



Regional Sewerage Program Policy Committee Meeting

AGENDA

Thursday, March 7, 2019

4:00 p.m.

Location

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

Call to Order and Roll Call

Pledge of Allegiance

Public Comment

Changes/Additions/Deletions to the Agenda

1. Technical Committee Report (*Oral*)

2. Action Item

A. Meeting Minutes for February 7, 2018

3. Informational Items

A. Regional Contract Negotiations Update

B. Legislative Update (*Oral*)

C. Groundwater Recharge Update

4. Receive and File

A. Building Activity Update

B. Recycled Water Distribution – Operations Summary

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 – April 4, 2019

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 Thursday, February 28, 2019.



Laura Mantilla

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF FEBRUARY 7, 2019 MEETING

CALL TO ORDER

A meeting of the IEUA/Regional Sewerage Program – Policy Committee was held on Thursday, February 7, 2019, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, California. Chairwoman Trisha Martinez, City of Montclair, called the meeting to order at 4:03 p.m.

ATTENDANCE

Committee Members:

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

Others Present:

Dave Crosley	City of Chino
Eduardo Espinoza	Cucamonga Valley Water District
Noel Castillo	City of Montclair
Courtney Jones	City of Ontario
Kirby Brill	Inland Empire Utilities Agency
Kathy Besser	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Shaun Stone	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Sylvie Lee	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency
Ken Monfore	Inland Empire Utilities Agency
Craig Proctor	Inland Empire Utilities Agency
Laura Mantilla	Inland Empire Utilities Agency

PLEDGE OF ALLEGIANCE

Committee Member Peter Rogers 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 no additions or changes to the agenda.

1. TECHNICAL COMMITTEE REPORT – OCTOBER 25, 2018

Noel Castillo/City of Montclair reported that on January 31, 2019, the Technical Committee approved the two regional connection requests from the City of Ontario and recommended that the IEUA Board of Directors award the Baseline Recycled Water Pipeline Extension construction contract award to Trautwein Construction Inc.

2. ACTION ITEMS**A. APPROVAL OF THE MINUTES OF THE NOVEMBER 1, 2018 POLICY COMMITTEE MEETING**

Motion: By Jim Bowman/City of Ontario and seconded by Kati Parker/IEUA to approve the minutes of November 1, 2018 Regional Policy Committee meeting.

Motion carried: Unanimously with Peter Rogers/City of Chino Hills and Kathy Tiegs/CVWD abstaining.

B. BASILINE RECYCLED WATER PIPELINE EXTENSION CONSTRUCTION CONTRACT AWARD

Shaun Stone/IEUA gave a presentation on the Baseline Recycled Water Pipeline Extension Construction Contract Award. He indicated that the project scope consists of installing 8,200 liner feet of 24-inch recycled water pipeline located on Baseline Avenue. This will provide an additional 105 acre-feet of recycled water to the City of Fontana. IEUA received seven bids, with Trautwein Construction Inc., being the lowest responsive, responsible bidder. Mr. Stone then reviewed the project budget and schedule. Mr. Stone requested that the Committee recommend the IEUA Board of Directors award the construction contract to Trautwein Construction Inc. in the amount of \$4,896,641. Mr. Stone noted that the project is funded by a Clean Water State Revolving Fund loan and a \$2.5 million principal forgiveness grant which covers slightly over 50 percent of the construction.

Motion: By Kathy Tiegs/Cucamonga Valley Municipal Water District and seconded by Peter Rogers/City of Chino Hills to recommend to the IEUA Board of Directors to award the construction contract for the Baseline Recycled Water Pipeline Extension to Trautwein Construction Inc., in the amount of \$4,896,641.

Motion carried: Unanimously.

3. INFORMATIONAL ITEMS**A. CHINO BASIN PROGRAM UPDATE (CBP)**

Sylvie Lee/IEUA informed the Committee that a workgroup meeting was held on January 23 with Chino Basin stakeholders. The group discussed the benefits and needs of the CBP. Member agencies provided comments regarding the memorandum of understanding. The next workgroup meeting is scheduled on February 27 to discuss sources of water along with the benefit analysis. Ms. Lee stated that IEUA will be interviewing consultants for the predesign work.

B. LEGISLATIVE UPDATE

Kathy Besser/IEUA stated that the State is in the middle of bill introductions until February 22. Ms. Besser stated that IEUA is closely watching the water tax bill, which is supported by Governor Newsom. Ms. Besser informed the Committee that the Legislative Policy Principles were approved by the IEUA Board in January. The Policy Principles provide guidelines regarding important issues within the region on the following: Water-Use Efficiency Planning, Regulations/Compliance, Energy, Financial, and Administrative/Other legislation.

C. RATE STUDY UPDATE

Christina Valencia/IEUA stated that an RFP for the 2019 Rate Study was released in October and two proposals were received. Rob Burns/City of Chino and Ray Harton/Monte Vista Water District participated in the evaluation and the committee unanimously selected the Carollo Engineers proposal. The IEUA Board awarded the contract in January. IEUA had a kick-off meeting with the project team on February 4. The first stakeholder workshop is scheduled for March 7.

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

The Building Activity Report for November 2018 was received and filed by the Committee.

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

The Recycled Water Distribution Operations Summary for December 2018 was received and filed by the Committee.

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

None.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

None.

C. COMMITTEE MEMBER COMMENTS

Chairwoman Martinez announced that the City of Montclair appointed their first African-American City Council Member, Tenise Johnson. Chairwoman Martinez stated that Council Member Johnson has been the Planning Commissioner for 20 years and helped revitalize the Montclair Chamber of Commerce.

D. NEXT MEETING – MARCH 7, 2019

6. ADJOURNMENT – The meeting adjourned at 4:19

Transcribed by:

Laura Mantilla, Executive Assistant

**INFORMATION
ITEM**

3A

SEWAGE CONTRACT NEGOTIATIONS UPDATE FOR POLICY COMMITTEE



Kearns & West Team: Michael P. Rudinica, Dennis M. Diemer, J. Michael Harty

MARCH 7, 2019

UPDATE TOPICS

- Summary of Sewage Contract Negotiation Activities since August 2018
- Assessment of Progress
- Looking Ahead: Work Plan for 2019

SUMMARY OF ACTIVITIES

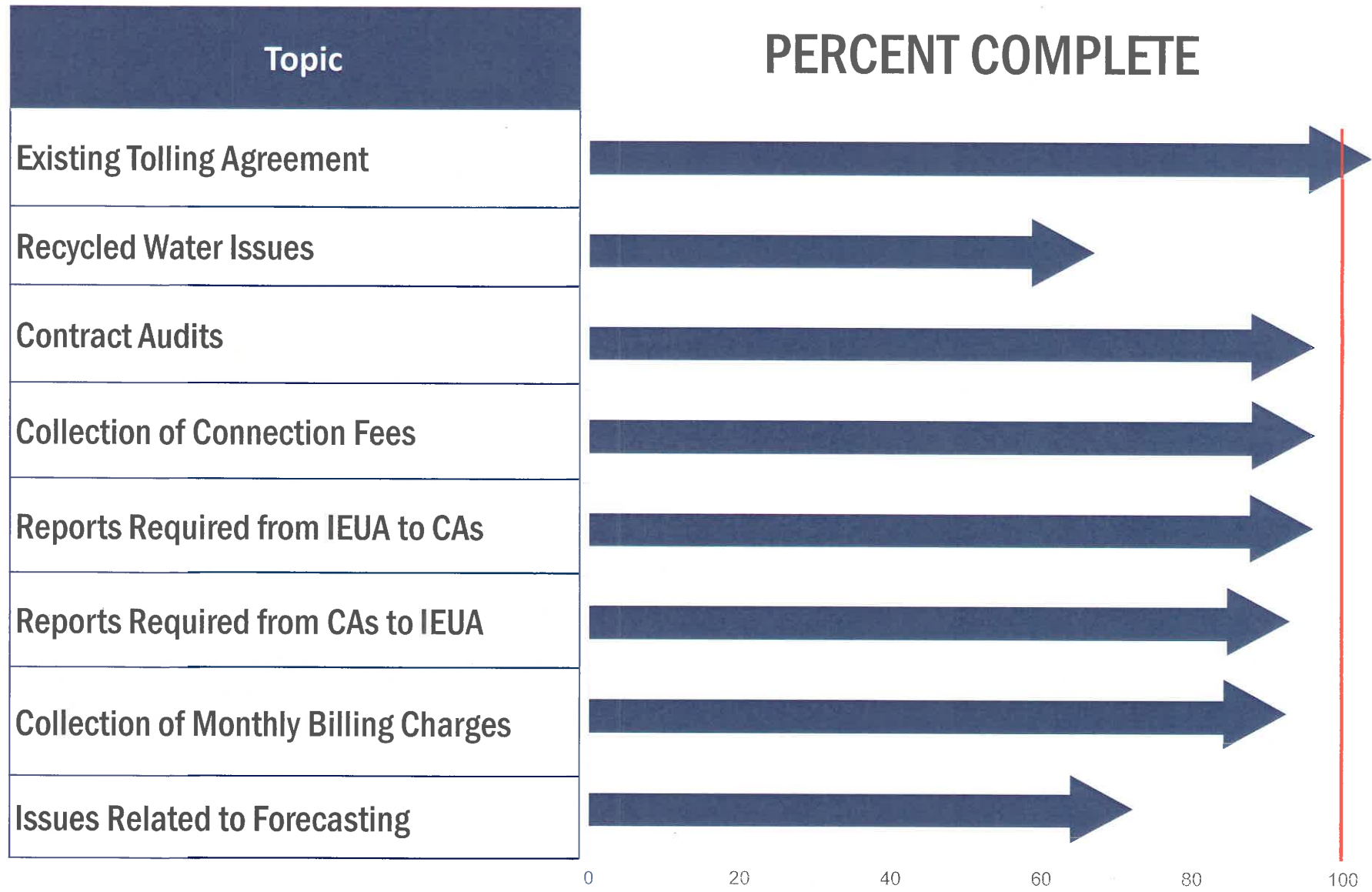
- Sewage Contract Negotiations (SCN) commenced August 8-9, 2018 following assessment
- Assessment identified [21] topics for negotiation
- Negotiators started with most challenging issue identified in assessment: Recycled Water
- Concurrently introduced and addressed additional issues
- 19 negotiation sessions convened since August 2018 [50 hours]
- More than 20 individual meetings with Contract Agencies and IEUA to support negotiations
- Two Reports Subcommittee meetings

ISSUE SCOPING AND TERM SHEETS

- Negotiation topics are described in “scoping documents” that serve as the shared reference and discussion framework
- Straw polls test levels of support for proposed solutions
- “Term sheets:” non-binding documents characterizing options and preliminary agreements on key issues
- As issues are addressed and resolved each term sheet is edited, e.g., new information or changes
- In a subsequent phase legal counsel will use compiled term sheets to develop contract language

NEGOTIATION TOPICS: *PROGRESS TO-DATE*

Status	Topic No.	Topic Description
Significant progress and/or completion by March 2019	9	Recycled Water Issues
	5	Reports required under contract from IEUA to contract agencies
	6	Reports Required Under Contract Agencies to IEUA
	21	Contract audits
	11	Collection of connection fees
	12	Collection of Monthly Billing Charges
	16	Issues Related to Forecasting by Contract Agencies
	18	Existing Tolling Agreement between IEUA and Member Agencies



NEGOTIATION TOPICS:

PLANNED SEQUENCE *MARCH-JUNE 2019*

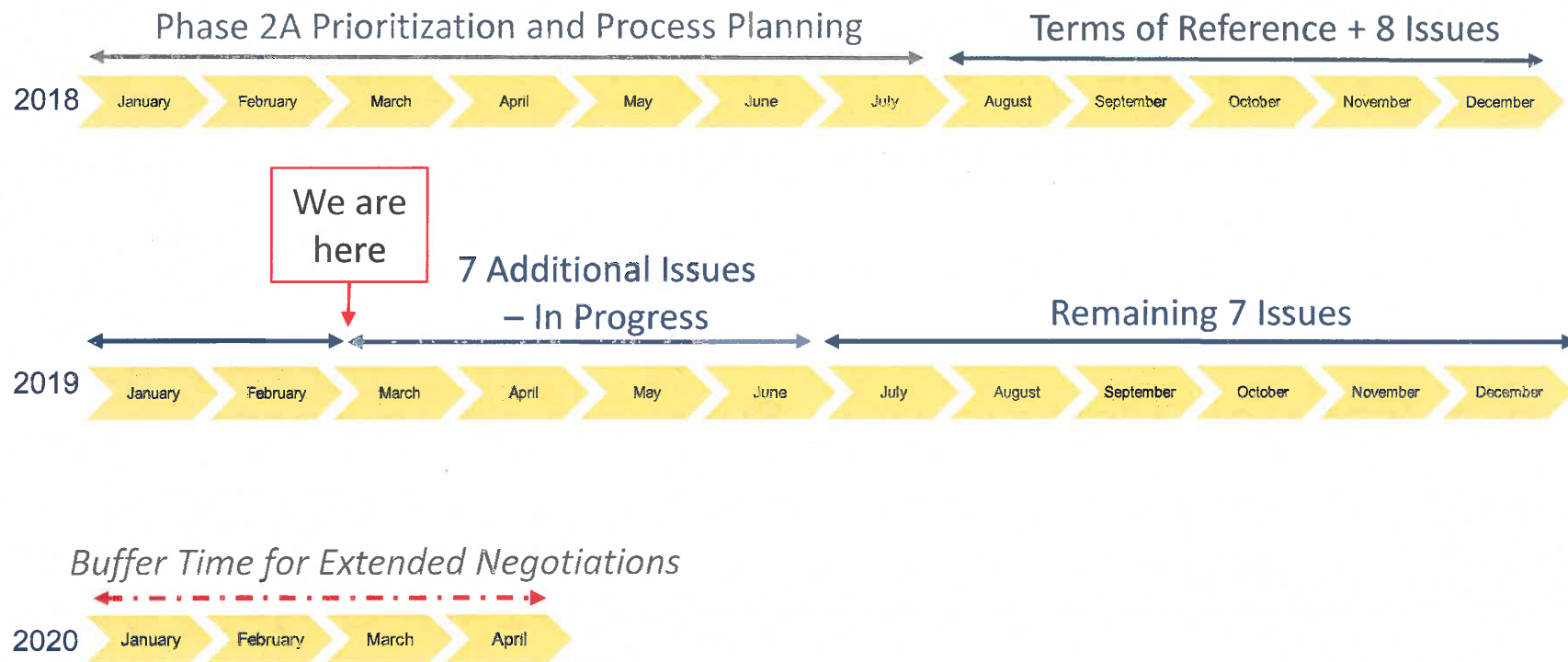
Status	Topic No.	Topic Description
To be addressed March to June 2019	17	IEUA Service Agreements with Third Parties
	20	Property Tax Allocation
	7	Allocation of Regional Wastewater System Capacity
	13	“Fair Share” Principle
	14	Process for Capital Calls by IEUA to Contract Agencies
	15	IEUA Uses of Revenues Generated from Sewerage Services Including Reporting

NEGOTIATION TOPICS: PLANNED SEQUENCE

JULY- DECEMBER 2019

Status	Topic No.	Topic Description
Defer for New IEUA GM	1	Future Role and Responsibilities of Technical Committee
	2	Future role and responsibilities of Policy Committee
	3	Future role of IEUA Board in decision making related to issues covered by contract
	4	Term of contract
	10	Process for Setting of Wastewater Rates
	19	Regional Contract Amendments
	22	Process to Amend the Contract
Requires Completion of CASA Study	8	Updating of EDU cost methodology

UPDATED NEGOTIATION TIMELINE



ASSESSMENT OF PROGRESS

- Multiple Draft Term Sheets that reflect Substantial Levels of Agreement
- Increased Understanding of Interests, Priorities, and Challenges
- Willingness to Explore Options
- Improved Communications and Relationships
- Contract Agencies Initiative to Build RW Solutions
- Ahead of Initial Proposed Schedule

RECYCLED WATER

- Consistent focus since August
- Significantly increased shared understanding necessary for building agreements
- Discussions based on facts
- Substantial agreement on key principles and Term Sheet elements
- Joint problem solving

RECYCLED WATER STATUS OF DISCUSSIONS

SUBSTANTIAL PROGRESS

- (1) CAs Establish Use Priorities
- (2) Base Entitlement
- (3) Annual Limitation on Use
- (4) "Grandfather" Provision
- (5) Use Agreements with Other Entities
- (6) Unused Recycled Water by IEUA
- (7) Full Beneficial Use of Recycled Water
- (8) Annual IEUA Report on Recycled Water Capacity, Uses, and Agreements
- (9) Recycled Water Master Plan

OPEN TOPICS

- (1) Allocation of 17 TAF SAR Obligation
- (2) Monthly Peaking
- (3) Cost of Recycled Water: Uniform vs. Variable

LOOKING AHEAD

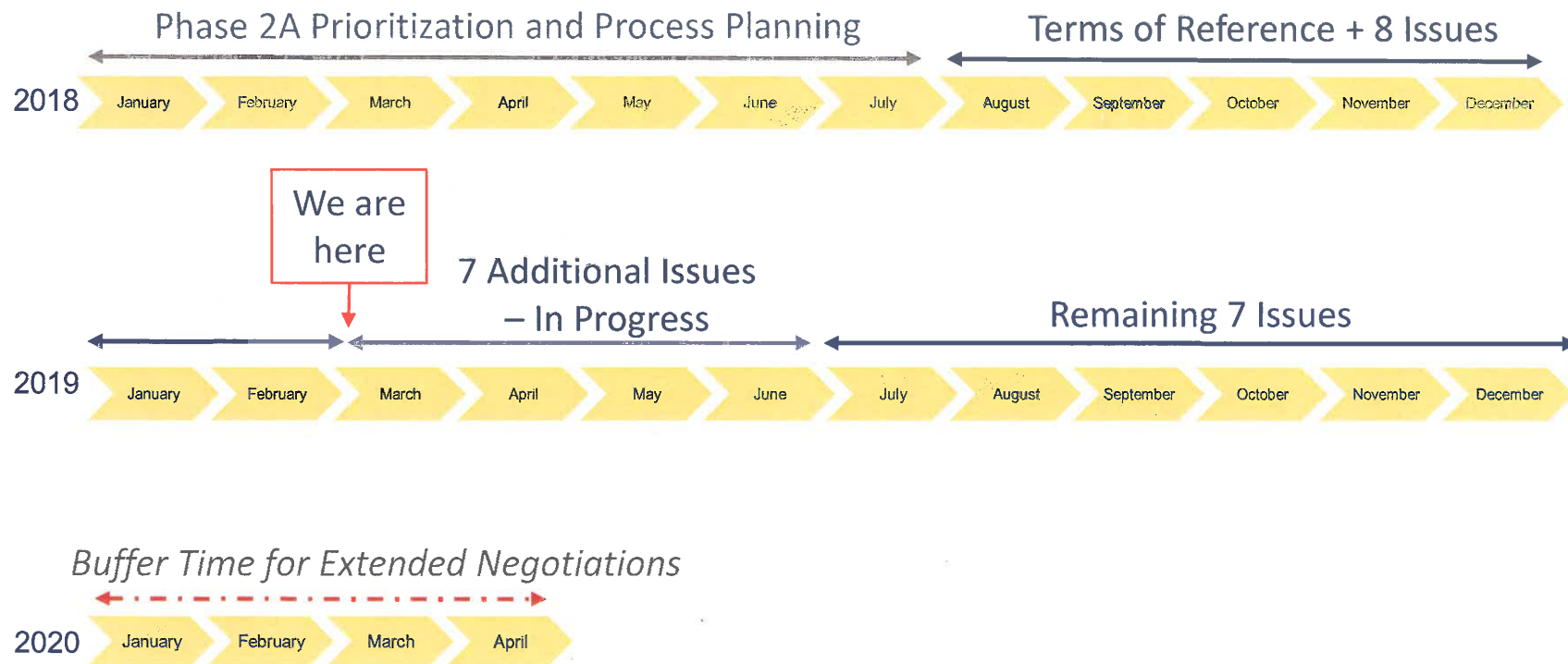
- Negotiation sessions scheduled through June 2019
- Known sequence of negotiation topics, adaptable as needed
- Tested approach: scoping documents, term sheets, flexibility around groups/meetings
- Need for technical information
- Importance of IEUA General Manager

KEYS TO CONTINUED PROGRESS

- Motivation and Commitment
- Positive Communication and Spirit of Cooperation
- Understanding of Issues and Interests
- Informed and Empowered Negotiators
- Deadlines & Interim Milestones
- Opportunities for Policy Guidance

QUESTIONS AND DISCUSSION

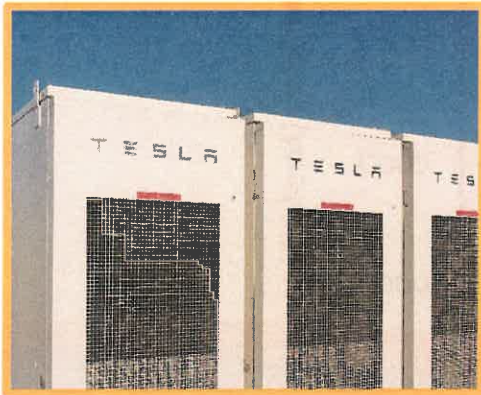
UPDATED NEGOTIATION TIMELINE



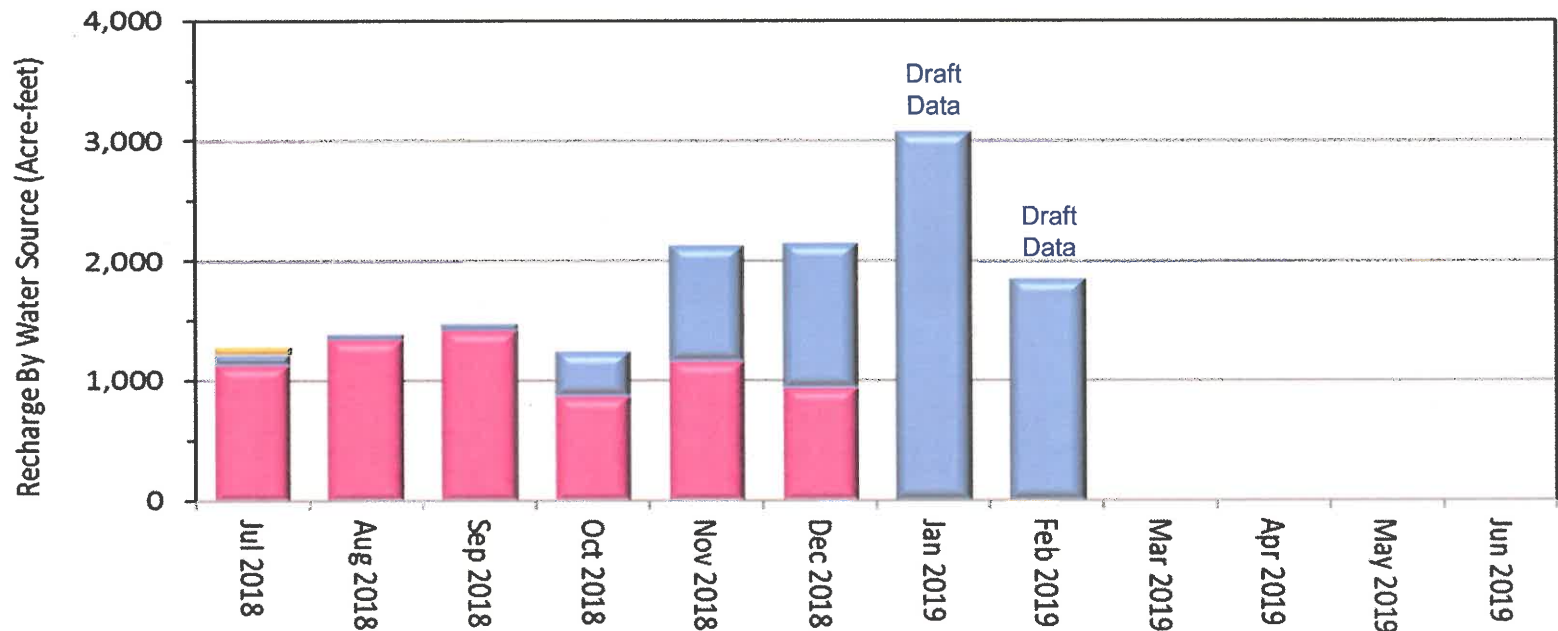
**INFORMATION
ITEM**

3C

Groundwater Recharge Update

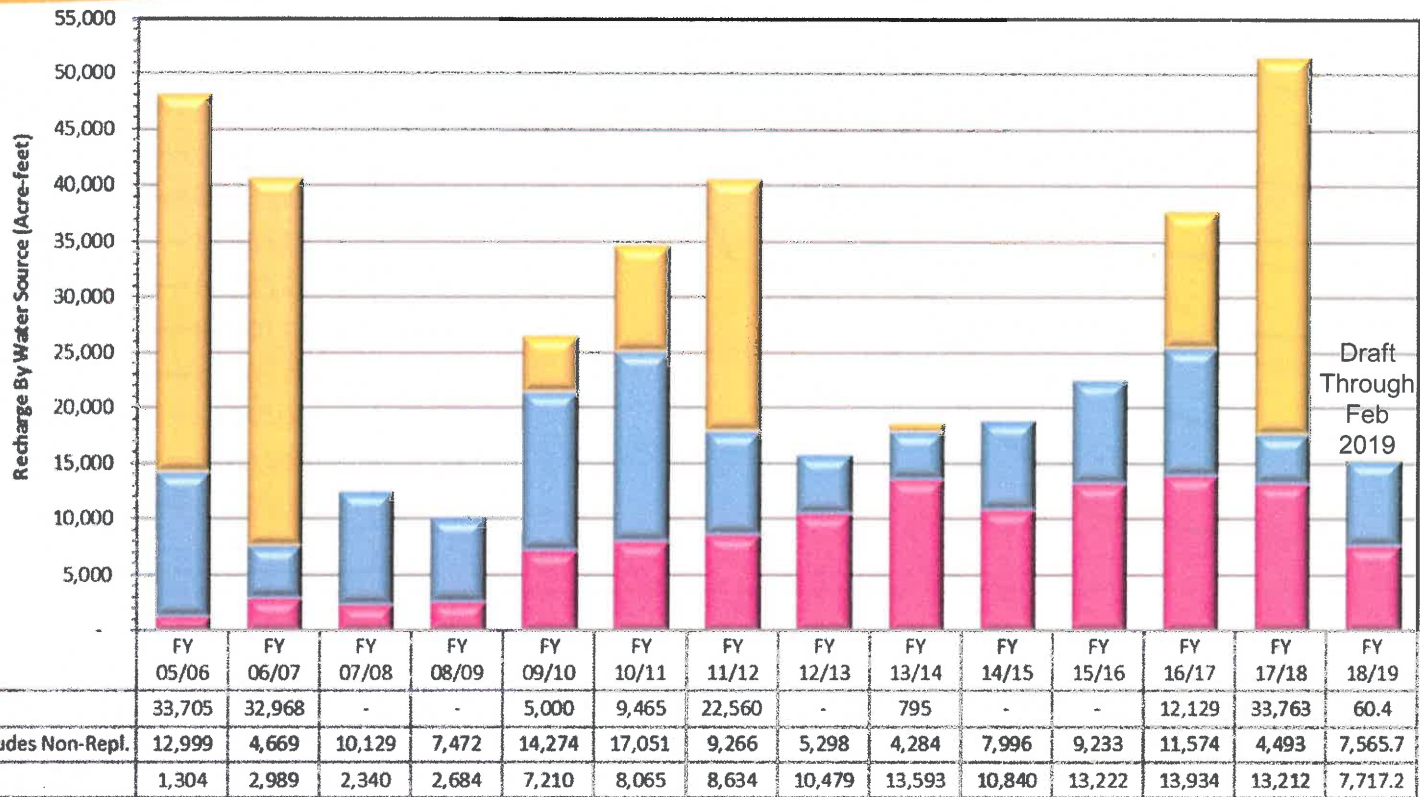


Groundwater Recharge FY18/19



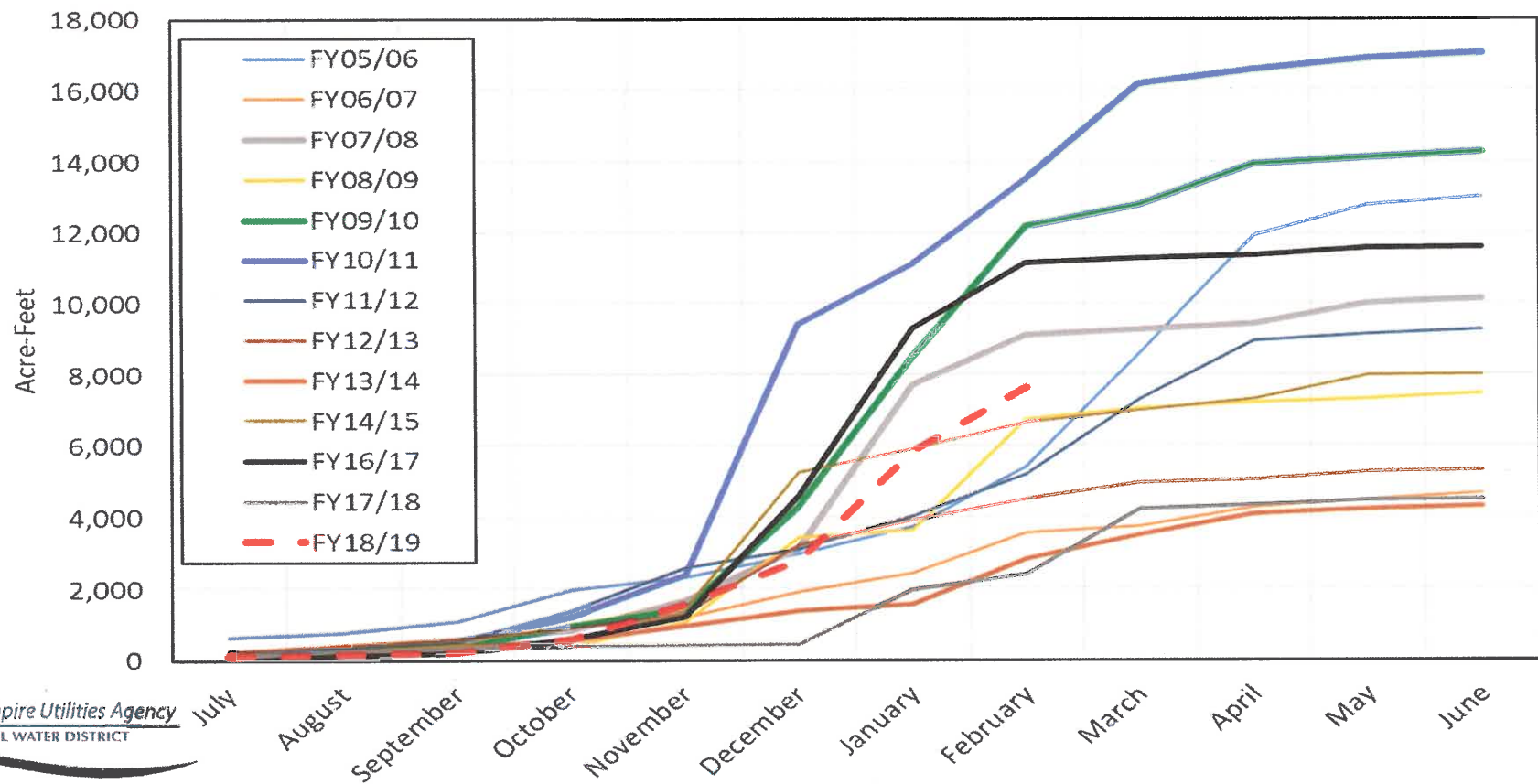
	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
MWD Imported Water	57.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Stormwater and LR (excludes Non-Repl.)	89.7	45.8	54.4	380.6	973.9	1218.8	3068.8	1850.0				
Recycled Water	1126.1	1338.0	1414.7	860.2	1150.7	931.0	0.0	0.0				

Groundwater Recharge Record



Historical Stormwater Capture

Stormwater Monthly Accumulation



Recharge Basin during and after storm in January 2019



8TH Street Basin Spilling
(Upland)



Brooks Basin Record High Levels
(Montclair)

Recharge Basin during storm in January 2019



Victoria Basin – Full and Spilling
(City of Rancho Cucamonga)

Recharge Basin after storm in January and February 2019



Banana Basin (Inflow) – Full and Spilling
(Fontana)



San Sevaine Basin 5 - Full And Spilling
(Fontana)

Recharge Basin during and after storm in February 2019



Turner 8 Basin - Full And Spilling
(Ontario)



Etiwanda Debris Basin – Full and Spilling
(Fontana)

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2018/19



Legend

- Service Area
- Unincorporated

EDU (YTD)

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

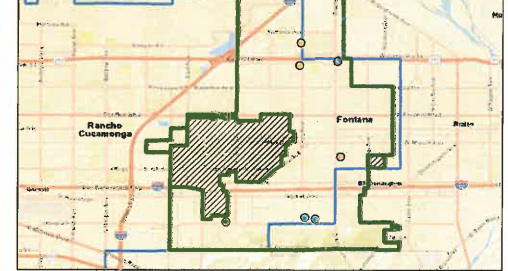
HALF MILE GRID: TOTAL EDU's (YTD)



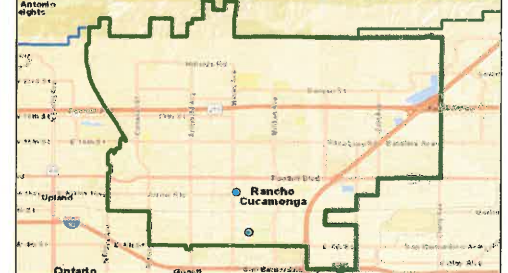
TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Projected	
	Residential (EDUs)	Commercial (EDUs)	Industrial (EDUs)	Total (EDUs)	Total (EDUs)
Chino	83	25	10	118	705
Chino Hills	59	54	0	113	442
CVWD	11	43	0	54	790
Fontana	119	48	2	169	793
Montclair	9	22	0	31	287
Ontario	524	38	23	585	2720
Upland	94	8	0	102	412
Total	899	238	35	1172	6149

Fontana (Dec 2018)



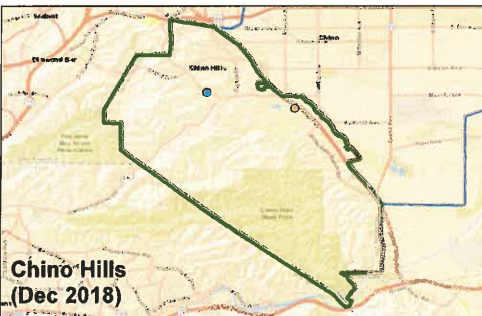
Cucamonga Valley Water District (Dec 2018)



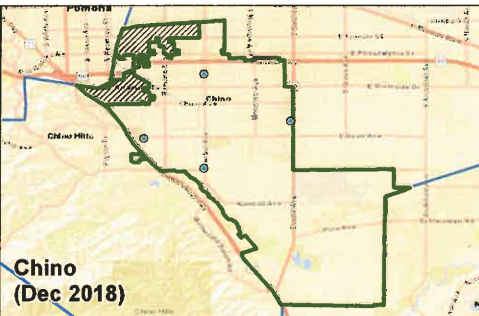
Upland (Dec 2018)



Chino Hills (Dec 2018)



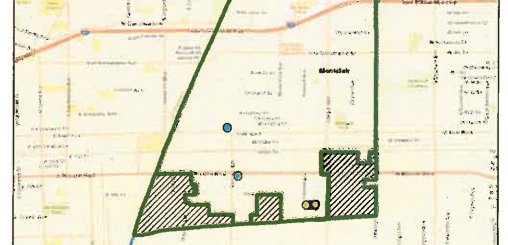
Chino (Dec 2018)



Ontario (Dec 2018)



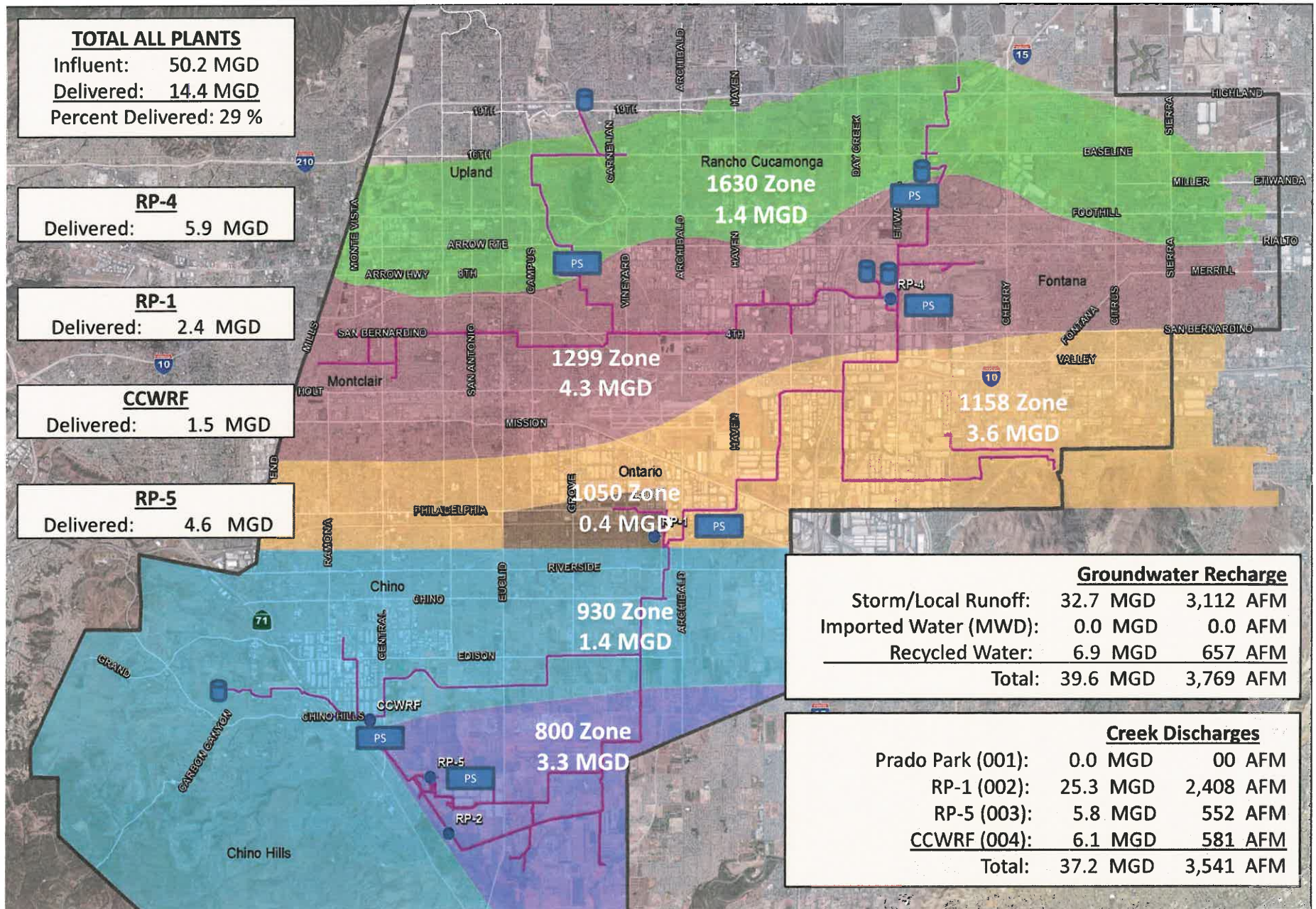
Montclair (Dec 2018)



RECEIVE AND
FILE

4B

IEUA RECYCLED WATER DISTRIBUTION – JANUARY 2019



Recycled Water Recharge Deliveries / Plan - January 2019 (Acre-Feet)

Basin	1/1-1/5	1/6-1/12	1/13-1/19	1/20-1/26	1/27-1/31	Month Actual	FY To Date Actual	Deliveries are draft until reported as final.	
Ely	24.5	21.9	0.0	64.4	0.0	110.8	1392		
Banana	0.0	13.6	0.0	0.0	0.0	13.6	309		
Hickory	0.0	8.1	0.0	0.0	0.0	8.1	188		
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	0.0	547		
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0	0.0			
8th Street	68.3	59.3	0.0	77.7	43.4	248.7	1497		
Brooks	26.1	40.8	0.0	0.0	0.0	66.9	580		
RP3	19.4	20.9	0.0	11.4	17.9	69.6	1130		
Declez	13.6	20.3	0.0	6.3	6.6	46.8	1219		
Victoria	0.0	38.0	0.0	34.9	19.4	92.3	856		
San Sevaime	0.0	0.0	0.0	0.0	0.0	0.0	0		
Total	151.9	222.9	0.0	194.7	87.3	656.8	7,717	701	AF previous FY to day actual

