Senior Managing Consultant**

February 14, 2018

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PFM Asset  
Management LLC

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601 South Figueroa  
Suite 4500  
Los Angeles, CA 90017

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(213) 489-4075  
[pfm.com](http://pfm.com)



## PFM Asset Management LLC

- ◆ 35 years of public sector experience
- ◆ Significant resources and economies of scale
  - **\$79 billion discretionary assets under management**
  - **\$17 billion for California public agencies**
- ◆ Strong track record of success
  - Safety
  - Strong investment performance relative to benchmarks
  - Servicing client needs

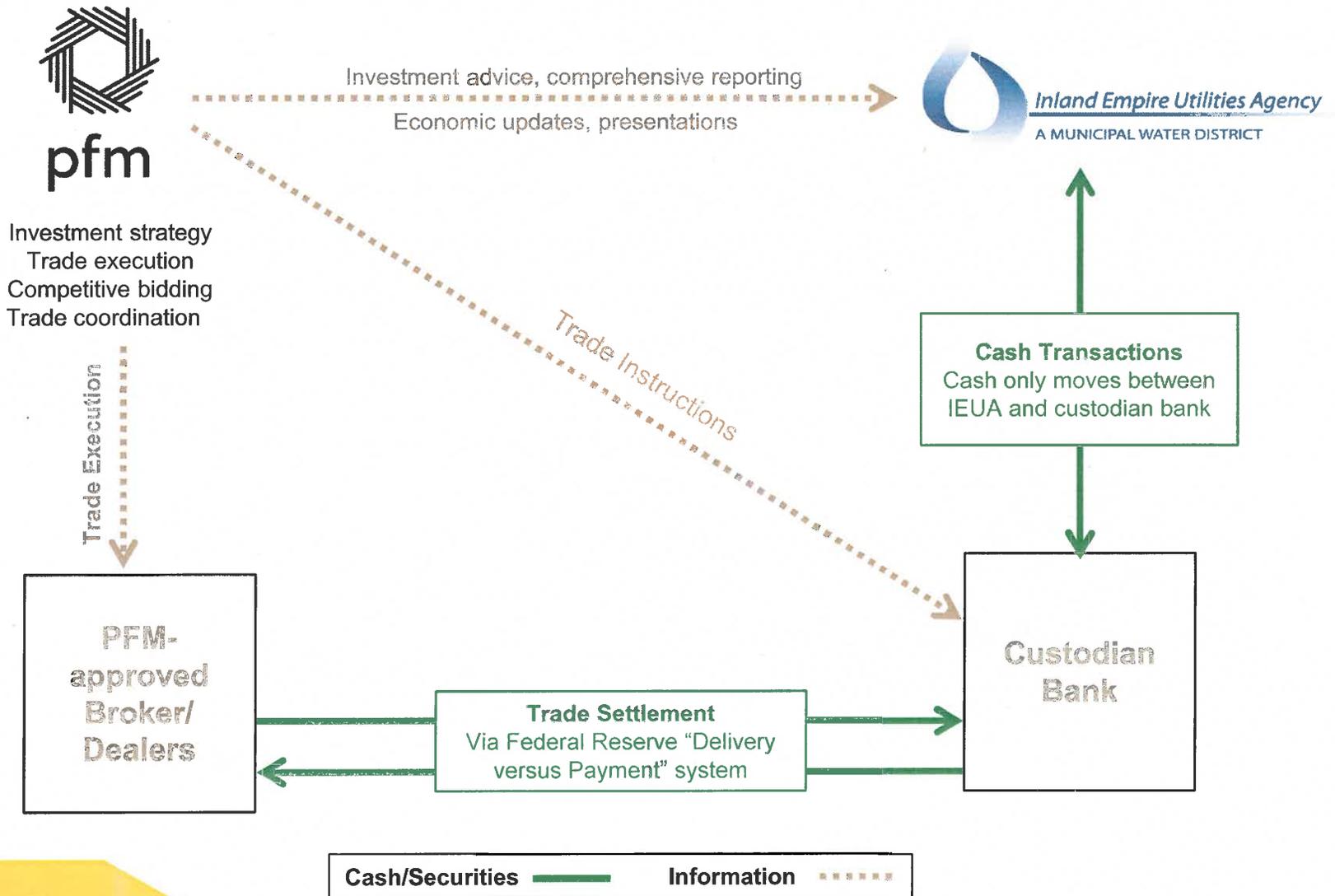
## Representative California Public Agency Clients

- Coachella Valley Water District
- Contra Costa Water District
- Cucamonga Valley Water District
- Merced Irrigation District
- Modesto Irrigation District
- San Bernardino Valley MWD
- San Bernardino MWD
- Turlock Irrigation District
- Padre Dam MWD
- San Bernardino County
- City of Arcadia
- City of Lake Elsinore
- City of Rancho Mirage
- City of Vista
- California Earthquake Authority
- Golden Gate Bridge
- San Bernardino County Trans. Auth.

*All data is as of September 30, 2017 unless otherwise noted. Clients shown were selected based on similarity to IEUA and/or other non-performance based criteria. This list is provided for informational purposes only and does not represent an endorsement of PFM Asset Management LLC or its services. It is not known whether these clients approve or disapprove of the services of PFM's asset management business. A full client list is available upon request.*



# Trade Execution Process





## Investment Universe vs. California Government Code

		Overnight	180 Days	270 Days	1 Year	5 Years	Beyond 5 Years	
"Conventional" Fixed-Income	U.S. Treasuries	Permitted					Requires Approval	
	Federal Agencies	Permitted					Requires Approval	
	Municipal Securities	Permitted					Requires Approval	
	Negotiable Certificates of Deposit	Permitted					Requires Approval	
	Commercial Paper	Permitted			Prohibited			
	Bankers' Acceptances	Permitted		Prohibited				
	Medium-Term Corporate Notes ("A" or Better)	Permitted					Prohibited	
	Asset-Backed Securities (ABS)	Permitted					Prohibited	
	Supranationals ("AA" or Better)	Permitted					Prohibited	
	Repurchase Agreements	Permitted				Prohibited		
	Money Market Funds/Bond Mutual Funds	Permitted	Prohibited					
Local Government Investment Pools	Permitted	Prohibited						
Broader Fixed-Income	Foreign Sovereign	Prohibited						
	Fixed-Income ETFs	Prohibited						
	High-Yield Bonds	Prohibited						
	Private Placements	Prohibited						
	Convertibles	Prohibited						
	Non-U.S. Dollar Investment Grade	Prohibited						
	Emerging Markets Debt	Prohibited						
	Bank Loans	Prohibited						
Equities	Domestic Equities (Large Cap, Mid-Cap, Small Cap)	Prohibited						
	International Equities (Large Cap, Mid-Cap, Small Cap)	Prohibited						
	Emerging Markets	Prohibited						
	Preferred Stock	Prohibited						
	Equity Mutual Funds and ETFs	Prohibited						
Alternatives	Commodities	Prohibited						
	Real Estate	Prohibited						
	Hedge Funds	Prohibited						
	Private Equity	Prohibited						
	Venture Capital	Prohibited						
	Tangible Assets	Prohibited						
	Complex Derivatives, Futures and Options	Prohibited						

Source: California Government Code Section 53601



## Historical Return Comparison

### Comparison of Benchmark Options 10 Years Ended September 30, 2017

	Duration	Current Yield	Annualized Total Return	Cumulative Value of \$10 Million	Incremental Earnings over the 1-Year UTST Index
1-Year U.S Treasury Index	0.91	1.36%	1.05%	\$11,105,000	-
0-3 Year U.S Treasury Index	1.38	1.40%	1.39%	\$11,479,000	\$374,000
1-3 Year U.S Treasury Index	1.82	1.48%	1.70%	\$11,839,000	\$734,000
0-5 Year U.S Treasury Index	2.15	1.53%	1.99%	\$12,178,000	\$1,073,000
<b>1-5 Year U.S Treasury Index</b>	<b>2.62</b>	<b>1.61%</b>	<b>2.36%</b>	<b>\$12,633,000</b>	<b>\$1,528,000</b>

Source: Bloomberg.



## Benefits of Diversification

### Potential Incremental Annual Earnings

	Yield	Estimated Additional Annual Earnings over Comparable U.S. Treasuries per \$10 Million Invested
1–5 Years U.S. Treasury Index	1.61%	-
1–5 Years Supranational Index	1.92%	\$31,000
1–5 Years AAA-A Corporate Index	2.16%	\$55,000
0–5 Years Mortgage-Backed Securities Index	2.38%	\$77,000
2-Year U.S. Treasury Index	1.47%	-
2-Year Negotiable Certificate of Deposit	1.83%	\$36,000
9-Month U.S. Treasury	1.23%	-
9-Month Commercial Paper	1.55%	\$32,000

Source: Bloomberg as of 9/30/17.



## Status Update

1. Reviewed strategy/benchmark recommendations with IEUA
2. Portfolio completed internal PFM compliance review process
3. Portfolio approved to trade
4. Provided Policy recommendations to enhance portfolio management given additional investment resources
5. Interest rates at highest level since 2008 provide increased investment opportunities in individual securities

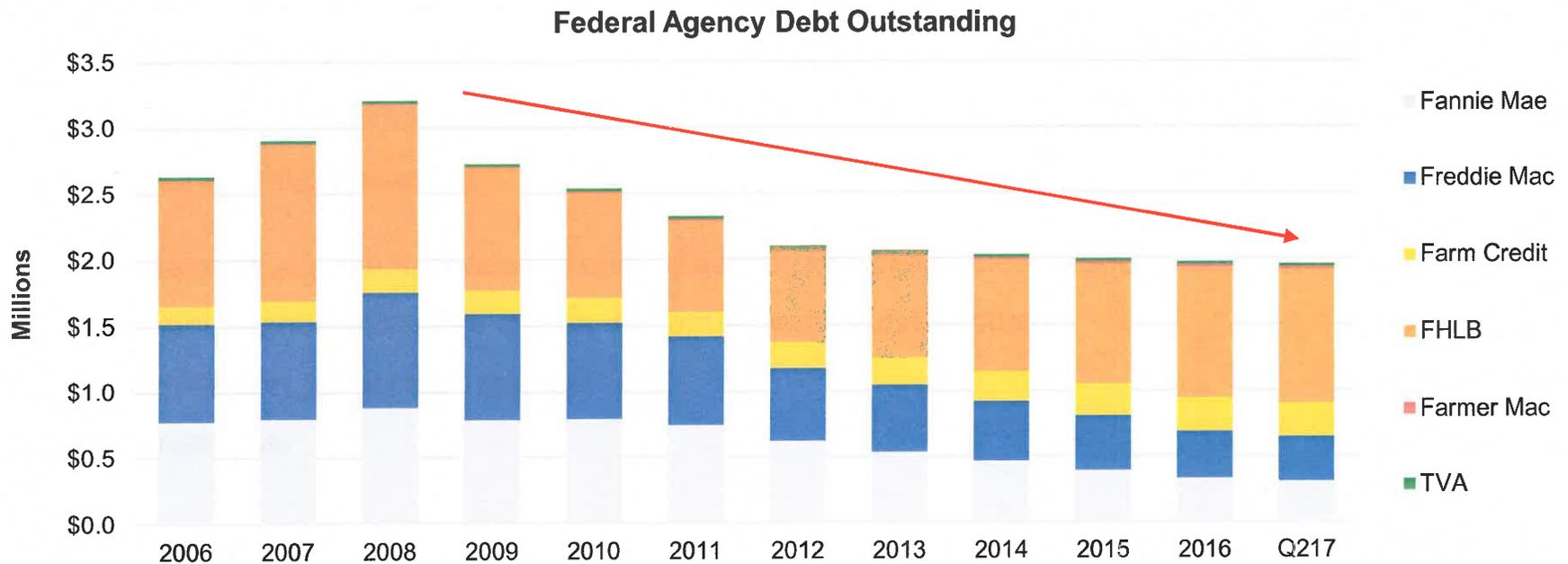


# Supranational Obligations



## Supply of Federal Agency Debt Shrinking Sharply

- ◆ Fannie Mae and Freddie Mac were mandated to reduce their issuance of debt
- ◆ Less supply and their conservatorship status has resulted in significantly lower yield spreads over Treasuries



Source SIFMA, as of June 2017.



## What Are Supranationals

- Supranationals:
  - Multi-national financial institutions
  - Member nations contribute capital and participate in management
  - Loans used to finance economic and infrastructure development around the globe
- Financial strength based on:
  - Diversified, sovereign shareholders
  - Substantial liquidity
  - Consistent profitability
  - Strong capitalization
  - Conservative risk management
  - Quality loan portfolio
- Local agency purchases are limited to specific issuers





## Used by California Public Agencies

- LAIF has been permitted to invest in supranationals since before 1999. §16430(l) “Obligations issued, assumed, or guaranteed by the **International Bank for Reconstruction and Development**, the **Inter-American Development Bank**, the **Asian Development Bank**, the **African Development Bank**, the **International Finance Corporation**, or the **Government Development Bank of Puerto Rico**.”
- In 2015, AB 1933 added subsection (q) to §53601 allowing local agencies to invest in the senior debt obligations of three specific “supranationals”
- § 53601 (q) reads: 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. Investments under this subdivision shall be rated “AA” or better by an NRSRO and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.
- The issuers CA agencies can buy are AAA rated by both Standard & Poor’s and Moody’s

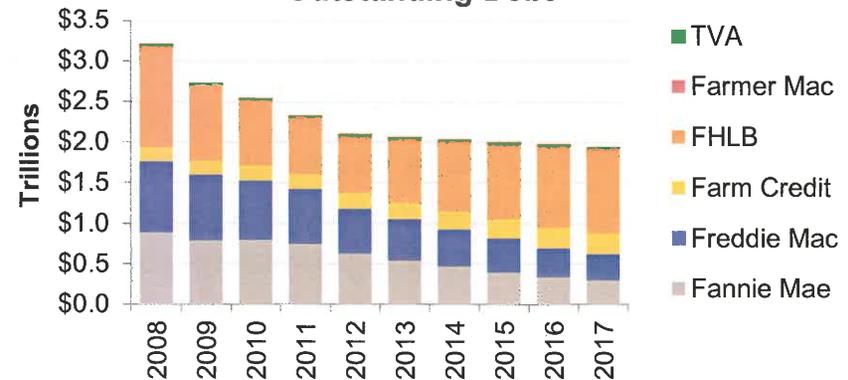


## Supras Provide Attractive Alternative

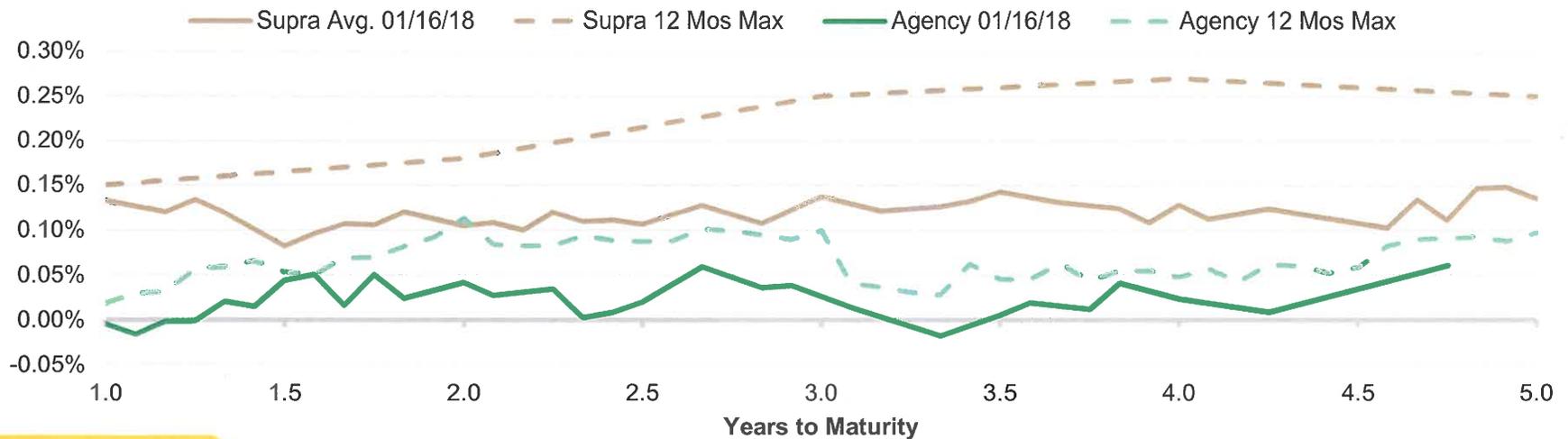
Federal Agency Excess Returns

Index	Duration	Yield	1-Year	3-Year	5-Year
1-5 Yr Agency	2.17	2.17%	0.33%	0.21%	0.19%
1-5 Yr Supra	2.56	2.42%	0.80%	0.37%	0.39%

Total Federal Agency Outstanding Debt



Agency vs Supra G-Spread<sup>1</sup>





## Why Invest in Supranationals

- Have been allowed by Code for a number of years
- Excellent credit quality: triple-A rated by both S&P and Moody's
- Alternative to shrinking quantity of U.S. Agencies
- Provides for additional diversification into another high-quality investment
- Potential for enhanced return safely



# Asset-Backed Securities



## What is an Asset-Backed Security (ABS)?

- Securities issued by a sponsoring company and backed by pools of assets. The sponsoring company creates a separate trust to ensure investors have access to the cash flows from the assets held as collateral.

Characteristics	
Issuer:	Sponsoring company/trust
Credit:	Rated by Nationally Recognized Statistical Ratings Organizations (NRSROs) Minimum "AA" rating by Code
Credit Enhancements:	Some combination of subordination and credit tranching, over-collateralization, reserve accounts, excess spread, letter of credit, and insurance
Maturity:	Typically up to 10 years (limited to 5 years by Code)
Liquidity:	Moderate
Yield:	Higher than U.S. Treasuries and Federal Agency obligations

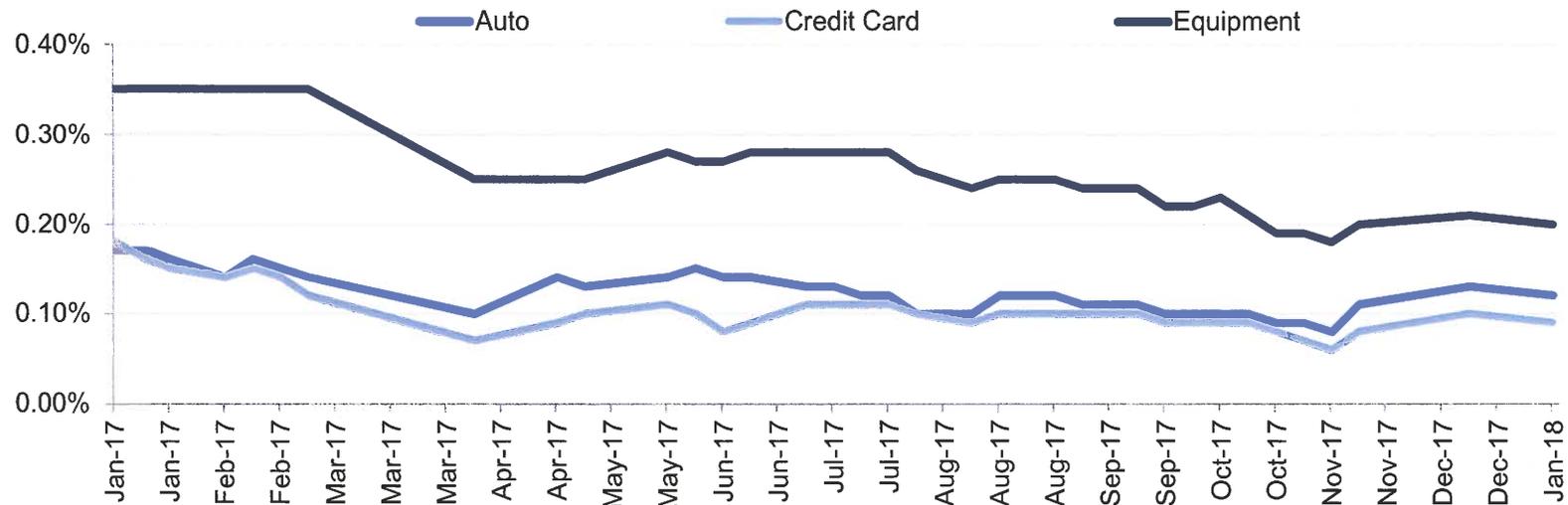


## ABS Offers Further High-Quality Diversification

ABS Excess Returns

Index	Duration	Yield	1-Year	3-Year	5-Year
ABS (0-3 yr)	1.21	2.21%	0.79%	0.65%	0.52%
ABS (0-5 yr)	1.46	2.27%	0.85%	0.70%	0.57%
ABS (Master)	1.56	2.29%	0.87%	0.72%	0.58%

ABS Spreads: 2-Year AAA





## PFM's Credit Review and Monitoring Process

### ● PFMAM's Approval Guidelines and Procedures:

- ABS sub-committee
- Permitted issuers/sponsors
- Permitted structures

### ● Purchase Criteria:

- Permitted by Policy
- Meet PFMAM's approval criteria
- Suitability
- Assessment of value

### ● Monitoring Procedures:

- Credit ratings
- Deal and collateral performance
- Credit support metrics
- Sector performance

**PFM has specific approval and monitoring procedures for ABS.**

**Approval is deal specific.**

**Dependent on complete structure review**



## Why Invest in Asset-Backed Securities

- ◆ Have been allowed by Code for a number of years
- ◆ Excellent credit quality: most ABS we purchase are triple-A rated by either S&P and Moody's. The Code requires a minimum "AA" rating
- ◆ Provides for additional diversification into another high-quality investment class
- ◆ Potential to prudently enhance returns
- ◆ Problems encountered with ABS during the financial crisis were often the result of poor understanding of the specific securities. Our purchase of ABS are supported by our extensive credit process and evaluation of the specific securities



## Disclaimer

*This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.*

# Attachment 5



January 30, 2018

## Memorandum

To: Christina Valencia, CFO/AGM  
*Inland Empire Utilities Agency*

From: Sarah Meacham, Managing Director  
Richard Babbe, Senior Managing Consultant  
*PFM Asset Management LLC*

Re: 2018 Investment Policy Review

---

At your request, we reviewed the Inland Empire Utilities Agency's (the "IEUA") Investment Policy (the "Policy"). As part of our review, we developed a variety of recommendations for the IEUA's consideration. Our comments are not intended to imply that there is anything imprudent or incorrect with the current Policy, but rather they are intended to provide options for the IEUA's consideration. The IEUA should evaluate the adoption of these recommendations within the context of the IEUA's own investment objectives and preferences.

There are four key elements we considered in our review:

- **Compliance.** While the IEUA may impose additional Policy requirements based upon its own investment objectives, risk preferences, and investment resources, the Policy must, at a minimum, comply with the requirements of the California Government Code.
- **Comprehensiveness.** The Policy should be comprehensive enough to ensure that the key aspects of the investment program are adequately addressed and understood by relevant parties.
- **Clarity.** The Policy should express the IEUA's investment objectives and preferences with sufficient clarity so that both the individuals responsible for implementing the investment program and other interested parties (e.g., broker/dealers, the public) clearly understand the Policy's intent.
- **Balance.** The Policy should provide a balance between investment restrictions, which can help protect the IEUA's assets, and investment flexibility, which can help to enhance the portfolio's performance and risk management in a dynamic market environment. The investment resources available to IEUA should also be considered when determining investment limits.

Our recommendations are summarized below by Policy section and are intended to be read along with the revised version of the Policy.

**Global Comments.** For consistency of usage, we recommend capitalizing the term "Investment Policy" throughout the Policy whenever it is referring specifically to the IEUA's Policy. We also recommend that the term "IEUA" be used throughout the Policy when referring to the Inland Empire Utilities Agency.



**4.0.C. Objectives – Return on Investments.** We recommend deleting the reference to yield in the description of this objective as yield is a narrow measure of a portfolio's performance. We also recommend deleting the references as to when a security may be sold as this is a process requirement that does not necessarily align with the stated investment objective. In addition to the reasons listed in the Policy, there may be other reasons why a security might be sold while still remaining consistent with the IEUA's overall investment objectives.

**5.0. Delegation of Authority.** While it is not necessary to explicitly list every Code requirement in the Policy, we recommend incorporating the requirement from Code Section 53607 that requires that the delegation of authority be completed annually to ensure that this requirement is not overlooked.

As the IEUA will be using an investment advisor to assist with its investment program, we recommend adding a provision to this section that explicitly states that an investment advisor may never take possession of the IEUA's cash or assets. This is a recommended best investment practice (PFM never takes possession of a client's cash or assets).

To limit redundancy and avoid potential inconsistencies, we also recommend deleting the reference to the trading of securities by the investment advisor in this section, as this is already addressed in Section 12.0 Trading of Securities.

**7.0. Authorized Financial Institutions, Brokers, and Dealers.** We recommend adding a provision to this section that allows investment advisors to use their own list of permitted financial firms and issuers when executing trades on the IEUA's behalf. One of the benefits of using an investment advisor is enhanced access to the capital markets through the investment advisor's purchasing power. This Policy change will enable the IEUA to take full advantage of the advisor's investment capabilities.

As a related change, we recommend revising this section such that the IEUA staff would not be required to maintain its own list of approved institutions unless the IEUA was planning to execute trades on its own behalf. As the investment advisor would be executing trades using their own list of approved firms, there would be no need for the IEUA to maintain its own approved list.

**8.0.G. Authorized and Suitable Investments – Negotiable Certificates of Deposit.** As negotiable certificates of deposit are essentially another type of corporate security, we recommend revising this section to bring the credit rating requirements for negotiable certificates of deposit in line with the Policy's rating requirements for other types of corporate securities. However, credit ratings would not be required for negotiable certificates of deposit that are fully insured by federal deposit insurance, as they would be backed by a government guarantee to protect IEUA's funds.



**8.0.I. Authorized and Suitable Investments – Commercial Paper.** As a minor revision, we recommend revising the holding limits language used in this section to match the structure used elsewhere in the Policy. We are not recommending any changes to the actual limits.

**8.0.N. Authorized and Suitable Investments – Supranationals.** With the reduction of Federal Agency issuance, we recommend increasing the percentage of supranationals allowed by Policy to 20% from the current 10% to enable the IEUA to make greater use of this important government sector (the Code’s limit is 30%). Supranationals are a high quality investment option (all of the issuers permitted by Code are rated “AAA”). While offering excellent credit quality, the yields on these supranational issuers are often modestly higher than comparable maturity Federal Agency issuers.

**11.0. Diversification.** We recommend incorporating a new provision to this section that would limit the amount invested in any one issuer to 5% of the overall portfolio to encourage diversification and limit the IEUA’s potential exposure to any one issuer. Investments in U.S. Treasuries, federal agencies, supranational securities, and pooled investments such as LAIF, money market funds, and local government investment pools would be excluded from this limit as they are either government-backed securities or already represent pools of diversified investments.

**12.0. Trading of Securities.** We recommend adding a provision to this section that acknowledges that the investment advisor may execute trades on the IEUA’s behalf based on its own trade processes, but that all trades made by the advisor must be made in compliance with the IEUA’s Policy and any other written directions provided by the IEUA.

**15.0. Monitoring Credit Ratings.** We recommend revising the monitoring requirements in this section to require that the investment advisor monitor the creditworthiness of the investments under its management on a day-to-day basis and require that they provide the IEUA with notice if the credit rating of an investment falls below the rating category required for purchase.

**18.0. Performance Standards.** As the IEUA will be using an investment advisor to manage a portion of its overall portfolio, we recommend adding a provision to this section that the advisor’s performance be compared to an appropriate benchmark to enable the IEUA to evaluate the effectiveness of the advisor’s management on an ongoing basis.

**Glossary of Terms.** For simplicity and to avoid potential inconsistencies, we recommend limiting the terms listed in the glossary to the terms used elsewhere in the Policy.

Please let us know if you have any questions or if you would like to discuss our recommendations in more detail.

# Attachment 6

**RESOLUTION NO. 2018-2-5**

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

**WHEREAS**, a "Statement of Investment Policy" is rendered to the Board of Directors on an annual basis or whenever there are recommended changes, whichever occurs first; and

**WHEREAS**, the Secretary/Treasurer, the General Manager or Executive Manager of Finance and Administration/Assistant General Manager of the Inland Empire Utilities Agency (Agency), in accordance with Government Code Section 53646.(a)(2), shall annually 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; and

**WHEREAS**, the existing policy has been reviewed and revised in order to provide for operational flexibility without sacrificing internal controls or increasing financial risk to the Agency.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors that:

Section 1. The revisions, if any, to the Inland Empire Utilities Agency\* Investment Policy dated February 21, 2018 are to be adopted.

Section 2. This resolution shall take effect from and after its date of adoption.

Section 3. Upon adoption of this resolution, Resolution No. 2017-4-1 is hereby rescinded in its entirety.

**ADOPTED** this 21<sup>st</sup> day of February 2018

ATTEST:

---

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

---

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

*\*a Municipal Water District*



# Attachment 7



6075 Kimball Avenue Chino CA 91708 909 993 1600 [www.ieua.org](http://www.ieua.org)

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# INVESTMENT POLICY

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**INLAND EMPIRE UTILITIES AGENCY  
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 Executive Manager of Finance and Administration/ Assistant General Manager (EMFA/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 Investment Policy, as all funds of the IEUA except:

- Monies held in Deferred Compensation Accounts
- Monies held in Capital Capacity Reimbursement Accounts
- Bond funds pursuant to bond documents

#### *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 regards 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*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering 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.

#### 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 Board of Directors, to the Executive Manager of Finance and Administration/ Assistant General Manager (EMFA/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. Subject to review, the Board of Directors may renew the delegation of authority each year. The EMFA/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 EMFA/AGM or the GM and Administration. The EMFA/AGM or GM shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

The EMFA/AGM and/or GM may engage the services of one or more external investment advisors to assist in the management of the IEUA's investment portfolio in a manner consistent with this Investment Policy and the Agency's investment objectives and any written directions provided by the EMFA/AGM or GM. Furthermore, the advisors may not take possession of IEUA's cash or securities. Such investment advisors must be registered under the Investment Advisers Act of 1940.

## 6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees and financial advisors 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, BROKERS AND DEALERS

If IEUA plans to initiate investment transactions on its own behalf, excluding bank deposits and investments made directly with an issuer, the EMFA/AGM or the GM shall maintain a list of approved and authorized financial institutions selected based on credit-worthiness, financial strength, experience, and capitalization.

In selecting the *financial institutions* for the deposit or investment of IEUA funds, the EMFA/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 EMFA/AGM or the GM and authorized representatives of the respective financial institutions for consideration and execution by the Board of Directors.

If IEUA plans to initiate investment transactions on its own behalf, for *broker/dealer* services utilized to invest in government securities and other investments, the EMFA/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.

If IEUA has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, *brokers/dealers and financial institution* to conduct transaction on the IEUA's behalf.

## 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. 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.
- D. 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.
- E. 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.
- F. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) 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. Purchases are limited to securities rated in a rating category of "A" (long-term) and/or "A-1" (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in this category. The maximum investment maturity will be restricted to five years.
- G. 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.
- H. 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 more than five hundred million dollars (\$500,000,000);
    - (c) Has debt other than commercial paper, if any, that is rated in 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. A maximum of 25 percent of the portfolio may be invested in this category with no more than 10 percent of the outstanding commercial paper of any single issuer.

I. 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.

J. 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 fund 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.

K. 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 of experience and registered or exempt from registration with the SEC, with assets under management more than 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.

L. 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 EMFA/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 more than the value of the repurchase agreement.

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.

- M.** 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 30 percent of the portfolio and must be rated in a rating category of "A" or its equivalent, or better by a NRSRO.
- N.** 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 20 percent of the portfolio may be invested in United States Instrumentalities.

**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 EMFA/AGM or GM.

## 10.0 SAFEKEEPING AND CUSTODY

As required by CGC §53601 all security transactions entered 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 to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, 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. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools.

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 EMFA/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 EMFA/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 about the investment policy guidelines. Competitive bids can be also obtained by other communication channels when necessary.

If the Agency has contracted with an investment advisor to provide investment service, the trading of the funds managed by the investment advisor will be performed by the investment advisor based on their established policies and procedure to evaluate and monitor the firms' credit worthiness, as well as their ability to perform the duties necessary for efficient trade execution. All trading activity conducted by the investment advisor shall be made in accordance with this Investment Policy and any written directions provided by the EMFA/AGM and/or GM.

## **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 more than 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 EMFA/AGM or the GM or the investment advisor shall monitor the ratings of all investments in their portfolios on a continuous basis. If an existing investment's rating drops below the minimum credit rating required for new investments made pursuant to this Investment Policy, the EMFA/AGM or the GM shall make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

## 16.0 REPORTING

The EMFA/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 (waiver) and, that (ii) IEUA will meet its expenditure obligations for the next six months. The EMFA/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 EMFA/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 market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. To determine whether market rate of return is being achieved, the EMFA/AGM or the GM shall identify comparable benchmark(s) to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate).

If the Agency has contracted with an investment advisor to provide investment service, the investment performance of the managed funds shall be evaluated and compared to an appropriate benchmark to assess the success of the investment program relative to IEUA's safety, liquidity, return objectives.

This comparative analysis is included in investment report presented to the Board of Directors monthly.

**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 Sections 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 (A Municipal Water District). 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:**

## APPENDIX: GLOSSARY OF CASH MANAGEMENT TERMS

### **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.

### **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.

### **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.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits.

### **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 investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**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 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.

**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.

**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 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 NOTES:**

Securities that accrue interest during an interest period at a fixed or variable rate if a specified index is within a specified range during a designated period or at a point in time. A Range Note 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.

**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.

**TOTAL RETURN:**

Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realized over a given period.

**TREASURY SECURITIES:**

Securities issued as direct obligations of the U.S. Government and backed by the full faith and credit of the federal government.

**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.

**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM  
OR GENERAL MANAGER  
INVESTMENT ADVISOR**

The following investment advisor is authorized to provide investment services to the IEUA, in accordance with the IEUA's Investment Policy:

1. PFM Asset Management LLC – Contract Number 4600002440 Approved 12/20/2017

Exhibit B

**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM  
OR GENERAL MANAGER  
Authorized Brokers/Dealers**

NONE

# Attachment 8



# FY 2017/18

# INVESTMENT POLICY

**BLACKLINED/CHANGES**

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

Website: [www.ieua.org](http://www.ieua.org)

# 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 ~~Executive Manager of Finance & Administration Chief Financial Officer~~/Assistant General Manager (EMFA ~~CEO~~/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
- Bond funds pursuant to bond documents

#### *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 Executive Manager of Finance & Administration Chief Financial Officer /Assistant General Manager (EMFA 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. Subject to review, the Board of Directors may renew the delegation of authority each year. The EMFA 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 EMFA CFO /AGM or the GM and Administration. The EMFA 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 EMFA 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 and any written directions provided by the EMFA/AGM or GM. Furthermore, the advisors may not take possession of IEUA's cash or securities. 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

If IEUA plans to initiate investment transactions on its own behalf, excluding bank deposits and investments made directly with an issuer, the EMFA 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 EMFA 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 ~~EMFA CFO~~ /AGM or the GM and authorized representatives of the respective financial institutions for consideration and execution by the Board of Directors.

If IEUA plans to initiate investment transactions on its own behalf, for broker/dealer services utilized to invest in government securities and other investments, the EMFA 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.

If IEUA has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institution to conduct transaction on the IEUA's behalf.

~~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.
- NC. 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 ~~twenty~~ ten percent of the portfolio may be invested in United States Instrumentalities.
- CD. 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.
- DE. 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.

- EF.** 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.
- FG.** Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) 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. Purchases are limited to securities rated in a rating category of "A" (long-term) and/or "A-1" (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in this category. 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.
- GH.** 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.
- HI.** 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.

**IJ.** 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.

**JK.** 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.

**KL.** 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.

**LM.** 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 ~~EMFA 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.

**MN.** 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 ~~30~~ 40 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 ~~EMFA 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. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools. 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 ~~EMFA 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 ~~EMFA 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.

If the Agency has contracted with an investment advisor to provide investment service, the trading of the funds managed by the investment advisor will be performed by the investment advisor based on their established policies and procedure to evaluate and monitor the firms' credit worthiness, as well as their ability to perform the duties necessary for efficient trade execution. All trading activity conducted by the investment advisor shall be made in accordance with this Investment Policy and any written directions provided by the EMFA/AGM and/or GM.

### 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 EMFA CFO /AGM or the GM or the investment advisor 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 credit rating required for new investments ~~allowed for new investments~~ made pursuant to this policy, the EMFA 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 EMFA 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 [EMFA 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 [EMFA 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 [EMFA 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).

If the Agency has contracted with an investment advisor to provide investment service, the investment performance of the managed funds shall be evaluated and compared to an appropriate benchmark to assess the success of the investment program relative to IEUA's safety, liquidity, return objectives.

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 NOTES 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.~~

**TOTAL RETURN:**

Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realized over a given period.

**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.~~

**TREASURY SECURITIES:**

Securities issued as direct obligations of the U.S. Government and backed by the full faith and credit of the federal government.

**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 censored 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

**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE CHIEF FINANCIAL OFFICER/AGM OR GENERAL MANAGER  
BANK 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:	Manager/Partner In Charge:
Name _____	Name _____
Title _____	Title _____
Telephone _____	Telephone _____

5. What are the total assets of the Bank/Savings and Loan? \_\_\_\_\_

6. What is the current net worth ratio? \_\_\_\_\_

7. What is the net worth ratio for the previous years? \_\_\_\_\_

8. What are your required capital ratios? \_\_\_\_\_

A. Tangible capital ratios? \_\_\_\_\_

B. Core capital ratio? \_\_\_\_\_

C. Risk-based capital ratio? \_\_\_\_\_

9. What is the date of your fiscal year end? \_\_\_\_\_

A. Has there been a year during the past three years in which the Bank/Savings and loan did not make a profit? \_\_\_\_\_

10. Have you read the California Government Code §53630 through §53686 pertaining to all of the State's requirements governing the deposit of monies by local agencies?

Yes  No

11. Amounts above the FDIC insurance coverage must be collateralized with Government Securities. Where is the collateral for time deposits of the Bank/Savings and Loan held?

~~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

**NONE**

~~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.~~

**INFORMATION  
ITEM**

**5A**

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**Date:** February 21, 2018

**To:** The Honorable Board of Directors

*Handwritten initials*  
**From:** Steven J. Elie, President

**Committee:**

**Subject:** LAFCO Regular and Alternate Special District Member Nomination for Countywide Redevelopment Oversight Board

---

**Executive Summary:**

Effective July 1, 2018, the redevelopment oversight boards in each county in the State of California will be consolidated into one seven-member Board. Upon the request by the San Bernardino County Auditor-Contoller/Treasurer/Tax Collector, the Local Agency Formation Commission (LAFCO) is seeking nominations for the position of Regular Special District and Alternate Special District members on the Countywide Oversight Board for Redevelopment. Only independent special districts overlaying a former redevelopment agency, whose principal county status is San Bernardino County, are eligible to nominate and vote in this process.

The Oversight Board Members' roles and responsibilities include continuing to pay the Annual Recognized Obligation Payments (ROPS), dispose of any county-owned property, and leverage refinancing opportunities for outstanding bonds.

The nominations for each position will need to be submitted by District Board vote, and must be received in the LAFCO office by 5:00 p.m. on March 15, 2018

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**Staff's Recommendation:**

This is an information item for Board discussion.

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

*Account/Project Name:*

None

*Fiscal Impact (explain if not budgeted):*

None

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**Prior Board Action:**

None

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**Environmental Determination:**

Not Applicable

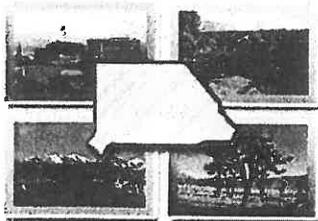
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**Business Goal:**

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**Attachments:**

Attachment 1 - Letter from LAFCO dated February 1, 2018, with attachments; Subject: Special Districts Selection Committee for Countywide Redevelopment Oversight Board



# LAFCO

## Local Agency Formation Commission for San Bernardino County

1170 West 3rd Street, Unit 150  
San Bernardino, CA 92415-0490  
909.388.0480 | Fax 909.388.0481  
E-mail: lafco@lafco.sbcounty.gov  
www.sbciafco.org

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

### COMMISSIONERS

JIM BAGLEY  
Public Member

KIMBERLY COX, Chair  
Special District

JAMES V. CURATALO  
Special District

ROBERT A. LOVINGOOD  
Board of Supervisors

LARRY McCALLON  
City Member

JAMES RAMOS, Vice Chair  
Board of Supervisors

DIANE WILLIAMS  
City Member

### ALTERNATES

STEVEN FARRELL  
Special District

JANICE RUTHERFORD  
Board of Supervisors

Vacant  
Public Member

ACQUANETTA WARREN  
City Member

### STAFF

KATHLEEN ROLLINGS-McDONALD  
Executive Officer

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TUERPE  
Project Manager

LA TRICI JONES  
Clerk to the Commission

### LEGAL COUNSEL

CLARK H. ALSOP

February 1, 2018

**TO:** Presidents of the Boards of Directors of the  
Independent Special Districts within Redevelopment  
Agencies (See Distribution Listing below)

**SUBJECT:** Special Districts Selection Committee for  
Countywide Redevelopment Oversight Board

This letter will officially open the nomination period for the position of Regular Special District and Alternate Special District members on the Countywide Oversight Board for Redevelopment as requested by the San Bernardino County Auditor-Controller/Treasurer/Tax Collector. Pursuant to the adoption of the policies and procedures related to the Special District Selection committee (copy included as Attachment #2), San Bernardino LAFCO is implementing the inaugural selection process. Only those independent special districts overlaying a former redevelopment agency, whose principal county status is San Bernardino County, are eligible to nominate and vote in this process.

The nomination period for these positions will be 32 days, opening on Monday, February 5, 2018, and ending at the close of business at 5:00 p.m. on Thursday, March 8, 2018. Nominations for each position will need to be submitted by District Board vote. The signed original nomination form, with the name of each voting Board Member outlined, must be received in the LAFCO office by 5:00 p.m. on **March 15, 2018**. If a faxed copy of the nomination form is provided by the March 15 deadline, the original signed copy must be received by 5:00 p.m. on **March 22, 2018**, or the nomination will be declared invalid.

Enclosed with this letter is a sample nomination form for the positions outlining the date of the action and District Board vote. Nominations submitted without a date will be returned to the District and will need to be re-submitted within the nomination period in order to be considered valid. If only a single candidate is nominated for the position, pursuant to the provisions of Government Code Section 56332(f)(2), that candidate shall be deemed selected with no further vote required.

At the end of the nomination period, LAFCO staff will prepare and send a ballot, by certified mail, to each eligible voting independent special district area with the candidates nominated and the voting instructions.

Attachment #3 to this letter is information provided by the San Bernardino County Auditor-Controller related to the process for your information. Please let me know if you have any questions concerning the nomination process. You may contact me at the address listed above, by email at [kmcdonald@lafco.sbcounty.gov](mailto:kmcdonald@lafco.sbcounty.gov), or by phone at (909) 388-0480. If you have questions related to the Countywide Oversight Board, please contact either Ms. Linda Santillano, Property Tax Manager at the Auditor-Controller's office by email at: [linda.santillano@atc.sbcounty.gov](mailto:linda.santillano@atc.sbcounty.gov) or Mr. Gary Hallen, Deputy Director, Community Development and Housing Department for the County by email at: [gary.hallen@cdh.sbcounty.gov](mailto:gary.hallen@cdh.sbcounty.gov).

Sincerely,



KATHLEEN ROLLINGS-McDONALD  
Executive Officer

KRM/ltj

Enclosures:

- 1) Regular and Alternate Member Nomination Forms
- 2) Policy Statement
- 3) Information Submitted by the Auditor-Controller/Treasurer/Tax Collector related to the Countywide Oversight Board and affected Independent Special Districts

DISTRIBUTION:

Apple Valley Fire Protection District  
Barstow Cemetery District  
Bear Valley Community Healthcare District  
Big Bear Airport District  
Big Bear Municipal Water District  
Chino Basin Water Conservation District  
Chino Valley Independent Fire Protection District  
Crestline-Lake Arrowhead Water Agency  
Hesperia Park and Recreation District  
Hi-Desert Water District  
Inland Empire Resource Conservation District  
Inland Empire Utilities Agency  
Lake Arrowhead Community Services District  
Mojave Desert Resource Conservation District  
Mojave Water Agency  
Monte Vista County Water District

**Morongo Basin Healthcare District (formerly known as the Hi-Desert Memorial  
Hospital District)**

**San Bernardino Mountains Community Healthcare District**

**San Bernardino Valley Municipal Water District**

**San Bernardino Valley Water Conservation District**

**Twentynine Palms Public Cemetery District**

**West Valley Water District**

**Yucaipa Valley Water District**

**NOMINATION FOR  
REGULAR SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
COUNTYWIDE OVERSIGHT BOARD  
(REDEVELOPMENT)**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Countywide Oversight Board:

\_\_\_\_\_ REGULAR SPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Regular Special District Member  
of the Countywide Oversight Board of San Bernardino County, by the following  
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

Dated: \_\_\_\_\_

Attach – Letter of Interest or Resume of Nominee

**NOMINATION FOR  
ALTERNATE SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
COUNTYWIDE OVERSIGHT BOARD  
(REDEVELOPMENT)**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Countywide Oversight Board

\_\_\_\_\_ ALTERNATE SPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Alternate Special District Member  
of the Countywide Oversight Board (Redevelopment) of San Bernardino County,  
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

Dated: \_\_\_\_\_

Attach – Letter of Interest or Resume of Nominee



Community Development & Housing Agency  
Community Development and Housing

## Countywide Oversight Board Information

Senate Bill No. 107 (SB 107), Health and Safety Code Section (HSC) 34179(j) requires the consolidation of the 26 oversight boards currently in place in San Bernardino County into one, Countywide oversight board commencing on and after July 1, 2018.

The County Auditor-Controller is responsible for staffing the countywide oversight board and, as allowed by regulation, has delegated this responsibility to the Community Development and Housing Agency.

Pursuant to SB 107 and HSC 34179(j)(3), one member of the oversight board may be appointed by the independent special district selection committee established pursuant to Government Code Section 56332.

### TIMELINE:

June 2017 - February 2018	Coordinate with various entities regarding Countywide oversight board member appointments.
February 2018 – May 2018	Provide oversight board training including a summary of dissolution status of successor agencies and items that may require Countywide oversight board approval.
April 2018 – July 2018	Hold briefings with newly appointed Countywide oversight board members.
July 2018 – August 2018	Hold meetings to establish processes, rules and regular meeting schedule.

## **OVERSIGHT BOARD MEMBER ROLES AND RESPONSIBILITIES:**

Items that may require oversight board approval include, but is not limited to:

- Annual Recognized Obligation Payments Schedule (ROPS) – approving payments for outstanding obligations.
- Modifications to the Long Range Property Management Plan (LRPMP) – only for properties that remain with the successor agency.
- Bond refunding or refinancing
- Amendments to the annual ROPS
- Property disposition that does not adhere to the LRPMP

The Countywide oversight board:

- Members serve without compensation or reimbursement for expenses.
- Members serve at the pleasure of the entity that appointed such member.
- Is deemed to be a local entity for purposes of the Brown Act, Public Records Act and the Political Reform Act.
- Actions approved shall not be effective for five (5) business days after submission to the California Department of Finance (DOF), unless DOF requests a review of the action.
- Has a fiduciary responsibility to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other related revenues.

## **OVERSIGHT BOARD 7-MEMBER COMPOSITION, HSC 34179 (J)**

- One member may be appointed by the County Board of Supervisors.
- One member may be appointed by the City Selection Committee established pursuant to Section 50270 of the Government Code.
- One member may be appointed by the Independent Special District selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.
- One member may be appointed by the County Superintendent of Education.
- One member may be appointed by the Chancellor of the California Community Colleges.
- One member of the public may be appointed by the County Board of Supervisors.
- One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the County.

**SECTION VI**  
**SPECIAL DISTRICTS**

**CHAPTER 1: INTRODUCTION AND POLICIES**

**INTRODUCTION:**

In 1975 the San Bernardino LAFCO received a request from the independent special districts within the County to approve the seating of Special Districts on the Commission pursuant to the provisions of the Knox-Nisbet Act (the predecessor of the Cortese-Knox-Hertzberg Reorganization Act of 2000). The original rules and regulations were adopted concurrent with an order for representation on the Commission by Independent Special Districts in 1976. As a function of the seating of Special Districts within San Bernardino County an inventory of the existing functions and classes of service were to be determined. The process that was undertaken at that time was that the Commission would:

1. Classify the various types of services which customarily are or can be provided within a single function of a special district.
2. Require existing districts to file written statements with the commission specifying the functions or classes of service provided by such district.
3. Establish the nature, location, and extent of any functions or classes of service provided by existing districts
4. Determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district.

Once the inventory was completed, the rules and regulations did not apply to the extension or enlargement, within the boundaries of an existing district, of any function or service which the commission, pursuant to these rules and regulations, has established as currently being provided by such special district. A listing of the Special Districts and the authorized functions and services was historically identified as the "Exhibit A" but is now outlined in Chapter 3 of the Special Districts Section of the Manual.

The San Bernardino County Special Districts Association has historically offered its services to work with the special districts and San Bernardino LAFCO to provide assistance and coordination, to act as a forum to air and discuss problems affecting all special districts, and to provide a forum for the review of candidates for the Special District seats on the Commission.

**SAN BERNARDINO COUNTY AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR**  
**REDEVELOPMENT PROPERTY TAX TRUST FUND (RPTTF) DISTRIBUTIONS TO SELF GOVERNED SPECIAL DISTRICTS**  
**FISCAL YEAR 2011-12 thru 2016-17**

AGENCY	PASS-THRU PAYMENTS	RESIDUAL PAYMENTS	DUE DILIGENCE REVIEW (DDR) PAYMENTS *	ASSET LIQUIDATION PAYMENTS *	TOTAL
29 PALMS CEMETERY DISTRICT	\$ 143,972.51	\$ 9,859.99	\$ 37,358.43	\$ -	\$ 191,190.93
APPLE VALLEY FIRE PROTECTION DISTRICT	3,232,819	244,572	1,093,902	-	4,571,293
BARSTOW CEMETERY DISTRICT	13,995	59,489	19,330	1,207	94,022
BEAR VALLEY COMMUNITY HOSPITAL DISTRICT	528,344	85,137	162,248	-	775,729
BIG BEAR CITY AIRPORT DISTRICT	73,575	442,769	210,965	-	727,309
BIG BEAR MUNICIPAL WATER DISTRICT	412,395	1,035,814	549,877	-	1,998,086
CHINO BASIN WATER CONSERVATION DISTRICT	469,749	2,976,883	1,417,996	20,570	4,885,198
CHINO VALLEY INDEPENDENT FIRE DISTRICT	225,009	4,194,520	543,582	-	4,963,111
CRESTLINE-LAKE ARROWHEAD WATER AGENCY	28,594	29,115	11,847	41	69,597
HESPERIA PARK DISTRICT	4,234,446	80,458	184,467	-	4,499,372
HI-DESERT WATER DISTRICT	921,196	79	39,908	-	961,183
MORONGO BASIN HEALTHCARE DISTRICT (FORMERLY KNOWN AS HI-DESERT MEMORIAL HOSPITAL DISTRICT)	151,036	71,055	47,051	-	269,142
INLAND EMPIRE JOINT RESOURCE CONSERVATION DISTRICT	1,031,238	1,451,094	663,881	17,494	3,163,706
INLAND EMPIRE UTILITIES AGENCY	53,726,187	8,101,138	13,614,437	222,824	75,664,586
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT	57,370	41,934	91,992	342	191,639
MOJAVE DESERT RESOURCE CONSERVATION DISTRICT	101,115	23,547	21,043	107	145,812
MOJAVE WATER AGENCY	1,677,209	132,522	168,161	1,004	1,978,896
MONTE VISTA COUNTY WATER DISTRICT	458,522	1,295,973	590,072	-	2,344,567
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT	23,787	162,683	21,760	77	208,308
SAN BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT	14,845	10,852	23,797	89	49,582
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT	79,311,425	28,784,910	1,303,498	190,143	109,589,977
WEST VALLEY WATER DISTRICT	1,390,900	946,837	297,717	69,385	2,704,839
YUCAIPA VALLEY WATER DISTRICT	-	197,915	14,851	-	212,766
<b>TOTAL</b>	<b>\$ 148,227,729</b>	<b>\$ 50,379,155</b>	<b>\$ 21,129,743</b>	<b>\$ 523,284</b>	<b>\$ 220,259,911</b>

**Note:**

\* Due Diligence Review (DDR) and Asset Liquidation remittances represent one time monies whereas pass-thru and residual payments, if sufficient funds are available, will continue until the RDA Successor Agency has paid off all enforceable obligations and is officially dissolved.

**POLICIES:**

**1. METHOD OF SELECTION (Amended April 17, 2002)**

An Independent Special Districts Selection Committee shall be composed of the presiding officers of the legislative body of each independent special district located wholly within the County of San Bernardino and those containing territory within said County representing 50% or more of the assessed value of taxable property of each district. The Selection Committee shall appoint all independent special district representatives and alternate. Each member of the Selection Committee shall be entitled to one vote for each independent special district for which they are presiding officer. The meetings of the Selection Committee shall be in accordance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 et seq.

**2. SPECIAL DISTRICT REPRESENTATIVES (Amended April 17, 2002)**

It is the policy of San Bernardino LAFCO that special district representatives and alternate should represent districts located in the San Bernardino Valley area, the desert area, and the mountain area. Inasmuch as possible, they should not represent agencies that provide like service, (i.e., they should represent fire protection service, water service, sewer service, cemetery service, etc.). They shall be chosen as provided by the provisions within Government Code Section 56000 et seq.

**3. ALTERNATIVE FUNDING FORMULA (Adopted by Special District Vote July 2002; Amended by Special District Vote March 2, 2010)**

Pursuant to authority provided by Government Code Section 56381, the Independent Special Districts, by majority vote, have determined an Alternative Funding Formula to the Independent Special Districts' mandatory share of the LAFCO net operating costs as follows:

- A. Healthcare (Hospital) Districts shall be limited to payment of \$1,500 regardless of Total Revenue.
- B. Those districts with Total Revenue of more than \$50,000,000 shall pay \$30,000.
- C. Those districts with Total Revenue of between \$20,000,000 to \$50,000,000 shall pay \$20,000.
- D. Those districts with Total Revenue of between \$5,000,000 to \$20,000,000 shall pay \$10,000.

- E. Those districts with Total Revenue of between \$2,000,000 to \$5,000,000 shall contribute an amount not to exceed \$5,000.
- F. Those districts with Total Revenue of less than \$2,000,000 shall be apportioned an amount to be determined by the ratio of each district's Total Revenue as compared to the Total Revenues whose share does not exceed \$5,000.

**4. CONVERSION TO ALL MAIL BALLOTING FOR SPECIAL DISTRICT SELECTION COMMITTEE BUSINESS (Adopted by Special District Vote April 2008)**

The business of the Special District Selection Committee shall be routinely conducted by mail. The procedures for such processing are outlined in Government Code Section 56332(f).

**5. SELECTION OF INDEPENDENT SPECIAL DISTRICT REPRESENTATIVES (REGULAR AND ALTERNATE) TO THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD (Adopted November 15, 2017)**

Effective July 1, 2018, the redevelopment oversight boards in each county in the State of California will be consolidated into one seven-member board (Health & Safety Code § 34179(j)). One of the members of the consolidated board "may be appointed by the independent special district selection committee established under Government Code Section 56332 for the types of special districts that are eligible to receive property tax revenues pursuant to the redevelopment agency (RDA) dissolution law. The Auditor-Controller/Treasurer/Tax Collector for San Bernardino County has requested that such representatives (regular and alternate) be selected.

Only the agencies that receive RDA funding are deemed eligible agencies for the purposes of appointing a special district representative and alternate to the countywide redevelopment oversight board per Health and Safety Code Section 34179(j)(3) and must be members of the Special Districts Selection Committee for San Bernardino County per Government Code Section 56332. In addition, eligibility requires special districts that have territory in the territorial jurisdiction of a former RDA and are eligible to receive property tax residual for the Redevelopment Property Tax Trust Fund (RPTTF) may serve on the new Oversight Board. In San Bernardino County, the committee members for the RPTTF-qualifying districts are:

- Apple Valley Fire Protection District
- Barstow Cemetery District
- Bear Valley Community Health Care
- Big Bear Airport District
- Big Bear Municipal Water District

*San Bernardino LAFCO Policy and Procedure Manual  
Section VI – Special Districts*

**Chino Basin Water Conservation District  
Chino Valley Independent FPD  
Crestline-Lake Arrowhead Water Agency  
Hesperia Park and Recreation District  
Hi-Desert Water District  
Inland Empire Resource Conservation  
Inland Empire Utilities Agency  
Lake Arrowhead Community Services District  
Mojave Desert Resource Conservation District  
Mojave Water Agency  
Monte Vista County Water District  
Morongo Basin Healthcare District (formerly known as the Hi-Desert  
Memorial Hospital District)  
San Bernardino Valley Water Conservation District  
San Bernardino Mountains Community Healthcare District  
San Bernardino Valley Municipal Water District  
Twenty-nine Palms Public Cemetery District  
West Valley Water District  
Yucaipa Valley Water District**

**The San Bernardino LAFCO Executive Officer is responsible for conducting the business of the Special Districts Selection Committee for the RPTTF-qualifying appointment and pursuant to local procedures the committee's business shall be conducted by mail to nominate and appoint a representative and alternate. Elections by mail shall be conducted in accordance with Government Code Section 56332(f). The independent special district members appointed to the consolidated redevelopment oversight board shall be appointed by a majority of those RPTTF-qualifying committee members voting once a quorum has been established. The terms of office for regular and alternate committee members shall be staggered by action of the Oversight Board following its reorganization in July 2018.**

**INFORMATION  
ITEM**

**5B**

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**Date:** February 21, 2018

**To:** The Honorable Board of Directors

 **From:** Steven J. Elie, President

**Committee:**

**Subject:** LAFCO Commission Regular and Alternate Special District Member Nominations

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**Executive Summary:**

The Local Agency Formation Commission (LAFCO) is seeking nominations for the position of Regular Special District and Alternate Special District members on the Local Agency Formation Commission (LAFCO). The positions are currently held by Mr. James Curatalo as regular voting member, and Mr. Steven Farrell as alternate. The term of office is scheduled to expire May 7, 2018. Both have indicated a desire to run again.

The LAFCO of San Bernardino County is composed of seven voting members and four alternate members. The Special District member will represent the independent special districts on the LAFCO Commission

The nominations for each position will need to be submitted by District Board vote, and must be received in the LAFCO office by 5:00 p.m. on March 15, 2018

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**Staff's Recommendation:**

This is an information item for discussion by the Board of Directors.

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

*Account/Project Name:*

None

*Fiscal Impact (explain if not budgeted):*

None

**Prior Board Action:**

None

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**Environmental Determination:**

Not Applicable

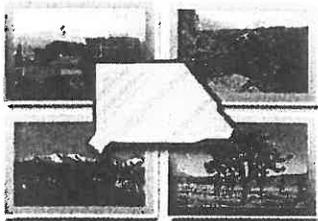
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**Business Goal:**

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**Attachments:**

Attachment 1 - LAFCO letter with attachments dated February 1, 2018; Subject: Special Districts Selection Committee



# LAFCO

## Local Agency Formation Commission for San Bernardino County

1170 West 3rd Street, Unit 150  
San Bernardino, CA 92415-0480  
800.388.0480 | Fax 909.388.0481  
E-mail: lafco@lafco.sbcounty.gov  
www.sbc.lafco.org

Established by the State of California  
to serve the Citizens, Cities, Special Districts  
and the County of San Bernardino

### COMMISSIONERS

JIM BAGLEY  
Public Member

KIMBERLY COX, Chair  
Special District

JAMES V. CURATALO  
Special District

ROBERT A. LOVINGOOD  
Board of Supervisors

LARRY McALLON  
City Member

JAMES RAMOS, Vice Chair  
Board of Supervisors

DIANE WILLIAMS  
City Member

### ALTERNATES

STEVEN FARRELL  
Special District

JANICE RUTHERFORD  
Board of Supervisors

Vacant  
Public Member

ACQUANETTA WARREN  
City Member

### STAFF

KATHLEEN ROLLINGS McDONALD  
Executive Officer

SAMUEL MARTINEZ  
Assistant Executive Officer

MICHAEL TUERPE  
Project Manager

LA TRICI JONES  
Clerk to the Commission

### LEGAL COUNSEL

GLARK H. ALSOP

February 1, 2018

**TO:** Presidents of the Boards of Directors of the  
Independent Special Districts in San Bernardino  
County

**SUBJECT:** Special Districts Selection Committee

This letter will officially open the nomination period for the position of Regular Special District and Alternate Special District members on the Local Agency Formation Commission (LAFCO). The regular voting member position is currently held by James Curatalo and the Alternate position is currently held by Steven Farrell, both of whom have indicated a desire to run again. The term of office is scheduled to expire May 7, 2018 pursuant to the provisions of Government Code Section 56334. The nomination period for these positions will be 32 days, opening on Monday, February 5, 2018, and ending at the close of business at 5:00 p.m. on Thursday, March 8, 2018.

Nominations for the position will need to be submitted by District Board vote. The signed original nomination form, with the name of each voting Board Member outlined, must be received in the LAFCO office by 5:00 p.m. on **March 15, 2018**. If a faxed copy of the nomination form is provided by the March 15 deadline, the original signed copy must be received by 5:00 p.m. on **March 22, 2018**, or the nomination will be declared invalid.

Enclosed with this letter is a sample nomination form for the positions outlining the date of the action and District Board vote. Nominations submitted without a date will be returned to the District and will need to be re-submitted within the nomination period in order to be considered valid. If only a single candidate is nominated for the position, pursuant to the provisions of Government Code Section 56332(f)(2), that candidate shall be deemed selected with no further vote required.

At the end of the nomination period, LAFCO staff will prepare and send, by certified mail, to each independent special district a ballot with the candidates nominated and the voting instructions.

A long-standing policy of the Selection Committee is to encourage balanced geographic representation with valley, desert and mountain districts seated on the Commission as voting or alternate members. The positions up for nomination are now represented by the mountain and valley areas and both incumbents represent county water districts. A copy of the Policy Statement is attached for your information.

Please let me know if you have any questions concerning the nomination process. You may contact me at the address listed above, by email at [kmcdonald@lafco.sbcounty.gov](mailto:kmcdonald@lafco.sbcounty.gov), or by phone at (909) 388-0480.

Sincerely,



KATHLEEN ROLLINGS-McDONALD  
Executive Officer

KRM/lt

Enclosures:

- 1) Regular and Alternate Member Nomination Forms
- 2) Policy Statement

**NOMINATION FOR  
REGULAR SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
LOCAL AGENCY FORMATION COMMISSION**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Local Agency  
Formation Commission

\_\_\_\_\_ REGULAR/SPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Regular Special District Member  
of the Local Agency Formation Commission of San Bernardino County, by the  
following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

Dated: \_\_\_\_\_

Attach – Letter of Interest or Resume of Nominee

**NOMINATION FOR  
ALTERNATE SPECIAL DISTRICT MEMBER  
MEMBER OF THE  
LOCAL AGENCY FORMATION COMMISSION**

The \_\_\_\_\_  
(Name of District)

hereby nominates the following person for the position on the Local Agency  
Formation Commission

\_\_\_\_\_ ALTERNATE SPECIAL DISTRICT MEMBER  
(Name of Nominee)

I, \_\_\_\_\_, do hereby certify that at its regularly  
(Name of President or Designee of District)  
scheduled meeting of \_\_\_\_\_, the Board of Directors voted to  
nominate the above-identified candidate for the Regular Special District Member  
of the Local Agency Formation Commission of San Bernardino County, by the  
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
District President/Authorized Board Member

Dated: \_\_\_\_\_

Attach – Letter of Interest or Resume of Nominee

**SECTION VI**  
**SPECIAL DISTRICTS**

**CHAPTER 1: INTRODUCTION AND POLICIES**

**INTRODUCTION:**

In 1975 the San Bernardino LAFCO received a request from the independent special districts within the County to approve the seating of Special Districts on the Commission pursuant to the provisions of the Knox-Nisbet Act (the predecessor of the Cortese-Knox-Hertzberg Reorganization Act of 2000). The original rules and regulations were adopted concurrent with an order for representation on the Commission by Independent Special Districts in 1976. As a function of the seating of Special Districts within San Bernardino County an inventory of the existing functions and classes of service were to be determined. The process that was undertaken at that time was that the Commission would:

1. Classify the various types of services which customarily are or can be provided within a single function of a special district.
2. Require existing districts to file written statements with the commission specifying the functions or classes of service provided by such district.
3. Establish the nature, location, and extent of any functions or classes of service provided by existing districts
4. Determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district.

Once the inventory was completed, the rules and regulations did not apply to the extension or enlargement, within the boundaries of an existing district, of any function or service which the commission, pursuant to these rules and regulations, has established as currently being provided by such special district. A listing of the Special Districts and the authorized functions and services was historically identified as the "Exhibit A" but is now outlined in Chapter 3 of the Special Districts Section of the Manual.

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**POLICIES:**

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- Bear Valley Community Health Care
- Big Bear Airport District
- Big Bear Municipal Water District

*San Bernardino LAFCO Policy and Procedure Manual  
Section VI – Special Districts*

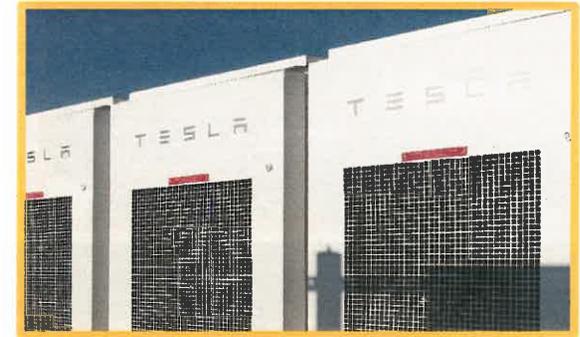
Chino Basin Water Conservation District  
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Yucaipa Valley Water District

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**INFORMATION  
ITEM**

**5C**

# Engineering and Construction Management Project Updates



# EN18023 – NRWS Philadelphia Pump Station Pump 3 Improvements

- **Project Goal:** Improve pump operation and control
- **Current Phase:** Consultant contract award
- **Design Engineer:** TBD
- **Contract Amount:** TBD
- **Amendments:** \$0/0.0%
- **Total Project Budget:** \$250 K
- **Project Completion:** September 2019
- **Percentage Complete:** 0%
- **Current Activities:**
  - Request for Proposals have been advertised for design consultant
  - Review and select design consultant



Existing Pump No. 3



Existing HVAC Ducting to be Modified

# EN17049 – Baseline RWPL Extension

- **Project Goal:** Expand the RW System further into Fontana
- **Current Phase:** Preliminary design
- **Design Engineer:** Carollo Engineers
- **Contract Amount:** \$395 K
- **Amendments:** \$0/0.0%
- **Total Project Budget:** \$4.9 M
- **Project Completion:** September 2019
- **Percentage Complete:** 10%
- **Current Activities:**
  - Begin utility research and surveying



Proposed Alignment



South Heritage Circle

# EN17082 – RP-1 Mechanical Restoration and Upgrades

- **Project Goal:** Upgrade secondary treatment pumping
- **Current Phase:** Preliminary design
- **Design Engineer:** Stantec
- **Contract Amount:** \$459 K
- **Amendments:** \$0/0.0%
- **Total Project Budget:** \$1.5 M
- **Project Completion:** December 2019
- **Percentage Complete:** 50%
- **Current Activities:**
  - 50% design submittal



Pump Station for Secondary Treatment System



Sludge Transfer Pump at Digester Area

# EN14018.00 - RP-4 Disinfection Facility Improvements

- **Project Goal:** Improve the efficiency of the chemical injection facility and access to the clarifiers
- **Current Phase:** Construction
- **Contractor:** W.A. Rasic
- **Contract Amount:** \$1.83 M
- **Change Orders:** \$59,343/3.2%
  - Agency Requested: \$55,792/3.0%
  - Changed Conditions: \$3,550/0.2%
- **Total Project Budget:** \$2.7 M
- **Project Completion:** February 2018
- **Percentage Complete:** 95%
- **Current Activities:**
  - Start-up and training



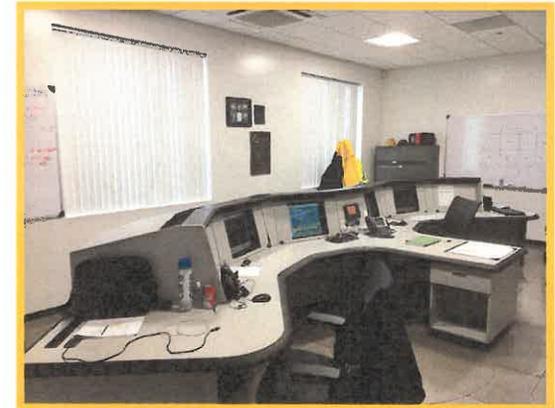
New Chemical Pumps



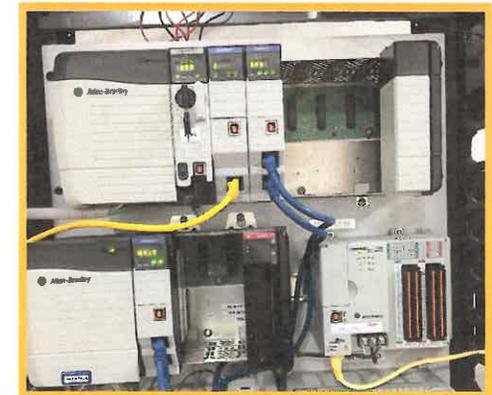
New Chemical Storage Tanks

# EN13016.04 – SCADA Enterprise System (RP-5)

- **Project Goal:** Continue IEUA SCADA migration at RP-5
- **Current Phase:** Construction
- **Contractor:** CDM Smith
- **Contract Amount:** \$1.1 M
- **Change Orders:** \$0/0.0%
  - Agency Requested: \$0/0.0%
  - Changed Conditions: \$0/0.0%
- **Total Project Budget:** \$3.0 M
- **Project Completion:** Jan 2019
- **Percentage Complete:** 30%
- **Current Activities:**
  - Design control panels and procure hardware and software



RP-5 Control Room to be Upgraded



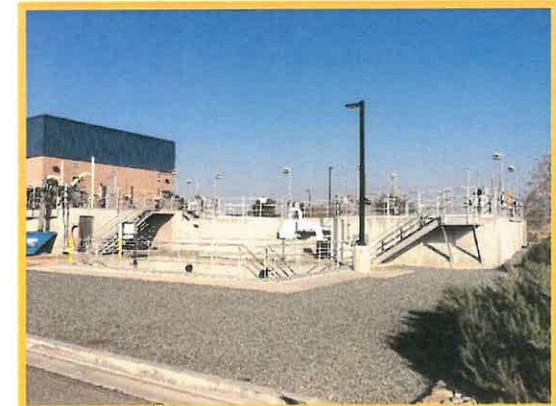
Control Panel Equipment

# EN17034 – Agencywide Lighting Improvements - Phase 2

- **Project Goal:** Improve overall efficiency of IEUA facilities
- **Current Phase:** Construction
- **Contractor:** Facilities Solutions Group
- **Contract Amount:** \$1.1 M
- **Change Orders:** \$48,341/4.3%
  - Agency Requested: \$44,137/3.9%
  - Changed Conditions: \$4,204/0.4%
- **Total Project Budget:** \$1.4 M
- **Project Completion:** January 2018
- **Percentage Complete:** 100%
- **Current Activities:**
  - Review final operation and maintenance manuals
  - Issue letter of substantial completion
  - SCE incentives received: \$104,676
  - SCE post installation on-bill finance amount: \$1,168,182



Installing New Lights in Boardroom at HQ-A



New Lights at RP-5 Headworks

**INFORMATION  
ITEM**

**5E**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

HHR

**Committee:** Finance & Administration

02/14/18

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

**Subject:** Treasurer's Report of Financial Affairs

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**Executive Summary:**

The Treasurer's Report of Financial Affairs for the month ended December 31, 2017 is submitted in a format consistent with the State requirement.

For the month of December 2017, total cash, investments, and restricted deposits of \$202,571,986 reflects an increase of \$22,657,509 compared to the total of \$179,914,477 reported in November 2017. The increase was primarily due to property tax receipts of \$21.2 million and State Revolving Fund loan receipts for the Water Quality Laboratory project of \$2.6 million that were partially offset by a debt service payment of \$1.8 million related to recycled water State Revolving Fund loans. As a result the average days of cash on hand for the month ended December 31, 2017 increased from 247 days to 290 days.

The Agency's investment portfolio yield in December 2017 was 1.186%, a decrease of 0.087% compared to the November yield of 1.273%. The decrease was primarily due to a lower yield in the CalTrust investments account from 1.791% to 1.549% which was partially offset by the LAIF investment yield increase to 1.239% from 1.172% in November.

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**Staff's Recommendation:**

The Treasurer's Financial Affairs Report for the month ended December 31, 2017 is an informational item for the Board of Director's review.

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

*Account/Project Name:*

**Fiscal Impact** *(explain if not budgeted):*

Interest earned on the Agency's investment portfolio increases the Agency's overall reserves.

**Prior Board Action:**

On January 17, 2018, the Board of Directors approved the Treasurer's Financial Affairs Report for the month ended November 30, 2017.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Financial Affairs report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

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**Attachments:**

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - December 2017 Financial Affairs Report

## Background

Subject: Treasurer's Report of Financial Affairs

The Treasurer's Report of Financial Affairs for the month ended December 31, 2017 is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2017-4-1).

Agency total cash, investments, and restricted deposits for the month ended December 31, 2017 was \$202.6 million, an increase of \$22.7 million over the \$179.9 million reported for the month ended November 30, 2017. The increase was primarily due to property tax receipts of \$21.2 million and State Revolving Fund loan receipts of \$2.6 million for the Water Quality Laboratory project that were partially offset by a debt service payment of \$1.8 million relating to recycled water State Revolving Fund loans.

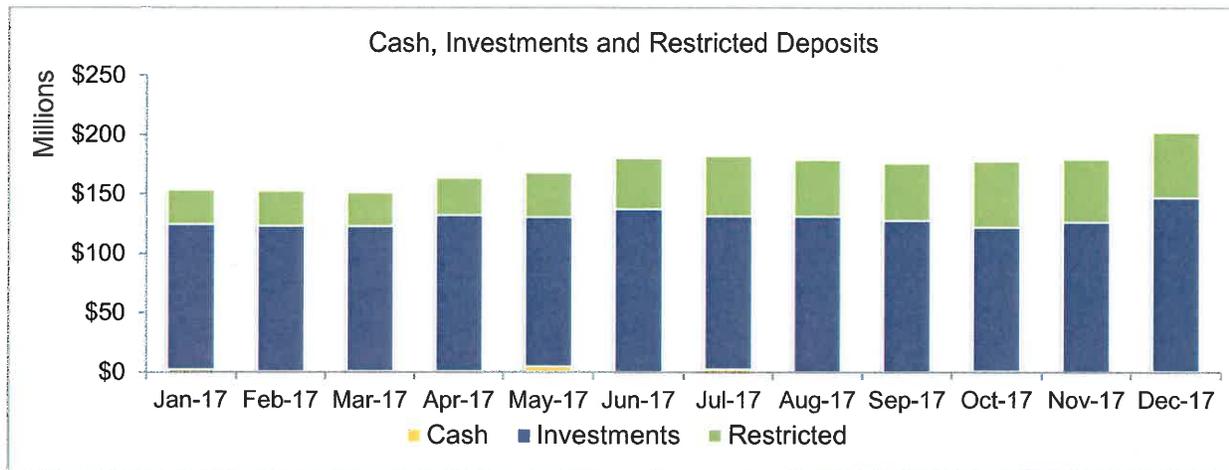
Table 1 represents the Agency portfolio, by authorized investment and duration, total portfolio amount was \$146.3 million. The Agency portfolio excludes restricted deposits in the amount of \$55.5 million held by member agencies and with fiscal agent.

**Table 1: Agency Portfolio**

Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of November 30, 2017 (\$ million)				Average Yield	Portfolio % (Unrestricted)
		Under 1 Year	1-3 Years	Over 3 Years	Total		
LAIF	\$65	\$32.27			\$32.27	1.24%	22.06%
CalTrust	n/a	\$15.24	\$6.00		\$21.24	1.55%	14.52%
CAMP	n/a	\$18.28			\$18.28	1.29%	12.49%
Citizens Business Bank – Sweep	40%	\$36.78			\$36.78	0.70%	25.14%
Brokered CD's	30%	\$1.20	\$0.48	\$0.24	\$1.92	1.60%	1.32%
Medium Term Notes	10%	\$8.57	\$4.01		\$12.58	1.34%	8.60%
Municipal Bonds	10%		\$1.00		\$1.00	1.75%	0.68%
US Treasury Notes	n/a		\$2.00		\$2.00	1.35%	1.36%
US Gov't Securities	n/a		\$20.23		\$20.23	1.33%	13.83%
<b>Total</b>		<b>\$112.34</b>	<b>\$33.72</b>	<b>\$0.24</b>	<b>\$146.30</b>	<b>1.19%</b>	<b>100.00%</b>

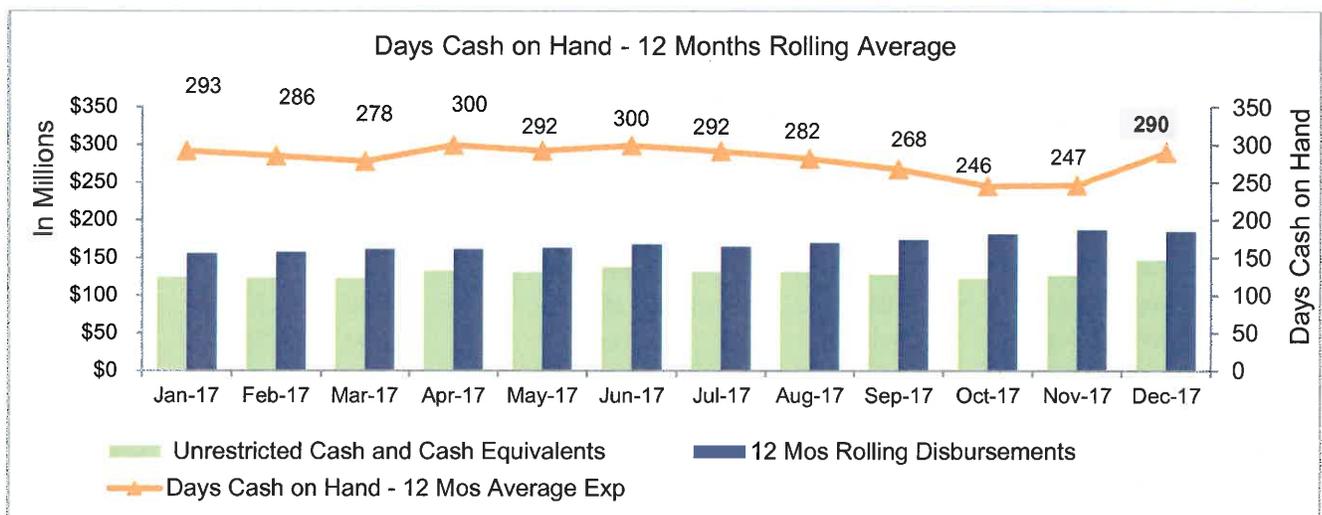
For the month of December 2017, total cash, investments, and restricted deposits reflects an increase of \$22.7 million compared to the November 2017 total, as reported in Figure 1.

**Figure 1: Cash, Investments, and Restricted Deposits**



Average days cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency’s cash flow. The increase in total cash, investment, and restricted deposits resulted in an increase in the Average Days Cash on Hand from 247 days at the end of November to 290 days at the end of December as shown in Figure 2.

**Figure 2: Days Cash on Hand – 12 Month Rolling Average**



# Treasurer's Report of Financial Affairs for December 31, 2017

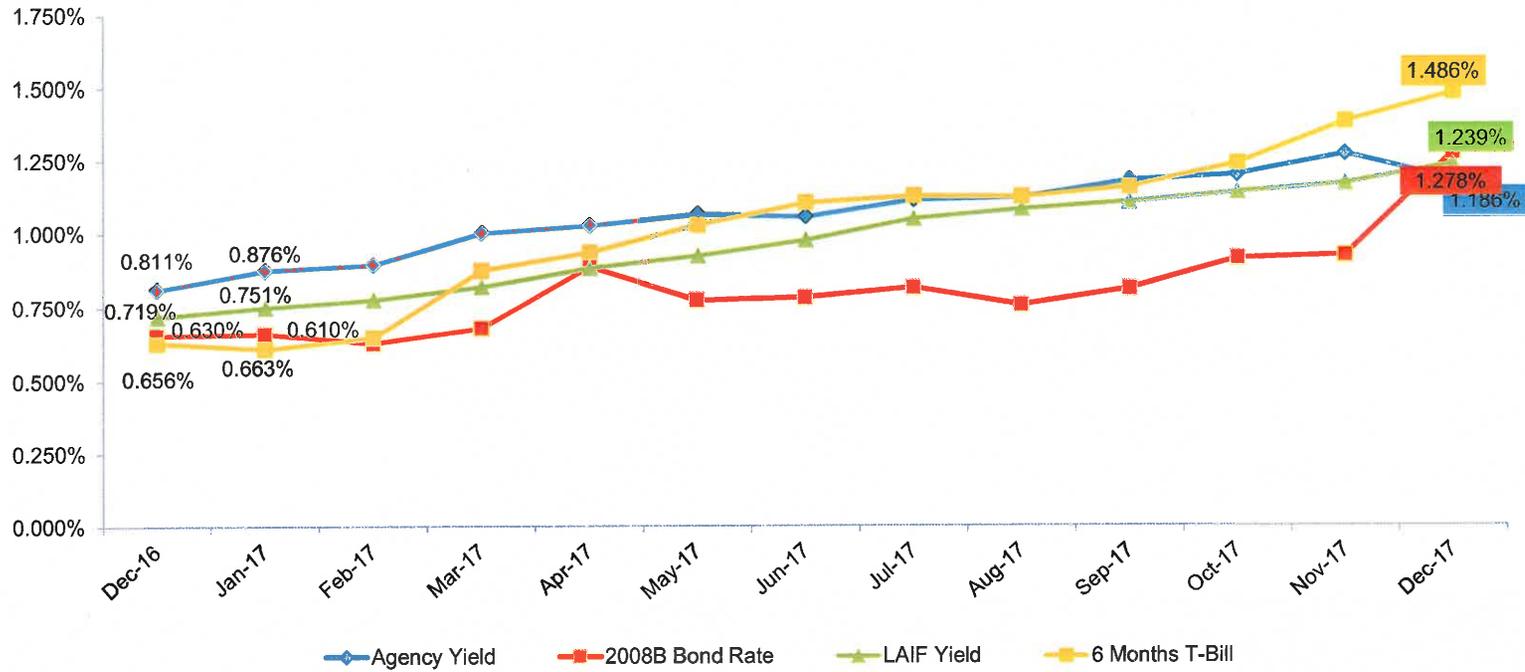


# Agency Liquidity

- Increase in total portfolio mainly due to \$21.2M of property tax receipts
- Decrease in total portfolio yield is attributed to a reduction in CalTrust short term investment yield
- Increase in average cash on hand as a result of increase in total cash, investment, and deposits

Liquidity			
Description	December (\$ million)	November (\$ million)	Increase (Decrease) (\$ million)
Total Cash, Investments, and Restricted Deposits	\$202.6	\$179.9	\$22.7
Total Investment Portfolio	\$146.3	\$126.3	\$20.0
Investment Portfolio Yield	1.186%	1.273%	(0.087%)
Weighted Average Duration (years)	0.71	0.75	(0.04)
Average Cash on Hand (days)	290	247	43

# Month End Portfolio Yield Composition



# Questions



The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility

## TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended December 31, 2017



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2017-4-1) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on April 19, 2017.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

\* A Municipal Water District

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

	<u>December</u>	<u>November</u>
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>	\$811,276	\$115,084
<b><u>Investments</u></b>		
Citizens Business Bank (CBB) Repurchase (Sweep)	\$36,784,350	\$16,854,979
Local Agency Investment Fund (LAIF)	32,268,927	32,268,927
CalTrust	21,236,878	21,219,208
California Asset Management Program (CAMP)	18,277,539	18,257,513
Certificates of Deposit	1,925,000	1,925,000
Municipal Bonds	997,913	997,807
Medium Term Notes	12,580,220	12,582,897
U.S. Treasury Notes	1,993,700	1,993,321
U.S. Government Sponsored Entities	20,236,280	20,235,618
<b>Total Investments</b>	<b>\$146,300,807</b>	<b>\$126,335,270</b>
<b>Total Cash and Investments Available to the Agency</b>	<b>\$147,112,083</b>	<b>\$126,450,354</b>
<b><u>Restricted Deposits</u></b>		
Debt Service Accounts	\$2,552,397	\$2,551,262
CCRA Deposits Held by Member Agencies	39,962,389	38,181,904
OPEB (CERBT) Account	12,305,591	12,147,500
Escrow Deposits	639,526	583,457
<b>Total Restricted Deposits</b>	<b>\$55,459,903</b>	<b>\$53,464,123</b>
<b>Total Cash, Investments, and Restricted Deposits</b>	<b>\$202,571,986</b>	<b>\$179,914,477</b>

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

### Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Negative offset by CBB Sweep Balance)	\$588,110
CBB Workers' Compensation Account	66,107
Subtotal Demand Deposits	<u>\$654,217</u>

### **Other Cash and Bank Accounts**

Petty Cash	<u>\$2,250</u>
Subtotal Other Cash	\$2,250

**US Bank Pre-Investment Money Market Account** \$154,809

***Total Cash and Bank Accounts*** \$811,276

### Investments

#### **CBB Repurchase (Sweep) Investments**

FNMA	<u>\$36,784,350</u>
Subtotal CBB Repurchase (Sweep)	\$36,784,350

#### **Local Agency Investment Fund (LAIF)**

LAIF Fund	<u>\$32,268,927</u>
Subtotal Local Agency Investment Fund	\$32,268,927

#### **CalTrust**

Short Term	\$15,240,766
Medium Term - Restricted	<u>5,996,112</u>
Subtotal CalTrust	\$21,236,878

#### **California Asset Management Program (CAMP)**

Pool	<u>\$18,277,539</u>
Subtotal CAMP	\$18,277,539

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

### Investments Continued

#### **Brokered Certificates of Deposit**

Brokered Certificates of Deposit	\$1,925,000
Subtotal Brokered Certificates of Deposit	<u>\$1,925,000</u>

#### **Municipal Bonds**

State and Local Municipal Bonds	\$997,913
Subtotal Municipal Bonds	<u>\$997,913</u>

#### **Medium Term Notes**

John Deere Capital Corp.	\$1,500,184
Toyota Motor Credit Corp.	999,870
JP Morgan Chase & Co.	2,008,923
Johnson & Johnson	2,058,684
Microsoft	1,003,203
Exxon Mobil	3,009,356
Wells Fargo Bank N.A.	2,000,000
Subtotal Medium Term Notes	<u>\$12,580,220</u>

#### **U.S. Treasury Notes**

Treasury Note	\$1,993,700
Subtotal U.S. Treasury Notes	<u>\$1,993,700</u>

#### **U.S. Government Sponsored Entities**

Fannie Mae Bank	\$3,749,723
Freddie Mac Bank	5,488,595
Federal Farm Credit Bank	7,999,265
Federal Home Loan Bank	2,998,697
Subtotal U.S. Government Sponsored Entities	<u>\$20,236,280</u>

#### ***Total Investments***

\$146,300,807

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

### Restricted Deposits

#### Debt Service

08B Debt Service Accounts	\$2,551,633
10A Debt Service Accounts	155
17A Debt Service Accounts	609
Subtotal Debt Service	<u>\$2,552,397</u>

#### CCRA Deposits Held by Member Agencies

City of Chino	\$6,371,773
Cucamonga Valley Water District	3,666,266
City of Fontana	6,518,248
City of Montclair	1,105,870
City of Ontario	13,789,913
City of Chino Hills	6,921,323
City of Upland	1,588,996
Subtotal CCRA Deposits Held by Member Agencies	<u>\$39,962,389</u>

#### CalPERS

OPEB (CERBT) Account	<u>\$12,305,591</u>
Subtotal CalPERS Accounts	\$12,305,591

#### Escrow Deposits

Kemp Brothers Construction	<u>\$639,526</u>
Subtotal Escrow Deposits	\$639,526

#### ***Total Restricted Deposits***

\$55,459,903

#### ***Total Cash, Investments, and Restricted Deposits as of December 31, 2017***

\$202,571,986

Total Cash, Investments, and Restricted Deposits as of 12/31/17

\$202,571,986

Less: Total Cash, Investments, and Restricted Deposits as of 11/30/17

179,914,477

#### ***Total Monthly Increase (Decrease)***

\$22,657,509

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	December Amortization	December Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>													
<b>Citizens Business Bank (CBB)</b>													
Demand Account*					\$588,110	\$588,110	N/A	N/A	\$588,110	N/A	N/A	N/A	\$588,110
Payroll Checking					0	0	N/A	N/A	0	N/A	N/A	N/A	0
Workers' Compensation Account					66,107	66,107	N/A	N/A	66,107	N/A	N/A	N/A	66,107
Subtotal CBB Accounts					<u>\$654,217</u>	<u>\$654,217</u>			<u>\$654,217</u>				<u>\$654,217</u>
<b>US Bank (USB)</b>													
Federated Automated MMA					\$154,809	\$154,809	N/A	N/A	\$154,809	0.77%	N/A	N/A	\$154,809
Subtotal USB Account					<u>\$154,809</u>	<u>\$154,809</u>			<u>\$154,809</u>	0.77%			<u>\$154,809</u>
Petty Cash					<u>\$2,250</u>	<u>\$2,250</u>	N/A	N/A	<u>\$2,250</u>	N/A	N/A	N/A	<u>\$2,250</u>
<b>Total Cash, Bank Deposits and Bank Investment Accounts</b>					<u><b>\$811,276</b></u>	<u><b>\$811,276</b></u>			<u><b>\$811,276</b></u>				<u><b>\$811,276</b></u>
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
<b><u>Investments</u></b>													
<b>CBB Daily Repurchase (Sweep) Accounts</b>													
FNMA					\$36,784,350	\$36,784,350			\$36,784,350	0.70%			\$36,784,350
Subtotal CBB Repurchase Accounts					<u>\$36,784,350</u>	<u>\$36,784,350</u>			<u>\$36,784,350</u>	0.70%			<u>\$36,784,350</u>
<b>LAIF Accounts</b>													
Non-Restricted Funds					\$32,268,927	\$32,268,927	N/A	N/A	\$32,268,927	1.239%	N/A	N/A	\$32,268,927
Subtotal LAIF Accounts					<u>\$32,268,927</u>	<u>\$32,268,927</u>			<u>\$32,268,927</u>	1.239%			<u>\$32,268,927</u>
<b>CALTRUST Accounts</b>													
Short-Term					\$15,240,766	\$15,240,766	N/A	N/A	\$15,240,766	1.43%	N/A	N/A	\$15,240,766
Medium-Term (Self Insurance Reserves)					5,996,112	5,996,112	N/A	N/A	5,996,112	1.85%	N/A	N/A	5,996,112
Subtotal CalTrust Accounts					<u>\$21,236,878</u>	<u>\$21,236,878</u>			<u>\$21,236,878</u>	1.549%			<u>\$21,236,878</u>
<b>CAMP Accounts</b>													
Short-Term					\$18,277,539	\$18,277,539	N/A	N/A	\$18,277,539	1.29%	N/A	N/A	\$18,277,539
Subtotal CAMP Accounts					<u>\$18,277,539</u>	<u>\$18,277,539</u>			<u>\$18,277,539</u>	1.29%			<u>\$18,277,539</u>

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	December Amortization	December Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<b>Investments (continued)</b>													
<b>Brokered Certificates of Deposit (CDs)</b>													
Capital One Bank	N/A				240,000	240,000	916		240,000	1.35%	1.35%	01/16/18	240,012
Goldman Sachs Bank USA	N/A				240,000	240,000	916		240,000	1.40%	1.40%	01/16/18	240,019
BMW Bank of North America	N/A				240,000	240,000	915		240,000	1.40%	1.40%	01/17/18	240,019
American Express Bank	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	239,938
American Express Centurion	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	239,938
Ally Bank	N/A				243,000	243,000	722		243,000	1.45%	1.45%	03/11/19	242,021
Wells Fargo Bank	N/A				242,000	242,000	729		242,000	1.55%	1.55%	03/15/19	241,293
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.25%	2.25%	10/02/20	240,612
<b>Subtotal Brokered CDs</b>					<b>\$1,925,000</b>	<b>\$1,925,000</b>		<b>\$0</b>	<b>\$1,925,000</b>		<b>1.60%</b>		<b>\$1,923,852</b>
<b>US Treasury Note</b>													
US Treasury Note					\$2,000,000	\$1,990,000	808	379	\$1,993,700	1.125%	1.35%	05/31/19	\$1,980,000
<b>Subtotal US Treasuries</b>					<b>\$2,000,000</b>	<b>\$1,990,000</b>		<b>\$379</b>	<b>\$1,993,700</b>		<b>1.35%</b>		<b>\$1,980,000</b>
<b>U.S. Government Sponsored Entities</b>													
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,000,380	713	(16)	1,000,201	1.25%	1.23%	01/18/19	994,180
Federal Farm Credit Bank	AA+	Aaa			3,000,000	3,000,000	1,079		3,000,000	1.15%	1.15%	02/22/19	2,968,650
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,003,132	1,023	(95)	1,001,344	1.25%	1.14%	03/15/19	992,910
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,411	720	25	1,499,636	1.40%	1.42%	03/27/19	1,492,110
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,400	720	25	1,499,629	1.40%	1.42%	03/27/19	1,492,110
Federal Home Loan Bank	AA+	Aaa			2,000,000	1,997,600	801	92	1,998,496	1.375%	1.43%	05/24/19	1,987,100
Federal Farm Credit Bank	AA+	Aaa			2,000,000	2,000,000	1,460		2,000,000	1.52%	1.52%	06/24/19	1,989,740
Freddie Mac Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.15%	1.15%	07/26/19	1,482,840
Fannie Mae Step Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.00%	1.33%	07/26/19	1,486,395
Fannie Mae Bond	AA+	Aaa			900,000	899,460	1,153	14	899,723	1.25%	1.27%	08/23/19	886,284
Fannie Mae Bond	AA+	Aaa			1,350,000	1,350,000	1,157		1,350,000	1.25%	1.25%	08/26/19	1,335,730
Freddie Mac Bond	AA+	Aaa			3,000,000	2,972,928	1,359	618	2,987,251	1.25%	1.50%	10/02/19	2,964,270
<b>Subtotal U.S. Gov't Sponsored Entities</b>					<b>\$20,250,000</b>	<b>\$20,222,311</b>		<b>\$663</b>	<b>\$20,236,280</b>		<b>1.33%</b>		<b>\$20,072,319</b>

(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&P)

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	December	December	% Coupon	% Yield to Maturity	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Amortization	Value			Date	Value
<b><u>Municipal Bonds</u></b>													
San Diego Redevelopment Agency	AA	N/R			\$1,000,000	\$996,800	934	\$106	\$997,913	1.625%	1.75%	09/01/19	\$986,060
Subtotal State and Local Municipal Bonds					<u>\$1,000,000</u>	<u>\$996,800</u>		<u>\$106</u>	<u>\$997,913</u>		<u>1.75%</u>		<u>\$986,060</u>
<b><u>Medium Term Notes</u></b>													
Wells Fargo Bank	AA-	Aa2			1,500,000	1,502,565	301	(259)	1,500,184	1.65%	1.44%	01/22/18	1,499,700
Toyota Motor Credit Corp	AA-	Aa3			2,000,000	2,000,000	1,045		2,000,000	1.10%	1.10%	04/25/18	1,991,740
JP Morgan Chase & Co	A-	A3			1,000,000	999,000	1,037	30	999,870	1.625%	1.66%	05/15/18	999,350
Johnson & Johnson	AAA	Aaa			2,000,000	2,027,480	1,044	(816)	2,008,923	1.65%	1.16%	12/05/18	1,995,560
Microsoft	AAA	Aaa			2,050,000	2,076,691	1,045	(792)	2,058,684	1.625%	1.16%	12/06/18	2,046,105
Exxon Mobil	AA+	Aaa			1,000,000	1,005,750	763	(233)	1,003,203	1.708%	1.43%	03/01/19	997,660
Exxon Mobil	AA+	Aaa			1,500,000	1,506,285	712	(271)	1,503,837	1.819%	1.59%	03/15/19	1,497,600
Wells Fargo Bank	AA-	Aa2			1,500,000	1,511,655	1,061	(336)	1,505,519	1.75%	1.48%	05/24/19	1,491,660
Subtotal Medium Term Notes					<u>\$12,550,000</u>	<u>\$12,629,426</u>		<u>(2,677)</u>	<u>\$12,580,220</u>		<u>1.34%</u>		<u>\$12,519,375</u>
<b>Total Investments</b>					<b><u>\$146,292,694</u></b>	<b><u>\$146,331,231</u></b>			<b><u>\$146,300,807</u></b>				<b><u>\$146,049,300</u></b>
<i>(Source of Investment Market Value: US Bank)</i>													
<b><u>Restricted Deposits</u></b>													
<b>Debt Service and Arbitrage Accounts</b>													
08B Debt Service Accounts					\$2,551,633	\$2,551,633	N/A	N/A	\$2,551,633		0.76%		\$2,551,633
10A Debt Service Accounts					155	155	N/A	N/A	155		0.20%		155
17A Debt Service Accounts					609	609	N/A	N/A	609		0.20%		609
<b>Total Debt Service Accounts</b>					<b><u>\$2,552,397</u></b>	<b><u>\$2,552,397</u></b>			<b><u>\$2,552,397</u></b>		<b><u>0.76%</u></b>		<b><u>\$2,552,397</u></b>

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	December Amortization	December Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value	
	S&P	Moody's	S&P	Moody's										
<b>CCRA Deposits Held by Member Agencies</b>														
City of Chino					\$6,371,773	\$6,371,773	N/A	N/A	\$6,371,773			N/A	N/A	\$6,371,773
City of Chino Hills					6,921,323	6,921,323	N/A	N/A	6,921,323			N/A	N/A	6,921,323
Cucamonga Valley Water District					3,666,266	3,666,266	N/A	N/A	3,666,266			N/A	N/A	3,666,266
City of Fontana					6,518,248	6,518,248	N/A	N/A	6,518,248			N/A	N/A	6,518,248
City of Montclair					1,105,870	1,105,870	N/A	N/A	1,105,870			N/A	N/A	1,105,870
City of Ontario					13,789,913	13,789,913	N/A	N/A	13,789,913			N/A	N/A	13,789,913
City of Upland					1,588,996	1,588,996	N/A	N/A	1,588,996			N/A	N/A	1,588,996
<i>Subtotal CCRA Deposits Held by Member Agencies</i>					<u>\$39,962,389</u>	<u>\$39,962,389</u>			<u>\$39,962,389</u>					<u>\$39,962,389</u>
<i>Reported total as of November 2017</i>														
<b>CalPERS Deposits</b>														
OPEB (CERBT) Account					<u>\$11,000,000</u>	<u>\$11,000,000</u>	N/A	N/A	<u>\$12,305,591</u>			N/A	N/A	<u>\$12,305,591</u>
Subtotal CalPERS Deposits					<u>\$11,000,000</u>	<u>\$11,000,000</u>			<u>\$12,305,591</u>					<u>\$12,305,591</u>
As of September 30th, the 1 year net return is 4.30%														
<b>Escrow Deposits</b>														
Kemp Brothers Construction Escrow					<u>\$639,526</u>	<u>\$639,526</u>	N/A	N/A	<u>\$639,526</u>			N/A	N/A	<u>\$639,526</u>
Subtotal Escrow Deposits					<u>\$639,526</u>	<u>\$639,526</u>			<u>\$639,526</u>					<u>\$639,526</u>
<b>Total Restricted Deposits</b>					<u><b>\$54,153,703</b></u>	<u><b>\$54,153,703</b></u>			<u><b>\$55,459,903</b></u>					<u><b>\$55,459,294</b></u>
<b>Total Cash, Investments, and Restricted Deposits as of December 31, 2017</b>					<u><b>\$201,257,673</b></u>	<u><b>\$201,296,210</b></u>			<u><b>\$202,571,986</b></u>					<u><b>\$202,319,870</b></u>



# INLAND EMPIRE UTILITIES AGENCY

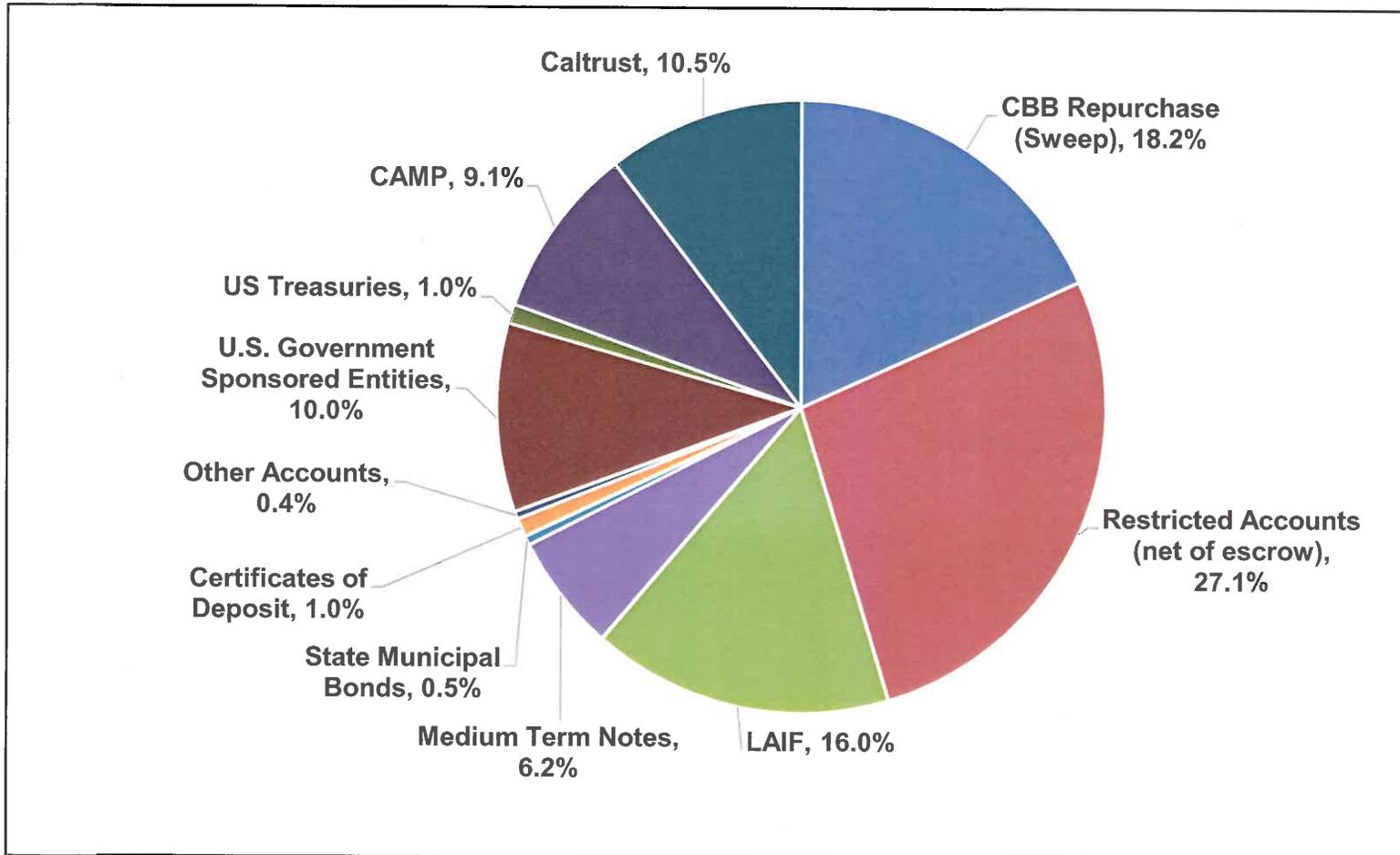
## Cash and Investment Summary

Month Ended  
December 31, 2017

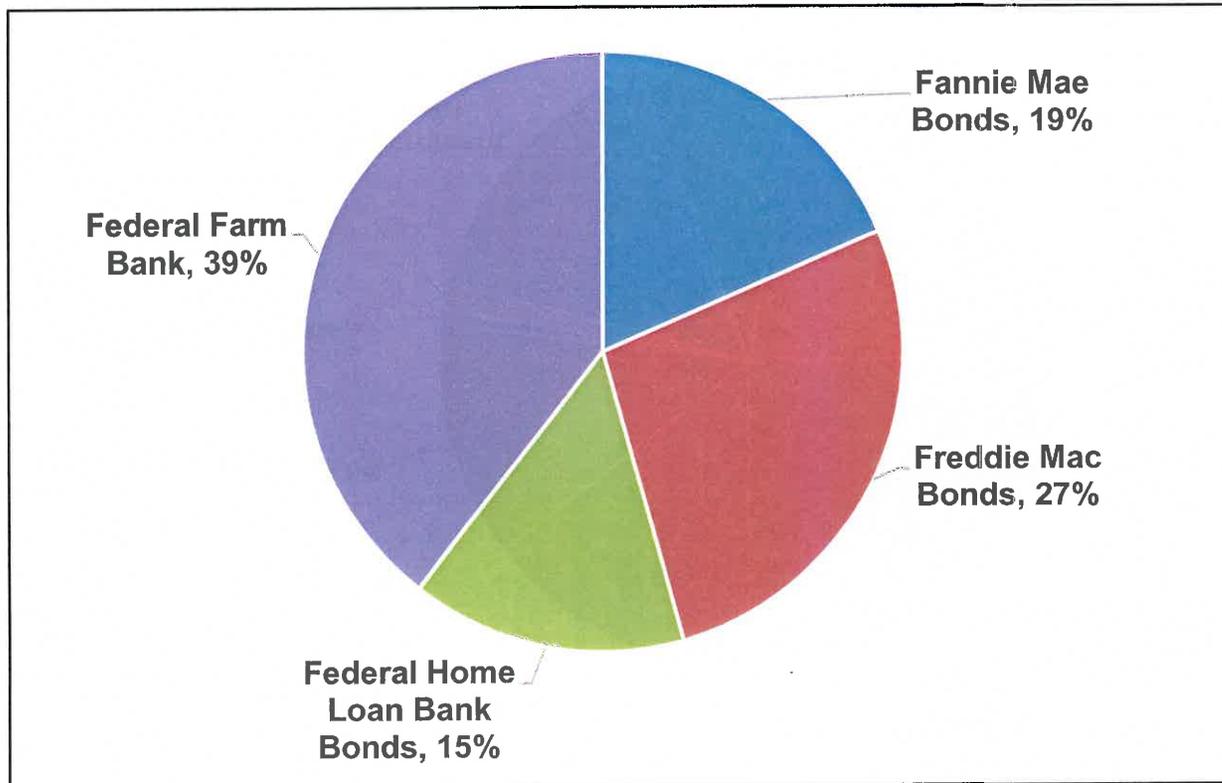
<u>Directed Investment Category</u>	<u>Amount Invested</u>	<u>Yield</u>
CBB Repurchase (Sweep)	\$36,784,350	0.700%
LAIF	32,268,927	1.239%
CalTrust	21,236,878	1.549%
CAMP	18,277,539	1.290%
Brokered Certificates of Deposit	1,925,000	1.600%
Medium Term Notes	12,580,220	1.336%
Municipal Bonds	997,913	1.753%
US Treasury Notes	1,993,700	1.352%
U.S. Government Sponsored Entities	20,236,280	1.335%
<b>Total Investment Portfolio</b>	<b>\$146,300,807</b>	
<b>Investment Portfolio Rate of Return</b>		<b>1.186%</b>
<u>Restricted/Transitory/Other Accounts</u>	<u>Amount Invested</u>	<u>Yield</u>
CCRA Deposits Held by Member Agencies	\$39,962,389	N/A
CalPERS OPEB (CERBT) Account	\$12,305,591	N/A
US Bank - 2008B Debt Service Accounts	\$2,551,633	0.760%
US Bank - 2010A Debt Service Accounts	\$155	0.200%
US Bank - 2017A Debt Service Accounts	\$609	0.200%
US Bank - Pre-Investment Money Market Account	\$154,809	0.770%
Citizens Business Bank - Demand Account	\$588,110	N/A
Citizens Business Bank - Workers' Compensation Account	\$66,107	N/A
Other Accounts*	\$2,250	N/A
Escrow Account	\$639,526	N/A
<b>Total Restricted/Transitory/Other Accounts</b>	<b>\$56,271,179</b>	
<b>Average Yield of Other Accounts</b>		<b>0.761%</b>
<b>Total Agency Directed Deposits</b>	<b>\$202,571,986</b>	

\*Petty Cash

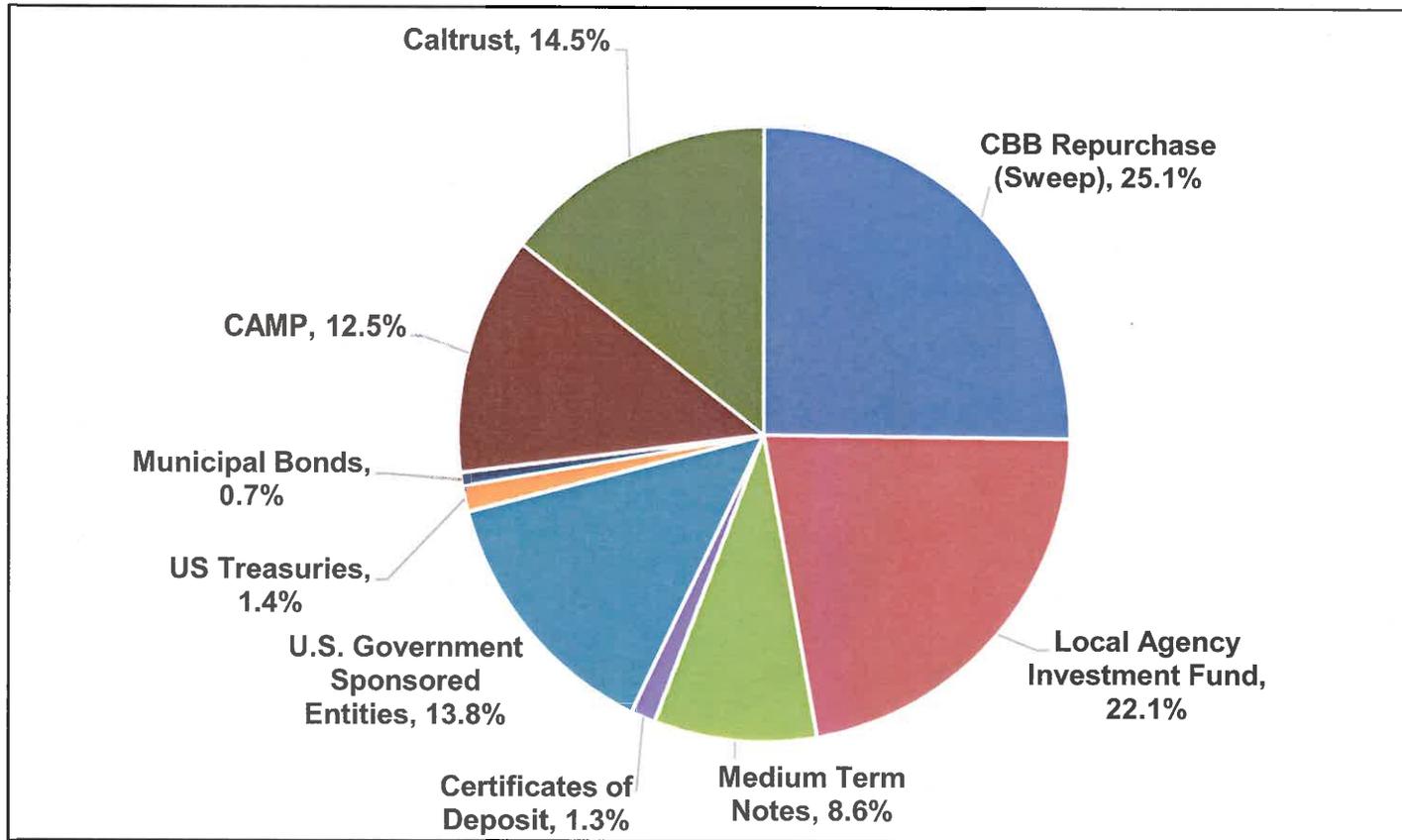
**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
For the Month Ended December 31, 2017  
Agency Investment Portfolio (Net of Escrow Accounts)  
**\$201,932,460**



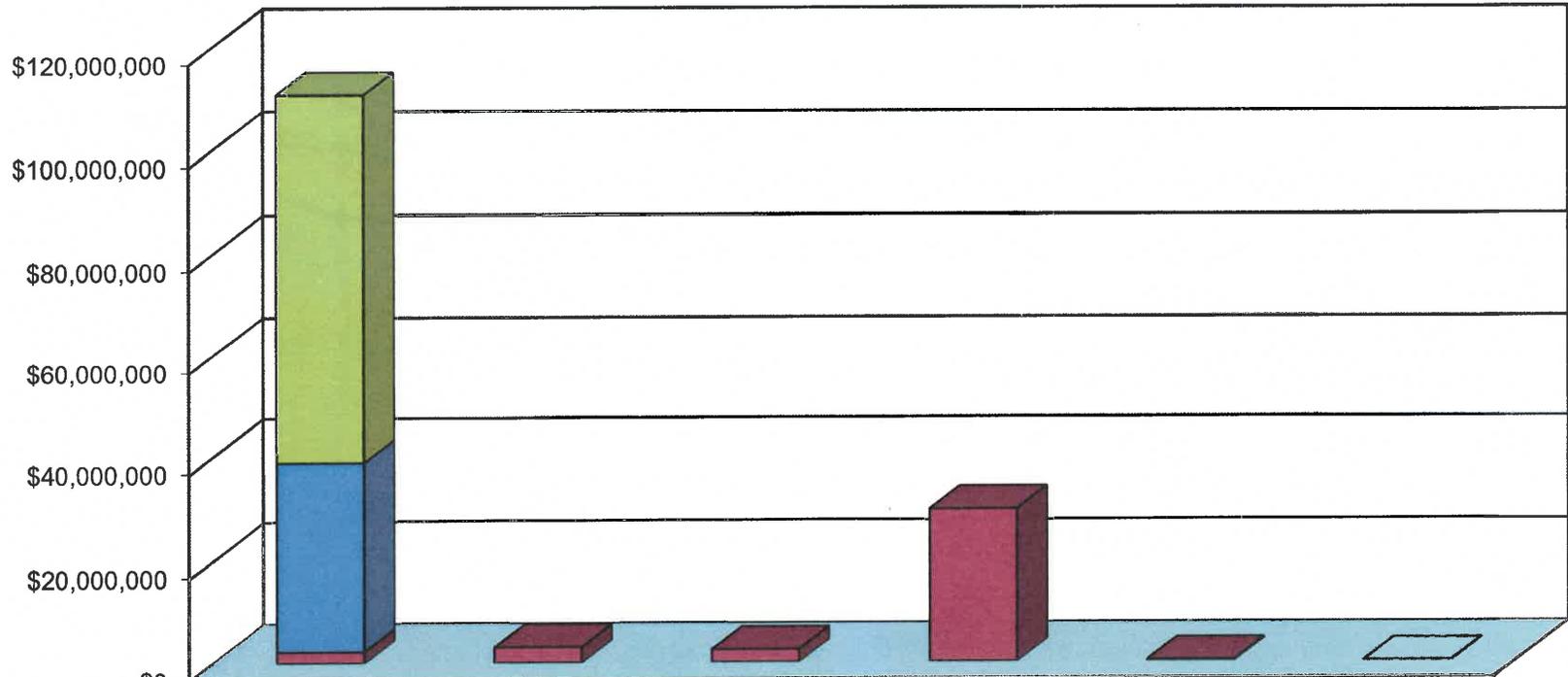
***Inland Empire Utilities Agency***  
**Treasurer's Report of Financial Affairs**  
For the Month Ended December 31, 2017  
U.S. Government Sponsored Entities Portfolio  
**\$20,236,280**



**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
For the Month Ended December 31, 2017  
Unrestricted Agency Investment Portfolio  
**\$146,300,807**

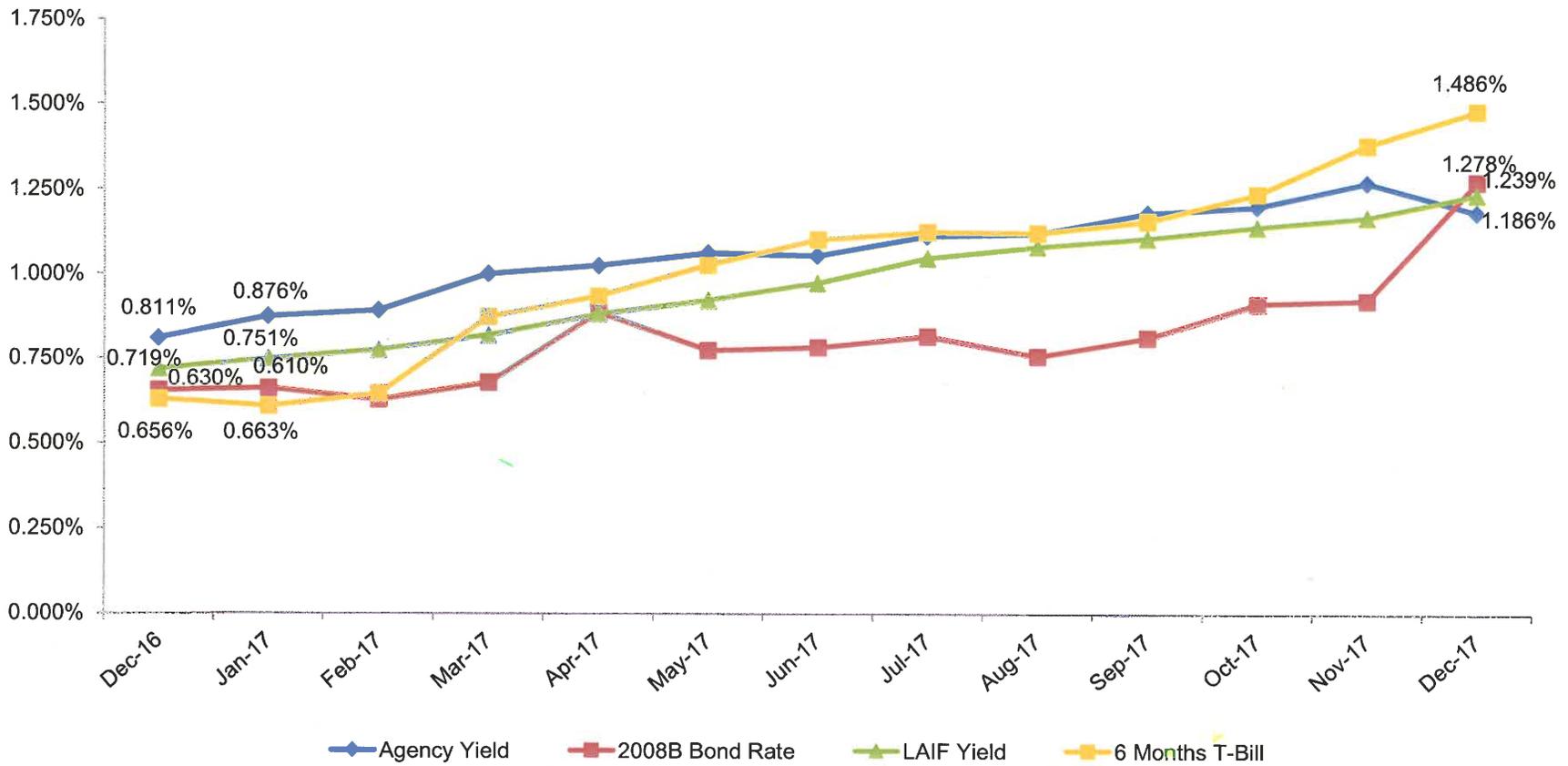


**Inland Empire Utilities Agency**  
**Treasurer's Report of Financial Affairs**  
For the Month Ended December 31, 2017  
**Agency Investment Portfolio Maturity Distribution (Unrestricted)**  
**\$146,300,807**



	0-30 Days	31-180 Days	181-365 Days	366-730 Days	2 to 3 Years	Over 3 Yrs
■ LAIF+CalTrust+CAMP	\$71,783,344					
■ CBB Repurchase (Sweep)	\$36,784,350					
■ GSE+CD+MTN+MUNI	\$2,220,184	\$2,999,870	\$2,488,923	\$29,784,136	\$240,000	
□ Percent	75.6%	2.1%	1.7%	20.4%	0.2%	0.0%

**Inland Empire Utilities Agency  
Treasurer's Report of Financial Affairs  
For the Month Ended December 31, 2017  
Agency Investment Portfolio Yield Comparison**



**INFORMATION  
ITEM**

**5F**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

HR

**Committee:** Finance & Administration

02/14/18

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

**Subject:** Inland Empire Regional Composting Authority (IERCA) Fiscal Year (FY) 2016/17  
Audited Annual Financial Report

---

**Executive Summary:**

The IERCA Annual Financial Report for fiscal year ended June 30, 2017, was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and audited by the Lance, Soll & Lunghard, LLP (LSL), the Agency independent audit firm. Based on their audit and test-work results, LSL found the financial statements present fairly, in all material respects as of June 30, 2017, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). LSL issued an unmodified opinion. The IERCA Annual Financial Report was approved by the IERCA Board on February 5, 2018.

**Financial Highlights:**

Operating Revenues at \$8.5 million were just under 1 percent of \$8.6 million reported in the prior fiscal year. Operating Expenses at \$10.0 million were about 7 percent higher due to an increase in operating materials and supplies and depreciation expense. Net Position decreased by \$1.5 million to \$88.9 million primarily due to depreciation expense.

---

**Staff's Recommendation:**

Review the Inland Empire Regional Composting Authority Annual Financial Report for fiscal year ended June 30, 2017.

---

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

Account/Project Name:

Not Applicable

**Fiscal Impact** (explain if not budgeted):

As of June 30, 2017, the Agency's equity share is \$44,435,019 recorded in the Regional Wastewater Capital Improvement Fund. There was an additional write-down of \$732,495 (50 percent of the Agency's equity share) of the JPA's net position at June 30, 2017.

Full account coding (internal AP purposes only):

- - -  
- - -

Project No.:

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**Prior Board Action:**

No Action

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The IERCA FY 2016/17 Annual Financial Report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing transparent communication of the Fiscal Year activity and the net position of the different programs of the Agency.

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**Attachments:**

Exhibit A - IERCA FY 2016/17 Audited Annual Financial Report along with the IERCA Board letter.

Exhibit B - IERCA Annual Financial Report for FY 2016/17 PowerPoint Presentation

Exhibit C - Key Highlights of Financial Statements to IERCA Board

# Exhibit A

# Annual Financial Report



**Fiscal Year Ending  
June 30, 2017**

Rancho Cucamonga, CA

A regional, cost-effective approach to sustainable organics management

# Annual Financial Report

Fiscal Year Ended  
June 30, 2017

Prepared by  
Inland Empire Utilities Agency  
Finance and Accounting Department

## **INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

12645 Sixth Street  
Rancho Cucamonga, CA 91739

P.O. Box 2470  
Chino Hills, CA 91709

tel 909.993.1500  
fax 909.993.1510  
[www.ierca.org](http://www.ierca.org)

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**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2017**

**TABLE OF CONTENTS**

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# INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY LOCATION

San Bernardino County

Los Angeles County

IEUA Service Area

Upland

Rancho Cucamonga

IERCA

Montclair

Fontana

Ontario

Chino

Chino Hills

Riverside County

Orange County





12645 6<sup>th</sup> Street, Rancho Cucamonga, CA 91739  
PO Box 2470 Chino Hills, CA 91709  
Phone: (909) 993-1500 Fax: (909) 993-1510  
www.ierca.org

*Quality Products for Healthy Soil*

February 05, 2018

To the Chairperson of the Inland Empire Regional Composting Authority Board, Members of the Board, and Joint Powers Authority members of the Inland Empire Regional Composting Authority.

The Annual Financial Report of the Inland Empire Regional Composting Authority (IERCA or the Authority) is hereby submitted for the Fiscal Year ended June 30, 2017. State and local ordinances and statutes require the Authority to annually publish a report of its financial condition and activities, audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Accounting principles generally accepted in the United States of America requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

### ***Management Responsibility for Financial Information***

The Finance and Accounting Department of Inland Empire Utilities Agency (IEUA) prepared this report. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Authority's and IEUA's management. To the best of management's knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority. Disclosures are presented to enable the reader to gain an understanding of the Authority's financial activities.

## **INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY PROFILE**

### **Up to the Present**

The IERCA was formed February 27, 2002 as a Joint Powers Authority (JPA) to divert organic solids from landfill disposal and to recycle organic products generated from within the community. IEUA and Sanitation District No. 2 of Los Angeles County (SDLAC) entered into the JPA to implement the shared goal to develop a sustainable biosolids management project.

The Authority is governed by a six member Board, comprised of two governing board members from each JPA member agency and their respective General Manager. The Executive Manager of Finance & Administration/Assistant General Manager of IEUA serves as the Treasurer of the Authority.

In March 2007, the two joint powers agencies completed construction of the Inland Empire Regional Composting Facility (IERCF). As the nation's largest indoor biosolids composting facility, it consists of 445,275 square feet. The IERCA focuses on producing top quality compost under the guidelines outlined in the US Composting Council's Seal of Testing Assurance (STA) program.

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY PROFILE (continued):**

**Up to the Present (continued):**

Operations at the facility began in April 2007, and reached full capacity in December 2008. At full capacity, the IERCF receives and processes over 200,000 wet tons of biosolids and wood waste from local communities, and produces approximately 230,000 cubic yards (90,000 tons) of high-quality compost each year.



**Succulent flower**

The facility is staffed by twenty-five full-time IEUA employees, and one part time employee from SDLAC. The employees are onsite seven days per week, and conduct all operational activities including production, maintenance, safety and industrial hygiene training, sales and administration.

The IERCA produces compost using the aerated static pile (ASP) composting method by mixing together organic material in large piles instead of in traditional windrows. Aeration occurs as air is pushed or pulled through the ASP. IERCF pulls air directly from the piles and sends the air to a biofilter along with air exchange through the composting building. The biofilter is 50,000 cubic yards of a special blend of wood chips that treats all of the air by removing odors and other regulated compounds before it is exhausted to the atmosphere.

The entire composting process at the IERCF takes approximately 60 days. Active composting lasts approximately 22 days before the pile is moved into curing. The material is stabilized in curing for 30 to 38 days. After curing, the compost is screened and is then ready for distribution and use.

The composted product, which is marketed as SoilPro Premium Compost, has been sold as a soil conditioner which helps improve water retention resulting in better plant growth and water savings. Compost products are also proven to produce direct benefits to soils and crops in both horticulture (lawns and gardens) and agriculture (vegetables, fruits, nuts, and hay crops).

In order to produce recycled products year-round, the IERCA completed the compost storage facility in 2010 to allow compost storage during the winter season.

Additionally, the Authority entered into a Power Purchase Agreement (PPA) with Sunpower, Inc. in 2010 for the installation of 1 megawatt of solar panels on the rooftop of the facility. The solar panel system is currently providing about half of the facility's required electrical power during operating hours.



## **MAJOR INITIATIVES and ACCOMPLISHMENTS**

During the fiscal year ended June 30, 2017, the IERCF staff focused on expanding the compost marketing program and working with farmers to develop sales in the agricultural marketplace. The agricultural market has the potential to purchase and use all of the compost produced at the IERCF. There are approximately 140 customers who purchase SoilPro products for a variety of applications throughout the year.

A tiered pricing system was initiated offering incentives to customers who purchase large volumes of compost in exchange for pricing discounts. The system successfully increased sales. The new tiered compost pricing structure is shown in Table 1.

Table 1:

Tier	Cubic Yards (CYDs)/Month	Premium (Cubic Yard)
1 (will call)	<499	\$5.00
2	500-999	\$4.00
3	≥1,000	\$3.50

### **Major Initiatives for FY 2017/2018**

In May, the facility celebrated 10 years in operation and over 2 million cubic yards of compost sales. The IERCA continues to see positive results from the “Give Back” program and extended it through fiscal year 2017/2018. The program offers SoilPro compost at no charge to cities and municipalities affiliated with IEUA and SDLAC. Staff had zero loss time incidents and perfect environmental compliance, and met all budgeted targets.

Staff will continue to focus on projects to increase the safety and efficiency of the composting facility. These projects include: 1) IERCF trommel screen improvements to replace, or overhaul one of the two screens including an upgrade of the drive and drum system; 2) IERCF transition air duct improvements to modify transition air duct, ensure air is contained and the structure is sound; and 3) ventilation perfections to improve air removal from conveyance sections to have healthy work environment and ensure safe working conditions.



**Scale house with living wall**

***MAJOR INITIATIVES and ACCOMPLISHMENTS (continued):***

***Major Initiatives for FY 2017/2018 (continued):***

◆ ***Trommel Screen Improvement***

- Replace and repair trommel screens including a new drive system, frame overhaul and new drum;
- Make sure the screening system works safely and efficiently.

◆ ***IERCF Transition Air Duct Improvement***

- Modify transition air duct to ensure air is contained and the structure is sound;
- Significant repairs have secured the duct, and keep the facility in a safety working environment.

***Major Accomplishments for FY 2016/2017***

◆ ***IERCF Capital Replacement:***

- Increased energy savings, higher performance, and improved safety;
- Replaced telescopic boomlift;
- Replaced high speed rollup door;
- Improved amendment hopper augers;
- Improved hopper head pulley conveyor;
- Improved air quality



**John Anderson Plaque**

## FINANCIAL INFORMATION

### Internal Controls

The Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatement and that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not outweigh the benefits likely to be derived; and, the valuation of costs and benefits requires estimates and judgments by management.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

### Budgetary Controls

The Authority maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the Authority's Board of Directors. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is set at the category level (i.e., Capital and Operating) within the Authority. The Authority maintains an encumbrance accounting system as an additional method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances are generally re-appropriated as part of the following fiscal year's budget following Board approval.

### Independent Audit

State statutes require an annual audit by independent certified public accountants. The Authority's Board of Directors appointed the firm of Lance, Soll & Lunghard, LLP to perform the annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2017 are free of any material misstatement. As part of the independent audit, reviews on a test basis were made to determine the adequacy of internal controls, and to ensure compliance with applicable laws and regulations related to all financial activities conducted by the Authority. Generally accepted auditing standards, issued by the Controller General of the United States of America, were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report.

The independent audit concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Inland Empire Regional Composting Authority's financial statements for the year ended June 30, 2017 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

## **FINANCIAL INFORMATION (continued):**

### **Cash and Investment Management**

The Authority has a comprehensive cash and investment program subject to California Government Code Sections 53601, 53607, 53635, 53638, 53646, 53652, and 53653. These regulations are incorporated into the Authority's Investment Policy, which identifies the types of investments that are authorized and indicates any restrictions.

Consistent with Government Code Section 53646, the Authority annually adopts an investment policy that requires the IERCA 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 Authority; and (iii) the highest investment return while conforming to all statutes governing the investment of Authority funds within the constraints of the investment policy. By adoption of the policy, it is the intent of the Authority to minimize credit and market risks, while maintaining a competitive yield on its overall portfolio.

The Authority's cash management system is also designed to forecast revenues and expenses accurately, and to invest idle funds to the fullest extent possible. During the Fiscal Year ended June 30, 2017, idle funds were invested in accordance with this policy. These investments consisted primarily of deposits in a pooled investment fund administered by the Los Angeles County Investment Officer.

In order of priority, the Authority's objectives when investing, reinvesting, purchasing, acquiring, selling, enhancing and managing public funds are as follows:

1. **Safety:** *Safety of principal is the foremost objective of the investment program. Investments made by the Authority 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.*

2. **Liquidity:** *The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements that might be reasonably anticipated.*

3. **Return on Investments:** *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 safety and liquidity objectives described above. The core investment 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:*

- A. *A security with declining credit may be sold to minimize loss of principal.*
- B. *A security swap that would improve quality, yield, or target duration in the portfolio.*
- C. *Liquidity needs of the portfolio that require the security to be sold.*

February 05, 2018  
To the Chairperson and Members of  
The Board of The Inland Empire Regional Composting Authority

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**FINANCIAL INFORMATION (continued):**

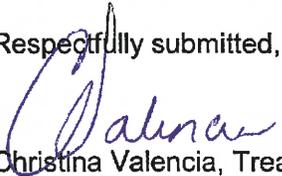
**Cash and Investment Management (continued):**

All cash and investment transactions are conducted in accordance with the Authority's resolutions and Investment Policy. While management recognizes that investment risks may result from issuer defaults, market price changes or various technical complications leading to temporary liquidity, portfolio diversification is employed as a way to minimize these risks.

**Acknowledgements**

We acknowledge the thorough and professional manner in which the external auditors, Lance, Soll & Lunghard, LLP, conducted the audit. Additionally, we would like to acknowledge the staffs from the member agencies of the Authority for their cooperation and contribution in providing the necessary information to complete this report.

Respectfully submitted,



Christina Valencia, Treasurer

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

***Principal Officials***

***June 30, 2017***

**BOARD OF DIRECTORS**

Jon Blickenstaff, *Chairperson*  
Jasmin A. Hall, *Vice-Chairperson*  
Grace Robinson Hyde *Director*  
Margaret Finlay, *Director*  
Paul Hofer, *Director*  
P. Joseph Grindstaff, *Director*

**OFFICERS OF THE AUTHORITY**

Jeffrey Ziegenbein, *Project Manager*  
Ann Heil, *Assistant Project Manager*  
Christina Valencia, *Treasurer*

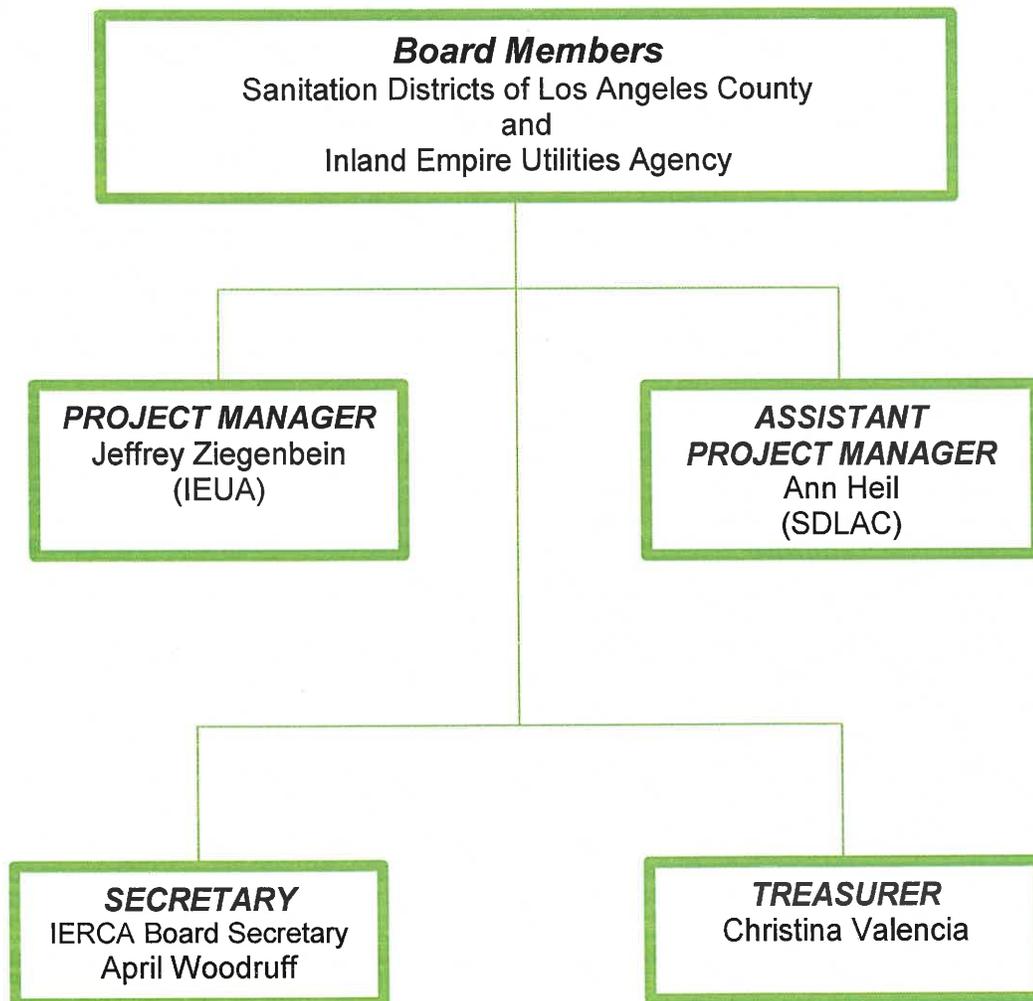
**LEGAL COUNSEL**

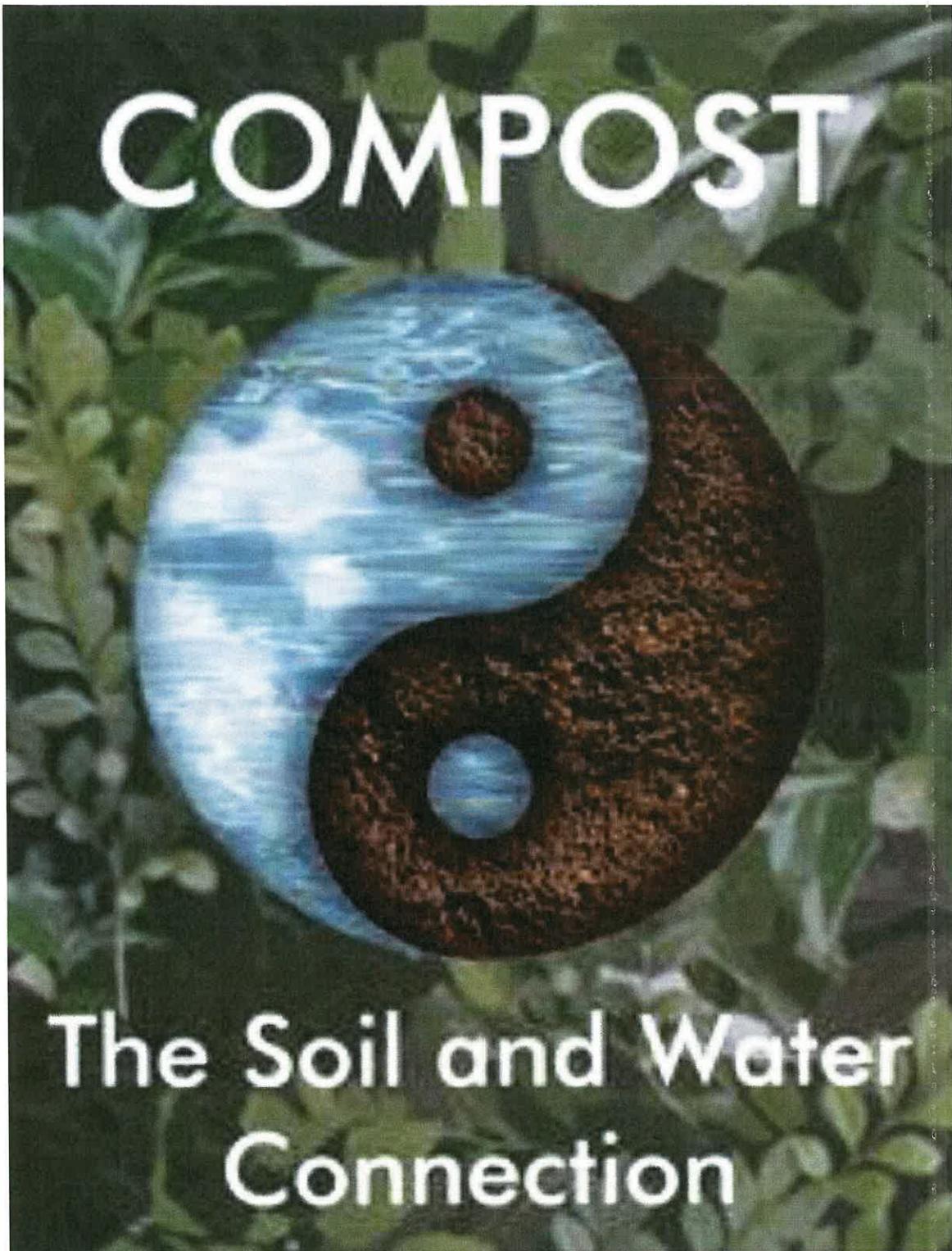
JC Law Firm  
Jean Cihigoyenette, APC  
Chino Hills, California

***Inland Empire Regional Composting Authority***

Organizational Chart

June 30, 2017





Poster artwork by Yessi Budisari of West Indonesia

Winner of the U.S. Composting Council's 2017 International Composting Awareness Week Poster Contest



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Inland Empire Regional Composting Authority  
Rancho Cucamonga, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Inland Empire Regional Composting Authority, (the "Authority") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 State Controller's Minimum Audit Requirements for California Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Inland Empire Regional Composting Authority, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.





CPA'S AND ADVISORS

To the Board of Directors  
Inland Empire Regional Composting Authority  
Rancho Cucamonga, California

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Prior Year Comparative Information*

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2017, from which such partial information was derived.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2018 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt &amp; Loughard, LLP".

Brea, California  
January 8, 2018

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The intent of the management's discussion and analysis is to provide highlights of the Authority's financial activities for the fiscal year ended June 30, 2017. Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

### The Authority's Operations – an Overview

As a Joint Powers Authority, the Inland Empire Regional Composting Authority (IERCA or the Authority) owns a composting facility on approximately 22 acres of land in Rancho Cucamonga. The property is ideally situated in an industrial area adjacent to Regional Water Recycling Plant No. 4 (RP-4), a wastewater recycling treatment plant owned and operated by Inland Empire Utilities Agency (IEUA). The proximity of the facility to RP-4 provides opportunities to improve staffing options and optimize energy usage.

The 445,275-square foot composting facility is a fully enclosed biosolids processing plant that processes approximately 144,000 tons of biosolids and 54,000 tons of wood and green waste into 252,000 cubic yards (98,800 tons) of high quality compost.

The facility utilizes aerated static pile composting technology to process a mixture of biosolids, greenwaste and woodwaste to generate Class 'A' Exceptional Quality compost for use in local agriculture and horticulture markets. All of the facility's emissions are treated with a biofilter to meet air quality requirements. In FY 2016/2017, a total of 198,506 tons of feedstock, equal to 95% of permitted capacity, was received by the facility.

As of June 30, 2017, the IERCF had sold 2.12 million cubic yards of high-quality compost to various customers in Southern California, Arizona, and Nevada and processed nearly 1.9 million tons of recycled materials.



**John Anderson – Acorn tree plague**

For comparison, 2.12 million cubic yards can:

- ☀ Fill the Rose Bowl, in Pasadena, CA to the top 5 times
- ☀ Load 42,400 semi-trucks
- ☀ Increase soil health and water retention for 73,807 football fields

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### **The Authority's Operations – an Overview (continued):**

Throughout the last ten years of operation, the IERCF has operated continuously in full compliance with applicable permits, rules and regulations, and has maintained an excellent safety record. As of June 30, 2017, the IERCF has logged 2,300 days without a lost-time incident exceeding six years.

Projects such as the IERCF Capital Replacement Project and IERCF Receiving Pit and Drainage Project were completed in FY2016/2017. The projects will improve safety and efficiencies in areas such as:

- Repair, replace, improve, and upgrade IERCF and equipment immediately as needed, to keep them in the best condition and give employees a safe work environment.
- Drainage and Pumping System remove water from the receiving pit and fan corridors that increase the compost process, make work more efficient and reduce the damage on equipment to improve safety at work.

### **Ten Years Anniversary Celebration**

The IERCF reached its 10<sup>th</sup> year of operations in April 2017. That also corresponds closely with 2,000,000 cubic yards of compost sold. There was a celebration held on May 4, 2017 at the IERCF to commemorate this anniversary and International Compost Awareness Week.

### **Future Goals**

Over the next year, outreach efforts will expand through increased consulting on IEUA's Garden in Every School program, attending local agriculture shows, and giving tours and talks about the IERCF. IERCF will remain a leader in outreach and education stressing the importance of healthy soils and the vital role compost plays in water conservation and groundwater protection.

The sales team remains committed to promoting the many advantages of SoilPro, including increased water savings, ability to sequester carbon, and the use in correcting unproductive soils through healthy and natural processes. IERCF sales staff continues to monitor market conditions to ensure the best value for our compost products.

### **Basic Financial Statements**

The basic financial statements present a summary of the Authority's financial position as of June 30, 2017. The Authority uses full accrual accounting, which recognizes transactions when they occur, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year end June 30, 2017 reflects the tenth year of operations for the IERCF. Total operating revenues were \$8,522,688, a 1% decrease from prior year, while total operating expenses increased by 7% as compared to the prior year for a total of \$10,038,004, which included \$2,901,696 of depreciation and amortization expense on capitalized assets.

## FINANCIAL HIGHLIGHTS

	FY2016/17	FY2015/16	Increase (Decrease) from FY2015/16	
Current assets	\$5,782,691	\$5,049,771	\$732,920	14.51%
Capital & Intangible assets	84,418,376	86,731,986	(2,313,610)	-2.67%
<b>Total Assets</b>	<b>90,201,067</b>	<b>91,781,757</b>	<b>(1,580,690)</b>	<b>-1.72%</b>
Current liabilities	1,225,648	1,341,349	(115,701)	-8.63%
<b>Total Liabilities</b>	<b>1,225,648</b>	<b>1,341,349</b>	<b>(115,701)</b>	<b>-8.63%</b>
Net investment in capital assets	84,418,376	86,731,986	(2,313,610)	-2.67%
Unrestricted	4,557,043	3,708,422	848,621	22.88%
<b>Total net position</b>	<b>\$88,975,419</b>	<b>\$90,440,408</b>	<b>(\$1,464,989)</b>	<b>-1.62%</b>
Operating revenues	\$8,522,688	\$8,602,959	(80,271)	-0.93%
Operating expenses	(10,038,004)	(9,350,468)	(687,536)	7.35%
<b>Net operating income (loss)</b>	<b>(1,515,316)</b>	<b>(747,509)</b>	<b>(767,807)</b>	<b>102.72%</b>
Other Non-operating revenues	43,757	22,339	21,418	95.88%
Other Non-operating expenses	(3,500)	(144,876)	141,376	-97.58%
<b>Net nonoperating revenues (expenses)</b>	<b>40,257</b>	<b>(122,537)</b>	<b>162,794</b>	<b>-132.85%</b>
Net income (loss) before capital contributions	(1,475,059)	(870,046)	(605,013)	69.54%
Capital Grant	10,070	50,000	(39,930)	0.00%
<b>Total change in net position</b>	<b>(1,464,989)</b>	<b>(820,046)</b>	<b>(644,943)</b>	<b>78.65%</b>
Total net position-beginning	90,440,408	91,260,454	(820,046)	-0.90%
<b>Total net position- ending</b>	<b>\$88,975,419</b>	<b>\$90,440,408</b>	<b>(\$1,464,989)</b>	<b>-1.62%</b>

### Changes in Financial Conditions of the Authority

- The net increase of \$732,920 in current assets includes an increase of \$799,082 in cash and investments due to a decrease in operating costs offset by a decrease of \$67,835 in customer receivables.

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## **FINANCIAL HIGHLIGHTS (continued):**

### **Changes in Financial Conditions of the Authority (continued):**

- The decrease in Capital and Intangible assets of \$2,313,610 is primarily due to an increase of \$2,901,696 in accumulated depreciation and amortization.
- The decrease of \$80,271 in operating revenues is primarily due to the decrease of \$80,634 in Sale of Compost revenue.
- The \$687,536 increase in operating expenses is due to an increase of \$407,873 in materials and supplies, and an increase of \$360,240 in depreciation expense.
- The \$10,700 grant was the solar incentive rebate received from Southern California Edison for the lights improvement throughout the facility.

As of June 30, 2017, contributed capital from SDLAC and IEUA was \$83,364,402 equally split between the partners. Additionally, the JPA partners contributed a total of \$15,116,229 for the original property, which resulted in a total contribution of \$98,480,631. In FY 2016/17, each JPA member was charged \$55 per ton tipping fee for bio-solids deliveries. The total net position at June 30, 2017 was \$88,975,419 compared to \$90,440,408 in FY 2015/16.

### **Capital & Intangible Assets**

At June 30, 2017, the Authority had total capital and intangible assets, net of depreciation and amortization, of \$84,418,376. Jobs in progress of \$461,702 include the cost of all design and construction work, and rehabilitation and replacement (R & R) need to maintain and improve the facility. Please refer to Note #3 to the basic financial statements for additional information regarding capital asset balances.

### **Investment Summary**

The Authority's investment portfolio is administered by the IEUA staff. The investment strategy continues to take a conservative approach consistent with the Authority's approved Investment Policy.

Interest earnings for FY 2016/2017 totaled \$27,786, for an average yield of 0.95%. The Authority's short-term investment fund balance for the fiscal year ended June 30, 2017 was \$4,491,283 comprised of \$1,154,122 in Sweep Investment Fund with Citizens Business Bank and \$3,337,155 in the Los Angeles County Pooled Surplus Investing Fund (LAC PSIF) and \$6 in the Local Agency Investment Agency Fund (LAIF). Please see Note #2 of the basic financial statements for additional information regarding investment balances.

### **Contacting the Authority's Financial Management**

This financial report is prepared to provide the Authority's members, our citizens, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. If you have questions about this report or need additional financial information, please contact the Inland Empire Utilities Agency, Finance and Accounting Department, P.O. Box 9020, Chino Hills, California, 91709.

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY  
BASIC FINANCIAL STATEMENTS  
OVERVIEW**

***Financial Statements***

The following Basic Financial Statements, along with the Supplementary Notes to the Basic Financial Statements, present a summary of the Authority's financial position at June 30, 2017, and the results of operations and the cash flows of its proprietary fund type for the fiscal year then ended.

The Basic Financial Statements consist of:

- 1) Statement of Net Position – the statement denotes the increase/(decrease) of net position of the Authority.
- 2) Statement of Revenues, Expenses and Changes in Net Position – the statement shows all revenue and expense sources recorded for the period, and their effects on the net position of the Authority.
- 3) Statement of Cash Flows – the statement reflects the Authority's financial activities and their effect on cash. It also denotes the cash position of the Authority at the end of the fiscal period.
- 4) Notes to the Basic Financial Statements.

**Inland Empire Regional Composting Authority**  
**Statement of Net Position**  
**June 30, 2017**  
**(With Comparative Total for June 30, 2016)**

	Totals	
	2017	2016
<b>ASSETS</b>		
Current assets		
Cash & Investments (Note 2)	\$5,003,295	\$4,204,213
Accounts receivable	775,903	843,738
Interest receivable	3,493	1,820
Total current assets	<u>5,782,691</u>	<u>5,049,771</u>
Capital assets (Note 3)		
Land	4,285,096	4,285,096
Jobs in progress	461,702	2,078,169
Capital assets, net of accumulated depreciation	78,700,007	79,373,141
Intangible assets, net of accumulated amortization	971,571	995,580
Total capital assets	<u>84,418,376</u>	<u>86,731,986</u>
Total noncurrent assets	<u>84,418,376</u>	<u>86,731,986</u>
Total assets	<u><u>\$90,201,067</u></u>	<u><u>\$91,781,757</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$1,224,476	\$1,340,641
Accrued liabilities other	1,172	708
Total current liabilities	<u>1,225,648</u>	<u>1,341,349</u>
<b>NET POSITION</b>		
Net investment in capital assets	84,418,376	86,731,986
Unrestricted	4,557,043	3,708,422
Total net position	<u><u>\$88,975,419</u></u>	<u><u>\$90,440,408</u></u>

*The accompanying notes are an integral part of the basic financial statements*

**Inland Empire Regional Composting Authority**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2017**  
**(With Comparative Total for June 30, 2016)**

	<u>Totals</u>	
	<u>2017</u>	<u>2016</u>
<b>Operating revenues</b>		
Biosolids Recycling Tipping Fees	\$8,022,805	\$8,051,029
Sale of compost	470,942	551,576
Energy Rebates	<u>28,941</u>	<u>354</u>
Total operating revenues	<u>8,522,688</u>	<u>8,602,959</u>
<b>Operating expenses</b>		
Operations and maintenance	6,333,262	5,925,389
Administration and general	803,046	883,623
Depreciation and amortization	<u>2,901,696</u>	<u>2,541,456</u>
Total operating expenses	<u>10,038,004</u>	<u>9,350,468</u>
Operating income (loss)	<u>(1,515,316)</u>	<u>(747,509)</u>
<b>Nonoperating revenues (expenses)</b>		
Interest income	27,786	14,766
Other nonoperating revenues	15,971	7,573
Other nonoperating expenses	<u>(3,500)</u>	<u>(144,876)</u>
Net nonoperating revenues (expenses)	<u>40,257</u>	<u>(122,537)</u>
Income (loss) before capital contributions	<u>(1,475,059)</u>	<u>(870,046)</u>
Capital contributions:		
Capital Grant	<u>10,070</u>	<u>50,000</u>
Change in net position	(1,464,989)	(820,046)
Total net position - beginning	<u>90,440,408</u>	<u>91,260,454</u>
Total net position - ending	<u><u>\$88,975,419</u></u>	<u><u>\$90,440,408</u></u>

*The accompanying notes are an integral part of the basic financial statements*

**Inland Empire Regional Composting Authority**  
**Statement of Cash Flows**  
**Year Ended June 30, 2017**  
**(With Comparative Totals for June 30, 2016)**

	Totals	
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$8,590,523	\$8,488,888
Cash payments to suppliers for goods and services	(3,602,557)	(3,403,447)
Cash payments for contract labor	(3,649,451)	(3,378,753)
	<u>1,338,515</u>	<u>1,706,688</u>
Net cash provided (used) by operating activities		
<b>Cash flows from noncapital financing activities:</b>		
Contract reimbursement from other (Other Non Op Rev)	15,971	7,573
Cash paid to others (Other Non Op Exp)	(3,500)	(132,368)
	<u>12,471</u>	<u>(124,795)</u>
Net cash provided by (used for) noncapital financing activities		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(588,085)	(807,929)
Capital grants	10,070	50,000
Changes in contractor deposits/retentions	0	(170,811)
	<u>(578,015)</u>	<u>(928,740)</u>
Net cash provided (used) by capital and related financing activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	26,111	16,420
	<u>26,111</u>	<u>16,420</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	799,082	669,573
Cash and cash equivalents - beginning	4,204,213	3,534,640
Cash and cash equivalents - ending	<u>\$5,003,295</u>	<u>\$4,204,213</u>

*The accompanying notes are an integral part of the basic financial statements*

**Inland Empire Regional Composting Authority**  
**Statement of Cash Flows**  
**Year Ended June 30, 2017**  
**(With Comparative Totals for June 30, 2016)**

	Totals	
	2017	2016
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED FOR (USED BY) OPERATING ACTIVITIES</b>		
Operating income (loss)	(\$1,515,316)	(\$747,509)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	2,901,696	2,541,456
(Increase) decrease in operating assets		
Accounts receivable	67,835	(114,071)
Increase (decrease) in operating liabilities		
Accounts payable	(116,165)	26,778
Other accrued liabilities	465	34
Net cash provided (used) by operating activities	<u>\$1,338,515</u>	<u>\$1,706,688</u>
<b>RECONCILIATION OF CASH &amp; CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash	\$512,012	\$563,731
Short-term investments	<u>4,491,283</u>	<u>3,640,482</u>
Total cash, short-term investments and restricted cash	<u>\$5,003,295</u>	<u>\$4,204,213</u>

*The accompanying notes are an integral part of the basic financial statements*

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**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

***Index of Notes to the Basic Financial Statements***

**JUNE 30, 2017**

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## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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### **(1) Reporting Entity and Summary of Significant Accounting Policies:**

#### **Description of the Reporting Entity**

The Inland Empire Regional Composting Authority, a Joint Powers Authority (JPA), was formed in February of 2002. The JPA consists of two partners, Inland Empire Utilities Agency (IEUA), a municipal water district in California, and Sanitation District No. 2 of Los Angeles County (SDLAC), a special district organized and operating pursuant to the County Sanitation District Act, Health and Safety Code Section 4700, et seq. All capital contribution investments related to the JPA are shared equally by both partners. Beginning FY 2009/2010 the Authority implemented a cost of service rate (tipping fees) to support the operational costs. Tipping fees paid by each JPA partner are based on the tonnage of biosolids shipped to the facility for recycling. As defined by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the Authority as the primary government. The Authority has no legally separate component units that require blended or discrete presentation.

Subject to the limitations imposed by the Constitution of California, and pursuant to its charter, all powers of the Authority not defined are vested in a six-member Board of Directors. For the purposes of transacting business of the Board, a quorum shall consist of four of the six members of the Board, provided that there are a minimum of two Board members from each partner. The principal office of the Authority is established by resolution of the Board. The Authority has appointed a Secretary, a Treasurer and a Project Manager. The appointed officers come from the membership of the Authority.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they relate to governmental units. The Authority applies all relevant GASB pronouncements.

#### **Fund Accounting**

The accounts of the Authority are organized on the basis of funds. All transactions are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses, as appropriate, the Authority's accounts for its activities in an "Enterprise Fund". An Enterprise Fund is grouped and presented in the financial statements as a "Proprietary Fund Type".

#### **Proprietary Fund Types**

A Proprietary Fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on the statement of net position. Their reported fund equity (net position) is segregated into capital assets (net of related debt) and restricted and unrestricted net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

## **(1) Reporting Entity and Summary of Significant Accounting Policies (continued):**

### **Proprietary Fund Types (continued):**

#### **Enterprise Funds**

An Enterprise Fund is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

#### **Basis of Accounting**

Basis of accounting refers to the timing when revenues and expenses are recognized in the accounts, and reported in the financial statements, regardless of the measurement focus applied. The Authority prepares its financial statements on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred regardless of when the related cash flows take place.

#### **Use of Estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Operating and Non-Operating Revenues and Expenses**

Operating revenues relate to revenue transactions generated as a direct result of the core business in which the Authority is engaged. These transactions can be repetitive in nature within the normal business cycle. Examples include biosolids recycling, compost delivery services, compost sales and the sale of renewable energy credits. Non-operating revenues are transactions incurred infrequently, during the course of the Authority's business. These types of transaction are generally not directly related to the general business of the Authority, such as 1) interest income; 2) gain on sales of assets; and 3) miscellaneous other revenues.

The Authority classifies expense types based upon the goods and/or services directly related to the operations of the Authority. Typically, operating expenses include such items as operations, maintenance, and administrative costs. In contrast, non-operating expenses are not directly related to the Authority's core operations, such as interest expense and the cost of financial services.

#### **Budgetary Policy and Control**

The Authority's Board approves each year's budget submitted by the Treasurer prior to the beginning of the new fiscal year. The Authority is not required to present budget comparisons; therefore budgetary data is not presented in the accompanying financial statements.

The Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board. All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year lapse at year-end, except for multi-year capital appropriations. Any encumbrance and commitments needed to support ongoing projects or activities are carried forward to the following fiscal year following Board approval.

**(1) Reporting Entity and Summary of Significant Accounting Policies (continued):**

**Cash and Investments**

Investments in short-term highly liquid debt instruments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Investments are carried at fair value.

For financial presentation purposes, cash and cash equivalents are shown within cash and short-term investments.

**Receivables and Payables**

All receivables are shown net of an allowance for uncollectible accounts. The Authority extends credit to customers in the normal course of operations. Management has evaluated the accounts and approved a write-off an allowance of \$3,500 for accounts deemed uncollectible for FY2016/2017. Also in FY2016/2017, the Board approved a write off \$16,300. The ending balance of the allowance for uncollectible accounts, after the write off \$16,300, are \$17,401 for the fiscal year ended of June 30, 2017. When an account is determined to be uncollectible, it is written off against the allowance following Board approval.

**Capital Assets**

Property, plant and equipment are stated at cost. The cost of a capital investment includes purchase, rehabilitation or construction costs, Authority labor for engineering, construction management and administrative activities, as well as ancillary expenses necessary to make productive use of the assets. Current capitalization thresholds are reflected in the following table:

Type of Expenditure	Total Cost	Estimated Life	Increases Estimated Life	Enhances Performance
Office Equipment	≥ \$5,000	> 1 Year	N/A	N/A
Computer Equipment	≥ \$1,000	> 1 Year	N/A	N/A
Other Equipment	≥ \$5,000	> 1 Year	N/A	N/A
Single Year Capital Projects	≥ \$5,000	≥ 3 Years	N/A	N/A
Multi Year Capital Projects	≥ \$15,000	≥ 3 Years	N/A	N/A

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized.

Improvements are capitalized and depreciated, as applicable, over the remaining useful life of the related capital assets. Donated capital assets are recorded at acquisition value.

**(1) Reporting Entity and Summary of Significant Accounting Policies (continued):**

**Capital Assets (continued):**

Depreciation of capital assets has been provided on a straight-line basis. One-half year depreciation is recorded in the year of acquisition and disposal.

Estimated useful lives are:	Ω Furniture, machinery and equipment	5 - 10 years
	🏠 Improvements	15 years
	🏢 Buildings and plants	5 - 50 years
	📄 Intangible Assets	30 - 50 years

**Comparative Data**

The basic financial statements include certain prior years summarized comparative information in total but not at the level of detail required for a presentation in accordance with Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2016 from which the summarized was derived.

**Risk Management**

The Authority is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and, natural disasters. The Authority secures liability, boiler and machinery insurance to protect itself from any risk exposure, relative to its business operations. Since the Authority has no employees and the operations and management of its facility is contracted out to IEUA, worker's compensation insurance is carried by IEUA.

- General and auto liability, public officials and employees' error and omissions: The Authority retains the risk of loss for general liability, and, errors and omissions claims of up to \$1,000,000 per person per occurrence; with an aggregate amount of \$2,000,000, subject to a \$10,000 deductible per occurrence.

In addition to the above, the Authority has the following insurance coverage:

- Property damage has an \$99,292,000 per occurrence coverage limit, subject to a \$100,000 deductible per occurrence.

Settled claims from the risks discussed herein have not exceeded commercial insurance coverage in any of the last three fiscal years ending June 30, 2017, 2016, and 2015. Additionally, there have been no reductions in insurance coverage.



IERCF Event Tent

## **(2) Cash and Investments**

### **Cash Deposits**

The Authority's cash accounts are maintained with financial institutions that provide deposit protection for the account balance through participation in the Federal Deposit Insurance Corporation (FDIC). The California Government Code (CGC§53652 and 53667) requires banks and savings and loan associations to secure local agency deposits by placing appropriate and adequate securities as collateral with an approved trustee.

For deposits in commercial banks, the California Government Code allows the Authority to waive the proceeding requirement for that portion of each deposit insured pursuant to the FDIC regulations; with the remainder of the deposit being secured by collateral (U. S. Government Securities) with a market value of at least ten percent (10%) greater than that remaining amount. The Authority has chosen to enter into these agreements.

In addition, the Authority investment policy requires financial institutions to meet other minimum criteria. Financial institutions must: (a) have been in business for at least three years; have total assets in excess of ten (\$10) billion dollars; and, a core capital/asset ratio of five percent (5%) or better; or, (b) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of six percent (6%) or better. State statutes, and the Authority's investment policy, authorize the Authority to maintain cash deposits in demand accounts, savings accounts, and in certificates of deposit.

The custodial credit for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than as required for the California Government Code for deposits.

The investment in the Repurchase Agreement is uninsured with the collateral for the repurchase agreement held in the name of Citizens Business Bank but not in the name of the Authority.

The bank balance reflects the amount credited by a financial institution to the Authority's account as opposed to the Authority's own ledger balance for the account. The carrying value reflects the ledger balance, which includes checks written by the Authority that have not cleared the bank as of June 30, 2017.

### **Investments**

In FY 2016/2017, the Authority invested in the Los Angeles County Pooled Surplus Investment Fund (LAC PSIF), which is also managed by Los Angeles County Investment Officer. The Authority invests in the Local Agency Investment Fund (LAIF), which is an investment pool managed by the Treasurer of the State of California. The Authority's investments are reported at amortized cost in the balance sheet. The market value of the Authority's investments constitutes one hundred percent (100%) of investments, and equals the net realizable value of the Authority's share of LAIF and LAC PSIF. LAIF and LAC PSIF are authorized by California statutes to enter into investments on behalf of municipalities within California.

State statutes and the Authority's investment policy also allows the Authority to invest (short-term and long-term) in U.S. Treasury Obligations, U.S. agency issues and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Records, negotiable certificate of deposit, LAIF, and medium-term notes.

**(2) Cash and Investments (continued):**

**Cash and Investments**

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows:

	<u>2017</u>	<u>2016</u>
Statement of Net Position:		
Cash & Investments	<u>\$5,003,295</u>	<u>\$4,204,213</u>
<b>Total Cash and Investments</b>	<b><u>\$5,003,295</u></b>	<b><u>\$4,204,213</u></b>

**Investments Authorized by the California Governmental Code and the Authority's Investment Policy**

The table below identifies the investment types that are authorized for the Authority by the Authority's investment policy. The table also identifies certain provisions of the Authority's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
State Treasury Obligations	5 years	10%	None
Local Agency Obligations	5 years	None	None
Commercial Paper	270 days	20%	10%
Negotiable/Placement Certificates of Deposits	5 years	30%	None
Repurchase Agreements	90 days	40%	None
Medium-Term Notes	5 years	10%	None
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund	N/A	\$65M	None
Local Agency Investment Pools	N/A	\$20M/Acct	None
Bank Deposits	N/A	None	None

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

**(2) Cash and Investments (continued):**

**Disclosures Relating to Interest Rate Risk (continued):**

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investment by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (In Months)</u>	
	<u>Fair Value</u>	<u>12 or Less</u>
Los Angeles County Investment Pooled Investment Fund	\$ 3,337,155	\$ 3,337,155
Repurchase Agreement	1,154,122	1,154,122
Local Agency Investment Fund	6	6
<b>Total</b>	<b>\$ 4,491,283</b>	<b>\$ 4,491,283</b>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the Authority's investment policy, and the actual Standard and Poor's rating as of fiscal year ended June 30, 2017 for each investment type:

<u>Investment Type</u>	<u>Value</u>	<u>Minimum</u>	
		<u>Legal Rating</u>	<u>Unrated</u>
Los Angeles County Investment Pooled Investment Fund	\$ 3,337,155	N/A	\$ 3,337,155
Repurchase Agreement	1,154,122	N/A	1,154,122
Local Agency Investment Fund	6	N/A	6
<b>Total</b>	<b>\$ 4,491,283</b>		<b>\$ 4,491,283</b>

**Fair Value Measurement (GASB 72)**

The information below shows the Authority's investments fair value measurements (market approach) as of June 30, 2017. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions.

<u>Investments by Fair Value Level</u>	<u>June 30, 2017</u>	<u>Level 1 <sup>(A)</sup></u>	<u>Level 2 <sup>(B)</sup></u>	<u>Level 3 <sup>(C)</sup></u>
Los Angeles County Investment Pooled Investment Fund	\$ 3,337,155		\$ 3,337,155	
Repurchase Agreement	1,154,122		1,154,122	
Local Agency Investment Fund	6		6	
<b>Total</b>	<b>\$ 4,491,283</b>	<b>\$ -</b>	<b>\$ 4,491,283</b>	<b>\$ -</b>

<sup>(A)</sup> Level 1 - Quoted prices in active markets for identical assets

<sup>(B)</sup> Level 2 - Quoted prices in active markets for significant other observable inputs

<sup>(C)</sup> Level 3 - Quoted prices in active markets for significant unobservable inputs

### **(3) Changes in Capital Assets**

The following is a summary of capital assets, jobs in progress and intangible assets at June 30, 2017:

<b>Capital assets</b>	<b>Balance at 6/30/2016</b>	<b>Additions</b>	<b>Transfers, Sales &amp; Retirements</b>	<b>Balance at 6/30/2017</b>
Capital assets, not being depreciated:				
Land	\$4,285,096	\$0	\$0	\$4,285,096
Jobs in progress	2,078,169	588,085	(2,204,552)	461,702
<b>Total capital assets, not being depreciated</b>	<b>\$6,363,265</b>	<b>\$588,085</b>	<b>(\$2,204,552)</b>	<b>\$4,746,798</b>
Capital assets, being depreciated:				
Facility	10,831,133	0	0	10,831,133
Structures & improvements	70,742,192	601,556	0	71,343,748
Operations equipment	15,621,338	1,602,996	0	17,224,334
<b>Total capital assets, being depreciated</b>	<b>\$97,194,663</b>	<b>\$2,204,552</b>	<b>\$0</b>	<b>\$99,399,215</b>
<b>Less accumulated depreciation for:</b>				
Facility	(1,841,293)	(216,623)	0	(2,057,916)
Structures & improvements	(11,828,648)	(1,439,474)	0	(13,268,122)
Operations equipment	(4,151,582)	(1,221,589)		(5,373,171)
Total accumulated depreciation	(\$17,821,523)	(\$2,877,686)	\$0	(\$20,699,209)
Total capital assets, being depreciated, net	\$79,373,141	(\$673,134)	\$0	\$78,700,007
Intangible assets, being amortized:				
Capacity rights	1,143,472	0	0	1,143,472
<b>Total intangible assets, being amortized</b>	<b>\$1,143,472</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,143,472</b>
<b>Less accumulated amortization for:</b>				
Capacity rights	(147,891)	(24,009)	0	(171,900)
Total accumulated amortization	(\$147,891)	(\$24,009)	\$0	(\$171,900)
Total capital assets, being amortized, net	\$995,580	(\$24,009)	\$0	\$971,571
<b>Total capital assets, net</b>	<b>\$86,731,986</b>	<b>(\$109,058)</b>	<b>(\$2,204,552)</b>	<b>\$84,418,376</b>

In FY 2016/2017, IERCF acquired \$588,085 in assets; accumulated depreciation and amortization increased by \$2,901,695. The ending balance of accumulated depreciation and amortization for all capital assets has been adjusted for rounding to the Statement of Net Position for FY 2016/17.

**(3) Changes in Capital Assets (continued):**

**Jobs in Progress**

At Fiscal Year ended June 30, 2017, the Authority had seven modification and improvement projects and sub-projects in progress.

IERCF Duct Work Phase II	\$	9,066
IERCF Fire Sprinkler Improvements		50,054
IERCF Transition Air Duct Improvements		18,950
IERCF UPS Replacement		2,993
IERCF Capital Replacement		378,160
IERCF S70 Bobcat		480
IERCF Computer Hardware		1,999
<b>Total Jobs in Progress</b>	<b>\$</b>	<b>461,702</b>

**(4) Subsequent Events**

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through February 5, 2018, the date financial statements were available to be issued, and found no subsequent event.



**IERCF Team SoilPro**

**Inland Empire  
Utilities Agency**

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**Sanitation Districts of  
Los Angeles County**

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Whittier, CA 90601

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Whittier, CA 90607

tel 562.699.7411  
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[www.lacsd.org](http://www.lacsd.org)

[www.ierca.org](http://www.ierca.org)

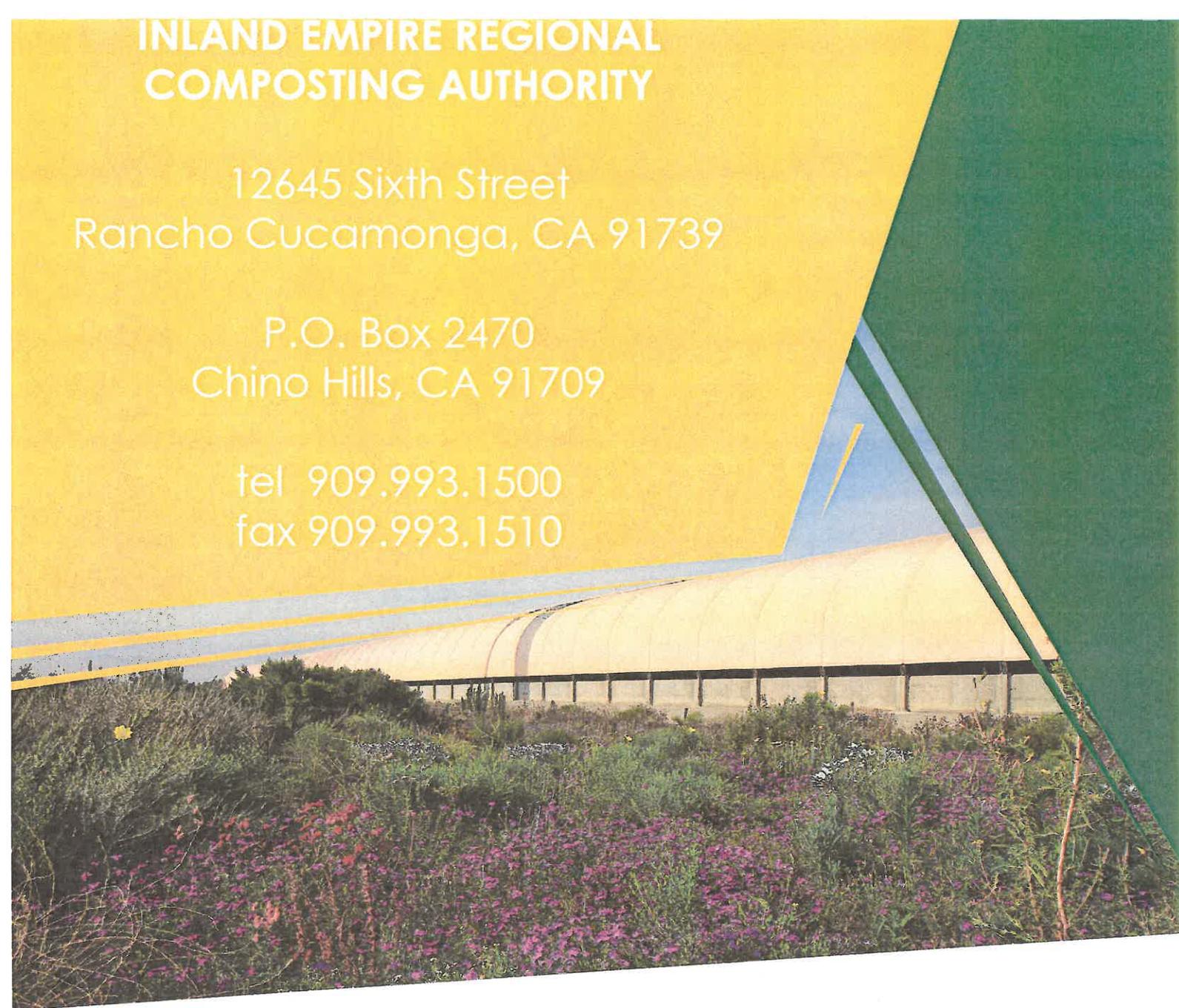


# INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

12645 Sixth Street  
Rancho Cucamonga, CA 91739

P.O. Box 2470  
Chino Hills, CA 91709

tel 909.993.1500  
fax 909.993.1510



[www.ierca.org](http://www.ierca.org)



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**Date:** February 5, 2018

**To:** Honorable Board of Directors

**From:** Christina Valencia  
Treasurer

**Subject:** Annual Financial Report for the Fiscal Year Ended June 30, 2017

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the Inland Empire Regional Composting Authority (IERCA/Authority) Annual Financial Report for the Fiscal Year ended June 30, 2017, as presented; and
2. Direct staff to distribute the report as appropriate, to the various federal, state, and local agencies, financial institutions, and other interested parties.

### **BACKGROUND**

The Authority's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017 was prepared in conformity with generally accepted accounting principles in the United States of America (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). As required by state law, Lance, Soll & Lunghard, LLP (LSL), the Authority's independent audit firm, performed the annual financial audit. LSL issued an unmodified ("clean") opinion over the financial statements for the Fiscal Year ended June 30, 2017, indicating that the financial statements are presented fairly and in accordance with GAAP and free of material misstatements. LSL found no material deficiency in internal controls over financial reporting. A review was also conducted by Internal Audit department of the Inland Empire Utilities Agency Internal. A copy of their report is attached.

#### **FY 2016/17 Financial Highlights**

IERCA continues to operate at full capacity as it reached its tenth year of operations in April 2017. Total revenue in FY 2016/17 reflects a slight decrease from \$8.6 million to \$8.5 million reported in the prior fiscal year. This decrease is primary due to a slight drop in compost sales revenues. Total expenses of \$10 million reported an increase of \$0.5 million compared to last fiscal year. This increase is primarily due to higher operating expenses of \$0.4 million and depreciation of \$0.3 million.

The total ending net position decreased by \$1.5 million to \$89.0 million as of June 30, 2017, of which approximately \$84.4 million has been invested in capital assets. The remaining \$4.6 million is working capital designated to support operating contingencies, self-insurance liability costs, and capital replacement and construction investment. No call was made against the \$1 million capital call budgeted in FY 2016/17.

**PRIOR BOARD ACTION**

The Board approved the budget for FY 2016/17 in February 2017.

**IMPACT ON BUDGET**

There is no impact on the Authority's FY 2017/18 budget.

# Exhibit B



**ANNUAL FINANCIAL REPORT FOR THE  
FISCAL YEAR ENDED JUNE 30, 2017**

**FEBRUARY 5, 2018**



## FY 2016/17 Highlights



- Tipping fee was increased from \$54/ton to \$55
- \$59k decrease in total revenues primarily due to a slight drop in compost sales
- \$546K increase in total expenses primarily due to higher operating material and supplies, and depreciation expense
- Staffing level maintained at 25 full time positions
- No capital call needed to support capital projects



# FY 2016/17 Statement of Revenue, Expense, and Change in Net Position



(\$ Millions)	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2017	Change %
Total Revenue	\$8.6	\$8.6	0.0%
Total Expenses*	(9.5)	(10.0)	5.3%
Net Profit (Loss)	(\$0.9)	(\$1.4)	55.6%
Beginning Net Position, July 1	\$91.3	\$90.4	1.0%
Ending Net Position, June 30	\$90.4	\$89.0	(1.5%)

\*Includes depreciation expense of \$2.9M (2017) and \$2.5M (2016)



# FY 2016/17

## Statement of Net Position

(\$ Millions)	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2017	Change %
<b>Assets</b>			
Current Assets	\$5.0	\$5.8	16.0%
Net Capital & Intangible Assets	86.7	84.4	(2.7%)
Total Assets	\$91.7	\$90.2	(1.6%)
<b>Liabilities</b>			
Current Liabilities	\$1.3	\$1.2	(7.7%)
Total Liabilities	\$1.3	\$1.2	(7.7%)
Invested in Capital Assets	\$86.7	\$84.4	(2.7%)
Unrestricted	3.7	4.6	24.3%
Total Net Position	\$90.4	\$89.0	(1.5%)



## FY 2017/18 Mid-Year Statement of Revenue, Expenses, and Change in Fund Balance



(\$Millions)	FY 2017/18 Amended Budget	FY 2017/18 Actual As of 12/31/17	Projected Mid-Year vs. Budget
Revenue*	\$8.6	\$4.4	51%
Expenses	7.9	3.3	42%
Capital	3.0	0.3	10%
<b>Net Profit (Loss)</b>	<b>(\$2.3)</b>	<b>\$0.8</b>	

\* Excludes budget of \$1 million for capital contribution.



**QUESTIONS?**

# Exhibit C



INFORMATION  
ITEM

**5G**

**Date:** February 21, 2018

**To:** The Honorable Board of Directors

**From:** Halla Razak, General Manager

**Committee:** Community & Legislative Affairs

4472  
02/14/18

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

**Subject:** Public Outreach and Communication

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**Executive Summary:**

This is an informational item that provides highlights of the External Affairs team's monthly outreach, education and communication programs and updates.

A Project W.E.T. and Garden in Every School® Workshop is scheduled for February 27. The workshop is mandatory for those schools interested in applying for the 2018/19 Garden in Every School® program for the installation of a water-wise garden on campus. This workshop also provides participants with the Project W.E.T. curriculum guide and training.

March 22 is recognized as World Water Day.

IEUA will be hosting the "Water is Life" Traveling Student Art Exhibit in the Building A lobby from March 20-March 27.

Staff is continuing to schedule Water Discovery field trips for program year 2017/18. To date, staff has provided field trips and/or scheduled approximately 3,642 students from July 2017 to May 2018.

---

**Staff's Recommendation:**

This is an informational item for the Board of Directors to receive and file.

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**Budget Impact:** N    *Budgeted (Y/N):* N    *Amendment (Y/N):* N    *Requested Amount:*  
*Account/Project Name:*

*Fiscal Impact (explain if not budgeted):*

**Prior Board Action:**

N/A

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

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**Attachments:**

Attachment 1 - Background

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# Background

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Subject: Public Outreach and Communication

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## February

- February 27, Project W.E.T. (Water Education for Teachers) and Garden in Every School® Workshop, IEUA Building B Event Room, 8:00 a.m. – 3:00 p.m.

## March

- March 20 – March 27, MWD’s “Water is Life” Traveling Student Art Exhibit, IEUA Building A Lobby
- March 22, World Water Day

## April

- April 5, Blood Drive, Building B (Blood Mobile), 8:00 a.m. – 1:00 p.m.
- April 18, Earth Day Event – Student Day, Chino Creek Wetlands and Educational Park, 9:00 a.m. – 2:00 p.m.
- April 19, Earth Day Event – Community Day, Chino Creek Wetlands and Educational Park, 4:00 p.m. – 7:00 p.m.
- April 22 – Earth Day

## Media and Outreach

- Staff ran social media posts highlighting the Chino Creek Wetlands and Educational Park for World Wetlands Day (February 2).
- IEUA ran an ad in the *Champion Newspaper*’s Healthy Living section on January 20.
- IEUA ran an ad in the *Champion Newspaper*’s Chino Connection-Spring Edition on February 3.
- IEUA continues to run banner ads with *Fontana Herald News*.
- IEUA ran an ad for the “Water is Life” poster contest and IEUA’s Earth Day event in the Fontana Chamber E-Newsletter.
- January: 14 posts were published to the IEUA Facebook page and 14 tweets were sent on the @IEUAWater Twitter handle.
  - The top three Facebook posts, based on reach and engagement, in the month of January were:
    - 1/4: #ThursdayThoughts
    - 1/11: #ThursdayThoughts
    - 1/21: Chino Creek Wetlands Promo
  - The top three tweets, based on reach and engagement, in the month of January were:
    - 1/19: #fridayfoliage – Rosa Californica
    - 1/25: #ThursdayThoughts
    - 1/4: #ThursdayThoughts

## Education and Outreach Updates

- Staff is continuing to schedule Water Discovery field trips for program year 2017/18. To date, staff has provided field trips and/or scheduled approximately 3,642 students from July 2017 to May 2018.

- Staff celebrated World Wetlands Day (February 2) by having Water Discovery Participants (January 31) take part in a wetlands discussion and participate in a photo shoot holding signage that represented World Wetlands Day.
- Student Earth Day is scheduled for Wednesday, April 18, 2018. Currently staff has 12 schools, approximately 1,200 students, scheduled to attend.
- Solar Cup teams attended their second technical workshop on February 3. The second technical report is due February 15.
- A Project W.E.T. and Garden in Every School® (GIES) Workshop is scheduled for February 27. The workshop is mandatory for those schools interested in applying for the 2018/19 Garden in Every School® program for the installation of a water-wise garden on campus. This workshop also provides participants with the Project W.E.T. curriculum guide and training. Staff currently has four teachers signed up to attend the workshop.
- Staff is working with past GIES recipients (2004-2017) to conduct site inspections and take updated photos for a comprehensive evaluation report.

INFORMATION  
ITEM

**5H**

# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

**To:** Halla Razak and Kathy Besser

**From:** Letitia White, Jean Denton, Shavenor Winters

**Date:** January 30, 2017

**Re:** January Monthly Legislative Update

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### ***Congress Votes to End Shutdown, Sending Spending Bill to President Trump***

Congress voted to end the U.S. government shutdown after three days by passing a temporary spending bill, prolonging the fight over a politically charged immigration proposal for at least another three weeks.

The 266-150 House vote sent the measure to President Donald Trump, who signed it the evening of Monday, January 22. The impasse broke after Senate Democrats accepted a deal from Majority Leader Mitch McConnell( R-KY) that would fund the government through Thursday, February 8. In exchange, Sen. McConnell agreed to address Democratic demands that Congress quickly restore protections against deportation to young undocumented immigrants brought to the U.S. as children, which advocates call "Dreamers."

The agreement paved the way to reopen government Tuesday, January 23. The bill, H.R. 195, sets the clock for a showdown between Republicans and Democrats on immigration, one that could potentially end in another standoff over spending. Senator John Thune (R-SD), the chamber's No. 3 Republican, said it's unlikely Congress will be able to pass a final spending bill in three weeks and will probably need a fifth stopgap measure.

"The Republican majority now has 17 days to prevent the dreamers from being deported," Senate Democratic Leader Chuck Schumer(D-NY) said, underscoring the impending deadline. The Senate passed the measure 81-18.

The impasse exposed the Democrats' limits on how far they were willing to go with the fight, at the risk of looking beholden to one part of their base -- activists pushing to allow the so-called Dreamers to stay in the U.S. legally.

At the same time, the debate exacerbated bitter differences within the Republican Party that may prevent Congress and President Trump from reaching a long-term deal on

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immigration, even though President Trump himself has signaled many times that he's open to one.

What both parties did was effectively punt the issue for three weeks, long enough to get past President Trump's State of the Union address on Tuesday, January 30.

Lawmakers also reached a deal to end the shutdown just as federal agencies were beginning to implement it, and when the true pain of a shutdown would be felt by the public.

House Speaker Paul Ryan (R-WI) underscored the differences as Senate leaders negotiated. He promised House Republicans that they would not be bound by any arrangement reached in the Senate on immigration to reopen the government.

### Obama-Era Program

Democrats, and some Republicans, wanted language protecting people in the Deferred Action for Childhood Arrivals, or DACA, program, as part of the spending bill to ensure it became law. Some Republicans have opposed such a move, calling it amnesty. Trump decided in September to end the Obama-era initiative effective in March, although he said Congress should act to protect them. The U.S. counts 690,000 people currently enrolled in DACA.

The White House refused to negotiate over immigration, one of the Democrats' central issues, while the government remained closed. Trump blamed the Democratic leader for what the White House dubbed "the Schumer Shutdown" while Schumer blamed the president for "the Trump Shutdown."

### Political Heat

The fact that enough Democrats still voted to end the shutdown suggests they were starting to feel the political heat put on by the White House, which had posed the shutdown as a fight between Americans who would lose out from the shutdown, including the military, and immigrants.

Especially for some Democrats running in 2018 in states won by President Trump, that wouldn't be an appealing choice to put before their voters.

Five of the most vulnerable Democrats voted with McConnell against a filibuster on Friday, and while Democrats continued to attack Trump and Republicans over the weekend for, among other things, not accepting much shorter bills to keep the government open, many were privately negotiating for a way out before dawn Monday, when it would begin to bite.

Sen. McConnell did firm up his offer for an immigration debate slightly on Monday by agreeing to bring a bill to the Senate floor with a fair amendment process. Democrats also won one other concession -- the immigration debate won't be contingent on

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President Trump’s blessing, something that moderate Republicans embraced as a breakthrough.

Even so, Sen. McConnell has said all along he wants to act before the Monday, March 5 deadline for the end of DACA, which grants protections for the 690,000 young immigrants. And there’s still no guarantee something acceptable to Democrats will be embraced by the GOP leadership, by the House, or by President Trump by then, all of whom have been negotiating the issue for months.

## GOP Divisions

The standoff also leaves Republicans needing to repair ruptures within their own party. While Republican leaders and the White House were largely united on the shutdown fight itself -- insisting on no negotiations on immigration and training all fire on Schumer for the stalemate -- they remain deeply divided internally on immigration. Senator Lindsey Graham (R-SC) of South Carolina at one point launched a personal attack on White House aide Stephen Miller, President Trump’s top adviser on immigration, saying there could be no compromise while the hard-line Miller is involved.

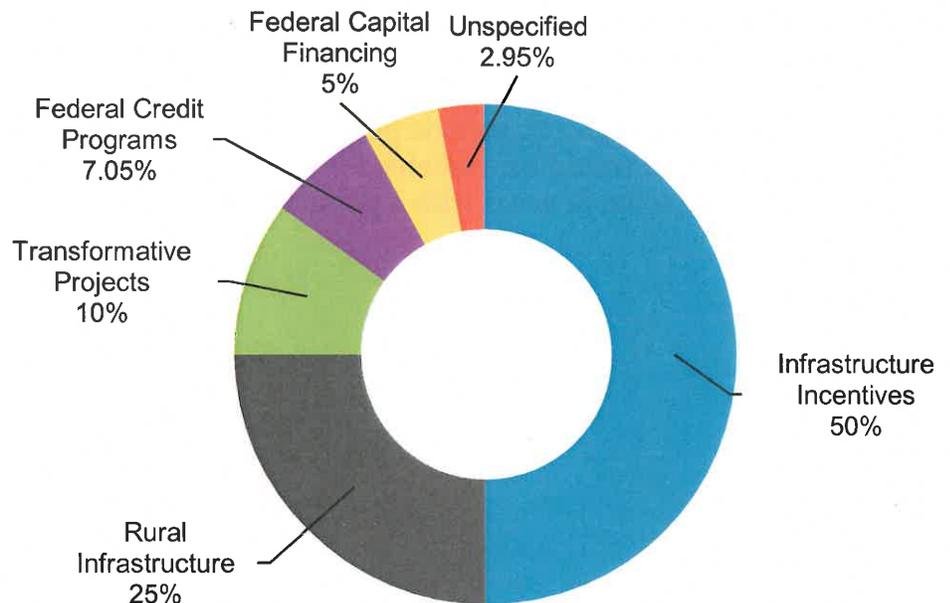
The White House shot back that Graham was the one who’s out of step. Graham noted that Democrats still have plenty of leverage given upcoming fights over budget spending caps and other must-pass items.

## Fifth Continuing Resolution

There’s also the prospect of a fifth continuing resolution to fund the government at fiscal 2017 levels past the Feb. 8 deadline. Despite optimism that they can reach an agreement on spending caps under the Budget Control Act, no lawmakers have said they expect to come up with a final omnibus spending bill by Thursday, February 8.

## ***Leaked Trump Infrastructure Plan***

The federal government would provide limited new matching funds for infrastructure projects under by a draft infrastructure plan on leaked Monday, January 22. The plan also proposes new funding for rural infrastructure, expansion of federal credit programs, and



Allocation of appropriation by program

## *Innovative Federal Strategies LLC*

enhancements to private activity bonds. The White House hasn't confirmed that the draft is official.

The administration has promised to release an infrastructure plan in the coming weeks, with a preview during President Trump's Tuesday, January 30 State of the Union speech.

President Trump has promised to invest \$1 trillion in infrastructure. His fiscal 2018 budget request proposed spending \$200 billion in federal funds over a decade, which would leverage state, local, and private dollars for a total of \$1 trillion. The document doesn't specify a proposed amount or source of funding. Most of the new programs would be subject to appropriation.

It also doesn't address the Highway Trust Fund's long-term insolvency. The fund's outlays for roads and transit exceed the revenue it collects, primarily from the motor fuels tax. It's projected to run out of money in fiscal 2021, after being boosted by a five-year infusion from the general fund in the 2015 FAST Act.

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) said infrastructure will be his top priority for 2018.

### New Appropriations

Almost half of the plan's proposed new appropriation would be for an "infrastructure incentives initiative" that would cover as much as 20 percent of the cost of a wide variety of projects, including hydropower, flood control, and contaminated site cleanup.

The non-federal partner -- which could include a public utility or non-profit in addition to a state or local government -- would be responsible for finding the rest of the funding. The program would prioritize projects with a new, non-federal, long-term funding source.

Another 10 percent would be available for grants -- ranging from 30 percent to 80 percent of eligible costs based on the project stage -- for "transformative" projects, including commercial space, telecommunications, energy, and water in addition to standard infrastructure.

Projects would have to include private or nonprofit investors. A quarter of the appropriation would be available for rural infrastructure, including broadband. Projects would have to be in areas with a population of less than 50,000.

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The plan proposes additional appropriations to expand existing credit programs, and a new account to manage federal infrastructure.

Program name	Description
Infrastructure incentives	<ul style="list-style-type: none"><li>• Grant for as much as 20% of a project cost</li><li>• State and local governments, utilities, nonprofits, public-private partnerships can apply every six months</li></ul>
Transformative projects	<ul style="list-style-type: none"><li>• Competitive funding and technical assistance for “exploratory and ground-breaking” projects. Grants would cover as much as 80% of eligible costs</li><li>• Could be used for telecom, commercial space, energy, water, transportation</li></ul>
Rural infrastructure	<ul style="list-style-type: none"><li>• 80% formula-based block grant, 20% performance grant</li><li>• Given to states for rural transportation, broadband, water, waste, power</li></ul>
Interior maintenance fund	New fund that would use revenue from mineral and energy development for infrastructure on federal lands and waters
Federal real property	Executive order to allow federal government to sell assets
Federal capital financing fund	New revolving fund that federal agencies would use to finance large real property purchases

In addition to new programs that would require appropriations, the plan proposes creating an “interior maintenance fund” that would support public lands infrastructure using revenue from drilling and mineral exploration on federal lands and waters.

It also proposes an executive order that would let the federal government dispose of real property, which would “improve the overall allocation of economic resources in infrastructure investment.”

### Changes to Existing Programs

The plan would provide additional funds for existing lending programs for transportation, railroads, water, and rural utilities, which would remain available until 2028. If the plan’s total appropriation was \$200 billion over a decade, it would boost the lending programs’ capacity by \$15 billion.

It would expand the potential uses of private activity bonds, which are issued by state and local governments to finance projects conducted with a private partner. It would also lift issuance caps and allow the bonds to be used for advanced refunding, in which issuers take advantage of lower interest rates by refinancing an existing bond issue with a new one. A refunding bond is considered “advance” if it is issued more than 90 days before the redemption of the refunded bond. It’s not clear how the change would work in light of the 2017 tax overhaul law, which eliminated advance refunding bonds’ tax advantages.

The document lists additional “principles” for infrastructure, which include a variety of suggested modifications to, or expansions of, existing programs. Legislative or regulatory action would likely be required for many of the changes.

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Program name	Description
Federal credit programs	<ul style="list-style-type: none"><li>• Increase capacity for existing lending programs</li><li>• Expand TIFIA to airports, more types of ports; WIFIA to flood mitigation, navigation, water supply, site cleanup, water systems acquisitions</li></ul>
Private activity bonds	<ul style="list-style-type: none"><li>• Eliminate issuance caps; allow use for advance refunding</li><li>• Expand to more types of infrastructure projects</li></ul>
Transportation financing	<ul style="list-style-type: none"><li>• Allow states to impose tolls on interstates, commercialize rest areas</li><li>• Subsidize short-line and passenger rail improvement financing</li><li>• Expand state infrastructure bank credit assistance</li></ul>
Highways	<ul style="list-style-type: none"><li>• Simplify approval, federal contracting processes</li><li>• Allow utilities to relocate infrastructure before NEPA review completion</li></ul>
Transit	<ul style="list-style-type: none"><li>• Require value capture (e.g. sales tax, special assessment) from beneficiaries of transit projects</li></ul>
Water	<ul style="list-style-type: none"><li>• Expand eligibility for Clean Water State Revolving Fund to private treatment works</li><li>• Authorize non-federal construction and operation of inland waterways</li></ul>
Veterans Affairs	Provide VA with flexibility to sell or exchange facilities
Land revitalization	Replicate brownfield grant/revolving loan fund for Superfund projects

### ***Congress Pushes Broadband Access***

Congress is making a push to get rural internet access projects funded through President Trump's promised \$1.7 trillion infrastructure plan.

Lawmakers representing rural areas have argued that many of their constituents are losing out on economic and educational resources due to a lack of broadband access. And as the president teases an infrastructure plan, members are stepping up their calls for increased funding.

Leaders of the bipartisan House Rural Broadband Caucus raised their concerns about the possibility that the plan might not include any funding for rural internet connectivity.

“Rural communities must have adequate broadband infrastructure to attract and retain businesses and human resources, close the homework gap for students and teachers, open innovative and convenient pathways to telemedicine for seniors and providers, and help farmers increase efficiencies in their barns and on their land,” the House members wrote in a letter.

The increasing importance of internet access has turned it into an infrastructure issue that many see as just as vital as roads and bridges.

In a 2016 progress report, the Federal Communications Commission (FCC) estimated that 34 million people in the U.S., including 23 million rural Americans, still lack access to broadband internet, which the agency defines as having download speeds of 25 megabits per second.

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President Trump has voiced support for addressing the issue in his infrastructure package. He said he will discuss the \$1.7 trillion plan in his State of the Union speech next week, and it could be released as early as this month.

But details are still light. A leaked draft outline of the infrastructure plan, discussed above, showed that broadband access projects were included as part of the 25 percent of dollars set aside for rural infrastructure spending.

Lawmakers are still looking for assurances that internet access will receive direct funding from the White House plan.

Earlier this month, the bipartisan Senate Broadband Caucus, led by Sen. Shelley Moore Capito (R-WV), called on the president to set aside deployment funds.

It would cost \$40 billion to expand internet access to cover 98 percent of Americans, a separate FCC report estimated last year. To deliver broadband to 100 percent of the U.S. population could cost another \$40 billion on top of that, according to the report.

Democrats have already seized on that first \$40 billion as a benchmark.

They argue that the problem can only be tackled with a large appropriation. Last year, House Democrats floated an infrastructure proposal that would have delivered \$40 billion for broadband deployment.

While Republicans seem to agree on the need to expand access, the GOP has not yet revealed a sum they're willing to shell out for network expansion projects, and it's unclear whether the two sides will be able to agree on a figure.

### ***'Smart Wall' Could Be Key to Immigration Compromise***

A proposed technological solution could help resolve the nation's battle over immigration and border security -- although it may also pit construction contractors against the high-tech sector.

At the heart of the debate is one of President Donald Trump's most controversial campaign promises: a wall along the U.S. border with Mexico. The President and his supporters in Congress insist that any budget deal that includes legal protections for the beneficiaries of the Deferred Action for Childhood Arrivals (DACA) program must also include funding for the wall, along with other border security measures. But the president's plan to build a physical wall along the U.S.-Mexico border at taxpayer expense has proven a nonstarter for Democrats.

A solution to the current impasse may rest with a plan to instead build a "smart" wall that relies on drones and sensors, rather than concrete, to reduce drug smuggling, human trafficking, and illegal immigration.

### **A 'Smart' Wall?**

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A smart wall would consist of interlocking optical, radar, seismic, acoustic, and aerial surveillance systems designed to alert mobile border patrol units to intercept unauthorized border crossings. These technologies could be deployed in conjunction with physical barriers in high-traffic zones, or used independently in regions where rough terrain makes wall construction especially challenging and costly.

One proposal, known as the Secure Miles with All Resources and Technology Act, or SMART, was introduced in July by Rep. Will Hurd (R-TX). The SMART Act would authorize \$550 million from fiscal 2018 through 2022 to assist the Department of Homeland Security in deploying a range of border surveillance technologies, including: Vehicle and Dismount Exploitation Radars (VADER).

Three-dimensional seismic acoustic detection and ranging tunneling detection technology.

Man-portable and mobile vehicle-mounted unmanned aerial vehicles.  
Hurd's bill would augment the \$197 million requested by U.S. Customs and Border Protection for surveillance technologies in fiscal 2018.

The SMART Act would also authorize Homeland Security to "deploy the most practical and effective technology available along the United States border for achieving situational awareness and operational control of the border," giving the agency greater flexibility to assess risks and prioritize resources toward the areas of greatest concern.

Proponents claim that a smart wall is preferable, in terms of both cost and effectiveness, to President Trump's plan to build a physical wall. Hurd, relying on an estimate by Anduril Industries, says his plan will cost \$500,000 per mile of border, or about \$1 billion, a fraction of the \$12 billion to \$40 billion President Trump's wall is expected to cost.

Cost considerations aside, some experts warn that much of the \$1.6 billion the Trump administration requested for new wall construction in fiscal 2018 could prove counterproductive if it comes at the expense of technology upgrades and the hiring of new customs agents.

### Political Considerations

Although funding for the wall is not the only concession Republicans may seek in exchange for DACA legal protections, it's certainly the most intractable issue in the current negotiations. Both parties have staked their credibility on the wall issue. For President Trump, building the wall represents a top campaign promise to his

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conservative base, while Democrats appear determined to deny the president the political victory the wall represents.

Nevertheless, a solution to the immigration question may be feasible if both sides are able to compromise on replacing some funding for wall construction with increased investment in border surveillance technologies.

Such a deal would offer both parties the chance to claim victory and climb down from the zero-sum positions they've staked out. President Trump and his Republican allies could take credit for securing some, if not all, funding for wall and strengthening border security measures.

Democrats could claim they defeated President Trump's multibillion-dollar wall proposal and resolved the legal jeopardy faced by so-called "Dreamers."

Although this approach may not please hard-liners on both sides when the latest continuing resolution expires, it may prove acceptable enough with moderates to pass with a majority of House Republicans and swing enough Democratic senators to reach 60 votes.

On Thursday, January 25 the White House presented Congress with such a compromise. The immigration reform plan that would satisfy a key Democratic demand - offering a path to citizenship for 1.8 million undocumented immigrants brought to the U.S. as children-in exchange for dramatic restrictions on immigration going forward and a \$25 billion fund for border security. The framework also eliminates the visa lottery and curbs U.S. migration by extended families, a fundamental change to existing immigration policy. New citizens would be able to sponsor their immediate families - spouses and children - to legally enter the country, but other relatives would be excluded.

### **Supreme Court Speeds Up Timeline on DACA Case**

The U.S. Supreme Court is speeding up the timeline for the lawsuit over the Trump administration's termination of the Deferred Action for Childhood Arrivals program.

The individuals, organizations, and government bodies suing the administration now have until Feb. 2 to file their briefs opposing Supreme Court review. They originally had until Feb. 20.

The expedited schedule allows the court to decide as early as Feb. 16 whether it will hear the case.

The Justice Department Thursday, January 18 asked the justices to determine whether the administration had the authority to end DACA. The next day, the DOJ asked for expedited consideration of the case because of its "imperative public importance" and "urgent need for a prompt resolution."

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The administration originally proposed Jan. 31 as the deadline for a response to its Supreme Court petition, but it agreed to Feb. 2 as long as the later date would still allow time for the justices to consider the case during their Feb. 16 conference.

### Justices Already Involved

The justices already have waded into the lawsuit, issuing an order preventing the lower courts from requiring the Department of Homeland Security to turn over documents related to the decision to end DACA.

The DOJ's request goes beyond the documents, asking the court to decide the merits of the case before a federal district court judge has had the opportunity to do so. Questions include whether it was reasonable for the Homeland Security and Justice departments to believe DACA would be struck down by the courts, as well as whether DACA recipients' due process and equal protection rights were violated when the program was terminated.

In a separate lawsuit over driver's licenses for DACA recipients, the justices asked the Trump administration for its views on the matter before determining whether to take the case. The administration never filed a brief, and the court never heard arguments, many of which related to the legality of DACA.

The case essentially could become moot if Congress is able to reach an agreement on the legal status for the young, undocumented immigrants covered by the DACA program. DACA was terminated in September but a federal judge in California 9 ordered that the DHS resume processing DACA renewals. In addition to petitioning the Supreme Court, the DOJ also has appealed that ruling to the U.S. Court of Appeals for the Ninth Circuit. The DOJ additionally has appealed to the Second Circuit in a separate case also challenging DACA's termination.

### ***Patchwork Water Pollution Rule Takes Effect After Supreme Court Ruling***

Most of the country will be subject to an Obama-era regulation defining the reach of the nation's water pollution law, but the regulation still faces a bevy of legal challenges across the country in a process that promises to be "chaos."

The U.S. Supreme Court unanimously held Jan. 22 that litigation over the 2015 Clean Water Rule will be heard in federal district courts across the nation. That means that the U.S. Court of Appeals for the Sixth Circuit's nationwide hold on the regulation was struck down. However, a 13-state stay issued by the U.S. District Court for the District of North Dakota could be revived, leading to a patchwork of regulations across the country. The Trump administration, which is in the process of replacing the Clean Water Rule, is unlikely to enforce the regulation. However, it has not yet completed plans to push back to 2020 implementation of the rule that defines the waters and wetlands protected by the Clean Water Act and subject to regulatory regimes, including federal permits, oil spill prevention requirements, and state water quality certifications.

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However, the Environmental Protection Agency and the U.S. Army Corps of Engineers—which co-wrote the rule also known as Waters of the U.S.—expected this decision and put a plan in place to level the playing field and ensure certainty for states and the regulated community.

### Additional Challenges Coming

Meanwhile, some industry groups are gearing up to revive the lawsuits in federal district courts that were either stayed or withdrawn and press for more delays in implementing the rule. Others are debating whether to hold off on lawsuits until the Trump administration completes its rewrite, which is not due until June 2019.

### High Court Sides With 30 States

The Supreme Court supported the position taken by 30 states and many industry groups that federal district courts are better suited to reviewing such challenges, which have an impact on local waterways, than an appellate court.

### Issue Remains Relevant

The issue of which court should review the water rule remains relevant, even as the Obama-era water jurisdiction rule is in the process of being rescinded and replaced by the Trump administration. The Supreme Court's decision will determine where the inevitable legal challenges to an expected replacement regulation will be heard.

Challenges will resume in district courts across the country, including the federal district court in Bismarck, N.D., which has blocked the rule from taking effect in North Dakota, Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, Nevada, New Mexico, South Dakota, and Wyoming.

While having a single appellate court hear the challenge would have been more efficient, that wasn't Congress's only consideration when it limited federal appellate courts to hearing reviews of specific EPA actions, Sotomayor wrote.

“Had Congress wanted to prioritize efficiency, it could have authorized direct circuit court review of all nationally applicable regulations, as it did under the Clean Air Act,” Sotomayor wrote.

The court didn't buy the government's argument that it would be more efficient for a federal appeals court to hear litigation over the Obama-era Clean Water Rule or any subsequent rewrite, dismissing the government's broad reading of the Clean Water Act.

### ***Army Corps Nominee Clears Hurdle Toward Confirmation***

On Thursday, January 25 the Senate confirmed by a vote of 89-1 the White House's pick to lead the Army Corps of Engineers, R.D. James.

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R.D. James, the Trump administration's nominee to be assistant secretary of the Army for Civil Works, was approved by the Senate Environment and Public Works committee on an unanimous voice vote. The Army Corps is responsible for issuing Clean Water Act dredge-and-fill permits for activities that can affect wetlands and other water bodies and also oversees many types of infrastructure projects such as ports, locks, and dams. It is also the lead agency in charge of flood control and navigation.

James has been a decades-long member of the Army Corps' Mississippi River Commission. In addition to having jurisdiction over the federal government's flood control projects, James would also have a major role in shaping the administration's waters of the U.S. Rule, which aims to define which bodies of water fall under federal pollution control statutes. His predecessor in the Obama administration was Jo-Ellen Darcy.

### ***Lawmakers Want Earmarks in Spending, Infrastructure Bills***

Lawmakers in both parties are lobbying House Speaker Paul Ryan (R-WI) to allow Congress to resume earmarking project funding, beginning with the annual spending bills that fund the government and this year's infrastructure development plan.

Senior Republicans and Democrats said the earmark moratorium imposed by former House Speaker John Boehner (R-OH) wrongly ceded lawmakers' control of as much as \$15 billion in spending to the executive branch and hamstrung their ability to address needs in their districts. Lawmakers said they want Speaker Ryan to initiate a change in House rules to get rid of the ban, and some said they intend to force a vote on the matter if the leader doesn't act soon.

The calls to reinstate projects are coming primarily from members of the House Appropriations Committee and Transportation and Infrastructure Committee, who want to begin inserting them into the fiscal year 2019 spending bills and infrastructure legislation as soon as this spring.

Rules Chairman Pete Sessions (R-TX) said he doesn't plan to go back to the earmark excesses that led Boehner to impose the ban. But Sessions acknowledged lawmakers' "intense interest" in taking back their authority over spending. Among others, he has called the Texas Department of Transportation to testify Thursday, January 18 on how Congress can better help address states' needs.

### **Hoyer Offers Support**

House Minority Whip Steny Hoyer (D-MD) said the move would be controversial but offered Democrats' support. He said Democrats won't make it a "gotcha issue."

Lawmakers said Ryan so far has avoided taking a firm stance on the matter. He said that he isn't inclined to restore earmarks but also didn't rule them out.

The change Boehner forced was to the rules of the House Republican Conference, lawmakers said. No changes were actually made to the official House rules and they still

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reflect earmark changes Democrats imposed when they controlled the chamber, Hoyer said.

### Bridge to Bipartisanship

Rep. Young, a former chairman and current member of the Transportation Committee who is well known for sponsoring the controversial “Bridge to Nowhere” project in Alaska, said he had the votes to change the conference rules over a year ago when Ryan decided revisiting earmarks wasn't consistent with President Donald Trump's stated goal to “drain the swamp.” However, President Trump himself recently indicated support for projects and said they could build bipartisanship.

Rep. Young said Congress “neutered” itself when it went along with Boehner's plan and now should ignore warnings from the Club for Growth that the move could cost the GOP its majority this fall. He and current Transportation and Infrastructure Chairman Bill Shuster (R-PA) also refuted charges that the projects will run up the deficit.

While Young and Shuster said they want to direct spending for all infrastructure projects, Rep. Tom Rooney (R-FL) said his plan focuses on funds the Army Corps of Engineers controls. Rep. John Culberson (R-TX), an Appropriations “cardinal,” also called for lawmakers to direct money for flood control projects.

Rooney also said he believed he had the votes to force the change last year but agreed to stand down. Now, he said, he's still being told it's not “a good time” to push the matter because Congress is struggling to even pass a continuing resolution to fund the government.

### ***Surface Transportation Threats and Challenges – Senate Hearing***

The Senate Commerce, Science, and Transportation Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security held a hearing to examine current and emerging threats to surface transportation security, including efforts to enhance surface transportation security for passenger and freight railways, mass transit, highways, and ports. Subcommittee Chairwoman Deb Fischer (R-Nebraska) focused her remarks on the need to improve security for America's surface transportation systems, highlighting recent tragedies and attacks that have occurred on railways and in subway stations. Chairwoman Fischer addressed the need to improve America's surface transportation security, since the U.S. Government's focus has primarily stayed on aviation security.

David Pecoske, Administrator of the Transportation Security Administration (TSA), was among the panel of witnesses. In his statement, Mr. Pecoske addressed the need to revive security measures undertaken for America's surface transportation systems. The majority of TSA's focus and budget revolves around aviation security, but Mr. Pecoske stated surface transportation has been primarily a partnership among TSA and surface transportation owners and operators because the owners and operators are primarily responsible for their own security operations. The interconnected, expansive scope of

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the surface transportation system creates a unique security challenge. In his closing remarks, Mr. Pekoske stated "I believe a reinvigorated strategy is an essential foundation for success in our mission, and I have engaged my executive staff to re-examine and re-envision TSA's strategy and to place a much greater emphasis on surface transportation.

### ***What to Watch Next Week: State of Union, 'Dreamers,' Defense***

President Donald Trump travels to Capitol Hill next week to deliver a State of the Union address to a Congress deeply divided over immigration policy and spending priorities.

Republicans want to increase defense spending caps under the Budget Control Act and Democrats are insisting on matching boosts for domestic programs. They're working a short week, with Republicans and Senate Democrats departing Wednesday for annual policy retreats.

President Trump said he plans to announce during his State of the Union address a \$1.7 trillion infrastructure investment. The devil will be in the details: whether, and how much, federal money is involved.

#### Immigration

Watch for a preview of President Trump's latest stance on immigration Monday with the release of a White House legislative framework. The president will support a path to citizenship for as many as 1.8 million undocumented immigrants brought into the U.S. as children, doubling the number of people covered by current protections from deportation.

#### EPA Oversight

Environmental Protection Agency Administrator Scott Pruitt is scheduled to testify before the Senate Environment and Public Works Committee Tuesday. Look for Democrats to grill him about his directive barring scientists who receive EPA funding from serving on its advisory boards. The agency has removed six university researchers from its advisory board and replaced them with advisers more friendly to industry. The Union of Concerned Scientists, a nonprofit advocacy group, filed a lawsuit this week calling the directive "an attempt to delegitimize science."

#### Monument Split

The House Natural Resources Federal Lands Subcommittee plans to hold a Tuesday, January 30, hearing to discuss H.R. 4532, which would establish Bears Ears as the first tribally managed national monument. President Trump trimmed the size of the Utah monument in December and divided it into two units renamed the Shash Jáa National Monument and Indian Creek National Monument. Lawmakers will consider testimony by Rep. John Curtis (R-UT) and Utah Republican Gov. Gary Herbert, as well as local tribal members.

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A coalition of tribes and environmental groups sued the Trump administration in December, calling its decision to shrink and split Bears Ears unconstitutional and unprecedented. The administration is urging the U.S. District Court for the District of Columbia, where the lawsuits were filed, to send them to Utah's district court. The local court or jury could be more sympathetic to President Trump's decision.

**INFORMATION  
ITEM**

**51**



**February 2, 2018**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
Beth Olhasso

**RE:** January Legislative Report

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**Overview:**

Members returned to Sacramento on January 3 to hit the ground running on two-year bills from 2017. All bills introduced in 2017 must be passed out of their house of origin by January 31, while February 16 is the deadline to introduce new bills. There has been a slow trickle of new bills introduced, with a bulk of the bills expected right before the February 16 deadline.

After multiple water districts, including Westlands Water District, Santa Clara Valley Water District and Kern County Water Agency, balked at the price of Governor Brown's proposed California WaterFix project, the administration has begun to develop a scaled down, phased approach.

The Department of Water Resources abruptly announced the replacement of Director Grant Davis. Karla Nemeth, senior advisor for water policy at the Natural Resources Agency, was appointed to take over the role. Nemeth has also served as deputy secretary and Bay-Delta Conservation project manager at the agency.

California Air Resources Board Chair, Mary Nichols was put on the spot by members at a January 4 hearing by the Joint Legislative Committee on Climate Change Policies and the Assembly Natural Resources Committee. She was repeatedly questioned as to the purpose of the state's Cap and Trade Program. She defended the program's statutory goals of meeting long-term emissions targets, not spur conventional air pollution cuts at industrial facilities as some legislators and activists desire.

The February 1 manual snowpack survey revealed disappointing results, showing that the snowpack is only 14 percent of normal. Despite the lack of snow, the State Water Project allocations were raised to 20 percent, thanks to ample storage throughout the SWP system.

As is custom, Governor Brown unveiled his initial budget proposal on January 10<sup>th</sup>. The proposed \$190.3 billion spending plan includes \$9.8 billion in natural resource related spending. Nearly all of the water related expenditures are contingent on the passage of the parks and water bond, also known as Senate Bill 5 (de Leon, 2017). A few days later, he revealed his \$1.25 billion Greenhouse Gas Reduction Fund (GGRF) spending plan. The plan includes \$20 million to CalRecycle for waste diversion.

As is typical with a new session, both legislative leaders made a few changes to the make-up of the committees. More changes are likely to occur after Toni Atkins (D- San Diego) takes over as Pro Tem in March. Below are the new members of key committees.

# Inland Empire Utilities Agency Status Report – January 2018

## ***WaterFix Update***

After multiple water districts, including Westlands Water District, Santa Clara Valley Water District and Kern County Water Agency, balked at the price of Governor Brown's proposed California WaterFix project, the administration has begun to develop a scaled down, phased approach.

The revised project proposes to build one tunnel, presumably for State Water Project contractors, first with the second coming at a later time. The new proposal reduces the number of intakes on the Sacramento River from three to two and would have capacity for 3,000 – 6,000 cubic feet per second (CFS), instead of the previously proposed 9,000 cfs. It is unclear what the price tag for the new project will be. The administration is currently negotiating with the water districts that would benefit from the project and is expected to release a more detailed proposal within the next month.

To date, project proponents have spent millions of dollars on environmental studies and permits for the original WaterFix proposal. Legal experts speculate that the phased nature of the project will allow the administration to continue with ongoing permitting efforts including the water rights permit modification proceedings the State Water Resources Control Board has been conducting for the last year.

However, those proceedings have been delayed for at least two weeks after Save the Delta Alliance and others filed a complaint claiming that water board staff and the Department of Water Resources staff have been illegally engaging in ex parte communications. Tam Doduck and Felicia Marcus will review the claims and make a determination of their validity before resuming Phase 2 of the proceedings, originally scheduled for January 18, but now delayed until February 8.

## ***DWR Replaces Director, Restructures Department***

The Department of Water Resources abruptly announced the replacement of Director Grant Davis. Davis was appointed as Director back in July. Karla Nemeth, senior advisor for water policy at the Natural Resources Agency, was appointed to take over the role. Nemeth has also served as deputy secretary and Bay-Delta Conservation project manager at the agency.

In addition to the shakeup at the department's top post, DWR announced a restructuring of existing executive positions including replacing the Deputy Director for Integrated Water Management position with a Deputy Director for Flood Management and Dam Safety and a Deputy Director for Integrated Water Management and Multi-Benefit Programs. Eric Koch will serve in the first role, overseeing the Division of Flood Management and the Division of Safety of Dams. The second position, yet to be filled, will oversee programs that achieve multiple benefits in the areas of flood control, surface water, groundwater and ecosystem health. Lastly, oversight of the recently established Executive Sustainable Groundwater Management Program is being combined with the existing responsibilities of the Deputy Director for Special Initiatives, Taryn Ravazzini.

The restructuring was announced only a few hours after the Joint Assembly Accountability and Administrative Review and Assembly Water, Parks and Wildlife informational committee hearing updating the legislators on Oroville Dam and ongoing dam safety efforts. Davis was absent at the hearing, “due to an emergency.” A report was also released in early January, describing a number of DWR deficiencies that lead to the Oroville Dam catastrophe including design flaws and insufficient maintenance.

### ***ARB Backs Post 2020 Cap and Trade Program Amid Lawmaker Concerns***

At a January 4 hearing by the Joint Legislative Committee on Climate Change Policies and the Assembly Natural Resources Committee, CARB chair, Mary Nichols defended the purpose of the state’s Cap and trade Program. She noted that the program is designed to meet long-term emissions targets, not spur conventional air pollution cuts at industrial facilities as some legislators and activists desire. She noted that the importance of addressing criteria pollutants but repeatedly stated the Cap and Trade program is not the place to do so.

Chair Nichols highlighted the new responsibilities given to CARB in AB 617 (2017, C. Garcia) to oversee the implementation of air monitoring and mitigation programs to lower criteria pollutants in disadvantaged communities, as a major step forward in achieving the goals outlined by the environmental justice community.

### ***February 1 Sierra Snowpack Survey and SWP Allocation***

Despite improved January precipitation in the Sierra Nevada after a dismal December, the February 1 manual snow survey found little snowpack. The measurements taken revealed just 2.6 inches of snow water equivalent, or just 14 percent of the February average. Electronic measurements taken throughout the Sierras revealed a 27 percent average statewide.

Despite disappointing precipitation, the State Water Project (SWP) allocation was raised from 15 percent to 20 percent thanks to abundant storage throughout the SWP system.

### ***Budget Update***

As is custom, Governor Brown unveiled his initial budget proposal on January 10<sup>th</sup>. The proposed \$190.3 billion spending plan includes \$9.8 billion in natural resource related spending. Nearly all of the water related expenditures are contingent on the voter approval of the parks and water bond, also known as Senate Bill 5 (de Leon, 2017).

Highlights include:

- \$4.7 million to set up a safe drinking water fund consistent with the framework of SB 623 (Monning) to provide clean drinking water in some disadvantaged communities;
- \$63 million in bond funding for capital costs for safe drinking water projects in disadvantaged communities;
- \$61.8 million to assist groundwater sustainability agencies operating under the Sustainable Groundwater Management Act (SGMA);
- \$84 million for the State Water Board to support regional groundwater treatment and remediation activities that prevent or reduce contamination of groundwater that is a source of drinking water; and

- \$98.5 million for flood control projects that achieve public safety, along with fish and wildlife improvements.

Also included in the budget is a provision for “Safe Drinking Water Solutions.” A proposal was outlined, expected to be detailed in a budget trailer bill, consistent with the policy framework of SB 623 to establish a program that provides grants, loans, and administrator contracts or services to assist eligible communities and households in securing access to safe and affordable drinking water. The budget proposed \$4.7 million in 2018-19 for the State Water Resources Control Board and California Department of Food and Agriculture to take initial steps toward implementation of this new program. The steps include: developing and implementing fee collection systems; conducting an assessment to estimate the level of funding needed to assist water systems in the state to ensure the delivery of safe and affordable drinking water; and developing and making available a map of high-risk aquifers used as drinking water sources. ACWA and other water interests remain deeply opposed to SB 623 and the establishment of a retail drinking water fee.

#### *Greenhouse Gas Reduction Fund (GGRF)*

There was no proposal to spend the \$1.25 billion in Greenhouse Gas Reduction Funds (accumulated as a result of the cap and trade allowance auctions) in the January 10 budget. The Governor outlined his proposal for the expenditure of the funds in his January 25 State of the State Address and a full proposal was released a few days later.

The proposal is focused on four initiatives to solidify the path to deeper GHG emission reductions, and reinforced the Governor’s final-year focus on climate change priorities.

- **Zero-Emission Vehicles (ZEVs):** The Administration is proposing a new eight-year initiative to accelerate sales of zero-emission vehicles through vehicle rebates and infrastructure investments to reach a goal of five million ZEVs by 2025 and 1.5 million by 2030. The funding plan will provide \$2.5 billion over eight years.
- **Sequestration and Resilience Initiative:** The Administration is proposing a series of actions to increase carbon sequestration and storage and improve resilience:
  - Adoption of targets for reduction of GHG emissions from natural and working lands.
  - Convene an expert group to identify how to protect, restore and maintain California’s native plants and biodiversity to protect habitat and contribute to the state’s climate goals.
  - Develop a Forest Carbon plan, which will serve as a roadmap to firmly establish California’s forests as a more resilient and reliable long-term carbon sink. Convene a task force composed of scientists and knowledgeable forest practitioners to thoroughly review the way the state’s forests are managed and suggest ways to further reduce the threat of devastating fires.
- **California Integrated Climate Investment Program:** \$20 million to the California Infrastructure and Economic Development Bank (IBank) to provide seed funding to accelerate private sector investment in California infrastructure projects that reduce GHG emission and improve climate resilience.
- **California Climate Change Technology and Solutions Initiative:** Will help to bridge the gap to new technologies, modeling and analysis, leading to deeper GHG emissions

reductions and greater resilience statewide. The proposal will support these priorities by funding activities to:

- Advance the deployment of transformative technologies to reduce GHG emissions.
- Prepare for a changing climate.
- Integrate the social and equity dimensions of climate change policies.
- Support the development of advanced climate data partnerships and initiatives.

In addition to the above four highlighted categories, the following is the initial GGRF expenditure proposal from the Governor:

**2018-19 Cap and Trade Expenditure Plan**  
(Dollars in Millions)

Investment Category	Department	Program	Amount
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$250
		Technical Assistance to Community Groups	\$5
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$175
		Clean Trucks, Buses, & Off-Road Freight Equipment	\$180
		Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$100
	Energy Commission	Low Carbon Fuel Production	\$25
Climate Smart Agriculture	Air Resources Board	Agricultural Diesel Engine Replacement & Upgrades	\$102
	Energy Commission	Energy Efficiency	\$34
	Department of Food and Agriculture	Healthy Soils	\$5
	Energy Commission	Renewable Energy	\$4
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$180
	CalOES	Local Fire Response	\$25
Short-Lived Climate Pollutants	Department of Food and Agriculture	Methane Reduction	\$99
	CalRecycle	Waste Diversion	\$20
Integrated Climate Action: Mitigation & Resilience	Strategic Growth Council	Transformative Climate Communities	\$25
	IBank	California Integrated Climate Investment Program	\$20
	California Conservation Corps	Energy Corps	\$6
Climate and Clean Energy Research	Strategic Growth Council	California Climate Change Technology and Solutions Initiative	\$35
<b>Total</b>			<b>\$1,250</b>

The Waste Diversion allocation to CalRecycle is to “provide financial incentives for infrastructure facilities that divert waste from landfills, which will reduce methane emissions. Projects include composting, anaerobic digestion, and fiber, plastic, and glass recycling facilities.”

Senate and Assembly budget committees will begin review of the Governor’s budget and developing their own proposals in the coming months. In response, the Governor will issue a revised budget in May, known as the “May Revise.” Legislators will then have only a few weeks to put together a final proposal that both houses and the Governor are agreeable to before the June 15<sup>th</sup> constitutional deadline.

**Committee Changes**

As is typical with a new session, both legislative leaders made a few changes to the make-up of the committees. More changes are likely to occur after Toni Atkins (D- San Diego) takes over as Senate Pro Tem in March. Below are the makeups of key committees.

SENATE ENERGY, UTILITIES & COMMUNICATIONS: (No changes)

Hueso- D (Chair)	Hill-D	Vidak-R
Morrell-R (Vice Chair)	McGuire-D	Weiner-D
Bradford-D	Skinner-D	
Hertzberg-D	Stern-D	

SENATE NATURAL RESOURCES AND WATER

Hertzberg-D (Chair)	<del>Atkins-D</del>	<i>McGuire-D</i>	Vidak-R
Stone-R (Vice Chair)	Hueso-D	Monning-D	
Allen-D	Jackson-D	Stern-D	

ASSEMBLY UTILITIES & ENERGY

Holden-D (Chair)	Chen-R	Fong-D	Quirk-D	E. Garcia-D
<del>Patterson-R (Vice Chair)</del>	<i>Cunningham-R</i>	C. Garcia-D	Reyes-D	
Chavez-R ( <i>Vice Chair</i> )	<del>Dahle-R</del>	<i>Mayes-R</i>	Santiago-D	
Burke-D	Eggman-D	Muratsuchi-D	Ting-D	

ASSEMBLY WATER, PARKS & WILDLIFE

E. Garcia-D (Chair)	Choi-R	Kalra-D	Rubio-D
Gallagher-R (Vice Chair)	Chu-D	Harper-R	Salas-D
Bigelow-R	Friedman-D	Levine-D	<del>Thurmond-D</del>
<i>Carillo-D</i>	Gloria-D	Mathis-R	Wood-D

### *Legislative Update*

Members returned to Sacramento on January 3 to hit the ground running on two-year bills from 2017. All bills introduced in 2017 must be passed out of their house of origin by January 31. February 16 is the deadline to introduce new bills. There has been a slow trickle of new bills introduced, with a bulk of the bills expected right before the February 16 deadline.

As members work in finalizing their 2018 legislation, long-term water use efficiency and funding clean drinking water for all Californians will be hot discussion topics. The proponents of SB 606 (Skinner) and AB 1668 (Friedman) related to water use efficiency, have been meeting during the break and are finalizing language with stakeholders, the authors and other interested legislators, and the Brown Administration. It is expected the water use efficiency package of bills will be taken up for a vote early in the session.

The conversation around SB 623 (Monning) continues, especially after the provisions included in the budget, discussed above. Stakeholder discussions continue, but with much less movement or agreement than the water use efficiency process. The timeline on the next set of amendments is unclear, and opposition from a significant number of urban water agencies and ACWA remains very strong. The Brown Administration released a budget trailer bill with their proposal for implementing a Safe Drinking Water Fee. The language is consistent with SB 623. With a 2/3 vote required for whichever vehicle ends up as the main safe drinking water fee vehicle, and a number of Democratic vacancies, it is unlikely the bill will move anytime soon.

On the energy side focus will remain on a proposal for 100 percent clean energy and the creation of a western-region electrical grid. The Governor will be working to cement his legacy in his final year of office, including getting the final details and permits in place for the California WaterFix. The Governor's State of the State, scheduled for January 25, will help shed some light on his high priority issues in his final year in office.

**INFORMATION  
ITEM**

**5J**



CALIFORNIA STRATEGIES, LLC

Date: January 31, 2018  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: January Activity Report

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1. This month Senator Brulte and John Withers held their monthly meeting on January 9th with General Manager Halla Razak and the senior staff of the agency. John Withers participated by phone due to the flu.
2. Water Bank
  - The fact sheet is currently in the process of being approved.
  - Talking points are being prepared for the Board.
  - We are awaiting a date for the Water Commission staff to meet to discuss our project proposal.
  - In addition to talking points and a fact sheet, the General Manager has suggested a video be prepared to better explain our project proposal.
3. Central Basin Proposal
  - We discussed the Central Basin Proposal including the legislators that MET might approach to carry the bill.
  - We discussed the January 25<sup>th</sup> deadline for language regarding the bill.
4. The meeting ended earlier than normal due to other meetings the senior staff had to attend.

**INFORMATION  
ITEM**

**5K**

*Federal Legislation of Significance*

Bill Number	Sponsor	Title and/or Summary	Summary/Status
H.R. 1370	Rep. Michael McCaul (R-TX)	Vehicle for the Short-Term Continuing Resolution	<p>The continuing resolution(CR) to fund the government through Friday, January 19, passed the House 231-188 and the Senate 66-32 on Thursday, December 21. The CR maintains current levels of spending through Jan. 19 and provide \$4.5 billion in emergency funding for missile defense work as well as other Pentagon expenses</p> <p>President Trump signed the legislation into law on Friday, December 22, 2017.</p>
H.R. 4667	Rep. Rodney Frelinghuysen (R-NJ)	Making further supplemental appropriations	<p>Making further supplemental appropriations for the fiscal year ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and calendar year 2017 wildfires, and for other purposes.</p> <p>The House passed the legislation by a vote of 251 to 169. The Senate did not take up the legislation and will revisit the issue in January 2018. The Senate read the second time and the legislation was placed on Senate Legislative Calendar under General Orders on January 4, 2018.</p>
S.1	Sen. Mike Enzi	Tax Cuts and Jobs Act	<p>This bill provides for the reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018. Tax rates would be reduced, dozens of breaks would be eliminated, and the individual mandate from the Affordable Care Act would be eliminated. The corporate income tax rate would be set at 20 percent.</p> <p>S.1 was introduced by the Senate Budget Committee on Tuesday, November 28.</p>
	Sen. Thad Cochran (R-MS)	Fiscal 2018 Appropriations Act	<p>On November 21, 2017, the Senate Appropriations Committee released funding bills for Defense, Homeland Security, Financial Services and the Interior for fiscal year 2018. We expect the Senate to go straight to conference on these bills.</p> <p>The remaining eight FY18 bills were approved by the committee prior to November.</p>
H.R.1	Rep. Kevin Brady (R-TX)	An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.	<p>This bill amends the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. Tax rates would be reduced, dozens of breaks would be eliminated, and the individual mandate from the Affordable Care Act would be eliminated. The corporate income tax rate would be set at 20 percent.</p> <p>H.R.1 was introduced on Thursday, November 2 by the Committee on Ways and Means. The House voted 227-205 and passed the bill on Thursday, November 16. On December 2, the Senate passed an amendment by the Yeas and Nays: 227-207. On December 19, the conference report was agreed in the House with a vote of 227-203.</p>

			<p>The House agreed to the Senate amendment on December 20 with a vote of 224-201. The legislation became Public Law No: 115-97 on December 22, 2017.</p>
H. Con. Res. 71	Rep. Diane Black (R-TN)	<p>Establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027</p>	<p>Legislation that would change the tax code and increase the deficit by as much as \$1.5 trillion over a decade could be passed with simple majorities in both chambers under the Senate amendment to H. Con. Res. 71.</p> <p>The House agreed to the Senate Amendment and voted 216-212 to resolve. The proposed fiscal 2018 budget resolution would direct the tax-writing panels -- House Ways and Means and Senate Finance -- to produce reconciliation legislation by Monday, November 13, 2017.</p> <p>The plan calls for spending \$3.13 trillion in fiscal 2018, while bringing in \$2.49 trillion in revenue, for a deficit of \$641 billion. Those figures don't include "off-budget" items such as Social Security, which would bring total spending to \$3.99 billion in fiscal 2018. It would seek about \$5.1 trillion in spending reductions over the next decade and \$1.6 trillion in tax cuts.</p> <p>The House adopted its version of H. Con. Res. 71 by a vote of 219-206 on Thursday, October 5. The Senate adopted an amended version by a vote of 51-49 on Thursday, October 19. And, the House passed the Senate amended bill on Thursday, October 26 by a vote of 216-212. It now goes to the White House for the President's expected signature.</p>
H.R. 2266	Rep. John Conyers	<p>Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017</p>	<p>Hurricane and wildfire relief efforts would receive an additional tranche of emergency supplemental funding under a House amendment to the Senate amendment to H.R. 2266.</p> <p>The \$36.5 billion aid package would: Appropriate \$18.7 billion for the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund (DRF). As much as \$4.9 billion could be transferred to FEMA's Community Disaster Loan (CDL) program to help local governments and U.S. territories provide essential services. Cancel \$16 billion in loans to the National Flood Insurance Program (NFIP), which reached its borrowing limit after hurricanes Harvey and Irma. And allow as much as \$1.27 billion in previously appropriated funding to be transferred for emergency nutritional assistance in Puerto Rico.</p>

			The Senate agreed to the House amendment to the Senate amendment to H.R. 2266 by 82-17. On October 26, 2017, the bill became Public Law No: 115-72.
H.R. 3711	Reps. Lamar Smith (R-TX)/Ken Calvert (R-CA) /Bob Goodlatte (R-VA)	The Legal Workforce Act	<p>A bill that would require all U.S. employers to use the E-Verify electronic employment verification system. The requirement would be phased over a two-year period, starting with the largest employers. The agriculture industry would have an additional six months (or 30 months total) to come into compliance.</p> <p>H.R. 3711 was referred to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, and Education and the Workforce on Friday, September 8<sup>th</sup>. On Wednesday, September 27<sup>th</sup>, H.R.3711 was referred to Judiciary Subcommittee on Immigration and Border Security. Judiciary Committee Consideration and Mark-up Session was held on Wednesday, October 25<sup>th</sup>. H.R. 3711 was ordered and reported (amended) by the yeas and nays: 20-10 on October 25, 2017.</p>
H.R. 601	Rep. Nita Lowey (D-NY)	Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017	<p>\$15.25 billion dollar bill for disaster aid following the destruction caused by Hurricane Harvey and anticipated by Hurricane Irma. This bill will also raise the debt limit and includes a continuing resolution funding the government until December 8th.</p> <p>H.R. 601 was passed in the Senate on Thursday, September 7 will additional Hurricane funding and the deficit reduction until December provisions. The House passed the bill on Friday, September 8, 2017, and was signed by the President on the same day (Public Law 115-64).</p>
H.R. 3354	Rep. Ken Calvert (R-CA)	Make America Secure and Prosperous Appropriations Act, 2018	<p>An omnibus package including the Interior; Homeland Security; Financial Services; Commerce, Science, and Justice; Transportation, Housing and Urban Development; Agriculture; Labour and Health and Human Services, and Education; and State and Foreign Operations Appropriations Acts, fiscal year 2018. The House-passed version of H.R. 3354 includes all 12 appropriations bills, including four that were previously passed in H.R. 3219.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Wednesday, August 16. was considered and passed by a vote of 211 to 198 on the House Floor on September 14, 2017. The Continuing Resolution, H.R.195, will run until February 8, 2018.</p>

H.R. 3219	Rep. Kay Granger (R-TX)	Make America Secure Appropriations Act, 2018	<p>A small omnibus package including the Defense, Energy and Water, Military Construction and Veterans Affairs, and Related Agencies, Legislative Branch, and Border Barrier funds from the Homeland Security Bill Appropriations Acts, fiscal year 2018.</p> <p>Highlighted bills in this package are below.</p> <p>H.R. 3219 was introduced in the House Rules Committee on Monday, June 24. It was passed on the House Floor by a vote of 235-192.</p>
	Rep. Charlie Dent (R-PA)	Fiscal 2018 Military Construction and Veterans Affairs, and Related Agencies Appropriations Act	<p>This legislation provides \$88.8 billion in discretionary funding, \$6 billion above the fiscal year 2017 level. Within this total, funding for the Department of Veterans Affairs was increased by \$4 billion over the fiscal year 2017 level, and increases access to services for veterans and regulatory oversight within the department. Also within the total, Military construction was increased by \$2.1 billion over the fiscal year 2017 level.</p> <p>This bill was passed out of the Appropriations Committee on June 15<sup>th</sup>. The Senate's corresponding legislation was reported out of the Senate Appropriations Committee in July.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mike Simpson (R-ID)	Fiscal 2018 Energy and Water Appropriations Act	<p>The House Appropriations Committee marked up the FY18 Energy and Water Bill in full committee on July 17<sup>th</sup>.</p> <p>Within the bill, the Bureau of Reclamation funding is reduced from the FY17 level but well above what the Administration had requested for FY18. Also, the bill would authorize the EPA and Army to withdraw from the Waters of the United States rule.</p> <p>This bill was included in H.R. 3219 and passed on the House Floor by a vote of 235-192.</p>
	Rep. Mario Diaz-Balart (R-FL)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The House Appropriations Committee today approved the fiscal year 2018 Transportation, Housing and Urban Development funding bill on July 17, 2017.</p> <p>In total, the bill reflects an allocation of \$56.5 billion in discretionary spending – \$1.1 billion below fiscal year 2017 and \$8.6 billion above the request.</p>

			<p>Within the bill, Community Development Block Grants are funded at \$2.9 billion, \$100 million below fiscal year 2017 level.</p>
	Sen. Lamar Alexander (R-TN)	Fiscal 2018 Energy and Water Appropriations Act	<p>The Senate Appropriations Committee approved their FY18 Energy and Water Bill on July 20<sup>th</sup> in full committee markup.</p> <p>Within the bill the Committee recommended funding the Bureau of Reclamation at \$1,287,725,000, which is \$190,332,000 above the President's FY18 budget request. Similar to the House mark, the Senate provided \$34,406,000 for Title XVI and \$24,000,000 for WaterSMART grants. Also, an additional \$98,000,000 for drought resiliency programs authorized in the Water Infrastructure Improvements Act (WIIN Act).</p>
	Sen. Susan Collins (R-ME)	Fiscal 2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act	<p>The Senate Appropriations Committee marked up the FY18 Transportation, Housing and Urban Development, and Related Agencies Bill in subcommittee on July 25<sup>th</sup>. At this time the bill and report text has not been released.</p> <p>The FY2018 appropriations bill providing \$60.058 billion in discretionary spending for the U.S. Department of Transportation, U.S. Department of Housing and Urban Development, and related agencies. Within the bill, TIGER grants were funded at \$550 million, \$50 million above the FY2017 enacted level; and the Community Development Block Grant (CDBG) formula program is funded at \$3 billion.</p>
H.R. 23	Rep. David Valadao (R-CA)	Gaining Responsibility on Water Act of 2017	<p>Among other things the legislation would require regulators to comply with the Bay-Delta Accord and make changes to the state's Central Valley and State Water projects and streamline permitting processes. The bill included provisions from multiple other bills previously passed by the House that sought to increase the flow of water to areas of California that have experienced drought over the past five years. The measure was referred to the House Committee on Natural Resources and the Committee on Agriculture.</p> <p>By a vote of 230-190, the House passed H.R. 23, as amended, on July 12, 2017. H.R. 23 was received in Senate, read twice and referred to the Committee on Energy and Natural Resources on July 18, 2017.</p>
	Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)	Infrastructure Package	<p>Throughout the month, the House Transportation and Infrastructure Committee have held a series of hearings entitled, "Building a 21<sup>st</sup> Century Infrastructure for America," which have focused on various aspects of infrastructure, from passenger rail service to reauthoring the Federal Aviation Authorization (FAA).</p> <p>On June 7, President Trump outlined that he intends to leverage \$200 billion in direct federal funding over ten years to help stimulate \$1 trillion in investment in</p>

			<p>infrastructure. This federal funding will consist of 1) grants and loans that seek to privatize the country's air traffic control system, 2) grants to repair bridges, road, 3) enhanced loan program with the Transportation Infrastructure Finance and Innovation Act, and 4) incentive programs with grants to states and municipalities.</p> <p>One part of the president's plan has already been put into legislation. House Transportation and Infrastructure Committee Chairman Bill Shuster and Aviation Subcommittee Chairman Frank LoBiondo (R-NJ) introduced the FAA's reauthorization legislation, H.R. 4441, the 21<sup>st</sup> Century Aviation Innovation, Reform, and Reauthorization (AIRR) Act, which will transfer air traffic control operations from the FAA to a private, nonprofit, 13-member board. While Representative Shuster said that the bill does not "mirror" President Trump's infrastructure outline, he said that he considered many aspects of the proposal. Shuster has also voiced his hope that the committee will markup the legislation on Tuesday, June 27 and move to the floor in mid-July.</p> <p>Currently, it is unclear who will champion the bill in the other chamber. Senate Commerce, Science and Transportation Committee Chairman John Thune (R-SD) announced that the Senate's FAA reauthorization legislation will not include privatizing the air traffic control system. That said, Representative Sam Graves (R-MO), who last year voted against the 2016 FAA reauthorization bill, helped develop the legislation with Chairman Shuster.</p>
H.R. 1663	Rep. Grace Napolitano (D-CA) / Rep. Rob Wittman (R-VA)	Water Resources Research Amendments Act	<p>This legislation would extend a Federal-State partnership aimed at addressing state and regional water problems, promoting distribution and application of research results, and providing training and practical experience for water-related scientists and engineers. H.R. 1663 would authorize \$9,000,000 annually over five years for grants to water resources research institutes and require two-to-one matching with non-federal funds. It would also promote exploration of new ideas, expand research to reduce energy consumption, and bolster reporting and accountability requirements.</p> <p>The bill has been introduced in the House Committee on Natural Resources and referred to the Subcommittee on Water, Power and Oceans on March 27, 2017.</p>
H.R. 497/ S.357	Rep. Paul Cook (R-CA)/ Sen. Dianne Feinstein (D-CA)	Santa Ana River Wash Plan Land Exchange Act	<p>This bill directs the Department of the Interior: (1) to quitclaim to the San Bernardino Valley Water Conservation District in California approximately 327 acres of identified federal land administered by the Bureau of Land Management, and (2) in exchange for such land, to accept from the Conservation District a conveyance of approximately 310 acres of its land.</p>

			<p>On April 27<sup>th</sup> HR 497 passed through the House Natural Resources Committee by unanimous consent, and was schedule for the House Floor Consideration on June 2<sup>nd</sup>.</p> <p>This bill was passed by the House on June 27<sup>th</sup> by a vote of 424-0. The bill was referred to the Senate Committee on Energy and Natural Resources on June 28<sup>th</sup> and no further action has been taken.</p> <p>The Senate Environment and Public Works Committee held a hearing on S. 357 on July 26, 2017. No further activity is anticipated until the Fall.</p>
S. 32	Sen. Dianne Feinstein (D-CA)	California Desert Protection and Recreation Act	<p>This bill would designate important wilderness in the California desert and protect lands for recreation, wildlife and tourism. Aspects of the bill include:</p> <ul style="list-style-type: none"> <li>• Mandate study and protection of Native American cultural trails along the Colorado River.</li> <li>• Designate 230,000 acres of additional wilderness area between the Avawatz Mountains near Death Valley to Imperial County's Milpitas Wash.</li> <li>• Add 43,000 acres to Death Valley and Joshua Tree national parks.</li> <li>• Create a 75,000-plus acre special management area at Imperial County's Vinagre Wash.</li> <li>• Designate Inyo County's Alabama Hills as a National Scenic Area.</li> <li>• Prohibit new mining claims on 10,000 acres in Imperial County considered sacred by the Quechan Tribe.</li> </ul> <p>Additionally, the bill protects 140,000 acres of existing off-road vehicle riding areas from mining, energy development, military base expansion or other decisions that would close them to vehicle use.</p> <p>The Senate Environment and Public Works Committee held a hearing on S.32 on July 26, 2017. No further activity is anticipated until the Fall.</p>
H.R. 2510	Rep. Peter DeFazio (D-OR)	Water Quality Protection and Job Creation Act of 2017	<p>This bill would amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds.</p> <p>This bill has been introduced to the House Transportation and Infrastructure subcommittee on Water resources and Environment on May 19, 2017.</p>
H.R. 1654	Rep. Tom McClintock (R-CA)	Water Supply Permitting Coordination Act	<p>This bill would allow water project sponsors the opportunity to use an expedited permitting process for new or expanded surface non-federal storage facilities through the Bureau of Reclamation, which would be the lead and central agency coordinating the review process.</p>

			<p>The House Natural Resources Committee approved the bill by a vote of 24-16 on April 27. The House Rules Committee on June 20<sup>th</sup> dictated final amendments for passage on the House Floor; this bill passed the House on June 22 by a vote of 233-180. H.R. 1654 was referred to the Senate Committee on Energy and Natural Resources on June 26 and not further action has been taken.</p>
H.R. 195	Rep. Steve Russell (R-OK)	Continuing resolution through Feb. 8 & CHIP reauthorization	<p>The measure would extend funding for most federal agencies at the reduced fiscal 2017 spending levels initially provided by Public Law 115-56 to keep spending in line with the fiscal 2018 caps. It would be the fourth continuing resolution passed since the fiscal year began on Oct. 1.</p> <p>The legislation also would extend most anomalies and program extensions from the previous continuing resolutions, such as the National Flood Insurance Program.</p> <p>The measure would allow emergency missile defense funding provided under the last CR to be used for intelligence activities that haven't been specifically authorized by Congress.</p> <p>It also includes other anomalies that would allow funding for summer food programs for kids, NASA space exploration, the Energy Department inspector general, and small-business loans, to be apportioned at the rate needed to maintain operations and meet scheduling and other requirements. Additionally, the Housing and Urban Development Department could adjust funding for public housing agencies to administer Section 8 Housing Choice Vouchers in areas where the president declared a disaster in 2017 or 2018.</p> <p>The measure would provide \$21.5 billion for fiscal 2018 for CHIP, increasing to \$25.9 billion by fiscal 2023. The fiscal 2023 amount would come from two semiannual allotments of \$2.85 billion and an additional \$20.2 billion for the first half of the year that would remain available until expended.</p> <p>This House voted 230-197 to pass the legislation on January 18, 2018. The Senate amended the bill and voted 81-18. This legislation was resolved in the House on January 22, 2018 and passed with a vote of 266-150. The President signed the bill into law (Public Law 115-120) on January 22, 2018.</p>

**INFORMATION  
ITEM**

**5L**

**State Legislation**

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
AB 1668	Friedman	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	SUPPORT Senate Rules
AB 1654	Rubio	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	WATCH Senate Natural Resources and Water
AB 869	Rubio	Sustainable water use and demand reduction: recycled water	Excludes, from the calculation of any water use or water efficiency target established after 2020, recycled water, as specified, delivered within the service area of an urban retail or wholesale water supplier	WATCH Senate Natural Resources and Water
SB 606	Skinner/Hertzberg	An Act Relating to Water	This bill would state the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	SUPPORT Assembly Floor
SB 952	Anderson	Water Conservation: Local Water Supplies	SPOT BILL: Would state the intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and will ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates.	WATCH
SB 623	Monning	Water Quality: Safe and Affordable Drinking Water Fund	Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and	WATCH Assembly Rules Committee

			infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.	
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**INFORMATION  
ITEM**

**5M**

# Mid-Year Building Activity Report & Water Connections Summary

(July – December 2017)



# Mid-Year Building Activity Summary

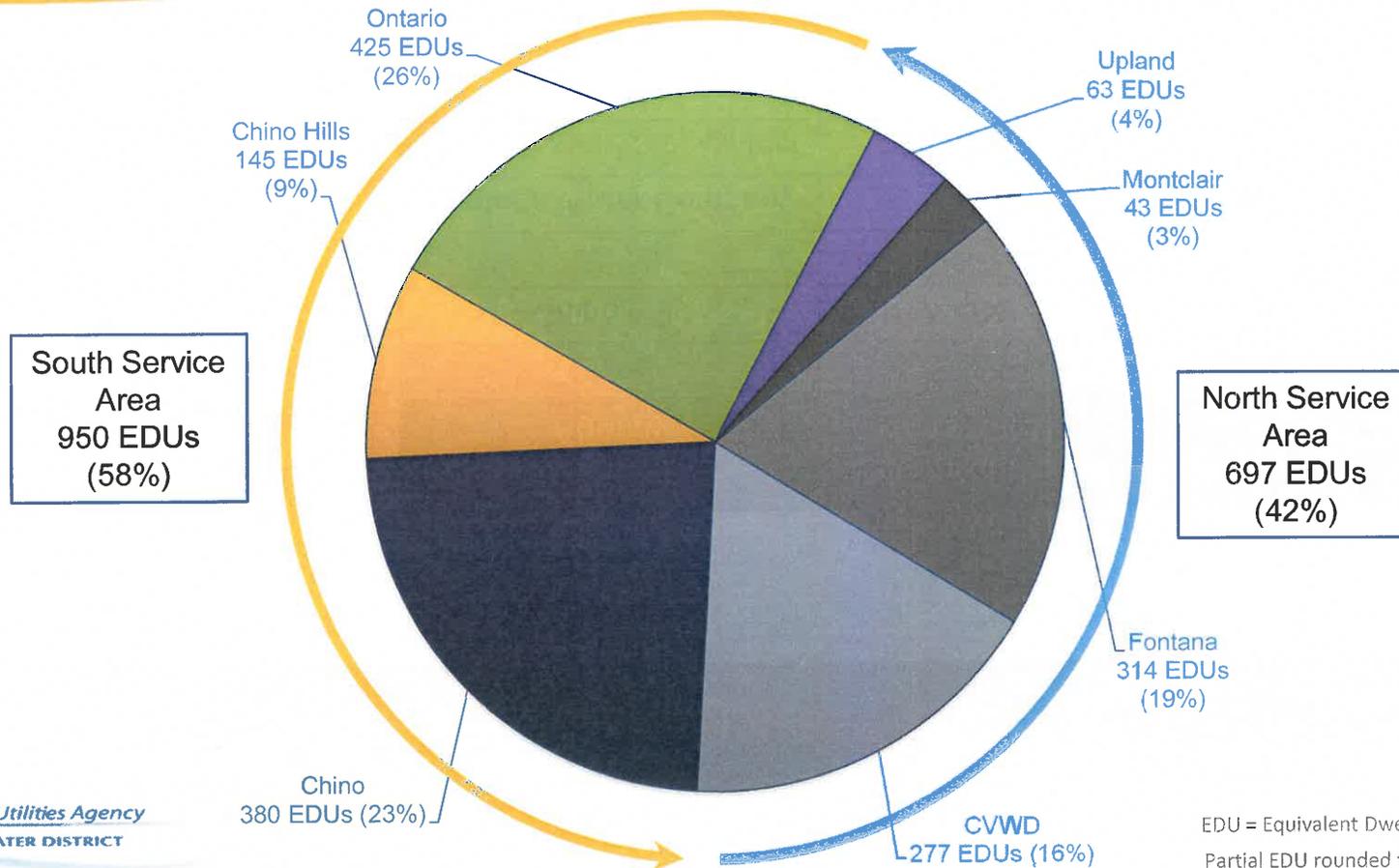
Equivalent Dwelling Unit (EDU)

- Contracting Agency Forecast: 5,442 EDUs
- IEUA Budgeted Forecast: 4,000 EDUs
- Building Activity (to date):
  - 30% of Contracting Agency Forecast
  - 41% of IEUA Budgeted Forecast

Contracting Agency	Residential (EDUs)	Commercial/Industrial (EDUs)	Total (EDUs)
Chino	366	14	380
Chino Hills	127	18	145
CVWD	216	61	277
Fontana	281	33	314
Montclair	39	4	43
Ontario	374	51	425
Upland	35	28	63
<b>Mid-Year Totals</b>	<b>1,438</b>	<b>209</b>	<b>1,647</b>

# Mid-Year 17/18 Building Activity

1,647 EDUs Resulted in \$10.4M Funding



# Mid-Year Water Connection Summary

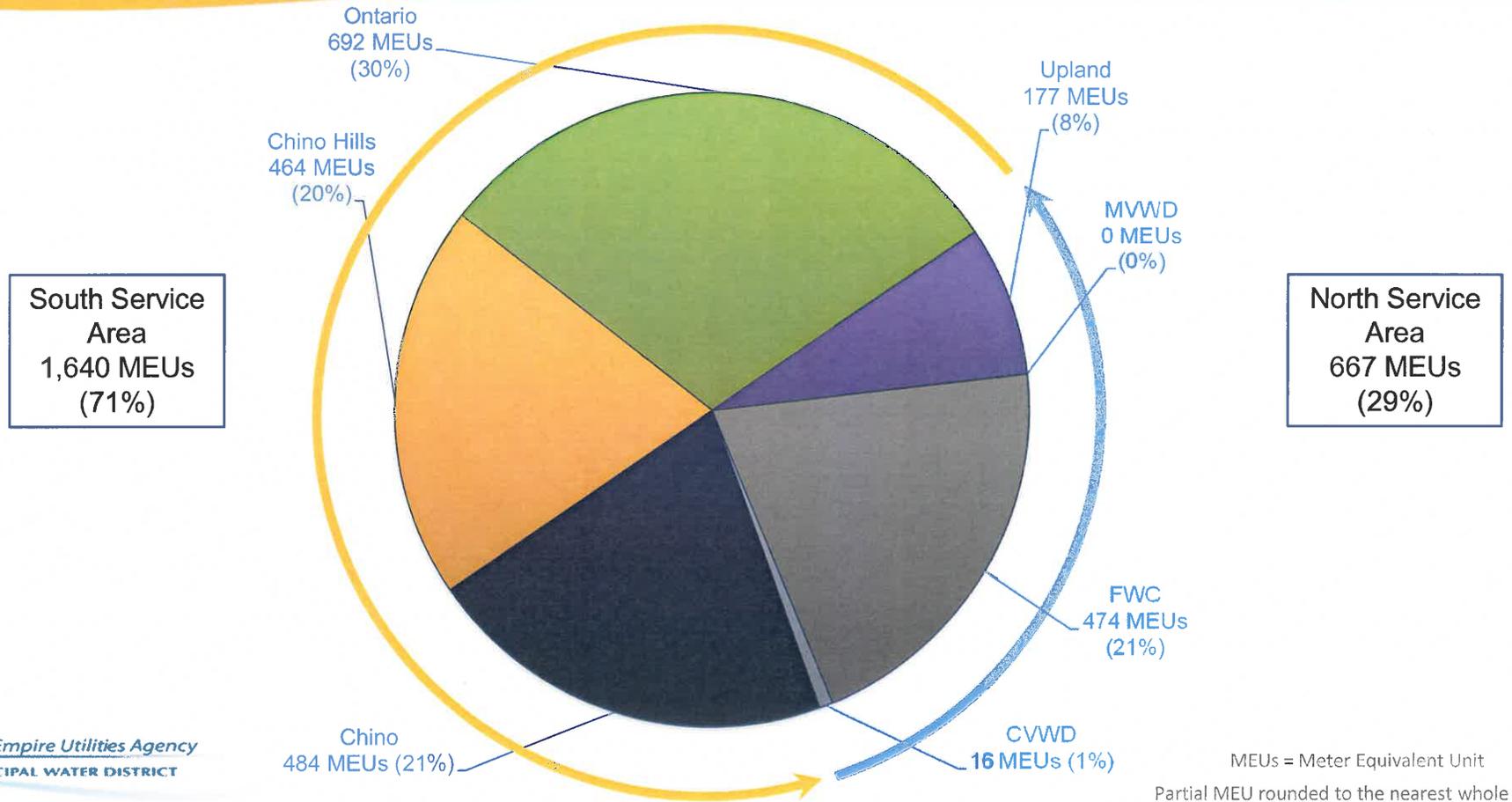
Meter Equivalent Unit (MEU)

- IEUA Forecast: 4,693 MEUs
- Water Connections (to date):
  - 49% of IEUA Forecast

Member Agency	Meter Equivalent Units (MEUs)	Connections (Meters)	Balance (\$)
Chino	484	212	\$715,612
Chino Hills	464	98	\$707,131
CVWD	16	9	\$47,339
Fontana Water Company	474	180	\$735,337
Monte Vista Water District	0	0	\$0
Ontario	692	314	\$1,048,143
Upland	177	66	\$263,365
<b>Mid-Year Totals</b>	<b>2,307</b>	<b>879</b>	<b>\$3,516,927</b>

# Mid-Year 17/18 Water Connection Summary

2,307 MEUs Resulted in \$3.5M Funding



South Service Area  
1,640 MEUs  
(71%)

North Service Area  
667 MEUs  
(29%)

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**6B**



**REVISED AGENDA**

**Board Meeting**

**February 13, 2018**

**12:00 p.m. – Boardroom**

February 13, 2018 Meeting Schedule		
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&LR
11:00 a.m.	Rm. 2-145	RP&AM
12:00 p.m.	Boardroom	Board Meeting

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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

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**1. Call to Order**

- (a) Invocation: Tuannee Holmes, Administrative Assistant II,  
External Affairs Group
- (b) Pledge of Allegiance: Director Russell Lefevre, City of Torrance

**2. Roll Call**

**3. Determination of a Quorum**

**4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(a))**

**5. OTHER MATTERS**

- A. Approval of the Minutes of the Meeting for January 9, 2018  
(A copy has been mailed to each Director)  
Any additions, corrections, or omissions
- B. Report on Directors' events attended at Metropolitan expense for month of January 2018
- C. Approve committee assignments
- D. Chairman's Monthly Activity Report
- E. Presentation of 25-year Service Pin to Glen Peterson
- F. Presentation of 15-year Service Pin to Randy Record

## 6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of activities for the month of January 2018
- B. General Counsel's summary of activities for the month of January 2018
- C. General Auditor's summary of activities for the month of January 2018
- D. Interim Ethics Officer's summary of activities for the month of January 2018

## 7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Authorization to award a four-year contract for external audit services to KPMG LLP for the maximum amount of \$1,764,900 (A&E)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines; and**

**Authorize the General Auditor to enter into a contract for external audit services with the firm of KPMG LLP for annual audits covering the fiscal years ending June 30, 2018 through June 30, 2021. The amount payable under this four-year contract will not exceed \$1,764,900**

- 7-2** Adopt CEQA determination and appropriate \$1.6 million; authorize final design of physical security improvements at Metropolitan's Headquarters Building; and authorize agreement with IBI Group in an amount not to exceed \$890,000 (Appropriation No. 15499) [**Conference with Metropolitan Assistant Group Manager Bart Koch or designated agent on physical security improvements at Metropolitan's Headquarters Building; to be heard in closed session pursuant to Gov. Code Section 54957(a).]** (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines, and**

- a. Appropriate \$1.6 million;**
- b. Authorize final design of physical security improvements at Metropolitan's Headquarters Building; and**
- c. Authorize agreement with IBI Group in an amount not to exceed \$890,000**

- 7-3** Adopt CEQA determination and appropriate \$1.6 million; and authorize construction to replace chemical storage tanks at the Joseph Jensen Water Treatment Plant (Appropriation No. 15486) (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action has been previously addressed in the 2011 categorical exemptions, and that no further environmental analysis or documentation is required, and**

- a. Appropriate \$1.6 million; and**
- b. Authorize construction to replace four chemical storage tanks at the Jensen plant**

- 7-4** Adopt CEQA determination and award \$378,985 contract to Visionary Builders, Inc. to renovate two houses at Eagle Mountain Pumping Plant (Appropriation No. 15495) (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is categorically exempt, and**

**Award \$378,985 contract to Visionary Builders, Inc. to renovate two houses at Eagle Mountain Pumping Plant**

- 7-5** Adopt CEQA determination and authorize granting a 30-year access road license extension to the Painted Hills Wind Developers on Metropolitan-owned property located northeast of an unincorporated portion of Riverside County commonly referred to as Whitewater (RP&AM)

**Recommendation:**

**Option #1:**

**Adopt CEQA determination that the proposed action is not defined as a project and is not subject CEQA, and**

**Authorize granting a 30-year road license extension to Painted Hills Wind Developers**

- 7-6** Adopt CEQA determination and authorize granting a 30-year access road license extension to Energy Unlimited, LLC on Metropolitan-owned property located northeast of an unincorporated portion of Riverside County commonly referred to as Whitewater (RP&AM)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and**

**Authorize granting a 30-year road license extension to Energy Unlimited LLC**

- 7-7** Authorize granting a permanent easement to Southern California Edison at Whitewater Canyon on Metropolitan-owned property in the county of Riverside. (RP&AM)

**Recommendation:**

**Option #1:**

**Adopt CEQA determination that the proposed action is categorically exempt and**

**Authorize the General Manager to grant a permanent easement to Southern California Edison**

- 7-8** Adopt CEQA determination, report on the Omega Chemical Corporation Superfund Site, and request authority to enter into a settlement agreement in *United States of America vs Abex Aerospace, et al.*, Case No. 2:16-cv-02696. [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

**Added**

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and**

**Authorize entering into this settlement agreement**

**END OF CONSENT CALENDAR**

## 8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and set combined public hearing regarding (1) the proposed water rates and charges for calendar years 2019 and 2020 necessary to meet the revenue requirements for fiscal years 2018/19 and 2019/20, and (2) the ad valorem property tax for fiscal years 2018/19 and 2019/20 (F&I)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and**

- a. Schedule a combined public hearing on March 13, 2018, to receive input regarding (1) the proposed water rates and charges for calendar years 2019 and 2020 necessary to meet the revenue requirements for fiscal years 2018/19 and 2019/20, and (2) any board action on the limit on ad valorem property taxes for fiscal years 2018/19 and 2019/20 pursuant to Section 124.5 of the MWD Act; and**
- b. Direct the General Manager to cause publication of a notice of the public hearing in newspapers of general circulation within Metropolitan's service area, and give written notice to the offices of the Speaker of the Assembly and the President pro tempore of the Senate, at least ten days prior to the hearing.**

- 8-2** Adopt CEQA determination and appropriate \$3.8 million; and award \$2,591,576 contract to Canyon Springs Enterprises (dba RSH Construction) for seismic upgrades to the west washwater tank at the F. E. Weymouth Water Treatment Plant (Appropriation No. 15369) (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2005 Final EIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and**

- a. Appropriate \$3.8 million; and**
- b. Award \$2,591,576 contract to Canyon Enterprises (dba RSH Construction) for seismic upgrades to the west washwater tank at the Weymouth plant**

- Revised**            **8-3**      Adopt CEQA determination and appropriate \$2.3 million; award \$985,000 contract to Unispec Construction, Inc. for water quality instrumentation upgrades at the Joseph Jensen Water Treatment Plant; and authorize increase of \$200,000 to agreement with Arcadis US, Inc., for a new not-to-exceed total of ~~\$365,269~~ \$400,000 (Appropriation No. 15486) (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action was previously determined to be categorically exempt; and**

- a. Appropriate \$2.3 million; and**
- b. Award \$985,000 contract to Unispec Construction, Inc. for water quality instrumentation upgrades at the Jensen plant ; and**
- c. Authorize increase of \$200,000 to an agreement with Arcadis US, Inc., for a new not-to-exceed total of ~~\$365,269~~ \$400,000, to provide technical support**

**9. BOARD INFORMATION ITEMS**

- 9-1**      Update on Conservation Program
- 9-2**      Proposed biennial budget and revenue requirements for fiscal years 2018/19 and 2019/20; proposed water rates and charges for calendar years 2019 and 2020 to meet revenue requirements for fiscal years 2018/19 and 2019/20; ten-year forecast; and Cost of Service Report (F&I)

**10. FOLLOW-UP ITEMS**

**11. FUTURE AGENDA ITEMS**

**12. ADJOURNMENT**

**NOTE:** At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parentheses at the end of the description of the agenda item e.g., (E&O, F&I). Committee agendas may be obtained from the Board Executive Secretary.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**6C**



**Special Joint Workshop of the  
Regional Sewerage Program Technical  
& Policy Committee**

**AGENDA**  
**Thursday, February 1, 2018**  
**4:00 p.m.**

**Location**

Inland Empire Utilities Agency  
Koopman Conference Room – Bldg B  
6075 Kimball Avenue  
Chino, CA 91708

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**Call to Order**

**Pledge of Allegiance**

**Public Comment**

**Changes/Additions/Deletions to the Agenda**

- 1. Workshop**
  - A. Regional Contract Update/Renewal
- 2. Adjourn**

**DECLARATION OF POSTING**

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I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted to the IEUA Website at [www.ieua.org](http://www.ieua.org) and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Thursday, January 25, 2018.

  
\_\_\_\_\_  
Laura Mantilla

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**6D**

**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – January 25, 2018

**WITH**

*Mr. Bob DiPrimio, 2017 Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

**AGENDA – ADDITIONS/REORDER**

**RECOGNITION OF OUTGOING MEMBER’S SERVICE ON WATERMASTER BOARD**

**INTRODUCTIONS – CALENDAR YEAR 2018 WATERMASTER BOARD MEMBERS**

Overlying (Ag) Pool	Paul Hofer
Overlying (Ag) Pool	Jeff Pierson
Overlying (Non-Ag) Pool	Bob Bowcock
Appropriative Pool	Bob DiPrimio (Fontana Water Company)
Appropriative Pool	Gino Filippi (Minor Representative)
Appropriative Pool	Eunice Ulloa (City of Chino)
Municipal	Steve Elie (Inland Empire Utilities Agency)
Municipal	Don Galleano (Western Municipal Water District)
Municipal	Bob Kuhn (Three Valleys Municipal Water District)

**I. CALENDAR YEAR 2018 OFFICERS – ACTION**

**A. ELECTION OF OFFICERS**

Chair \_\_\_\_\_  
Vice-Chair \_\_\_\_\_  
Secretary/Treasurer \_\_\_\_\_

**II. CONSENT CALENDAR**

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

**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held November 16, 2017

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of October 2017
2. Watermaster VISA Check Detail for the month of October 2017
3. Combining Schedule for the Period July 1, 2017 through October 31, 2017
4. Treasurer's Report of Financial Affairs for the Period October 1, 2017 through October 31, 2017
5. Budget vs. Actual Report for the Period July 1, 2017 through October 31, 2017
6. Cash Disbursements for the month of November 2017
7. Watermaster VISA Check Detail for the month of November 2017
8. Combining Schedule for the Period July 1, 2017 through November 30, 2017
9. Treasurer's Report of Financial Affairs for the Period November 1, 2017 through November 30, 2017
10. Budget vs. Actual Report for the Period July 1, 2017 through November 30, 2017

**C. CHINO BASIN WATERMASTER INVESTMENT POLICY**

Adopt Resolution 2018-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy.

**D. LOCAL AGENCY INVESTMENT FUND**

Adopt Resolution 2018-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF).

**E. CHINO BASIN WATERMASTER 40<sup>TH</sup> ANNUAL REPORT**

Adopt the 40th Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

**F. NOTICE OF INTENT TO CHANGE THE OPERATING SAFE YIELD OF THE CHINO GROUNDWATER BASIN**

**G. HEARING OFFICER PANEL APPOINTMENT**

Appoint the recommended panel of five, to be reconsidered periodically and no less than annually.

**III. BUSINESS ITEMS**

**NONE**

**IV. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. December 15, 2017 Court Hearing
2. January 12, 2018 Court Hearing
3. Appeal of April 28, 2017 Order
4. Appropriative Pool Release of Safe Yield Reset and Accounting Compromise Term Sheet
5. 40<sup>th</sup> Annual Report Court Filing

**B. ENGINEER REPORT**

1. Storage Management Progress Report
2. Other Ongoing Work

**C. CFO REPORT**

1. 2017/18 Assessment Invoicing

**D. GM REPORT**

1. Overview of Watermaster Schedule of Duties and Obligations
2. Well Preservation Strategy

3. SGMA Compliance Update
4. 2018 RMPU
5. 2017 Replenishment Water Delivery
6. Other

**V. INFORMATION**

1. Cash Disbursements for December 2017

**VI. BOARD MEMBER COMMENTS**

**VII. OTHER BUSINESS**

**VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

**IX. FUTURE MEETINGS AT WATERMASTER**

1/22/18	Mon	11:00 a.m.	Agricultural Pool (Special – Confidential Session Only at MPC)
1/25/18	Thu	11:00 a.m.	Watermaster Board
1/31/18	Wed	9:00 a.m.	Storage Workshop #5
2/08/18	Thu	9:00 a.m.	Appropriative Pool
2/08/18	Thu	11:00 a.m.	Non-Agricultural Pool
2/08/18	Thu	1:30 p.m.	Agricultural Pool
2/15/18	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)
2/15/18	Thu	9:00 a.m.	Advisory Committee
2/15/18	Thu	9:30 a.m.	2018 RMPU Steering Committee
2/22/18	Thu	11:00 a.m.	Watermaster Board
2/27/18	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee (GRCC at CBWCD)

**ADJOURNMENT**

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**6E**

# SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS CHINO BASIN DESALTER AUTHORITY

February 1, 2018  
2:00 p.m.

Council Chambers, of the City of Ontario  
303 E. "B" Street, Ontario, CA

*All documents available for public review are on file with the Authority's secretary located at 2151 S. Haven Avenue, Suite 202, Ontario, CA 91761.*

## **AGENDA**

### **Call to Order**

### **Flag Salute**

**Public Comment:** Members of the public may address the Board at this time on any non-agenda matter. *Please complete a Comment Card and give it to the Secretary. Comments are limited to three (3) minutes per individual. State your name and address for the record before making your presentation. This request is optional, but very helpful for the follow-up process.*

*Under the provisions of the Brown Act, the CDA Board is prohibited from taking action on oral requests. However, Board Members may respond briefly or refer the communication to staff. The CDA Board may also request the Secretary to calendar an item related to your communication at a future CDA Board meeting.*

### **ACTION ITEMS**

*Prior to action of the CDA Board, any member of the audience will have the opportunity to address the CDA Board on any item listed on the agenda, including those on any consent calendar. Please submit a comment card to the secretary with the agenda item number noted.*

1. **MINUTES OF JANUARY 4, 2018 REGULAR BOARD MEETING**
2. **SOUTH ARCHIBALD PLUME PROJECT: CONSULTANT SELECTION FOR DESIGN OF CHINO WELL FIELDS II SYSTEM EXPANSION PIPELINES**  
Report by: Curtis Paxton, CDA General Manager/CEO
3. **CONSIDERATION AND POSSIBLE ACTION ON UTILITY AGREEMENT NO. 23711 AND LETTER OF UNDERSTANDING REGARDING UTILITY AGREEMENT FOR THE CDA/JCSD 30" PRODUCT WATERLINE MODIFICATIONS ASSOCIATED WITH THE COUNTY OF RIVERSIDE – INTERSTATE 15/LIMONITE AVENUE INTERCHANGE PROJECT.**  
Report by: Curtis Paxton, CDA General Manager/CEO

#### **Staff recommendation:**

1. Approve and authorize the General Manager/CEO to execute the Letter of Understanding regarding the Utility Agreement, subject to minor changes by CDA Legal Counsel, which clarifies and provides additional information with respect to the Utility Agreement; and
2. Approve and authorize the General Manager/CEO to execute Utility Agreement No. 23711, subject to minor changes by CDA Legal Counsel.

**Staff Comments:**

- (i) Deputy CDA General Counsel, Allison Burns
- (ii) CDA CFO/Treasurer, Michael Chung
- (iii) CDA General Manager/CEO, Curtis Paxton

**CLOSED SESSION**

*The Authority may adjourn to a Closed Session to consider litigation matters, personnel matters, or other matters as provided for in the Ralph M. Brown Act (Section 54950 et seq., of the Government Code).*

**3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE  
SECTION 54956.9(D)(2)**

**(TWO POTENTIAL CASES)**

**4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:  
CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT  
CODE SECTION 54956.9(D)(4)**

**(ONE POTENTIAL CASE)**

**Directors Comments:**

**ADJOURNMENT – To the Special Meeting on March 1, 2018**

***Declaration of Posting***

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I, Casey Costa, Executive Assistant to the Chino Basin Desalter Authority, hereby certify that a copy of this agenda has been posted by 2:00 p.m. at the Chino Basin Desalter Authority's main office, 2151 S. Haven Ave., Ontario, CA on Monday, January 29, 2018.

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Casey Costa, Executive Assistant

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**6F**



REGULAR MEETING OF THE  
BOARD OF DIRECTORS  
MONDAY, FEBRUARY 5, 2018  
10:00 A.M.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY  
12645 6<sup>TH</sup> STREET  
RANCHO CUCAMONGA, CA 91739

[www.ierca.org/calendar](http://www.ierca.org/calendar)

**CALL TO ORDER**  
**OF THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY 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 are available on the table in the Board Room. Comments will be limited to five 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.

**INTRODUCTIONS**

1. **NEW HIRE – HALLA RAZAK – IEUA GENERAL MANAGER**

**NEW HIRE – ABEL HERNANDEZ - ELECTRICAL AND INSTRUMENTATION**  
**TECH I**

**2. ELECTION OF OFFICERS**

**BOARD CHAIRPERSON  
BOARD VICE-CHAIRPERSON**

**3. CONSENT CALENDAR**

**A. MINUTES**

The Board will be asked to approve the minutes from the November 6, 2017 regular meeting.

**B. INVESTMENT AND DISBURSEMENT REPORT**

It is recommended that the Board of Directors approve for the months of October 2017 – December 2017:

1. Total disbursements in the amount of \$2,013,845.47.
2. Investment of \$500,000 in Los Angeles County Treasurer Pool Surplus Investment Fund on December 13, 2017.

**4. ACTION ITEMS**

**A. ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

It is recommended that the Board of Directors approve the Inland Empire Regional Composting Authority (IERCA) Annual Financial Report for the Fiscal Year ended June 30, 2017, as presented, and direct staff to make distribution, as appropriate, to the various federal, state, and local agencies, financial institutions, and other interested parties.

**B. ADOPTION OF DEPOSITORY AGREEMENT AND INVESTMENT FUND  
SIGNATORY RESOLUTIONS**

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2018-2-1, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, checks, and withdrawal of funds;

2. Adopt Resolution No. 2018-2-2, authorizing participation in the Local Agency Investment and designating signatories for the deposit and withdrawal of funds; and
3. Adopt Resolution No. 2018-2-3, authorizing participation in the Los Angeles County Pooled Surplus Investment Fund and designating signatories for the deposit and withdrawal of funds.

**C. TROMMEL SCREEN REPLACEMENT**

It is recommended that the Board of Directors:

1. Award a construction contract for the replacement of compost screening plant No. 1, Project No. RA19002, to W.M. Lyles Co. in the amount of \$1,269,700;
2. Approve a budget transfer in the amount of \$500,000 from the Transition Air Duct Improvements Project No. RA17001 to the Trommel Screen Improvements Project No. RA19002; and
3. Authorize the Project Manager to finalize and execute the Contract.

**5. INFORMATION ITEMS**

**A. IERCA FARM PLAN**

**B. PROJECT MANAGER'S REPORT**

**C. TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED DECEMBER 31, 2017**

**6. DIRECTOR COMMENTS**

Next regular meeting is scheduled for Monday, May 7, 2018 at 10:00 a.m.

**7. ADJOURN**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Recording Secretary (909-993-1744), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

**Declaration of Posting**

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I, Victoria Stone, Recording Secretary to the Inland Empire Regional Composting Authority, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the County Sanitation Districts of Los Angeles 1955 Workman Mill Road, Whittier, CA and at the IERCA's Administrative Building, 12645 Sixth Street, Rancho Cucamonga, CA and at the IEUA's main office, 6075 Kimball Ave., Chino, CA on Wednesday, January 31, 2018.

Victoria Stone  
Victoria Stone, Recording Secretary

**GENERAL  
MANAGER'S  
REPORT**

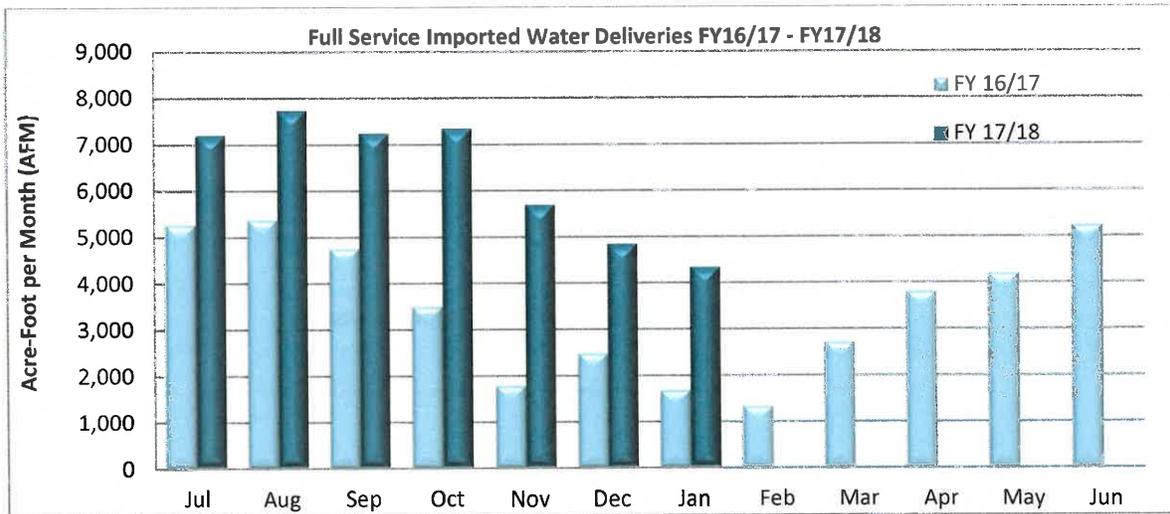


Date: February 21, 2018  
 To: The Honorable Board of Directors  
 From: Halla Razak, General Manager *HR*  
 Subject: General Manager's Report Regarding Agency Activities

**PLANNING & ENVIRONMENTAL RESOURCES**

**Imported Water**

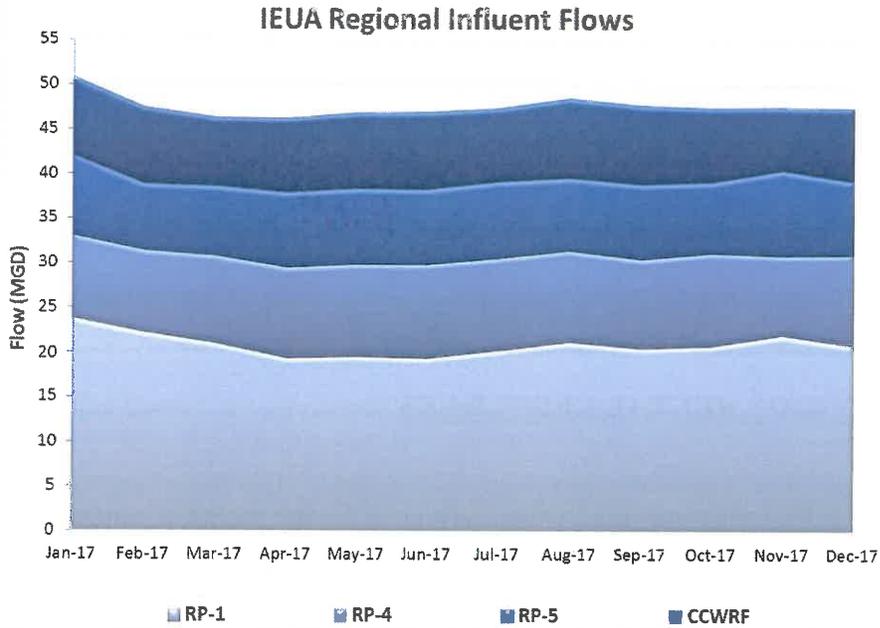
For FY 2017/18, the full service imported water deliveries for the month of January were higher compared to FY 2016/17.



**Wastewater**

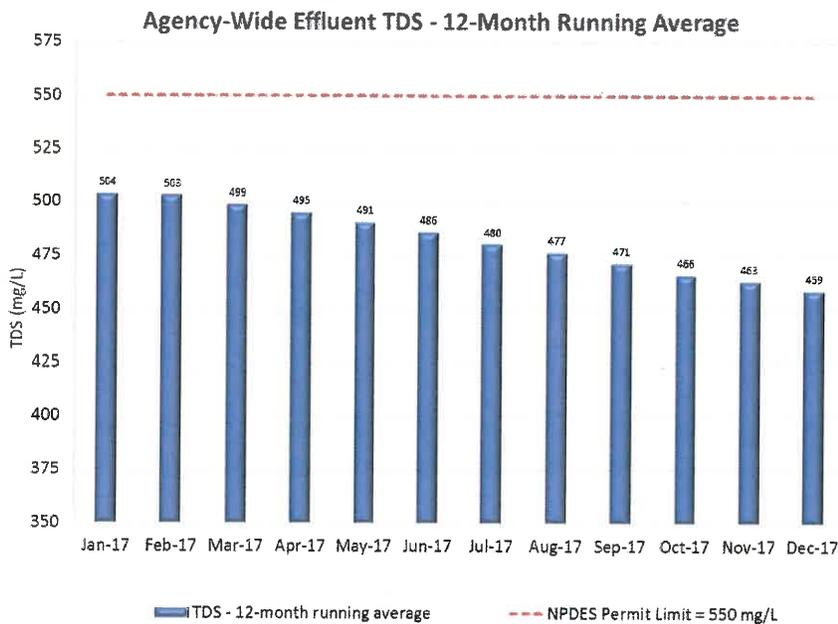
RP-1, RP-4, RP-5, and CCWRF met all the NPDES requirements and effluent / recycled water limitations during the month of December 2017.

1. The Agency-wide average wastewater influent flow for the month of December 2017 was 47.5 million gallons per day (mgd), which is a 0.1 mgd decrease from the November 2017 total influent flow.



2. The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for December 2017 was 6.1 mg/L.

The discharge permit effluent limit for total dissolved solids (TDS) is 550 mg/L. The 12-month running average TDS value for December 2017 was 459 mg/L.



**Air Quality**

With regards to air quality compliance, there were no reportable incidents during the month of January 2018. IEUA is working with an attorney to resolve the SCAQMD Notices of Violation received in December 2017. No notices from the SCAQMD Legal department have yet been received.

**INLAND EMPIRE REGIONAL COMPOSTING FACILITY UPDATE**

**Operational Comments**

Facility throughput for January averaged approximately 99% of permitted capacity at an average of 422 tons per day of biosolids and 146 tons per day of amendments (based on a 31-day month). The facility is operating well with no violations or lost-time incidents.

**Facility Biosolids Throughput**

SOURCE	WET TONS MONTH	WET TONS YEAR TO DATE
LACSD	5,821.22	5,821.22
IEUA	5,877.99	5,877.99
OCSD	1,379.02	1,379.02
<b>TOTAL</b>	<b>13,078.23</b>	<b>13,078.23</b>

**Compost Sales**

Sales have continued to outpace compost production for the winter season eliminating compost inventory. Sales volumes are anticipated to match production at approximately 17,000 cubic yards per month until winter weather slows demand. Revenues are higher compared to the same period last year, due to higher demand from the landscape market and lower volumes sent to the AG sector. Compost inventory in the storage facility is 0 cubic yards.

**Monthly Sales Summary**

CUBIC YARD	\$/CUBIC YARD	TOTAL REVENUE
18,881.17	\$1.69	\$31,911.26

**Fiscal Year-To-Date Sales Summary**

<b>MONTH</b>	<b>TOTAL YARDS 2017/2018</b>	<b>TOTAL YARDS 2016/2017</b>	<b>TOTAL REVENUE 2017/2018</b>	<b>TOTAL REVENUE 2016/2017</b>
<b>July</b>	21,518.61	14,898.82	\$31,737.00	\$27,554.05
<b>August</b>	19,226.62	13,973.73	\$37,071.78	\$32,185.36
<b>September</b>	16,170.64	28,277.42	\$35,038.33	\$25,161.07
<b>October</b>	25,631.94	33,118.70	\$34,569.24	\$30,402.44
<b>November</b>	24,481.44	36,746.25	\$30,053.63	\$26,452.12
<b>December</b>	16,420.31	27,866.97	\$34,860.10	\$26,088.79
<b>January</b>	18,881.17	7,965.39	\$31,911.26	\$11,934.94
<b>February</b>		14,371.47		\$20,070.21
<b>March</b>		22,580.72		\$36,895.88
<b>April</b>		14,887.63		\$36,561.10
<b>May</b>		19,121.35		\$39,387.11
<b>June</b>		17,893.20		\$38,379.99
<b>TOTAL</b>	<b>142,330.73</b>	<b>251,701.65</b>	<b>\$235,241.34</b>	<b>\$351,073.06</b>
<b>AVERAGE</b>	<b>20,332.96</b>	<b>20,975.14</b>	<b>\$33,605.91</b>	<b>\$29,256.09</b>

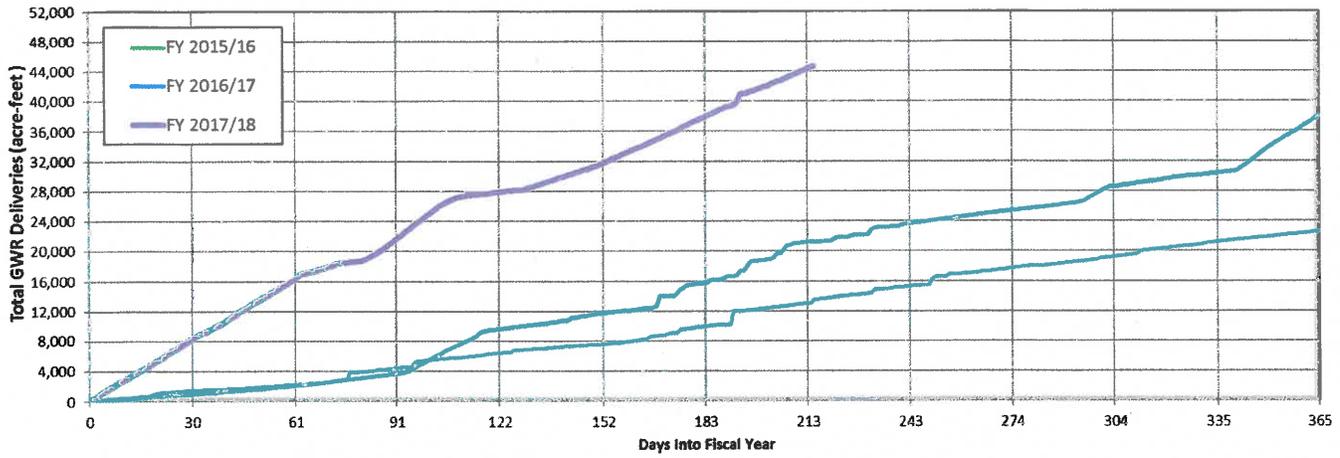
**GROUNDWATER RECHARGE**

**Groundwater Recharge – January 2018 (preliminary)**

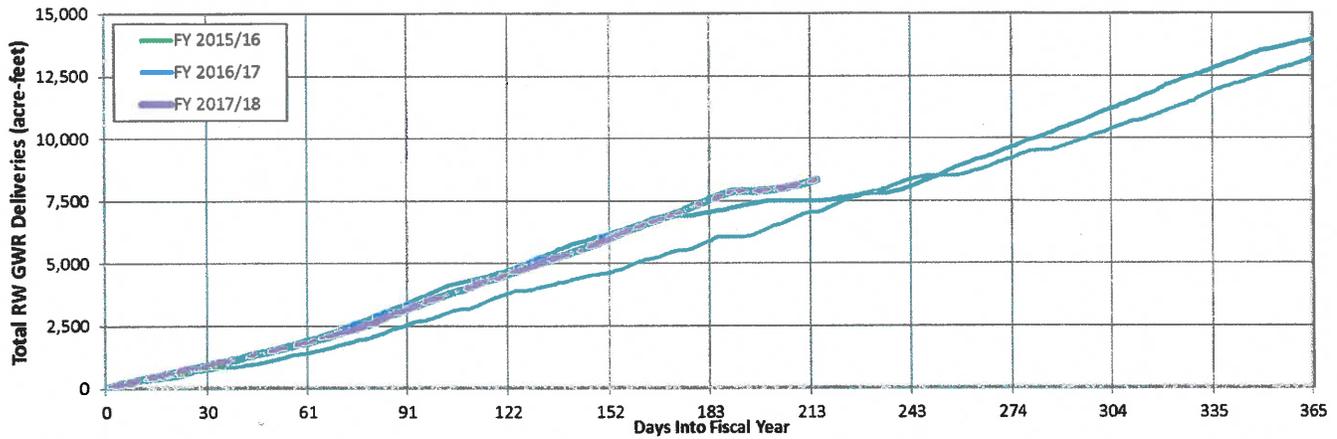
During January 2018, recycled water delivered for recharge totaled 1,591 acre-feet. Imported water delivered for recharge under the MWD Dry Year Yield Program totaled 4,757 acre-feet. Three days of rain in January and miscellaneous dry weather flows resulted in the diversion of approximately 1,350 acre-feet from stormwater, local runoff, and well discharges. Measurable rain occurred on January 8, 9, and 20. For January, Chino Basin Watermaster will remove 1.5% of evaporation losses from the delivered imported and recycled water.

Monthly summaries of recharge by recharge site for the Chino Basin Groundwater Recharge Operations can be found at <http://www.ieua.org/category/reports/groundwater-recharge-reports>.

### Total Groundwater Recharge – through January 2018

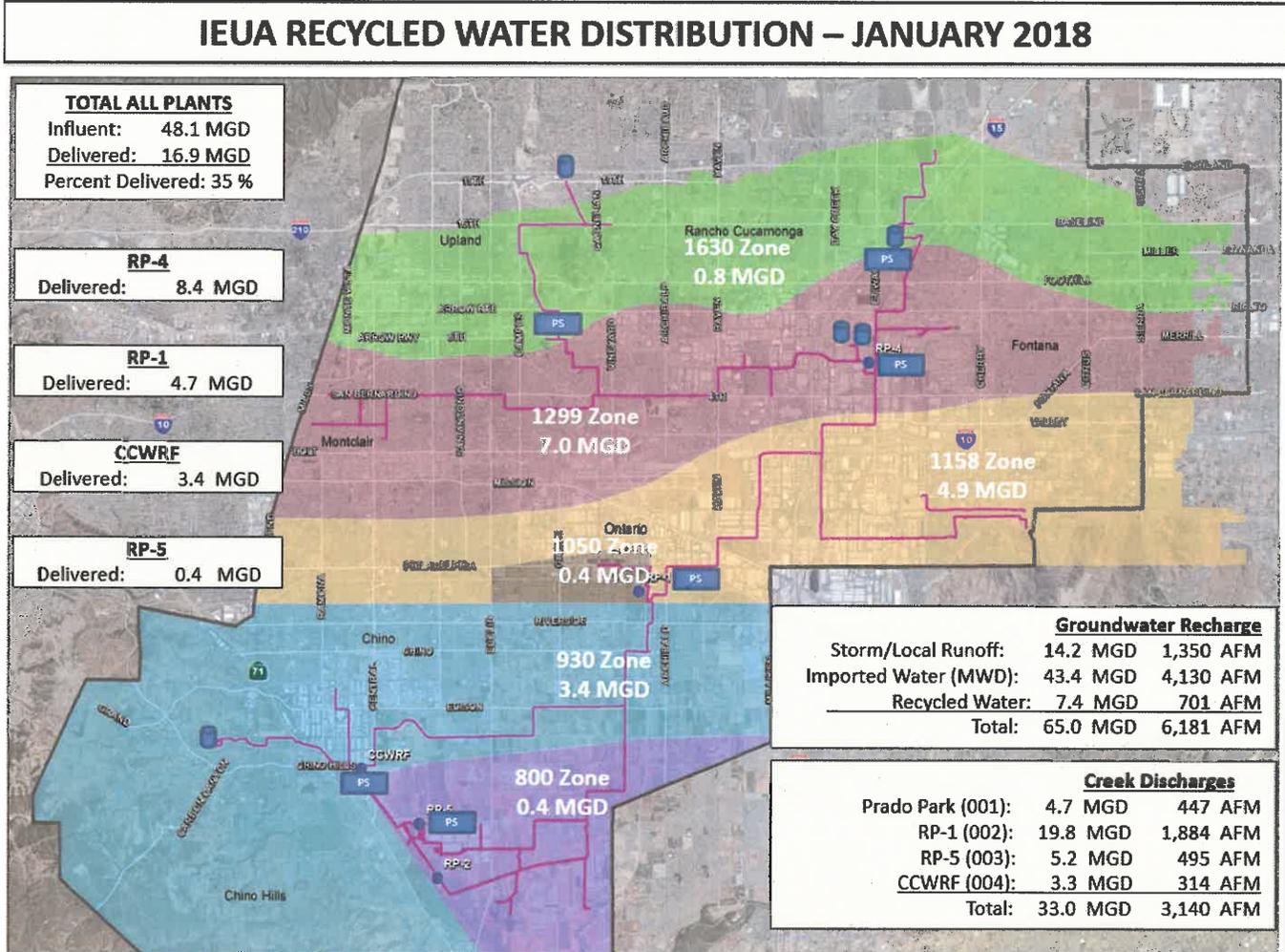


### Recycled Water Delivered to Groundwater Recharge – through January 2018



**RW Distribution – January 2018**

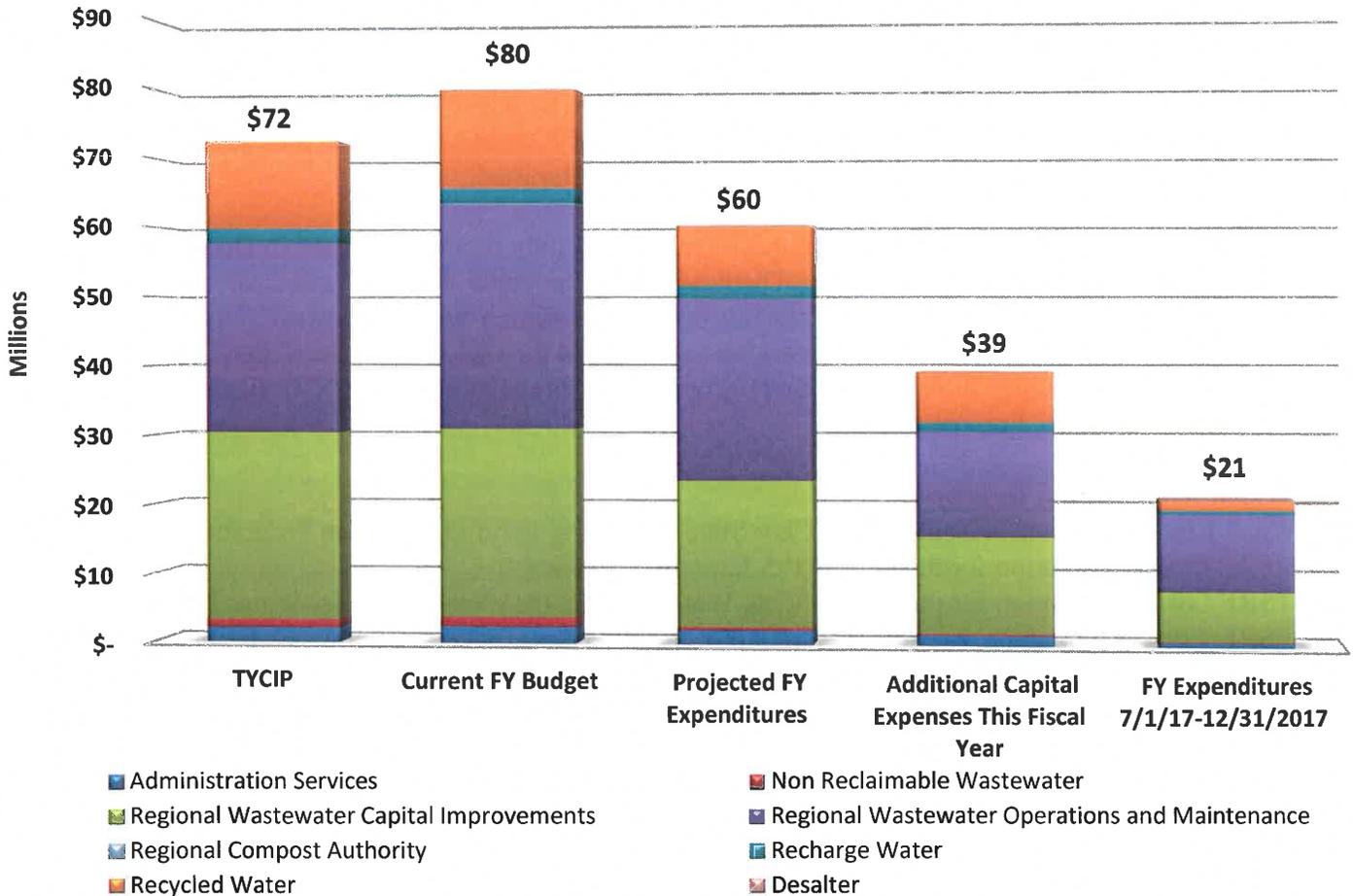
During January 2018, 35% (16.9 MGD) of IEUA recycled water supply (48.1 MGD) was delivered into the distribution system for both direct use customers (9.5 MGD) and groundwater recharge (7.4 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 33.0 MGD.



**ENGINEERING CONSTRUCTION MANAGEMENT DEPARTMENT**

Engineering and Construction Management's original TYCIP was \$72,323,068. The TYCIP was amended during the FY 2017/18 rollovers to the current budget of \$79,845,097. As of December 31<sup>st</sup>, staff has projected to spend \$60,198,932 (~75%), of which \$21,026,268 has been expended. The following charts summarize the project status update for FY 2017/18.

*Engineering and Construction Management FY 2017/18 Budget Status Update*



The accompanying attachments have detailed information for IEUA's capital improvement program.

- Attachment A: Bid and Award Look Ahead Schedule
- Attachment B: Active Capital Improvement Project Status
- Attachment C: Emergency Projects
- Attachment D: Consultant Contracts

## **GRANTS UPDATE**

### **Board Activities:**

None during this period.

### **Grant/Loan Application Submitted:**

1. The Agency continues working with the California Water Commission (CWC) Prop 1 Water Storage Grant Application review team on the Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program application's Project Benefit Ratio (PBR) review. A PBR meeting was held in Sacramento on January 9, 2018. In response to the outcome of this meeting, the Association of California Water Agencies (ACWA) expressed the "Administrative Concerns with the PBR Staff Evaluation and Adjustments Process" to the CWC on behalf of all applicants. The results of the PBR were released after the February 1, 2018, CWC Board Meeting, and IEUA's overall PBR score is 0.71, ranking second highest among the 11 applications submitted.
2. The USBR review of IEUA's Title XVI Feasibility Study report submitted in December 2017 for the IEUA-Jurupa Community Services District (JCSD) Recycled Water Intertie Project was completed in January 2018. IEUA staff is addressing three items which were requested by reviewers. Once the Study is approved, it will be transmitted to Congress for inclusion in the Title XVI Eligible Project List for competing future grant funding opportunities under the Title XVI Water Reclamation and Reuse grant funding program.

### **Grant/Loan Applications in Process:**

State Water Resources Control Board (SWRCB): State Revolving Fund (SRF) Loan Program:

1. SRF Loan Application for the RP-1/RP-5 Expansion Project
2. SRF Loan Application for the Monte Vista Water District (MVWD) Recycled Water Project
3. SRF Loan Application for the IEUA-Chino Basin Watermaster Groundwater Recharge Master Plan Montclair Basin Project
4. SRF Loan Application for the IEUA-Chino Basin Watermaster Groundwater Recharge Master Plan Lower Day Basin Project
5. SRF Loan Application for the IEUA-Chino Basin Watermaster Groundwater Recharge Master Plan Wineville Basin, Jurupa Basin, RP-3 Basin, and stormwater conveyance system

U.S. Department of the Interior – Bureau of Reclamation (USBR) Grant Programs:

1. Title XVI Feasibility Study for the IEUA-Pomona-MVWD Recycled Water Intertie Project
2. WaterSmart 2018 Drought Resiliency Implementation Program grant application for the Wineville-Jurupa Basin Improvements, Pumping, and Conveyance System.
3. Agricultural Water Conservation and Efficiency Grants grant application.
4. Bay-Delta Restoration Program: CALFED Water Use Efficiency Grant Program application for the Victoria Basin and Montclair Basin Improvements Project.

**Grant/Loan Agreement Negotiation:**

Grants staff have been negotiating grant agreements with the SWRCB. The following two grant agreements should soon be received for execution:

1. SWRCB Prop 1 Groundwater Quality Grant (\$11.4M) for the South Archibald TCE Plume Cleanup Project
2. SWRCB Prop 1 Stormwater Implementation Grant (\$9.8M) for the RMPU 23a Project

**Executed Grant/Loan Agreements Received:**

1. SWRCB: \$500,000 grant award received for the RP-1/RP-5 Expansion Project.
2. SWRCB: \$2.5M grant/\$3.9M SRF loan agreement received for the San Sevaime Basin Project
3. SWRCB: \$2.5M grant and \$3.5M SRF loan agreement received Napa Lateral Project

#	Project Name	Total Project Cost	Green Project Reserve Grant	State Revolving Fund Loan
1	San Sevaime Basin Improvements	\$ 6,460,000	\$ 2,500,000	\$ 3,960,000
2	Napa Lateral	\$ 6,050,000	\$ 2,500,000	\$ 3,550,000
3	RP-1 1158 PS Upgrades	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000
4	RP-5 RW Pipeline Bottleneck	\$ 2,755,000	\$ 1,377,500	\$ 1,377,500
5	Pressure Sustaining Valve Installation	\$ 850,000	\$ 425,000	\$ 425,000
6	RP-1 Parallel Outfall Pipeline	\$ 5,700,000	\$ 2,500,000	\$ 3,200,000
7	Baseline Extension (Village of Heritage)	\$ 5,417,417	\$ 2,500,000	\$ 2,917,417
	Total	\$ 31,232,417	\$ 13,802,500	17,429,917

4. Item 3-7 in the table above are anticipated to be negotiated/received by Summer/Fall 2018.

**Grant Reimbursements Processed and Reporting Activities:**

The following is a status update on several existing contracts for various grants and loans:

- SWRCB: Water Quality Laboratory SRF Loan – Invoice #9 for \$2,955,684
- USBR: Joint IEUA and CDA Ground Water Phase 2 Wells # 10 & 12 and the Raw Water Intertie Pipelines Grant - Invoice #11 for \$ 287,998.88

**Other Department Activities:**

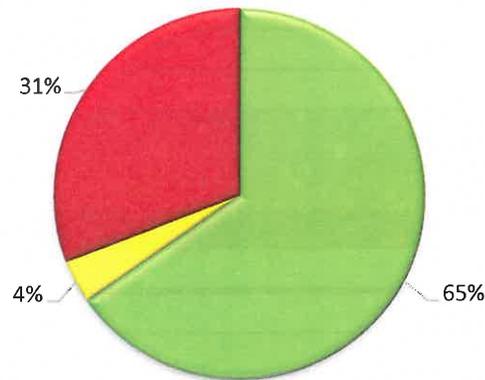
None during this period.

Attachment A  
 Bid and Award Look Ahead Schedule

Bid and Award Look Ahead Schedule			
	Project Name	Projected Bid Opening Date	Projected Bid Award Date
	Feb-18		
1	EN13048.00 RP-1 Power System Upgrades	8-Feb-18	21-Mar-18
2	RP-5 Daynard Filter Rehabilitation	6-Mar-18	21-Mar-18
	Apr-18		
3	EN15012.00 RP-1 Primary Effluent Conveyance Improvements	1-Mar-18	18-Apr-18
4	WR15021.00 Napa Lateral	15-Mar-18	18-Apr-18
	May-18		
5	EN18028.00 RP-5 Facilities Improvements	5-Apr-18	16-May-18
6	RW15003.05 RP-3 Basin Improvements	22-Mar-18	16-May-18
	Jun-18		
7	EN17039.00 8th St. Basin RW Turnout Discharge Retrofit	1-May-18	20-Jun-18
8	EN18015.00 Collection System Upgrades 17/18	5-Apr-18	20-Jun-18
9	EN18039.00 Agency-Wide Lighting Pole Replacements and Upgrades	11-May-18	20-Jun-18
	Jul -18		
10	EN11039.00 RP-1 Disinfection Pump Improvements	18-May-18	18-Jul-18
11	EN14043.00 RP-5 RW Pipeline Bottleneck	5-Jun-18	18-Jul-18
12	EN17044.00 RP-1 Power Reliability Generator Control Upgrades	12-Sep-17	18-Jul-18
13	EN17045.00 RP-1 Filter Valve Replacement	31-May-18	18-Jul-18
	Aug-18		
14	EN17042.00 Digester 6 and 7 Roof Repairs	5-Jun-18	15-Aug-18
15	RW15003.02 Victoria Basin Improvements	22-Jun-18	15-Aug-18
16	RW15003.03 Montclair Basin Improvements	22-Jun-18	15-Aug-18
17	RW15003.06 Wineville/Jurupa/Force Main Improvements	15-Jun-18	15-Aug-18
18	RW15004.00 Lower Day Basin Improvements	22-Jun-18	15-Aug-18
	Oct-18		
19	EN14042.00 1158 RWPS Upgrades	23-Jul-18	17-Oct-18
20	EN17049.00 Baseline RWPL Extension	20-Sep-18	17-Oct-18
21	EN17082.00 Mechanical Restoration and Upgrades	7-Aug-18	17-Oct-18
22	EN18042.00 RP-1 Civil Restoration and Upgrades	20-Sep-18	17-Oct-18
	Nov-18		
23	EN13016.05 SCADA Enterprise System - RP-1 Tertiary	10-Sep-18	21-Nov-18
24	EN18006.00 RP-1 Flare Improvements	12-Oct-18	21-Nov-18
	Mar-19		
22	EN22002.00 NRW East End Flowmeter Replacement	25-Jan-19	20-Mar-19

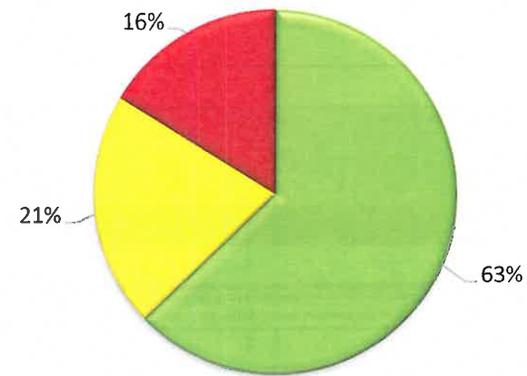
Attachment B  
 Active Capital Improvement Project Status

Construction Schedule Performance



■ On-time ■ Recovery in Progress ■ Behind Schedule

Design Schedule Performance



■ On-time ■ Recovery in Progress ■ Behind Schedule

Agency-Wide							
No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
1	EN13016	SCADA Enterprise System (EN13016.02, 03, 04, 05)	6,460,462	15,803,331	Recovery in Progress	Design	RP-4/5 Project schedule from CDM Smith is more aggressive than we had initially anticipated or budgeted for. Project funds from FY 18/19 budget will need to be pulled forward to accommodate the schedule.
2	EN16070	Agencywide Sewage Pumps Efficiencies Improvements Ph II (EN16070.01)	186,536	350,000	On-time	Project Acceptance	
3	EN17034	Agency wide Lighting Improvements - Phase 2	1,266,123	1,400,000	On-time	Project Acceptance	
4	EN17052	RP-1 and RP-4 Safety Improvements	959,158	1,049,000	Behind Schedule	Project Acceptance	Project is complete. Delays were due to differing site conditions encountered during construction.
5	EN17053	Agencywide RW Pumps Overhaul Services Ph II (EN17053.01)	269,149	625,000	On-time	Project Acceptance	
6	EN17080	System Cathodic Protection Improvements	29,071	3,510,000	On-time	Contract Award	
Totals			9,170,498	22,737,331			

**Carbon Canyon Wastewater Regional Facility (CCWRF)**

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
7	EN0000000017	CCWRF Battery Storage	8,185	63,000	Behind Schedule	Design	Delays on this project were due to contractor agreements with Shell Energy that modified the system sizing and the desire to use second generation Tesla inverters, which were recently released. No recovery is possible; a new baseline will be generated based on the updated schedule.
8	EN17006	CCWRF Odor Control and Headworks Replacements	1,373,918	23,421,951	On-time	Pre-Design	
9	EN17072	CCWRF Airduct Modifications	36,521	135,000	On-time	Bid & Award	
10	EN18036	CCWRF Asset Management and Improvements - Package III	17,504	2,420,000	On-time	Consultant Contract Award	
11	EN18037	CCWRF Asset Management and Improvements - Package II	16,125	950,000	On-time	Consultant Contract Award	
<b>Totals</b>			1,452,253	26,989,951			

**Chino Desalter Authority (CDA)**

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
12	DL37140	CDA IX Piping Replacement	28,262	125,000	On-time	Construction	
13	DL37141	CDA Structures Coating	186,494	220,000	On-time	Construction	
14	EN16021	TCE Plume Cleanup	12,169,189	17,294,171	Recovery in Progress	Project Evaluation	There are currently issues concerning property acquisition that will affect the project timeline. It is possible that time can be made up in either the design or construction phases.
<b>Totals</b>			12,383,945	17,639,171			

**Collections**

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
15	EN13028	Preserve Lift Station	55,859	335,190	On-time	Construction	
16	EN17014	NRWS Manhole Upgrades - 16/17	149,753	350,000	Completed	Project Acceptance	
17	EN17015	Collection System Upgrades 16/17	174,015	500,000	Completed	Project Acceptance	
18	EN18023	NRWS Philadelphia Pump Station Pump 3 Improvements	9,777	250,000	On-time	Consultant Contract Award	
19	EN22002	NRW East End Flowmeter Replacement	120,274	1,986,985	On-time	Pre-Design	
<b>Totals</b>			509,679	3,422,175			

Groundwater Recharge							
No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
20	EN13001	San Savaine Basin Improvements	830,387	6,460,001	On-time	Construction	
21	EN14047	GWR and RW SCADA Control Upgrades	709,455	932,000	Behind Schedule	Construction	Since the project modifies programming screens and controllers, it is critical that the contractor completes their work without impacting the Agency's ability to connect and control the basins remotely. The contractor has been facing constant delays due to loss of support staff. They have made a strong commitment to complete the scope as contracted but with the request of extending the contract date. Staff will continue to monitor progress and provide any support to minimize further delays.
22	EN17067	Declaz Monitoring Well Project	75,052	360,000	On-time	Construction	
23	RW15003	Recharge Master Plan Update Projects (RW15003.00,02,03,05,06)	1,781,416	7,490,500	On-time	Design	
24	RW15004	Lower Day Basin RMPU	324,527	4,008,000	On-time	Design	
Totals			3,720,837	19,250,501			
Headquarters							
No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
25	CP16003	Headquarters Roofing Replacement	137,194	1,395,822	Behind Schedule	Bid & Award	In order to avoid the 2017/2018 rain season, the subject project bid solicitation has been delayed until dry weather months in order to avoid wet weather risk impacts to the project. Additionally, several questions during bidding necessitated issuance of several addendums which delayed the construction award by one month. Site construction activities will be scheduled to begin in April 2018.
26	EN15008	Water Quality Laboratory	15,967,784	24,645,000	On-time	Construction	
27	EN16049	Conference Rooms Audio Visual Upgrades	1,304,803	1,391,477	On-time	Construction	
Totals			17,409,780	27,432,299			
Recycled Water							
No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
28	EN15002	1158 Reservoir Site Cleanup	27,828	1,300,000	Recovery in Progress	Project Evaluation	Once SCE provides a firm schedule, the project will be re-baselined to show the revised completion date. It is possible to recover some time lost when the consultant's scope of work is reduced due to the SCE completing the geotechnical investigation.
29	EN16034	RW Pressure Sustaining Valve Installation	34,587	850,000	Recovery in Progress	Project Evaluation	Due to the delayed notification of the Proposition 1 SRF award, the project baseline schedule is also delayed. The recovery plan is to revise the baseline schedule with an updated schedule dependent on the anticipated award date of the Proposition 1 grant which is currently in 2018.
30	EN17039	8th St. Basin RW Turnout Discharge Retrofit	65,768	275,000	Behind Schedule	Design	The submittal review with SBCFCD took longer than allotted in the baseline schedule. The permitting delays would put construction starting during bird nesting season (March 15 - September 15). To avoid this advertising was delayed to April 2018. Board award to June 2018 and construction will start in 2 <sup>nd</sup> half of September. Project schedule will be re-baselined once project is awarded.
31	EN17041	Orchard Recycled Water Turnout Improvements	33,428	125,000	On-time	Design	
32	EN17049	Baseline RWPL Extension	33,886	4,950,000	On-time	Consultant Contract Award	
33	WR15021	Napa Lateral	131,464	6,050,000	On-time	Bid & Award	
Totals			326,961	13,550,000			

Regional Water Recycling Plant No. 1 (RP-1)

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
34	EN000000015	RP-1 Battery Storage	22,760	68,000	Behind Schedule	Design	Delays on this project were due to contractor agreements with Shell Energy that modified the system sizing and the desire to use second generation Tesla inverters, which were recently released. No recovery is possible; a new baseline will be generated based on the updated schedule.
35	EN11039	TP-1 Disinfection Pump Improvements	734,998	5,700,367	Behind Schedule	Design	The project is currently behind schedule as the 50% design was received late and the 85% design was rejected as incomplete. Some of this delay is due to the need to physically locating some utilities in the field and value engineering needed to bring cost in line with the budget. Finally, delays related to SCADA migration make slippage necessary to coordinate these two projects. Based on when the work is scheduled to be complete, the Agency will delay bidding until late January. No recovery is possible.
36	EN13048	RP-1 Power System Upgrades	510,986	1,599,000	On-time	Bid & Award	
37	EN14019	RP-1 Headworks Primary and Secondary Upgrades	1,127,201	9,750,000	Behind Schedule	Construction	The project schedule will be re-baselined following contractor construction award and approval of the contractor's project control schedule.
38	EN14042	RP-1 1158 RWPS Upgrades	467,629	4,000,000	On-time	Design	
39	EN15012	RP-1 East Primary Effluent Pipe Rehab	538,322	3,015,598	Recovery in Progress	Design	The consultant has submitted the 85% design submittal and is confident the time can be made up during the final design phase.
40	EN15013	RP-1 TWAS and Primary Effluent Piping Replacement 2014	595,028	624,228	On-time	Project Acceptance	
41	EN16024	RP-1 Mixed Liquor Return Pumps	5,895,114	7,236,000	Recovery in Progress	Construction	The project is 53 days behind schedule; roughly 30-days are due to Pioneer (Supplier of the Power Center's) being non-responsive during the submittal process. The additional 23-days are due to pump issues (Xylem) and compatibility with the VFD's (Rockwell). The contractor may be allowed to proceed with two trains down at a time which will accelerate the schedule. This will be done only if the contractor has the resources to work within two trains at a time. By doing so, the contractor will make up lost time.
42	EN17040	RP-1 Aeration Basin Panel Repairs	236,323	2,009,858	Behind Schedule	Construction	Same recovery plan as EN16024 above (Projects are running concurrently).
43	EN17042	Digester 6 and 7 Roof Repairs	490,538	3,800,000	Recovery in Progress	Pre-Design	The addition of Digester No. 1 cleaning to the scope pushed out the start of Digester 6 or 7 cleaning. The lost time will be recovered during subsequent phases including detailed design and cleaning of Digester 7 with early mobilization.
44	EN17044	RP-1 Power Reliability Building Controls Upgrades	225,264	1,500,000	Behind Schedule	Bid & Award	The schedule will be pushed out as needed to ensure quality of the project. A revised baseline will be provided.
45	EN17045	RP-1 Filter Valve Replacement	20,982	650,000	On-time	Design	
46	EN17047	RP-1 Dewatering Silo/Conveyor Safety Improvement Repairs	120,041	231,000	On-time	Project Acceptance	
47	EN17059	RP-1 Iron Sponges Installation	413,550	600,000	On-time	Project Acceptance	
48	EN17077	SBLS Emergency Diversion	121,060	525,000	On-time	Pre-Design	
49	EN17082	RP-1 Mechanical Restoration and Upgrades	50,809	1,515,000	On-time	Pre-Design	
50	EN18006	RP-1 Flare Improvements	247,640	5,380,000	Recovery in Progress	Design	The project is slightly behind schedule due to extensive effort applied during the pre-design phase search for flare manufacturers who can meet the strict regulatory requirements set by South Coast Air Quality Management District. Schedule delay will be recovered during the detailed design phase.
51	EN18039	RP-1 Lighting Pole Replacements	14,226	220,000	On-time	Design	

**Regional Water Recycling Plant No. 1 (RP-1) (Cont.)**

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
52	EN18040	RP-1 Maintenance Building HVAC Replacement	11,153	650,000	On-time	Consultant Contract Award	
53	EN18052	RP-1 Dewatering Building Foam Suppression System Expansion	4,378	55,000	On-time	Construction	
54	EN18054	RP-1 Recycled Water Valve Replacement Phase II	-	115,000	On-time	Project Evaluation	
55	EP17003	RP-1 Training Room	55,050	425,000	On-time	Construction	
56	EN24001	RP-1 Liquid Treatment Capacity Recovery	52,093	182,050,000	On-time	Consultant Contract Award	
57	EN24002	RP-1 Solids Treatment Expansion	31,726	48,050,000	On-time	Consultant Contract Award	
Totals			11,986,872	279,769,051			

**Regional Water Recycling Plant No. 2 (RP-2)**

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
Totals							

**Regional Water Recycling Plant No. 4 (RP-4)**

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
58	EN0000000016	RP-4 Battery Storage	45,661	77,000	Behind Schedule	Design	Delays on this project were due to negotiations related to adding additional solar to the roof of the IERCF in parallel with the battery storage installation. No recovery is possible; a new baseline will be generated based on the updated schedule.
59	EN14018	RP-4 Disinfection System Retrofit	2,281,588	2,678,042	On-time	Construction	
60	EN17043	RP4 Primary Clarifier Rehab	104,982	6,560,900	On-time	Pre-Design	
61	EN17063.01	RP-4 Anoxic Splitter Box Gates	60,318	150,000	Behind Schedule	Construction	The original shut down date to install the gates was delayed due to ongoing work at RP-1. The Anoxic Splitter Box Gates have since been installed. Remaining work is construction of modified walkway once design is completed which is anticipated in March 2018.
62	EN17110	RP-4 Process Improvements (EN17110.01)	541,326	17,281,763	On-time	Pre-Design	
63	EN18038	RP-4 Operations and Maintenance Building	23,284	450,000	Recovery in Progress	Consultant Contract Award	The baseline schedule and the budget will be refined once the evaluation is completed.
Totals			3,057,159	27,197,705			

Regional Water Recycling Plant No. 5 (RP-5)

No.	Project ID	Project Title	Total Expenditures thru 12/31/2017 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
64	EN11031	RP-5 Flow Equalization and Effluent Monitoring	1,753,465	3,397,200	Behind Schedule	Construction	The chemical pumps are experiencing signal interference. A request for deviation has been generated to add a remote I/O control panel at the Tertiary Chemical Facility. IEUA is working with the contractor on a non-compensable time extension.
65	EN14043	RP-5 RW Pipeline Bottleneck	422,764	2,756,637	Recovery in Progress	Bid & Award	The schedule was extended by about five months due to additional and modified scope items and requirements of construction contractors pre-qualification as required by the SRF Loan guidelines. Part of the lost time may be recovered during the construction phase. Construction is expected to take less than one year which is sooner than the originally allocated time of one year.
66	EN18028	RP-5 Facilities Improvements	26,145	350,000	On-time	Design	
67	EN19001	RP-5 Expansion to 30 mgd	1,262,123	175,000,000	On-time	Design	
68	EN19006	RP-5 Biosolids Facility	1,366,317	165,000,000	On-time	Design	
69	PA17006	Agency-Wide Aeration (PA17006.02)	1,487,506	7,190,828	On-time	Construction	
Totals			6,318,320	353,694,665			

Overall Totals 66,336,303 791,682,849

Attachment C

**FY 16/17 Emergency Projects**

	Project ID	Contractor	Task Order Description (Details of Circumstance and Cause of the Emergency)	Location	TO #	Original Not-to-Exceed /Estimate	Actual Cost thru 12/31/2017	Date of Award	Status
CDA									
1	CDA000000012	W.A. Rasic Construction	Raw Water Line Repair	CDA	TO-035	8,000	156	7/18/2016	Complete
RP1									
2	EN000000023	Johnson Power	Backup Generator Rental	RP-1	-	34,193	22,144	3/6/2017	Complete
RP-4									
3	EN17019.11	Ferreira Construction	RP-4 Biofilter Sump Pump Leak	RP-4	TO-021	8,500	24,361	6/27/2017	Complete
					Totals	50,693	46,661		

**FY 17/18 Emergency Projects**

	Project ID	Contractor	Task Order Description (Details of Circumstance and Cause of the Emergency)	Location	TO #	Original Not-to-Exceed /Estimate	Actual Cost thru 12/31/2017	Date of Award	Status
Agencywide									
1	EN18019.01	W.A. Rasic Construction	Replace a manhole ring at 7400 block of Kimball Ave	Agency-Wide	TO-054	8,500	10,162	7/17/2017	Complete
2	EN18019.02	W.A. Rasic Construction	Sink Hole over the 30" Montclair Int. Sewer	Agency-Wide	TO-056	18,500	17,202	7/31/2017	Complete
3	EN18017.02	W.A. Rasic Construction	14-inch Pipe & Valve Replacement	Agency-Wide	TO-058	50,000	38,607	8/16/2017	Complete
4	EN18017.04	Ferreira Construction	Eucalyptus Ave. Valve Adjustments and Concrete Bollard Adds	Agency-Wide	TO-024	9,293	25,899	9/20/2017	Complete
5	EN18017.05	W.A. Rasic Construction	Marlay & Industry Blowoff Repair	Agency-Wide	TO-051	8,900	0	12/7/2017	Complete
CCWRF									
6	EN18019.07	W.A. Rasic Construction	CCWRF Lagoon Bottom Repairs	CCWRF	TO-063	24,600	2,132	12/12/2017	Active
7	EN18019.08	W.A. Rasic Construction	CCWRF Bleach Pipeline Repairs	CCWRF	TO-064	10,000	0	1/3/2018	Active
Recycled Water									
8	EN18017.01	W.A. Rasic Construction	Prologis RW Leak	RW	TO-055	47,966	54,901	7/19/2017	Complete
RP-1									
9	EN18019.03	Ferreira Construction	RP-1 Sodium Hypochlorite Tank Leak	RP-1	TO-023	25,000	22,268	8/22/2017	Complete
10	EN18017.03	W.A. Rasic Construction	RP-1 RW Hose Bib Riser Repairs	RP-1	TO-060	48,000	6,534	9/13/2017	Complete
11	EN18019.04	Trautwein Construction	RP-1 12" Hot Water Loop Leak/Repair- CO for EN17019.08	RP-1	CO-0001	40,000	30,989	6/1/2017	Complete
12	EN18019.05	Ferreira Construction	RP-1 Potable Water Leak	RP-1	TO-025	29,500	9,728	10/25/2017	Active
13	EN18019.06	W.A. Rasic Construction	RP1 Lagoon No. 3 Outfall Pipe (42" dia)	RP-1	TO-062	50,000	3,257	12/7/2017	Active
					Totals	370,259	221,679		

January 2018 Emergency Projects						
Contractor	Task Order Description	Details of the Circumstances/Cause of Emergency	Scope of Repair	Location	Date of Award	Not-to-Exceed /Estimate
W.A. Rasic Construction	CCWRF Bleach Pipeline Repairs	A leak in the sodium hypochlorite pipe near the Primary Sludge/Scum pit was reported. Exploratory excavation is required to determine the source. As to the actual cause of the emergency; it is unknown, but may be related to scale build-up in the 2" PVC pipe	Excavation of the area within pavement (where the leak was reported), fix the 2" PVC line break, backfill with slurry, and return the street to original condition	CCWRF	1/3/2018	10,000
					Total	10,000

Attachment D  
 Consultant Contracts

