



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

**WEDNESDAY, JANUARY 16, 2019
10:00 A.M.**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

Kirby Brill, Interim General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Joshua Aguilar, Senior Engineer
Jerry Burke, Deputy Manager of Engineering
Pietro Cambiaso, Deputy Manager of Planning & Environmental Resources
Andrea Carruthers, Senior External Affairs Specialist
Javier Chagoyen-Lazaro, Manager of Finance & Accounting
Tina Cheng, Budget Officer
Connie Gibson, Executive Assistant
Warren Green, Manager of Contracts & Procurement
Jennifer Hy-Luk, Acting Executive Assistant
Sylvie Lee, Manager of Planning & Environmental Resources
Laura Mantilla, Executive Assistant
James McQueen, Manager of Human Resources
Pablo Olvera, Mechanic I
Cathleen Pieroni, Manager of Government Relations
Jesse Pompa, Deputy Manager of Grants
Craig Proctor, Source Control/Environmental Resources Supervisor
Thomas Swezey, Mechanic III
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenetché, JC Law Firm
Gino Filippi, CBWM
Loree Masonis

A 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.

Director Elie called the meeting to order at 10:02 a.m. and Director Parker led the Pledge of Allegiance to the flag. A quorum was present.

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

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

NEW EMPLOYEE INTRODUCTIONS

Executive Manager of Operations/Assistant General Manager Randy Lee introduced:

- Mr. Pablo Olvera, Mechanic I, hired December 17, 2018, Operations & Maintenance Department

The Board of Directors welcomed Mr. Olvera to the IEUA team.

(Director Hofer entered the Board meeting room 10:04 a.m.)

PROMOTIONS/RECOGNITIONS

The following staff members were promoted:

- Mr. Thomas Swezey, Mechanic III, promoted November 4, 2018, Operations & Maintenance Department
- Mr. Pietro Cambiaso, Deputy Manager of Planning & Environmental Resources, promoted December 30, 2018, Planning & Environmental Resources Department

The Board of Directors congratulated Mr. Swezey and Mr. Cambiaso on their promotion.

ACTION ITEM

ELECTION OF OFFICERS

General Counsel Jean Cihigoyenetche stated that pursuant to the Water Code and Bylaws of the Agency, in the first meeting in January of every odd numbered year, the Agency elects officers of the Board of Directors. He stated that the positions to fill are President, Vice President and Secretary/Treasurer. Mr. Cihigoyenetche stated that candidates are nominated by members of the Board of Directors. He said that nominations do not require a second motion, and the nominees will be voted in the order in which they are nominated.

Mr. Cihigoyenetche opened the nominations for the position of President of the Board.

Director Camacho nominated Director Elie, for the position of President of the Board.

Director Hall nominated Director Hofer, for the position of President of the Board.

Mr. Cihigoyenetche asked if there were any other nominations for President. Hearing no other nominations, Mr. Cihigoyenetche closed the nominations.

Upon nomination by Director Camacho; by voice vote the motion failed (2/3):

M2019-1-1

MOTION failed to elect Director Steven J. Elie, for President of the Board.

Upon nomination by Director Hall; by voice vote and carried (3/2):

M2019-1-2

MOVED, to elect Director Paul Hofer, for President of the Board.

Mr. Cihigoyenette opened the nominations for the position of Vice President. Director Camacho nominated Director Hall, for the position of Vice President. Hearing no other nominations, Mr. Cihigoyenette closed the nominations.

Upon nomination by President Hofer; by voice vote and unanimously carried (5/0):

M2019-1-3

MOVED, to elect Director Jasmin Hall, for Vice President of the Board.

Mr. Cihigoyenette opened the nominations for the position of Secretary/Treasurer. Director Camacho nominated Director Parker, for the position of the Secretary/Treasurer. Hearing no other nominations, Mr. Cihigoyenette closed the nominations.

Upon nomination by: Director Camacho; by voice vote, and unanimously carried (5/0):

M2019-1-4

MOVED, to elect Director Kati Parker, for Secretary/Treasurer of the Board.

Director Elie ceremoniously passed the gavel to President Hofer. President Hofer stipulated that Director Elie continue chairing the Board meeting.

APPOINTMENT/REAPPOINTMENT OF A DIRECTOR TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

General Counsel Jean Cihigoyenette stated that under the Metropolitan Water District Act, the Board of Directors are required to approve or elect a Director/Member to the Board of the Metropolitan Water District in either two ways – The President of the Board appoints a MWD Director/Member, subject to the approval of the Board; or the Board of Directors nominates and elects a MWD Director/Member at large. He stated that if the President of the Board has an appointee to name, typically, that is how the Agency proceeded in the past, with the Board of Directors approval. It is up to the discretion of the Board. President Hofer nominated Director Hall as the Agency's MWD representative.

Upon motion by Director Hofer; and carried (4/0) with Director Elie abstaining:

M2019-1-5

MOVED, to appoint Director Jasmin Hall to serve as Director on the Metropolitan Water District of Southern California Board.

ADOPTION OF RESOLUTION NO. 2019-1-6, APPOINTING/REAPPOINTING AGENCY REPRESENTATIVES TO THE SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) COMMISSION

General Counsel Jean Cihigoyenetché stated that if the President of the Board has an appointee to name, typically, that is how the Agency proceeded in the past, with the Board of Directors approval.

President Hofer nominated Director Parker as the Agency's SAWPA representative, and Director Hall as the alternate.

Upon motion by Director Hofer, and unanimously carried (5/0):

M2019-1-6

MOVED, to:

1. Adopt, by vote, Resolution No. 2019-1-6, appointing/reappointing the Agency representatives to the Santa Ana Watershed Project Authority (SAWPA) Commission.

**RESOLUTION 2019-1-6
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPOINTING/REAPPOINTING THE AGENCY REPRESENTATIVES TO THE SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) COMMISSION (for full text, see Resolution Book)**

FISCAL YEAR 2019/20 LEGISLATIVE POLICY PRINCIPLES

Executive Manager of External Affairs & Policy Development/AGM Kathy Besser stated last year the Agency started presenting policy principles to give an indication of what is important to the Agency. The proposed legislative policy principles are similar to the previous year's policy principles with the primary focus on water use efficiency planning, regulations and compliance and energy. A financial principle was added to support opportunities that align with the Chino Basin Project and our member agencies. Administrative/Other principles were added to support legislation that increases local control and limits additional financial burdens related to employee relations and collective bargaining and oppose any measure that imposes mandates upon local governments that are more properly decided at the local level.

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

M2019-1-7

MOVED, to:

1. Approve the legislative policy principles for the 2019/20 legislative session.

AGENCY-WIDE ORGANIZATIONAL MEMBERSHIPS AND AFFILIATIONS

Executive Manager of External Affairs & Policy Development/AGM Kathy Besser stated that the Agency-wide Organizational Memberships and Affiliations is an annual item that is presented to the Board. There are no changes in memberships being proposed. Ms. Besser stated that membership costs changes were nominal and if there are any increases of 10% or more staff will bring the membership or affiliation back to the Board for approval. At the Board's request last year, staff began reporting activities related to the memberships on the Public Outreach and Communication monthly reports.

Ms. Besser stated that the Board Representatives listed on the table of Agency-wide memberships over \$5,000 are from last year and staff is waiting on the Board's direction to update any necessary representatives.

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

M2019-1-8

MOVED, to:

1. Adopt Resolution No. 2019-1-5, authorizing the Agency-wide organizational memberships and affiliations for Fiscal Year 2019/20.

RESOLUTION 2019-1-6

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE AGENCY-WIDE ORGANIZATIONAL MEMBERSHIPS AND AFFILIATIONS FOR FISCAL YEAR 2019/20 (for full text, see Resolution Book)

CONSENT ITEMS

Director 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 Hall, and unanimously carried:

M2019-1-9

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the December 5, 2018 Special Board Workshop/Meeting, December 12, 2018 Special Board Meeting, December 14, 2018 Special Board Meeting, and December 19, 2018 Special Board Meeting.
- B. The Board approved the total disbursements for the month of November 2018, in the amount of \$17,908,222.88.
- C. The Board:
 1. Awarded a construction contract for the Collection System Upgrades, Project No. EN19015, to Ferreira Construction, in the amount of \$507,235; and
 2. Authorized the Interim General Manager to execute the contract, subject to non-substantive changes.

Continued...

M2019-1-9, continued

D. The Board:

1. Awarded a contract for the 2019 Rate and Fee Study to Carollo Engineers, Inc. for a not-to-exceed amount of \$286,880; and
2. Approved a budget amendment in the amount of \$286,880 to be allocated amongst the Regional Wastewater O&M Fund (\$65,544), Regional Wastewater Capital Improvement Fund (\$51,246), Recycled Water Fund (\$105,432) and the Water Resources Fund (\$64,658); and
3. Authorized the Interim General Manager to execute the contract.

E. The Board:

1. Approved a total project and Fiscal Year 2018/19 budget augmentation for the Emergency, Safety, and Small Project Budgets, Project Nos. EN19019, EN19022, and EN19032 in the amount of \$250,000 for each project for a total aggregate amount of \$750,000; and
2. Authorized the Interim General Manager to execute the budget augmentation.

F. The Board:

1. Awarded a one-year Laboratory Services Sole Source Contract to Eurofins Eaton Analytical, LLC for the not-to-exceed amount of \$250,000; and
2. Authorized the Interim General Manager to execute the contract, subject to non-substantial changes.

G. The Board:

1. Approved a five-year contract with Pest Options, Inc. for the Weed Control Services for the GWR Program to be renewed annually based on a year-one rate of \$99,297.84 with subsequent years adjusted by the CPI, with a not-to-exceed contract value of \$518,821; and
2. Authorized the Interim General Manager to execute the contract.

H. The Board rejected the proposals for FRP-RW-18-003 Aeration Basin Air Diffuser System for the RP-5 Liquids Treatment Expansion.

I. The Board approved the legislative policy principles for the 2019/20 legislative session.

J. The Board adopted Resolution No. 2019-1-5, authorizing the Agency-wide organizational memberships and affiliations for Fiscal Year 2019/20.

Continued...

M2019-1-9, continued

**RESOLUTION 2019-1-5
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE
UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA,
AUTHORIZING THE AGENCY-WIDE ORGANIZATIONAL
MEMBERSHIPS AND AFFILIATIONS FOR FISCAL YEAR 2019/20 (for
full text, see Resolution Book)**

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: RP-1 Primary Effluent Conveyance Improvements; RP1 Headworks Rehabilitation; Groundwater Supply Wells and Raw Water Pipeline; RP-1 PRB and MCC Building Roof and Skylight Replacement; RP-5 Aeration Panel Replacement; and Plant Wide Arc Flash Mitigation.

Mr. Burke presented a video on arc flash/blast to inform the Board of the dangers and importance of the plant wide arc flash mitigation. Director Elie stated he was surprised by the high design cost and lower construction cost which is rare. Mr. Burke stated the costs were incorrectly flipped on the presentation – the design cost was \$48,000 and the construction cost was \$228,000.

Director Hofer asked who took the lead on the RP-1 Headworks Rehabilitation project since there were three contractors on the project. Mr. Burke stated the Agency's construction management staff took the lead on the RP-1 Headworks Rehabilitation project.

Director Hofer asked if the technology has changed on the RP-5 Aeration Panel Replacement project. Executive Manager of Operations & Maintenance/AGM Randy Lee stated the technology has been around for about 20 years and technology hasn't changed much, but the style will be easier for the Agency's staff to maintain.

MWD UPDATE

Executive Manager of Engineering/AGM Chris Berch stated that Chairwoman Gloria Grey was sworn into office. Mr. Berch stated that at the Water Planning and Stewardship Committee meeting, Ellen Hanak from Public Policy Institute of California presented on the state of water resources. In Ms. Hanak's presentation the major points mentioned were 1) the lower precipitation in the Colorado River system, 2) the California picture of precipitation and the change of delivery from decreased snow pack and increased rain runoff, and 3) the impact of sea water rise in the Delta. Ms. Hanak also presented recommendations, which were to 1) increase water resources planning, 2) find better ways to move water around, 3) regulations and policies need to be flexible, 4) and funding. Mr. Berch stated the recommendations tie into the Chino Basin Project (CBP) specifically the recommendation to find better ways to move water around since one of the CBP objectives is to have the water be transportable to the area the water is needed.

Mr. Berch stated that another topic that has been heavily discussed was the turf removal program. The program is being revamped and rebranded as the Landscape Transformation Program. They are in the process of changing incentives and limitations of the program such as rebate per square foot. Director Elie asked if staff will be doing a partial match program. Mr. Berch stated that staff has not yet created a plan to present to MWD, but once the staff have a plan, it will be presented to the Board for approval.

Mr. Berch stated that the State Water Project allocation is currently at 10% and expected to go up due to the significant snow in the last week. Mr. Berch presented images on the Colorado River that showed it was currently at the lowest level of Lake Mead since it was filled. Director Elie stated he recently found studies conducted on the Northern part of the Colorado River that determined due to a few degree increase flowers are blooming earlier and using the water supply eventually inhibiting the rebound of water resources.

Mr. Berch stated an item of interest was the potential Antelope Valley/East Kern (AVEK) Storage Program. MWD is looking to reinvest in new storage programs and for the proposed program MWD will be responsible for a capital cost of \$131 million and all Operating & Maintenance costs. The program will store water through 2037 with a 280,00 AF storage capacity. Mr. Berch stated that the AVEK Program is a close model to the CBP.

Director Hofer asked that in past when the Colorado River had too much water that it was running into the Salton Sink instead of the Salton Sea, were there any records on the reason that was happening. Mr. Berch stated that he will research and provide Director Hofer more information.

CBWM UPDATE

Executive Manager of Engineering/AGM Chris Berch stated there was no Board meeting in December. At the January 11, 2019 Board meeting, the CBWM elected Jeff Pierson as the Chair, Darron Poulsen as Vice Chair, and Bob Kuhn as the Secretary/Treasurer.

Mr. Berch stated that the major discussion was the 2018 Appropriative Pool Pooling Plan for the Court Approved Management Agreements (CAMA) Amendments.

SAWPA UPDATE

Source Control/Environmental Resources Supervisor Craig Proctor gave a brief update on the January 15, 2019 Commission meeting. Mr. Proctor stated that Ron Sullivan from Eastern Municipal Water District will serve as Chair, Director Kati Parker will serve as Vice Chair, and Bruce Whitaker from Orange County Water District will serve as Secretary/Treasurer.

Brenda Dennstedt from Western Municipal Water District will represent SAWPA on Lake Elsinore San Jacinto Watersheds Authority. Ron Sullivan and T. Milford Harrison will represent SAWPA on Orange County Sanitation District SAPWA Joint Policy Authority. Bruce Whitaker and Kati Parker will represent SAWPA on the SAWPA OWOW Steering Committee as Chair and Vice Chair, respectively. Mr. Proctor also stated that T. Milford Harrison is the new representative from the San Bernardino Valley Municipal Water District.

(Director Camacho left the Board meeting room 10:44 a.m.)

(Director Camacho returned to the Board meeting room 10:49 a.m.)

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

2nd QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Hall stated she had nothing additional to report.

MWD REPORT

Director Camacho stated he had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

No report.

CHINO BASIN WATERMASTER REPORT

Director Elie stated the Board unanimously passed the Resolution and it has been filed with the court along with a separate motion to supplement the motion by the six settling parties to include a request for direction from the court that certain provisions of the court order of 2017 apply.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Hall stated the Authority is in the process of interviewing the General Manager and there was discussion on a well property. Director Hall stated all other items were routine in nature.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

No report.

GENERAL MANAGER'S REPORT

Interim General Manager Kirby Brill stated he would like to highlight the Village of Heritage Project and stated Mr. Berch will provide a brief overview of the project. Mr. Berch stated that the project involves getting water to a portion of Fontana, on Baseline on the eastside of the 15 Freeway. In 2015, the Agency received Prop 1 funding for the project. Last year, the Agency received consensus of the parties involved and was able to complete the design. Bids were received, and the bids were \$600,000 lower than the engineer's estimate. The project will be \$4.9 million in construction cost of which \$2.5 million will be covered by state grants. Mr. Berch stated that Executive Manager of External Affairs & Policy Development/AGM Kathy Besser is planning a groundbreaking event for the Village of Heritage Project.

Director Parker asked what type of facilities the project will be servicing. Mr. Berch stated that the project is a mile extension that includes the loop of the Village of Heritage and the City of Fontana and CVWD will be taking laterals from the project. Mr. Berch stated that several parks and schools will be serviced.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no Board requested future agenda items.

DIRECTORS' COMMENTS

President Hofer thanked his colleagues for their confidence and electing him as President. President Hofer stated the Board is a team and will move forward to do their best for the constituents they serve. President Hofer commended Director Elie and Director Camacho for their great work and service.

Director Camacho stated he attended the Inaugural Reception for the MWD Board Chairwoman Gloria Gray on January 8.

Director Hall stated she attended the Inaugural Reception for the MWD Board Chairwoman Gloria Gray on January 8 and the Special Chino Basin Desalter Authority Board Meeting on January 10. Director Hall stated she is thankful that the Board selected her as the Vice President and MWD

representative. Director Hall stated that she is available, willing to listen and take the Agency's priorities and serve her residents.

Director Parker thanked Director Elie for serving as President for the last two years and stated Director Elie was an excellent communicator and she appreciated his service. She also thanked Director Camacho for serving as Vice President and Director Hall for serving as Secretary/Treasurer for the past two years.

Director Elie stated it has been an honor to represent the Agency as the Board President. He wished the new officers' luck and looks forward to the Board completing projects. Director Elie stated his appreciation of Mr. Brill and staff.

CLOSED SESSION

The Board went into Closed Session at 11:20 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. CIVDS 1711812; B. A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d) – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: INITIATION OF LITIGATION: One case C. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT: (1) General Manager.

The meeting resumed at 12:32 p.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

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 1711812

The Board did not discuss.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Case #1

The Board took no reportable action.

Pursuant to Government Code Section 54954.5 – Public Employment:

General Manager

The Board did not discuss.

With no further business, President Elie adjourned the meeting at 12:33 p.m.


Kati Parker, Secretary/Treasurer

APPROVED: FEBRUARY 20, 2019