

NOTICE OF MEETING

OF THE

**REGIONAL SEWERAGE PROGRAM
POLICY COMMITTEE**

AND

**(OPTIONAL TOUR OF CCWRF AT 3:00 PM
14950 TELEPHONE AVENUE, CHINO, CA 91710)**

OF THE



WILL BE HELD ON

THURSDAY, AUGUST 2, 2018

4:00 P.M.

**BOARDROOM
AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE, BUILDING A
CHINO, CA 91710**



Regional Sewerage Program Policy Committee Meeting

AGENDA

Thursday, August 2, 2018

4:00 p.m.

**(Optional Tour of CCWRF at 3:00 p.m.
14950 Telephone Avenue, Chino)**

Location

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

Call to Order

Pledge of Allegiance

Public Comment

Changes/Additions/Deletions to the Agenda

1. **Technical Committee Report** (*Oral*)
2. **Action Item**
 - A. Meeting Minutes for June 7, 2018
 - B. RP-1 Electrical Upgrades Construction Contract Award
3. **Informational Items**
 - A. Regional Contract Update (*Oral*)
 - B. Operations Update
4. **Receive and File**
 - A. Building Activity Update
 - B. Recycled Water Distribution – Operations Summary
 - C. Legislative Update
 - D. Kearns & West Regional Contract Facilitation Contract Amendment
5. **Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – September 6, 2018

(Continued)

6. Adjournment

DECLARATION OF POSTING

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted to the IEUA Website at www.ieua.org and posted in the foyer at the Agency's main office at 6075 Kimball Avenue, Building A, Chino, CA, on Monday, July 30, 2018.



Laura Mantilla

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF JUNE 7, 2018 MEETING

CALL TO ORDER

A meeting of the IEUA/Regional Sewerage Program – Policy Committee was held on Thursday, June 7, 2018, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, California. Chairman Jesse Armendarez, City of Fontana, called the meeting to order at 4:07 p.m.

ATTENDANCE

Committee Members:

Jesse Armendarez	City of Fontana
Jim Bowman	City of Ontario
Kathy Tieg	Cucamonga Valley Water District
Peter Rogers	City of Chino Hills
Trisha Martinez (alternate)	City of Montclair
Eunice Ulloa	City of Chino
Debbie Stone	City of Upland
Kati Parker	Inland Empire Utilities Agency

Others Present:

Chuck Hays	City of Fontana
John Bosler	Cucamonga Valley Water District
Amanda Coker	City of Chino
Dennis Mejia	City of Ontario
Halla Razak	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Kathy Besser	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Jerry Burke	Inland Empire Utilities Agency
John Scherck	Inland Empire Utilities Agency
Chander Letulle	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Jason Gu	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency

PLEDGE OF ALLEGIANCE

Committee Member Jim Bowman led those present in the pledge of allegiance to the flag. A quorum was present.

PUBLIC COMMENTS

There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA

There were none.

1. TECHNICAL COMMITTEE REPORT

Chuck Hays/City of Fontana thanked the Policy members and stated that this will be his last meeting as Chair. The City of Montclair will chair the next Technical Committee meeting. Mr. Hays reported that the following action items were presented and approved unanimously by the Technical Committee on May 31: RP-1 Primary Effluent Conveyance Improvements Construction Contract Award, FY 2018/19 Regional Programs Budget Amendment, and Regional Contract Facilitation Contract Amendment.

2. ACTION ITEMS**A. APPROVAL OF THE MINUTES OF THE MAY 3, 2018 POLICY COMMITTEE MEETING**

Motion: By Peter Rogers/City of Chino Hills and seconded by Kathy Tiegs/Cucamonga Valley Water District to approve the minutes of May 3, 2018 Regional Policy Committee meeting.

Motion carried: Unanimously.

B. RP-1 PRIMARY EFFLUENT CONVEYANCE IMPROVEMENTS CONSTRUCTION CONTRACT AWARD

Chris Berch/IEUA informed the Committee that the RP-1 Primary Effluent Conveyance Improvements Construction Contract Award was presented and approved at the May Technical Committee. He stated that the scope of work involves rehabilitation to the existing facility due to steel and concrete components degrading over the years of operation. As a result, some structures will be rebuilt, but most will be recoated, and some of the steel will be replaced. The Engineers estimate for the project was \$4.5 million dollars. IEUA received three competitive bids today and the lowest responsive bidder is within the threshold of the not-to-exceed amount of \$5 million.

Motion: By Debbie Stone/City of Upland and seconded by Eunice Ulloa/City of Chino to recommend to the IEUA Board of Directors to award the construction contract for the Regional Water Recycling Plant No. 1 Primary Effluent Conveyance Improvements, Project No. EN15012, for the not-to-exceed amount of \$5,000,000.

Motion carried: Unanimously.

C. FY 2018/19 REGIONAL PROGRAMS BUDGET AMENDMENT

Christina Valencia/IEUA informed the Committee that the FY 2018/19 Regional Programs Budget Amendment was presented as an informational item to the Regional Committees and no changes or recommendations were made after their review. This item was approved unanimously by the Technical Committee on May 31. Ms. Valencia then reviewed the proposed amendments for FY 2018/19. Ms. Valencia reported an increase to Uses of Funds of slightly under \$5 million, primarily due to the acceleration of an inter-fund loan payment that was needed to support a project in the Non-Reclaimable Wastewater Program. The largest increase noted on the revenue side was the State Revolving Funds and grants, for a net change of \$21 million.

Ms. Valencia informed the Committee that IEUA received confirmation from the State indicating IEUA will receive funding for projects in both the recycled and wastewater programs. Ms. Valencia requested that the Committee recommend that the IEUA Board approve the proposed amendments to the FY 2018/19 Budget. Ms. Stone inquired if the amendment will affect the adopted multi-year rate schedule for FY 2018/19. Ms. Valencia stated there are no changes to the rates adopted through FY 2019/20.

Motion: By Jim Bowman/City of Ontario and seconded by Kathy Tiegs/Cucamonga Valley Water District to make recommendation to the IEUA Board of Directors to approve the FY 2018/19 Regional Programs Budget Amendment.

Motion carried: Unanimously.

D. REGIONAL CONTRACT FACILIATION CONTRACT AMENDMENT

Mr. Hays provided an update on the Regional Contract facilitation and informed the Committee that Phase 1 was completed. Kearns & West (K&W) completed interviews with IEUA and member agencies and are currently developing Phase 2A, where key issues were identified prioritized and sequenced. At the Special Technical Committee, it was recommended that K&W provide a scope and cost estimate for the next phase of negotiations - Phase 2B. Chris Berch/IEUA stated that K&W provided a proposal for \$390,000 and a preliminary schedule through February 2019. Mr. Berch stated that K&W and TAC will work on projects collaboratively and ensure there are offramps and other opportunities if parties decide not to pursue in any of the process at any point. Ms. Tiegs commented that decision makers attend the meetings to get this done efficiently and effectively. Ms. Stone concurred and is supportive of this. Ms. Razak committed to watch this and move efficiently as possible.

Motion: By Debbie Stone/City of Upland and seconded by Trisha Martinez/City of Montclair to make recommendation to the IEUA Board of Directors to approve a contract amendment with Kearns & West, Inc. (K&W) for the Regional Contract Facilitation, Phase 2B for the not-to-exceed amount of \$390,000.

Motion carried: Unanimously.

3. INFORMATIONAL ITEMS

A. GRANTS SEMI-ANNUAL UPDATE

The Grants Semi-Annual Update was received and file by the Committee.

B. LEGISLATIVE UPDATE

Ms. Tiegs/Cucamonga Valley Water District inquired about IEUA's watch position on SB 623. Kathy Besser/IEUA stated that IEUA is watching the legislation especially since the Senate and Assembly are passing different versions. Ms. Besser stated IEUA is supporting the Senate version of the bill and will be taking it to the Community & Legislative Affairs Committee meeting on June 13. Discussions ensued on the discrepancy between the bills. Ms. Tiegs also informed the Committee on the CWA Bill, that will impact rate payers from about \$0.95 a month to \$20 to \$40 which will be tacked on to water bills and will have nothing to do with consumption.

4. RECEIVE AND FILE**A. BUILDING ACTIVITY UPDATE**

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

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

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

5. OTHER BUSINESS**A. IEUA GENERAL MANAGER'S UPDATE**

- Halla Razak gave an update on the Prop 1 Application and stated that the State qualified IEUA for \$207 million and IEUA received a score of 69 out of 100, which was 5th of the 8 projects. The highest score was 82 and the lowest was 49. IEUA met with California Water Commission staff about the scoring discrepancies and they will take it into consideration. IEUA will present at the California Water Commission hearing on June 27-29.
- Ms. Razak thanked Mr. Hays and Chairman Armendarez for their leadership in the Technical Committee and Policy Committee, respectively. Ms. Razak also welcomed Noel Castillo/City of Montclair as the next Technical Committee Chair and Trisha Martinez/City of Montclair as the next Policy Committee Chair.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

None.

C. COMMITTEE MEMBER COMMENTS**D. NEXT MEETING – AUGUST 2, 2018****6. ADJOURNMENT – Meeting was adjourned at 4:31 p.m.**

Transcribed by:

Laura Mantilla, Executive Assistant

ACTION ITEM

2B

Date: July 26, 2018/August 2, 2018
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: RP-1 Generator Controls Upgrade Design-Build Contract Award

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RECOMMENDATION

It is requested that the Regional Committees recommend the IEUA Board of Directors award the design-build contract for the RP-1 12kV Switchgear and Generator Control Upgrades, Project No. EN17044, to Big Sky Electric in the amount of \$4,427,000.

BACKGROUND

In July 2016, IEUA retained the services of Tetra Tech to perform a system analysis for the existing Regional Water Recycling Plant No. 1 (RP-1) electrical distribution system and planned expansion. The system analysis consisted of evaluating electrical equipment sizes, existing switchgear load, and the future load expansion. Tetra Tech proposed recommendations to address existing and future electrical system deficiencies.

Part of Tetra Tech's system analysis consisted of evaluating the three existing 1250 kW Caterpillar backup generators and their related control systems located inside the Power Reliability Building at RP-1. The analysis concluded that the existing generator control system is an outdated analog system that does not meet the plant's current digital data and network system requirements and is unreliable; placing RP-1 at risk during a power outage. The purpose of the RP-1 Power Reliability Generator Control Upgrades Project is to replace the outdated control equipment for the backup generators as well as incorporate microgrid technology allowing RP-1 to maximize the use of alternative power generation on a go forward basis. This reliability is critical in maintaining water quality compliance and staff safety.

On January 17, 2017, IEUA retained Black & Veatch to prepare a Project Design Report for engineering and pre-design services for the Project. On May 10, 2017, IEUA pre-qualified three design-build contractors for the Project. On July 24, 2017, IEUA advertised via *PlanetBids* a Request for Proposal to three pre-qualified design-build contractors in compliance with Senate Bill (SB) 785, which allows public agencies to select design-build contractors based on the best value to IEUA rather than being selected exclusively on lowest cost. This project delivery method was preferred due to the sensitivity of the controls systems and the significant impact that quality

experience can have on the success of this project. All three contractors participated in the job walk on August 3, 2017.

On September 12, 2017, the following proposals were received:

Bidder's Name	Total Price
Big Sky Electric	\$2,458,143
CDM Smith	\$2,350,484
CSI Electric	\$2,286,570
Engineer's Estimate	\$2,500,000

The proposals were reviewed by a selection committee from Engineering and Construction Management, Integrated Systems Services, and Contracts and Procurement; member agency staff was requested to participate but were unavailable to assist.

Pursuant to SB 785, the proposals were evaluated based on technical design and construction experience, proposed work plan, schedule, fees, and the recommended RP-1 electrical back-up plan. Based on these criteria, the committee unanimously determined that Big Sky Electric (Big Sky) provided the best value to IEUA for the Project. Big Sky was the only Design/Build Contractor to submit a complete proposal package encompassing the entire scope of work as requested by IEUA. During the pre-qualification process, IEUA staff evaluated Big Sky's financial statements and verified references; which were found to be excellent. Big Sky demonstrated the technical experience and responsiveness to be successful on this project.

Value-Added Proposal

In addition to the base proposal submitted in early September 2017, Big Sky proposed a value-added scope of work to replace the 12kV switchgear due to its age. IEUA had identified the RP-1 12kV Switchgear replacement as a future project and had begun switchgear testing to determine its viability and condition. The testing report, delivered in October 2017, stated that the switchgear had obsolete parts, was operating inefficiently, and had failed several of the testing procedures and could not be repaired. With this information, IEUA staff began to evaluate Big Sky's value-added proposal and elected to include the value-added scope of work.

Including the value-added scope of work for the 12kV switchgear presents the following cost savings to IEUA:

Project Description	Total Price
Planned Future 12kV Switchgear Projects	\$3,900,000
Value-Added 12kV Switchgear Replacement Cost, Project No. EN17044	-\$1,968,857
Total Savings	\$1,931,143

In addition to the cost savings, adding the replacement of the 12kV switchgear to the Project requires only one plant shutdown as opposed to several plant shutdowns; minimizing risk to plant operations and compliance.

RP-1 Switchgear and Generator Upgrades Design-Build Contract Award

August 8, 2018

Page 3 of 3

The total requested amount for the design-build contract is as follows:

Big Sky Electric's Proposal	Total Price
RP-1 Generator Control Upgrades	\$2,458,143
RP-1 12kV Switchgear Replacement – Added Value Proposal	\$1,968,857
Total Bid Price	\$4,427,000

The following table is the anticipated project cost:

Description	Estimated Cost
Pre-Design Services	\$328,000
Pre-Design Contract (actual)	\$102,500
IEUA Pre-Design Services (actual)	\$225,500
Design-Build Services	\$322,454
Owner's Engineer Services (~4%)	\$189,644
IEUA Services (~3%)	\$132,810
Construction	\$4,869,700
Design-Build Contract (this action)	\$4,427,000
Contingency (~10%)	\$442,700
Total Project Cost	\$5,520,154
Current Total Project Budget	\$5,830,000

The following is the anticipated project schedule:

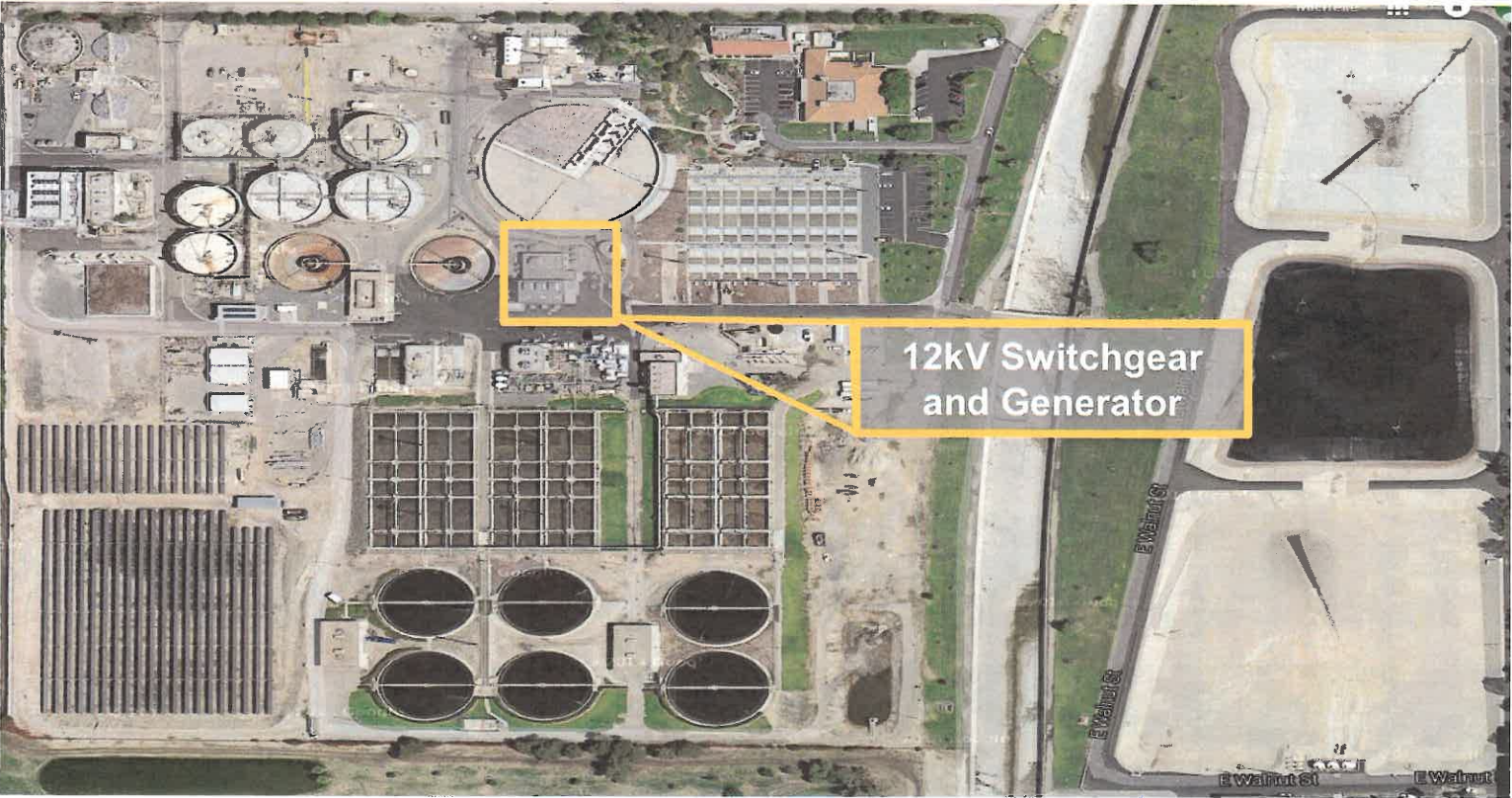
Project Milestone	Date
Design-Build Contract Award	August 2018
Design Completion	March 2019
Construction Completion	May 2019

The RP-1 12kV Switchgear and Generator Control Upgrades Project is consistent with *IEUA's Business Goal of Wastewater Management* specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Regional Plant No.1 Switchgear and Generator Control Upgrades Construction Contract Award Project No. EN17044



Project Location



The Project

- Scope includes:
 - Replacement of 12kV Switchgear with Spare Breaker Space
 - Replacement of Control Panels for Generator Control
 - New Digital Engine Control Panels at Generators
 - Emergency Power During Construction



Project Budget and Schedule

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Pre-Design Contract (actuals)	\$102,500
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Total Project Cost	\$5,520,154
Total Project Budget	\$5,830,000

Project Milestone	Date
Construction	
Construction Contract Award	August 2018
Construction Completion	May 2019

Recommendation

It is requested that the Regional Committees recommend the IEUA Board of Directors award the design-build contract for the RP-1 12kV Switchgear and Generator Control Upgrades, Project No. EN17044, to Big Sky Electric in the amount of \$4,427,000.

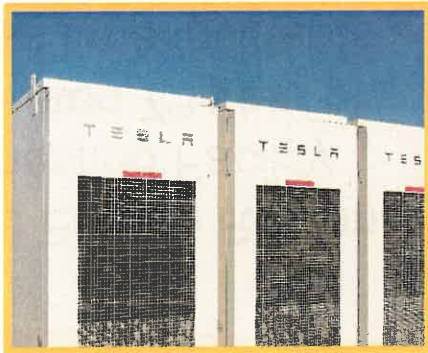
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INFORMATION

ITEM

3B

Operations Division Update

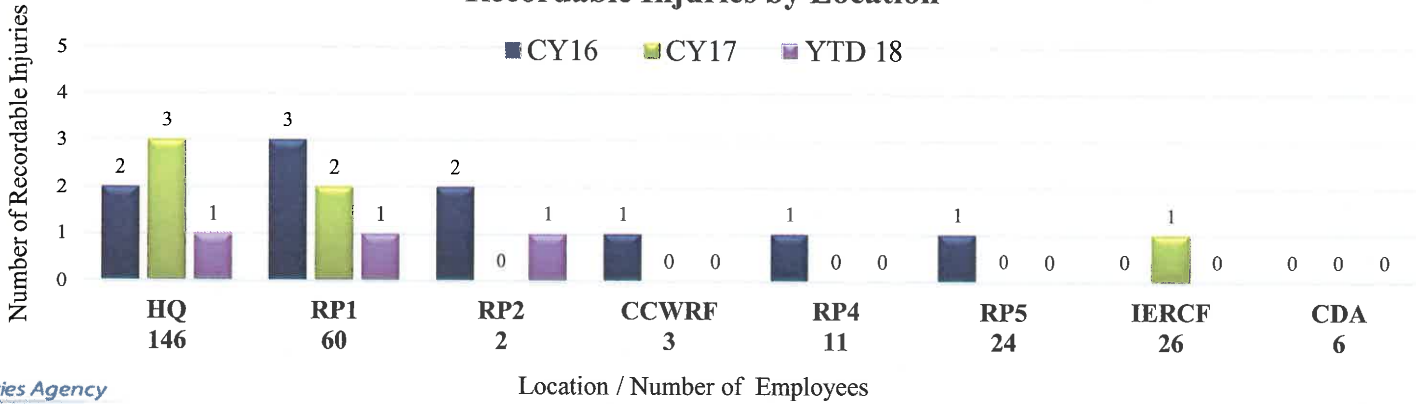


Safety

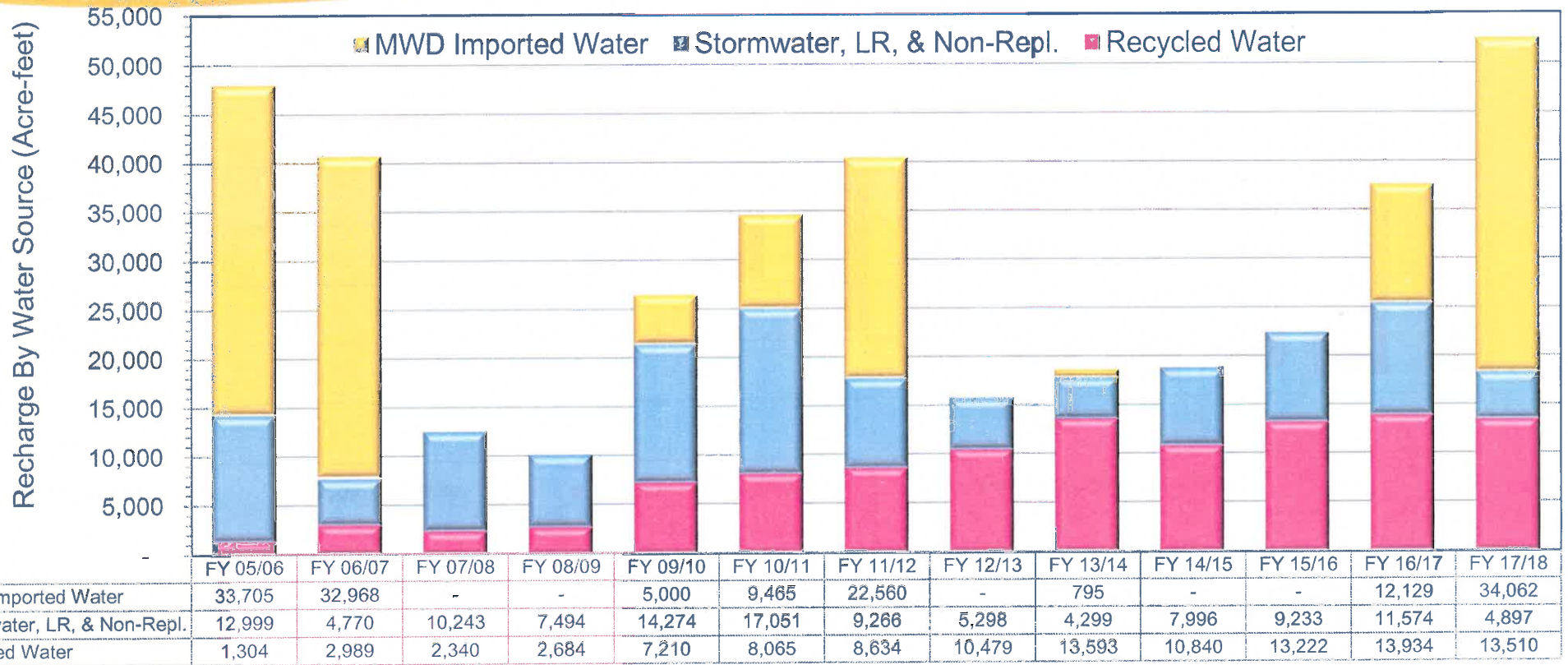
Inland Empire Regional Composting Facility celebrated 7th year of no loss time incidents



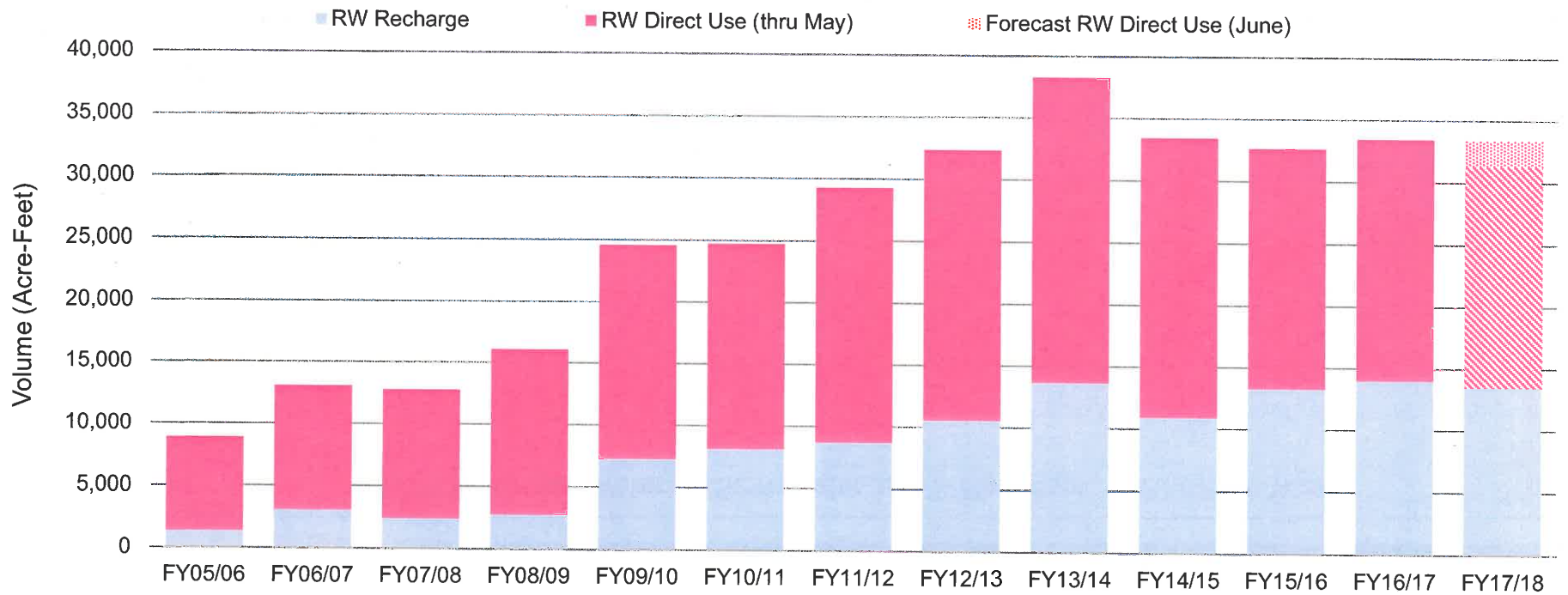
Recordable Injuries by Location



Groundwater Recharge



Recycled Water Delivery



Nesting Bird Mitigation at RP-5



CCWRF Asset Management



Carbon Canyon Water Reclamation Facility

- Been in operation since early 1990's
- 11.4 million gallons per day capacity
- Produces Title 22 Recycled Water
- Staffed 10 hours/day

CCWRF Asset Management



12 KV Maintenance



Aeration Maintenance



Headworks Maintenance



RW Pump Station Inspection



Primary Clarifier Inspection



Headworks Condition Assessment

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2017/18



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

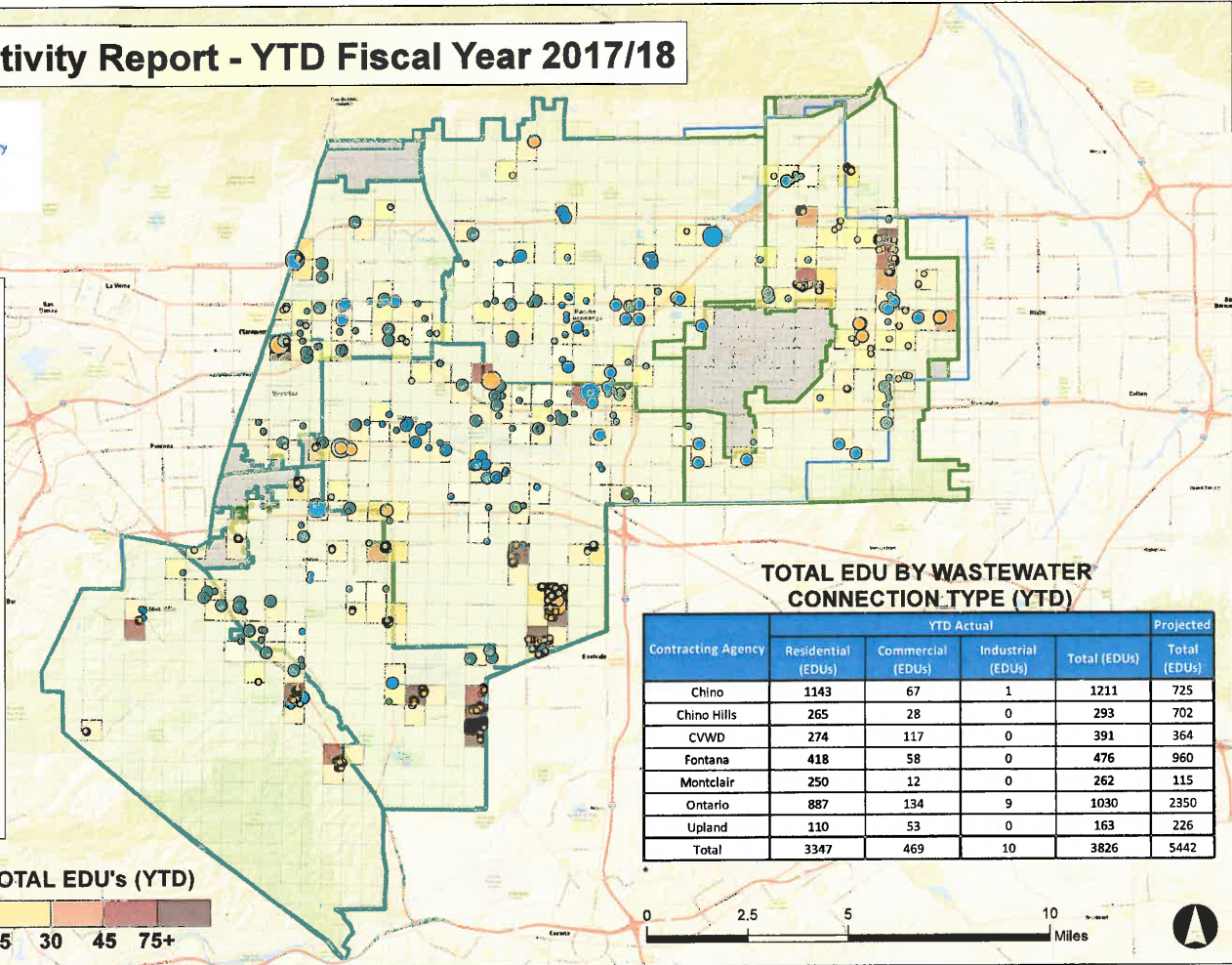
- ≤1.0
- 1.0 - 10.0
- >10.0

Commercial

- ≤1.0
- 1.0 - 10.0
- >10.0

Industrial

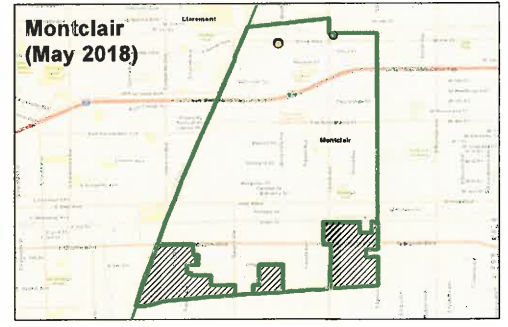
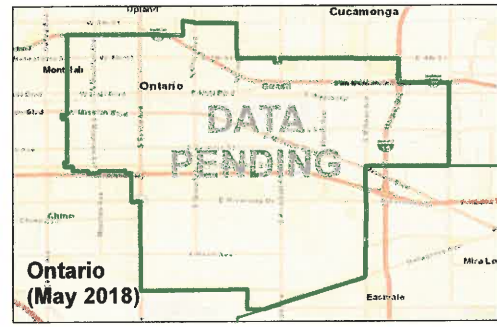
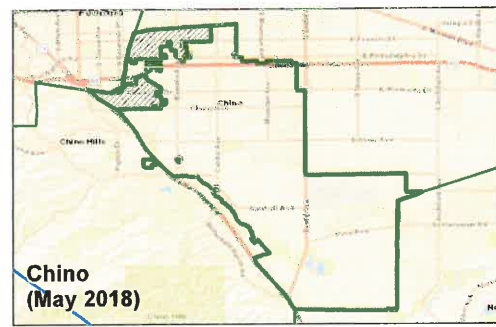
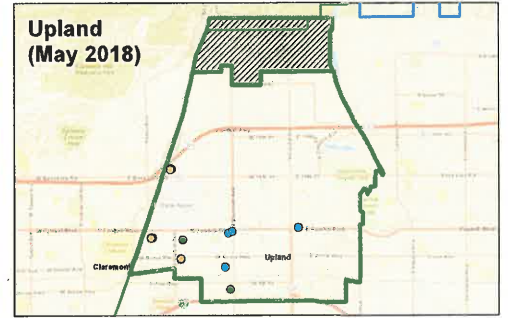
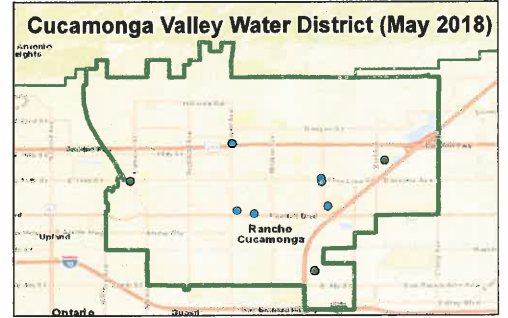
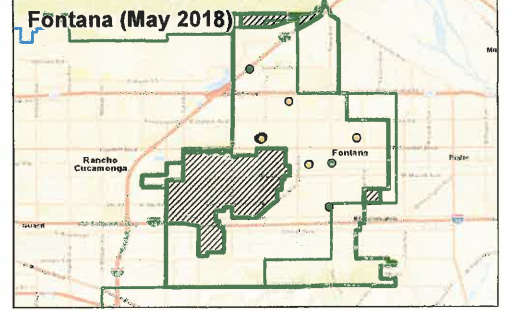
- ≤1.0
- 1.0 - 10.0
- >10.0



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)		
Chino	1143	67	1	1211	725
Chino Hills	265	28	0	293	702
CVWD	274	117	0	391	364
Fontana	418	58	0	476	960
Montclair	250	12	0	262	115
Ontario	887	134	9	1030	2350
Upland	110	53	0	163	226
Total	3347	469	10	3826	5442

HALF MILE GRID: TOTAL EDU's (YTD)



Building Activity Report - YTD Fiscal Year 2017/18



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

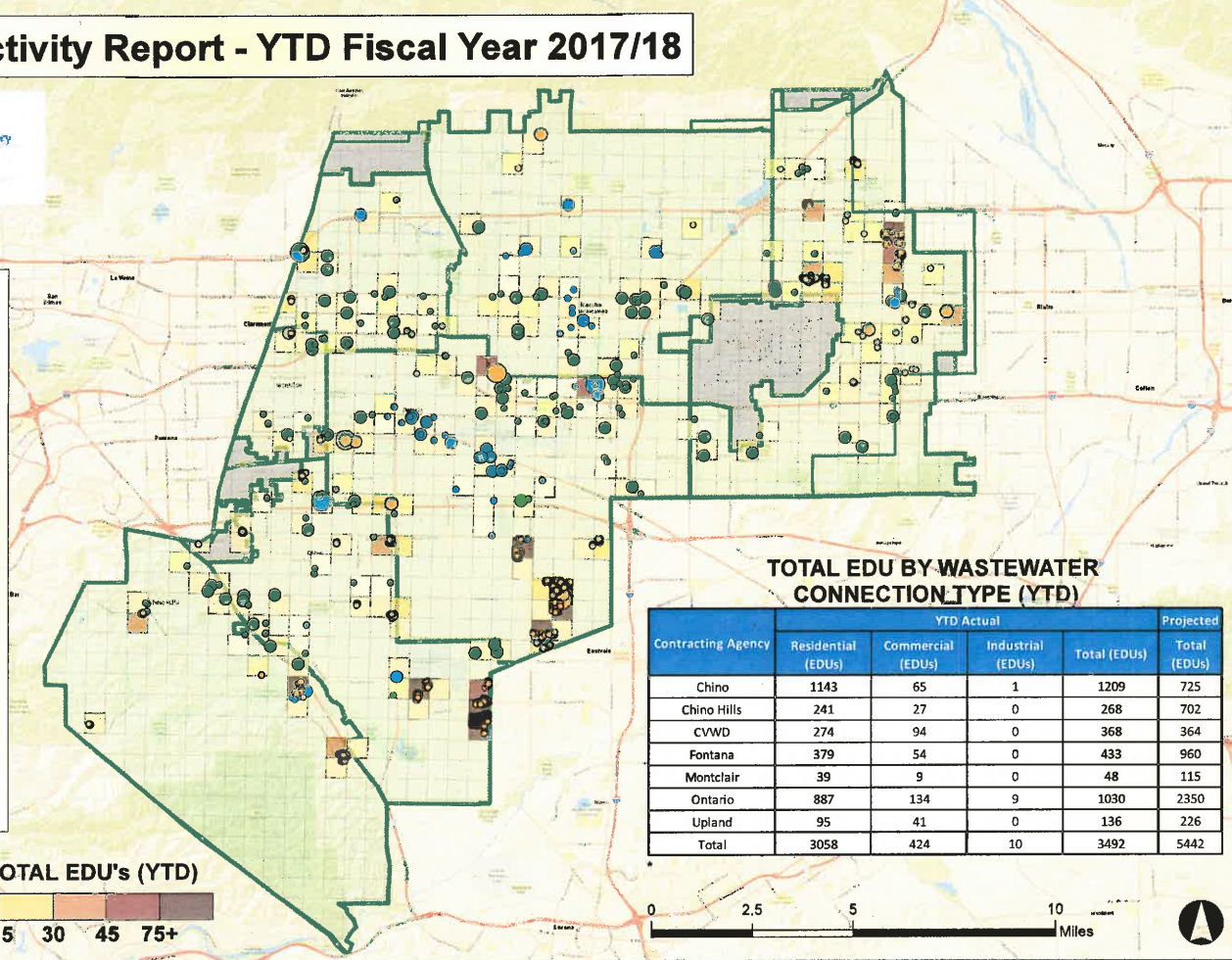
- ≤1.0
- 1.0 - 10.0
- >10.0

Commercial

- ≤1.0
- 1.0 - 10.0
- >10.0

Industrial

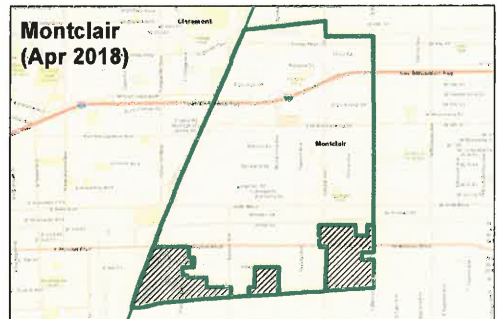
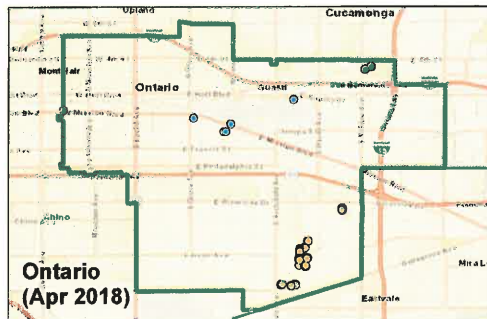
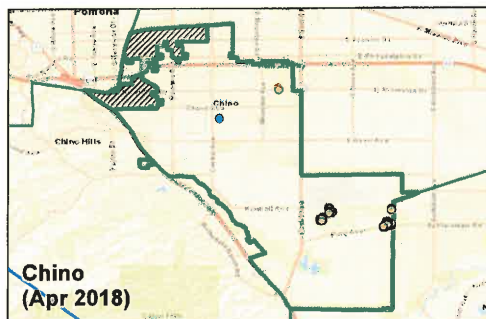
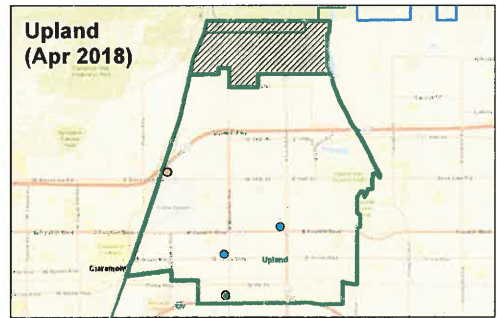
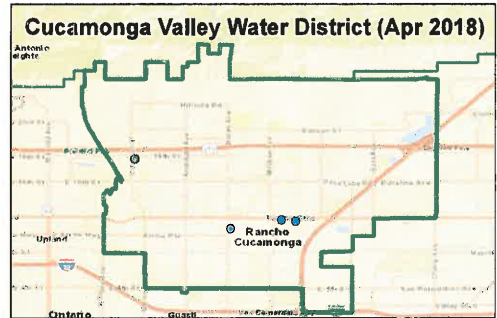
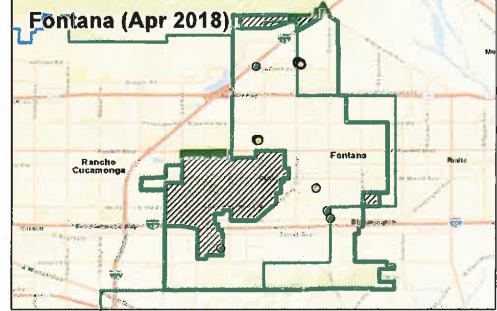
- ≤1.0
- 1.0 - 10.0
- >10.0



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Chino Hills	241	27	0	268	702
CVWD	274	94	0	368	364
Fontana	379	54	0	433	960
Montclair	39	9	0	48	115
Ontario	887	134	9	1030	2350
Upland	95	41	0	136	226
Total	3058	424	10	3492	5442

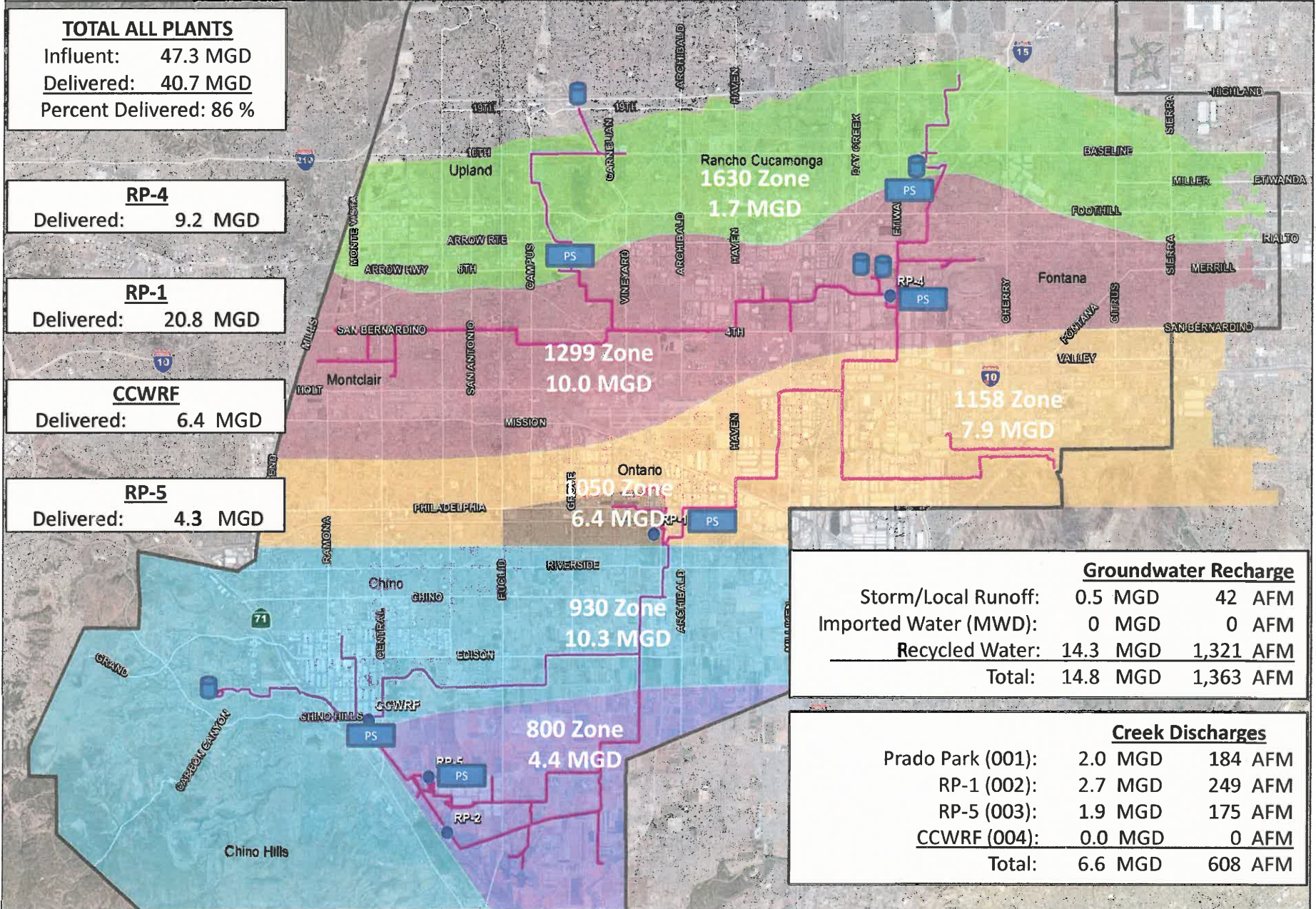
HALF MILE GRID: TOTAL EDU's (YTD)



RECEIVE AND
FILE

4B

IEUA RECYCLED WATER DISTRIBUTION – JUNE 2018



TOTAL ALL PLANTS
 Influent: 47.3 MGD
 Delivered: 40.7 MGD
 Percent Delivered: 86 %

RP-4
 Delivered: 9.2 MGD

RP-1
 Delivered: 20.8 MGD

CCWRF
 Delivered: 6.4 MGD

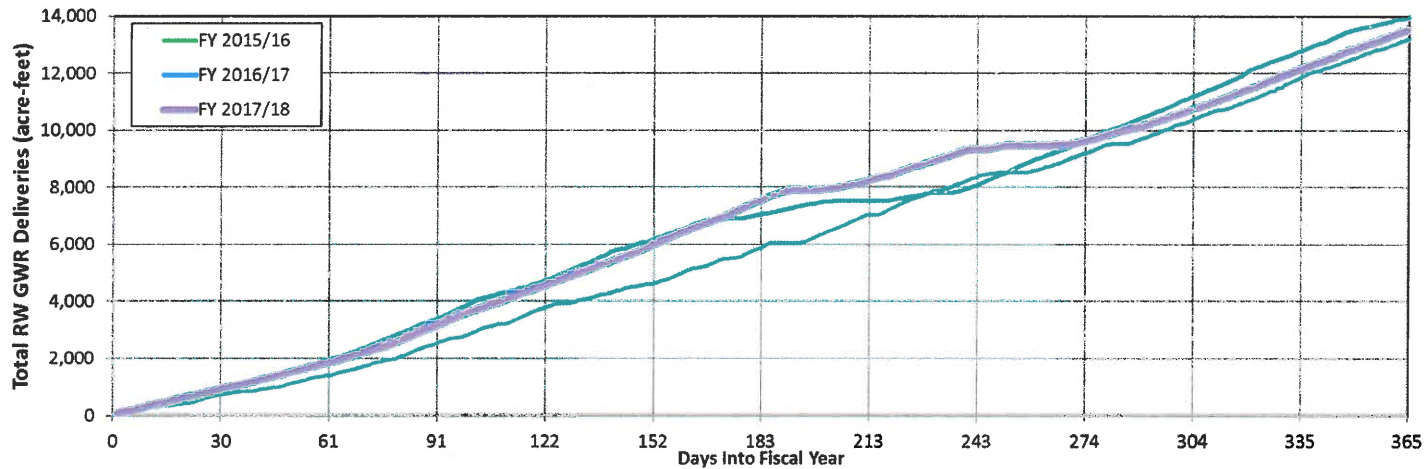
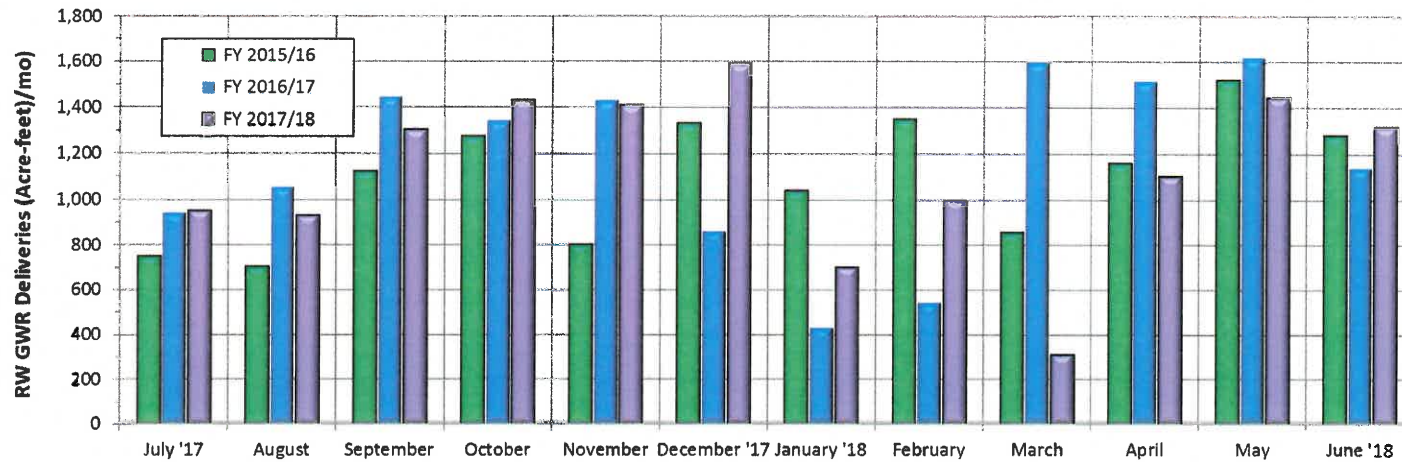
RP-5
 Delivered: 4.3 MGD

Groundwater Recharge	
Storm/Local Runoff:	0.5 MGD 42 AFM
Imported Water (MWD):	0 MGD 0 AFM
Recycled Water:	14.3 MGD 1,321 AFM
Total:	14.8 MGD 1,363 AFM

Creek Discharges	
Prado Park (001):	2.0 MGD 184 AFM
RP-1 (002):	2.7 MGD 249 AFM
RP-5 (003):	1.9 MGD 175 AFM
CCWRF (004):	0.0 MGD 0 AFM
Total:	6.6 MGD 608 AFM

Recycled Water Recharge Deliveries / Plan - June 2018 (Acre-Feet)

Basin	6/1-6/8	6/9-6/15	6/16-6/22	6/23-6/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.	
Ely	114.4	57.0	33.6	30.8	235.8	1552		
Banana	45.0	34.0	28.0	28.0	135.0	2179		
Hickory	24.6	20.5	20.6	30.6	96.3	1432		
Turner 1 & 2	6.1	19.5	37.5	24.0	87.1	1566		
Turner 3 & 4	14.0	44.6	57.5	28.2	144.3			
8th Street	0.0	0.0	0.0	0.0	0.0	1055		
Brooks	38.5	20.9	37.4	16.8	113.6	1290		
RP3	73.0	64.3	57.6	65.7	260.6	3026		
Declez	71.3	65.9	33.1	78.4	248.7	614		
Victoria	0.0	0.0	0.0	0.0	0.0	798		
San Sevaine	0.0	0.0	0.0	0.0	0.0	0		
Total	386.9	326.7	305.3	302.5	1,321.4	13,510	13,934	AF, Previous FY To Date Actual



RECEIVE AND
FILE

4C

IEUA Bill Matrix

Last Updated 7-2-18

Year	IEUA Action	Bill No.	Author	Bill Name	Final Status	Comments
2017	<u>Support</u>	<u>Prop 68 (SB 5)</u>	de León, (D- Los Angeles)	Water Bond	Passed on the primary ballot on June 5, 2018	Joined Californians for Clean Water and Safe Parks Coalition - Prop 68 (2/18)
2018	<u>Support</u>	<u>SB 606</u>	Hertzberg, (D- Van Nuys)	Water Management Planning	Signed by the Governor	Approved by the IEUA Board in May 2018
2018	<u>Support</u>	<u>AB 1668</u>	Friedman, (D- Glendale)	Water Management Planning		
2018	<u>Support</u>	<u>SB 2050</u>	Caballero, (D- Salinas)	Small System Water Authority Act of 2018	-	IEUA Board approved support position in April 2018. (Eastern MWD Bill)
2018	Oppose	<u>SB 623</u>	Monning, (D- Carmel)	Water quality: Safe and Affordable Drinking Water Fund	-	Similar language removed from budget trailer bill; signed on to ACWA coalition letter in opposition in June 2018.
2018	Support	Water Bond	Jerry Meral	<u>Water Supply and Water Quality Act of 2018</u>	General Election Ballot in Nov. '18	Signatures have been verified for inclusion on the November ballot. Support position approved by the IEUA Board in June 2018.
2018	Watch	<u>AB 2697</u>	Gallagher	Idled Ag Land and Water Transfers	-	Signed on to MWD Coalition. Opposition has been pulled.
2018	Watch	<u>SB 831</u>	Wieckowski	Land use: accessory dwelling units	Dead	Concerns for partnering agencies. Held in Asm. Housing and Community Development committee.
2018	Oppose	<u>SB 998</u>	Dodd	Discontinuation of residential water service: urban and community water systems	-	Concerns for partnering agencies
2018	Watch	<u>SB 1244</u>	Wieckowski	Public Records Disclosure	-	

RECEIVE AND
FILE

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Date: June 20, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HHR

Committee:

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

Subject: Regional Contract Facilitation Contract Amendment

Executive Summary:

In September 2017, at the request of the Regional Technical Committee, Inland Empire Utilities Agency (IEUA) entered into a professional services contract with Kearns and West (K&W) to help facilitate the Regional Sewage Service Contract (Contract) negotiations. The initial contract was for \$99,874. Phase 1 was completed and a presentation was made at a joint meeting of the Regional Policy and Technical Committees in February 2018. At the meeting, the Policy Committee discussed options and decided it would be mutually beneficial to continue the discussions currently underway to revise the Contract and use the positive momentum established during Phase 1 to reach a final resolution on the terms for a revised Contract.

In March 2018, the K&W Team held several "Scoping Sessions", called Phase 2A, with the Technical Committee to refine issues for negotiation, develop a list of issues and establish a timeline for resolution. The Phase 2A effort, which cost \$14,971, has been completed. On May 24, 2018, the Technical Committee requested K&W provide a scope and cost for the next phase of actual negotiations, Phase 2B. On May 31 and June 7, the Regional Committees unanimously approved the Phase 2B contract amendment with K&W for a not-to-exceed amount of \$390,000. If approved, the total contract amount with K&W would increase to \$504,845.

Staff's Recommendation:

1. Approve budget amendment of \$390,000 for the Regional Contract Facilitation, Project No. PL19002;
2. Award a professional services contract amendment to Kearns and West for a not-to-exceed amount of \$390,000; and
3. Authorize the General Manager to execute the contract subject to non-substantive changes.

Budget Impact *Budgeted* (Y/N): N *Amendment* (Y/N): Y *Amount for Requested Approval:* \$ 390,000

Account/Project Name:

PL19002/Regional Contract Facilitation

Fiscal Impact (explain if not budgeted):

A new project will be established and the budget will be supplemented for \$390,000 under the Regional Wastewater O&M Fund.

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The contract amendment supports the IEUA's Business Goal of Business Practices specifically the Efficiency and Effectiveness objective that IEUA will apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public.

Attachments:

Attachment 1 - Regional Contract Facilitation Contract Amendment

PROPOSED SCOPE OF WORK – REGIONAL SEWAGE SERVICE CONTRACT NEGOTIATION PROJECT, PHASE 2B

Introduction

IEUA and the seven Contract Agencies (Agencies) seek to reach agreement on a revised Regional Sewage Service Contract. To this end, the Agencies contracted with the Kearns & West Team to meet with the Agencies and determine the issues, concerns and potential disagreements with the existing contract (Phase 1). The Agencies subsequently contracted with the K&W Team to further refine issues for negotiation, develop a priority list of these issues, and recommend a schedule and process for contract negotiations (Phase 2A). Following a meeting with the K&W Team to discuss Phase 2B options and recommendations, the Technical Committee requested preparation of this Scope of Work (SOW) and related budget to support Phase 2B.

The attached table is a proposed budget for the Phase 2B work effort.

Project Goals

In general terms the services under this SOW for Phase 2B are intended to provide the Agencies with:

- 1) Neutral, third party expertise in conflict resolution and collaborative problem solving, including process design;
- 2) Neutral, third-party technical expertise related to key issues requiring negotiation;
- 3) A broad spectrum of process support services for structured contract negotiations based on Phase 2A issue scoping, expert advice from the K&W Team, and initial process choices made by the Technical Committee;
- 4) Ongoing communication to support Phase 2B objectives between and among the Technical Committee, K&W Team, and other authorized representatives of the Agencies as appropriate.

The same core K&W Team is proposed for Phase 2B work to maintain continuity and build upon knowledge gained from Phases 1 and 2A. This core team will be augmented as needed by other K&W staff.

Phase 2B Tasks

Phase 2B involves conducting negotiations in accordance with the process and structure developed in Phase 2A. The Agencies have created the foundation for the negotiations through Phases 1 and 2A, including perspectives on priority issues, linkages, and key interests and needs. This phase builds on that foundation and focuses on systematically building mutually acceptable agreements for identified issues among the Agencies through transparent and collaborative problem solving.

Task 1- Prepare Negotiation Terms of Reference Document

The K&W Team will prepare a Terms of Reference document for review and adoption by the Technical Committee (and other Agency representatives as appropriate). This document will describe the basic negotiation process for Phase 2B, the initial schedule, expectations for participation, decision making, confidentiality, the role of the K&W Team, and specific Guidelines for Negotiation. The K&W Team will support the Technical Committee in adopting modifications to this document as necessary.

Task 2 – Negotiation Sessions Schedule

The K&W Team will be responsible for preparing and maintaining the schedule for contract negotiations, communicating that schedule to the Technical Committee, advising on modifications and updates, and working with the Technical Committee to address the needs of its members related to scheduling.

Task 3 – Negotiation Sessions and Consultation

The K&W Team will have primary responsibility for planning and designing negotiation sessions in Phase 2B. These sessions may take a variety of forms, and may include different participants consistent with the Terms of Reference document. This Task also includes responsibility for planning and scheduling consultation sessions with representatives of one or more Technical Committee members to support contract negotiations.

Task 4 – Conflict Resolution and Collaborative Decision Making

The K&W Team will provide a full range of services to support increased understanding of interests and needs, development of options, and building agreements as part of contract negotiations. This Task includes preparing agendas and other background materials to support discussions, in addition to facilitated decision making, conflict resolution, and technical problem solving.

Task 5 – Meeting Notes and Summaries

The K&W Team will be responsible for preparing written summaries of negotiation sessions, including the documentation of agreements reached by the Technical Committee. These will be prepared and circulated in draft form for review, and then finalized, consistent with the Terms of Reference document. This Task includes taking notes at negotiation sessions to support preparation of summaries. This task also includes taking notes and preparing summaries of consultations and other discussions, also consistent with the Terms of Reference.

Task 6 – Ongoing Communication, Coordination, and Engagement

The K&W Team will communicate, coordinate, and engage with representatives of the Agencies as appropriate to support Phase 2B. This Task includes ongoing communication with the TC Chair and other members, the Policy Committee, the IEUA Board, and staff of the Agencies as needed. This Task also includes internal communications among the K&W team to prepare for negotiation sessions, develop a consistent understanding of input received from the Agencies, and develop potential options that address identified needs and concerns and are mutually acceptable to the Agencies.

Phase 2B Schedule

The Agencies intend that Phase 2B commence as soon as possible, and not later than July 2018, following necessary consultation and approvals for this SOW and associated contract and budget.

IEUA and Member Agencies - Regional Wastewater Contract Negotiation - Phase 2B Budget

<i>Assumed Period of Work: July 2018-June 2019 (*Items with an asterisk reflect hourly estimates per month.)</i>	Harty	Diemer	Rudinica	KW Associate	KW Project Coordinator	Hours for 1 Month	Hours for 12 Months	TOTAL \$ (for 1 month)	TOTAL \$ (for 12 months)	ASSUMPTIONS
	\$225.00	\$250.00	\$250.00	\$185.00	\$70.00					
Task 1: Prepare Negotiation Terms of Reference Document	15	5	5	10			35		7,325	Includes document drafting, multiple rounds of internal revisions, and time spent reviewing and modifying based on TC feedback.
Task 2: Negotiation Sessions Schedule*	1	1	1	2	4	9	108	1,295	15,540	Includes scheduling (and rescheduling) of meetings and consultation sessions.
Task 3: Negotiation Sessions and Consultation*	24	24	20			67	808	16,236	194,832	Assumes 4 negotiation sessions of 3 hours each + 2 hours travel/prep each; assumes 8 hours of consultation sessions/month; assumes attendance at 1 hr/month for TC and/or PC meetings. Assumes that Mike, Mike, and Dennis each attend 2/3 of all meetings. Assumes 6 hours round trip additional travel time (billed at 1/2 time) for Mike H and Dennis 2 times per month.
Task 4: Conflict Resolution and Collaborative Decision Making*	6	6	6	6	6	30	360	5,640	67,680	This Task includes preparing agendas and other materials/appropriate background to support discussions, research to support increased understanding interests and needs, development of options and technical problem solving.
Task 5: Meeting Notes and Summaries*				38		38	456	5,510	66,120	Assumes notetaking at 4 negotiation sessions of 3 hours each + 2 hours travel/prep each. Assumes 4 hours round trip additional travel time 1 times per month. Assumes production of written summaries for all these negotiation and consultation sessions and several rounds of revisions + incorporation of edits for final summaries. Assumes one set of meetings will be staffed by a Northern CA Associate and one set by a Southern CA Associate; assumes 6 hours round trip additional travel time (billed at 1/2 time) for Associate 1 time/month.
Task 6: Ongoing Communication, Coordination, and Engagement *	2	2	2	2	2	10	120	1,880	22,560	Includes ongoing communication with the TC Chair and other members, the Policy Committee, the IEUA Board, and staff of the Agencies as needed. This Task also includes internal communications among the K&W team.
TOTAL HOURS FOR YEAR	408.12	398.12	350.6	586	144		1887			
TOTAL LABOR	\$91,827	\$99,530	\$87,650	\$84,970	\$10,080			\$30,561	\$374,057	
SAVINGS FROM REDUCED MEETING SCHEDULE IN AUG & DEC									-\$30,561	Assumes half the number of meetings in August (vacations) and December (holidays).
TOTAL LABOR - PHASE 1									\$343,496	

Other Direct Costs	Quantity	Price/unit	Time (months)			Price/month		Price/year	ASSUMPTIONS
Mileage @ federal reimbursement rate of .54/mile	720	0.54	12			389		\$4,666	Assumes ~90 miles RT driving from Santa Ana Airport/home to IEUA or other Agency offices. Assumes 1 car for Mike, Mike, and Dennis; and 1 car for notetaker.
Airfares	2.32	\$400	12			928		\$11,136	Assumes one trips per month for notetaker, and 2/3 of 2 trips for Mike and Dennis. Assumes all roundtrip.
Taxis, Uber, Parking, Road tolls, Car rental (as needed)	2.98	\$100	12			298		\$3,576	Assumes \$100 per person/month
Meeting materials	1	\$200.00	12			200		\$2,400	Includes flip charts, printing, and basic equipment cost per month
Per diem meals	9.28	\$64.00	12			594		\$7,127	Assumes 2017 federal GSA per diem rate of \$64/day for 4 people (with three of those attending 2/3 of meetings)
Lodging	3.96	300	12			1188		\$14,256	Lodging will be billed at the actual cost and will not exceed \$300/night without prior approval. Assumes lodging for Mike and Dennis, but not for notetaker. Assumed 3 nights/month to accommodate one day of early morning meetings.

Phase 2B IEUA Estimate of Services_final

Total ODCs							3597		\$43,161	
SAVINGS FROM REDUCED MEETING SCHEDULE IN AUG & DEC									-\$3,597	Assumes half the number of meetings in August (vacations) and December (holidays).
Total ODCs									\$39,564	

Total Labor and ODC for 1 Month Phase 2B, Tasks 2-6									\$34,768	
Total Labor and ODC for 1 Year Phase 2B, Tasks 1-6									\$386,657	

ADDITIONAL ASSUMPTIONS:

1. Negotiation meetings scheduled WED afternoons 1-4 pm and THU afternoons 1-4 pm
2. Negotiation sessions scheduled every other week around the TC and PC dates, so two blocks of meetings/month
3. Meetings scheduled prior to the scheduled PC meeting from 12:30 to 3:30 - PC meets at 4:00
4. Meet on the same date as the scheduled TC meeting
5. Assumes consultation sessions with Agency reps scheduled as needed on Wednesday mornings prior to negotiation sessions, and Thursday mornings prior to negotiation sessions
6. Assumes a 12 month schedule based on the fiscal year, July 2018 - June 2019, but half the number of meetings in August and December
7. Assumes a notetaker is needed for all negotiation meetings, but labor will be split between one SoCal notetaker and one traveling from Sacramento; Mike or Dennis will take notes at consultation sessions and TC/PC meetings.
8. Assumes Mike, Mike and Dennis will each participate in 2/3 of negotiation sessions.
9. Assumes that all meetings will be in-person, BUT webinars/calls are still an option to reduce travel time and ODCs.