



AGENDA

**MEETING OF THE
BOARD OF DIRECTORS**

**WEDNESDAY, MARCH 20, 2019
10:00 A.M.**

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

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

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.

1. NEW EMPLOYEE INTRODUCTIONS

- Mr. Nolan King, Network Administrator, hired February 11, 2019, Integrated System Services.

2. CONSENT ITEMS

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

- A. MINUTES**
The Board will be asked to approve the minutes from the February 20, 2019 Board Meeting.
- B. REPORT ON GENERAL DISBURSEMENTS (Fin/Admin)**
Staff recommends that the Board approve the total disbursements for the month of January 2019, in the amount of \$15,930,152.02.
- C. ADOPTION OF RESOLUTION NO. 2019-3-1, APPROVING THE AGENCY'S INVESTMENT POLICY UPDATE (Fin/Admin)**
Staff recommends that the Board adopt Resolution No. 2019-3-1, approving the update of the Agency's Investment Policy for Fiscal Year 2019/20.
- D. RP-5 EXPANSION DESIGN CONTRACT AMENDMENT (Eng/Ops/WR) (Fin/Admin)**
Staff recommends that the Board:
1. Approve a consulting engineering services contract amendment for the RP-5 Expansion, Project Nos. EN19001 and EN19006, to Parsons Water and Infrastructure Inc., in the amount of \$495,979; and
 2. Authorize the Interim General Manager to execute the consulting engineering services contract amendment, subject to non-substantive changes.
- E. INLAND EMPIRE BRINE LINE LEASE CAPACITY POOL AGREEMENT (Eng/Ops/WR)**
Staff recommends that the Board:
1. Approve the Lease Capacity Pool Agreement between IEUA, EMWD, WMWD, SBVMWD and SAWPA; and
 2. Authorize the Interim General Manager to execute the Agreement, subject to non-substantive changes.
- F. RP-1 CIVIL IMPROVEMENTS CONSTRUCTION CONTRACT AWARD (Eng/Ops/WR)**
Staff recommends that the Board:
1. Award a construction contract for the RP-1 Civil Improvements, Project Nos. EN18042 and EN19034, to Terra Pave, Inc., in the amount of \$626,000; and
 2. Authorize the Interim General Manager to execute the construction contract, subject to non-substantive changes.

3. ACTION ITEMS

A. CHINO BASIN PROGRAM PRELIMINARY DESIGN REPORT CONSULTING ENGINEERING SERVICES (Eng/Ops/WR) (Fin/Admin)

Staff recommends that the Board:

1. Award a consulting engineering services contract to Brown & Caldwell for the not-to-exceed amount of \$3,978,506;
2. Amend the total project budget for the Chino Basin Program from \$6.3M to \$15M for the planning phase through Fiscal Year 2021/22; and
3. Authorize the Interim General Manager to execute the contract, subject to non-substantive changes.

4. INFORMATION ITEMS

A. BOARD OF DIRECTORS' COMPENSATION (ORAL)

B. PROPOSED TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP) FISCAL YEARS 2019/20-2028/29 (WRITTEN) (Eng/Ops/WR) (Fin/Admin)

C. GRANTS DEPARTMENT SEMI-ANNUAL BOARD UPDATE (POWERPOINT) (Comm/Leg Affairs)

D. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT) (Eng/Ops/WR)

E. GROUNDWATER RECHARGE UPDATE (POWERPOINT)

F. MWD UPDATE (ORAL)

G. CBWM UPDATE (ORAL)

H. SAWPA UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

I. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/ POWERPOINT) (Fin/Admin)

J. FISCAL YEAR 2018/19 SECOND QUARTER BUDGET VARIANCE, PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS (Fin/Admin)

K. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN) (Comm/Leg Affairs)

L. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN) (Comm/Leg Affairs)

- M. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)
(Comm/Leg Affairs)
 - N. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN) *(Comm/Leg Affairs)*
 - O. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN) *(Comm/Leg Affairs)*
 - P. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN) *(Comm/Leg Affairs)*
 - Q. INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT FOR MARCH 2019 *(Audit)*
 - R. THE AUDIT FUNCTION *(Audit)*
 - S. SOUTHERN CALIFORNIA EDISON UTILITY PAYMENTS FOLLOW-UP AUDIT *(Audit)*
 - T. ACCOUNTS RECEIVABLE FOLLOW-UP AUDIT – WATERMASTER AGREEMENT *(Audit)*
 - U. WATER CONNECTION FEES AUDIT *(Audit)*
 - V. ASSET MANAGEMENT PROGRAM UPDATE *(Eng/Ops/WR)*
5. AGENCY REPRESENTATIVES' REPORTS
- A. SAWPA REPORT (WRITTEN)
March 19, 2019 Regular Commission meeting.
 - B. MWD REPORT (WRITTEN)
March 12, 2019 Board meeting.
 - C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)
March 7, 2019 Regional Sewerage Program Policy Committee meeting.
 - D. CHINO BASIN WATERMASTER REPORT (WRITTEN)
February 28, 2019 CBWM Board meeting.
 - E. CHINO BASIN DESALTER AUTHORITY (WRITTEN)
March 7, 2019 CDA Board meeting.
 - F. INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (WRITTEN)
The next IERCA Board meeting is scheduled for May 6, 2019.
6. GENERAL MANAGER'S REPORT (WRITTEN)
7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

8. DIRECTORS' COMMENTS

A. CONFERENCE REPORTS

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

9. 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
2. Spicer vs. W.A. Rasic Construction, Case No. CIVDS 1711812

**B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

One Case

**C. PURSUANT TO GOVERNMENT CODE SECTION 54957(B)(2), 54957.6
– PUBLIC EMPLOYMENT**

General Manager

Designated Representatives: President Hofer and Director Parker

10. ACTION ITEM


**DISCUSSION AND POSSIBLE APPROVAL OF A GENERAL MANAGER
EMPLOYMENT CONTRACT**

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.

Declaration of Posting

Proofed by: 

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, March 14, 2019.


April Woodruff

**CONSENT
CALENDAR
ITEM**

2A



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

**WEDNESDAY, FEBRUARY 20, 2019
9:00 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
Andrea Carruthers, Manager of External Affairs
Elizabeth Hurst, Environmental Resources Planner II
Sylvie Lee, Manager of Planning & Environmental Resources
Cathleen Pieroni, Manager of Government Relations
Craig Proctor, Source Control/Environmental Resources Supervisor
Justin Tao, Assistant Engineer
Teresa Velarde, Manager of Internal Audit
Rocky Welborn, Senior Engineer
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Loree M., Resident

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.

President Hofer called the meeting to order at 9:04 a.m. and Director Elie led the Pledge of Allegiance to the flag. A quorum was present.

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

President Hofer asked if there were any changes/additions/deletions to the agenda. General Counsel Jean Cihigoyenetché stated he received an item Tuesday evening after the posting of the agenda. Mr. Cihigoyenetché requested to add anticipated litigation to the closed session.

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

M2019-2-1

MOVED, to add the item into 10. Closed Session C. Pursuant to Government Code Section 54956.9(d)(2) Conference with Legal Counsel – Anticipated Litigation

NEW EMPLOYEE INTRODUCTIONS

Executive Manager of Operations/AGM Randy Lee stated that Nolan King is off-site conducting emergency back-up training. Mr. Lee stated he will introduce him next month.

PROMOTIONS/RECOGNITIONS

The following staff members were promoted:

- Ms. Andrea Carruthers, Manager of External Affairs, promoted February 10, 2019, External Affairs.
- Mr. Rocky Welborn, Senior Engineer, promoted January 27, 2019, Engineering & Construction Management.

The Board of Directors congratulated Ms. Carruthers and Mr. Welborn on their promotion.

CLOSED SESSION

The Board went into Closed Session at 9:09 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT: (1) General Manager.

The meeting resumed at 10:36 a.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Pursuant to Government Code Section 54954.5 – Public Employment:

General Manager

The Board took no reportable action.

CERTIFICATE AWARD PRESENTATION

President Hofer stated that being an officer and Board member takes a lot of time and each member takes it seriously. President Hofer presented an award to Director Elie for serving as IEUA Board President, to Director Camacho for serving IEUA Board Vice President and to Director Hall for serving as IEUA Board Secretary/Treasurer. President Hofer stated it was important to recognize their commitment of time and effort and thanked them for their service.

CONSENT ITEMS

President Hofer asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. Director Elie stated he would like to pull Consent Calendar Item 3H – Adoption of Resolution No. 2019-2-5, Certifying the Final SARCCUP Environmental Impact Report for discussion. He noted there were amended minutes on Consent Calendar Item 3A.

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

M2019-2-3

MOVED, to approve the Consent Calendar.

- A. The Board approved the revised minutes from the January 16, 2019 Board Meeting, the January 21, 2019 Special Board Meeting, the February 6, 2019 Special Board Meeting (AB 1234 Training), and the February 8, 2019 Special Board Meeting.
- B. The Board approved the total disbursements for the month of December 2018, in the amount of \$22,239,814.84.
- C. The Board adopted the following Resolutions:

- 1. No. 2019-2-1, authorizing participation in the Local Agency Investment Fund (LAIF) and designating signatories for the deposit and withdrawal of funds;

RESOLUTION 2019-2-1

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

- 2. No. 2019-2-2, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, checks, and withdrawal of funds;

RESOLUTION 2019-2-2

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

- 3. No. 2019-2-3, authorizing and designating signatories for investment agreements, investment authorizations, and investment fund transfers to fund investment transactions; and

RESOLUTION 2019-2-3

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

- 4. No. 2019-2-4, authorizing and designating signatories for transfer documents for the movement of funds and investment securities to safekeeping with a third-party Custodian.

Continued...

**RESOLUTION 2019-2-4
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES
OF TRANSFER DOCUMENTS FOR THE MOVEMENT OF FUNDS
AND INVESTMENT SECURITIES TO SAFEKEEPING WITH A
THIRD-PARTY CUSTODIAN (for full text, see Resolution Book)**

D. The Board authorized the Interim General Manager to execute the Memorandum of Understanding (MOU) for the Prop 1 Grant Agreement for the Chino Basin Improvement and Groundwater Clean-up Project.

E. The Board:

1. Awarded a construction contract for the RP-1 Filter Drain Valve Replacement, Project No. EN17045, to Schuler Constructors Inc., in the amount of \$650,551; and
2. Authorized the Interim General Manager to execute the construction contract subject to non-substantive changes.

F. The Board:

1. Authorized the purchase of one Perkin Elmer Inductively Coupled Plasma (ICP) Spectrometer for a not-to-exceed amount of \$122,104 (including tax and delivery);
2. Authorized the purchase of one Agilent Gas Chromatograph (GC) and two Gas Chromatograph-Mass Spectrometers (GCMS) for a not-to-exceed amount of \$363,500 (including tax and delivery); and
3. Authorized the Interim General Manager to execute the purchases.

G. The Board:

1. Awarded a professional consulting services contract amendment to Means Consulting, LLC for the not-to-exceed amount of \$189,514; and
2. Authorized the Interim General Manager to execute the contract, subject to non-substantive changes.

H. *PULLED*

ACTION ITEMS

ADOPTION OF RESOLUTION NO. 2019-2-5, CERTIFYING THE FINAL SARCCUP ENVIRONMENTAL IMPACT REPORT

Senior Engineer Joshua Aguilar presented a brief background on the item highlighting that in 2016 the Agency became the lead to the Joint California Environmental Quality Act (CEQA) effort. Mr. Aguilar stated that although the Agency is currently not participating in the storage and recovery portion of the project, the Agency is participating in the conservation aspect of the project.

Adopting the SARCCUP Environmental Impact Report (EIR) would allow the Agency to participate in the future.

Director Elie stated he was concerned with taking action without specific projects in place, but he was unaware of the conservation aspect.

Mr. Aguilar stated that Western Municipal Water District and Orange County Water District are the responsible parties and will be taking the item to their Board meeting for approval.

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

M2019-2-4

MOVED, to:

1. Adopted Resolution No. 2019-2-5, certifying the Final Environmental Impact Report for the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP) Joint Projects, adopting the Mitigation Monitoring and Reporting Plan, and adopting the Findings of Fact; and
2. Authorized the Filing of Notice of Determination with the County Clerk and State Clearinghouse, Governor's Office of Planning and Research.

RESOLUTION 2019-2-5

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROJECT; ADOPTING A MITIGATION MONITORING AND REPORTING PLAN; AND ADOPTING FINDINGS OF FACT (for full text, see Resolution Book)

BASELINE RECYCLED WATER PIPELINE EXTENSION CONSTRUCTION CONTRACT AWARD

Acting Executive Manager of Engineering/AGM Shaun Stone stated the pipeline is in the City of Fontana and within the Cucamonga Valley Water District's service area. The project has been in the works for 10 years and staff has been looking for the correct balance of funding and support from agencies to bring the project to fruition. The project is 8,200 linear feet of 24-inch pipeline, which immediately will create 105-acre feet of new recycled water use. Mr. Stone stated the project is a truly collaborative project for the City of Fontana, Cucamonga Valley Water District, and the Agency. Once the project is completed there will be 300-acre feet of recycled water usage within the area.

Mr. Stone stated that on December 20, 2018, the Agency received seven bids. The lowest responsive bid was Trautwein Construction, Inc. with \$4,896,641, which was under the engineer's estimate. Staff reached out to Trautwein Construction, Inc. to review the bid to ensure all steps and items were addressed and staff was satisfied with their bid. Mr. Stone noted that Trautwein Construction, Inc. is local and based in Rancho Cucamonga.

Mr. Stone stated that Carollo Engineering are currently design engineers on the project and the Agency would like to continue with their excellent service. Mr. Stone mentioned that Carollo Engineering found innovative ways to cross the San Bernardino County Flood Control Channel, which minimized costs.

Director Parker asked if the Agency has ever worked with Trautwein Construction, Inc. and if there has been a news release on the project. Mr. Stone stated the Agency has not worked with

Trautwein Construction, Inc., but he has in his career. Executive Manager of External Affairs & Policy Development/AGM Kathy Besser stated that the Agency has not yet issued a press release and the Agency will be hosting a groundbreaking ceremony. Once the details of the ceremony are finalized the Agency will be sending out a press release and inviting the community.

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

M2019-2-4

MOVED, to:

1. Award the construction contract for Baseline Recycled Water Pipeline Extension, Project No. EN17049, to Trautwein Construction, Inc., in the amount of \$4,896,641;
2. Approve a contract amendment to Carollo Engineering for engineering services during construction for the not-to-exceed amount of \$150,826; and
3. Authorize the Interim General Manager to execute the contract amendment subject to non-substantive changes.

INFORMATION ITEMS

BOARD PRESIDENT'S DIRECTOR APPOINTMENTS

President Hofer stated he will provide the director appointments to the Board Standing Committees and Other Agencies to the Board Secretary/Office Manager April Woodruff at the end of the meeting for distribution.

BOARD COMPENSATION

General Counsel Jean Cihigoyenette reported at this time every year, he comes before the Board to discuss Board compensation for Board meetings, Committee meetings, and other activities of that nature that are compensable under the Ordinance. Mr. Cihigoyenette stated that the item is brought back every year, as an informational item, to establish whether or not the Board is interested in adjusting their compensation. Mr. Cihigoyenette stated, if so, then a published Ordinance procedure is required. If the Board declines an adjustment, then no action is required, and this matter will be addressed the following year. Mr. Cihigoyenette stated that the last adjustment was approved on April 19, 2017 for \$247.50. He also noted that adjustments can only increase 5% from the existing amount and will not be in effect until the next fiscal year, which is July 1, 2019.

President Hofer asked the Board if there were any comments. Director Elie commented that if there was to be an adjustment he would like the rate to be an even number, such as \$250 but he did not see a need to increase it. Director Elie commented that, at one time, the Board took no increases. He also stated that in 2011, the Board had actually taken a decrease in their compensation.

Director Hall stated if there was an adjustment she agreed with Director Elie on rounding out the figure. The Board asked staff to bring back the item next month with a \$250 rate.

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: NRW East End Flowmeter Replacement; RP-5 Recycled Water Pipeline Bottleneck; RP-5 Expansion; and RP-4 Influent Screen Replacement.

MWD UPDATE

Executive Manager of Engineering/AGM Chris Berch stated Director Jasmin Hall was sworn in and appointed to three committees: Legal & Claims, Conservation & Local Supplies, and Organization, Personnel & Technology. Mr. Berch presented a water supply picture, which is a 1.8 million acre-foot of demand on the MWD system, mainly supplied from the Colorado River and the State Water Project. As planned, the Colorado River supply is approximately 1 million acre-feet. The State Water Project allocation is currently at 15%, and based on historical trends, the Agency anticipates the allocation will fall between 40-50%.

Director Parker asked what the allocation percentage converts to in acre-feet. Mr. Berch stated the State Water Project is about 2 million acre-feet and it is about half the portfolio. Mr. Berch noted that there are several factors that go into the numbers, such as the snowpack output and biological opinion issues.

Director Elie stated he recently read an article in the LA Times that stated most of the water is being lost into the ocean and California needs to work on capturing as much water as possible. Discussion ensued on water use, flood control issues, and water waste.

Mr. Berch stated another item discussed at MWD was Sites Reservoir, which is a project the State Water Project contractors have been working on for decades. Currently, the project is in Stage 2 of 5. Mr. Berch reiterated the Chino Basin Program was funded through the WSIP program, which also funded the Sites Reservoir project. Mr. Berch stated that the project is unique since it is off river and flow is pumped up to the storage reservoir.

Mr. Berch stated another topic addressed was Governor Newsom's support of one tunnel option to the California WaterFix. MWD is now working on timelines, costs, and impact. President Hofer asked how long the evaluation will take. Manager of Government Relations Cathleen Pieroni stated about 4-5 months.

Mr. Berch gave an update on the Colorado River stating the conditions are worsening. The report stated the water supply is currently a few points lower than where it was at this time last year. He further stated there has been discussion with USBR on drought contingency plans with a set date of March 4 for voluntary agreement.

Mr. Berch stated that last month he mentioned that MWD was working on revamping the Turf Removal program. MWD will be increasing the amount of turf removal rebates and including more flexibility to how the funds can be used. The Agency is currently working on a plan to incorporate the updated Turf Removal program into IEUA service areas. Mr. Berch anticipates the plan will be brought to the Board for review in April.

Director Elie asked if there are limits to service areas or is it a first-come-first-serve basis. Mr. Berch stated the limit appears to be MWD's budget of approximately \$15 to \$17 million dollars and at this moment they are not allocating by service area.

Director Parker asked if the MWD program has started. Mr. Berch stated it was approved at the last meeting. Mr. Berch stated the Agency's goal is to present a program that ties everything together with feedback from the member agencies.

Mr. Berch thanked Manager of Government Relations Cathleen Pieroni for also attending the MWD meetings.

CBWM UPDATE

Executive Manager of Engineering/AGM Chris Berch stated that at the January 24 meeting there were no business items. There was discussion on legal items. Mr. Berch stated General Counsel

Jean Chigoyenetché and Marty Chigoyenetché are following the legal items and will update the Board at the next Board meeting.

Mr. Berch highlighted the Optimum Basin Management Program (OBMP) update stating that one of the major topics is the success and need of Groundwater Recharge programs. Mr. Berch presented an image of the lining of channels showing the lack of lining in the 1950s, when there were issues with flood control to currently with the recharge basins added and channel lining. Mr. Berch stated that essentially all of the major channels are lined, noting that some were concrete lined to be efficient in flood control. As part of the program the basins were engineered to hold the water and discharge it as quickly as possible.

Director Hall asked when the basin is drained to capture stormwater where the basin is drained to. Executive Manager of Operations/AGM Randy Lee stated the water is drained through the concrete channel and eventually the water will end up in Prado Dam in Orange County.

Mr. Berch stated there has been very few times a basin needed to be drained. Director Elie asked how many times a basin has been drained in the last 5-10 years. Mr. Berch stated he was aware of one other time besides the one in the last year and he will find out the number of times a basin has been drained in the last 5-10 years and inform the Board.

President Hofer stated groundwater issues were the reason the Chino Basin Water Conservation District was formed originally. President Hofer stated the farmers saw their well levels are going down since they lined the channels for the protection of their property.

Director Elie asked which basin and why it was drained the last time. Mr. Lee stated the basin was filled up very quickly from the storm in January, and prior to the subsequent storm, the water was brought down to a Flood Control level. Mr. Lee stated the levels were an agreement between the Agency, Flood Control, Watermaster, and Chino Basin Water Conservation District.

Mr. Berch stated that the West Fontana channel is the most recent channel that is going to be lined. It is a \$50 million program in conjunction with the County. He stated the process is evolving as there are now requirements to add side infiltration and pits along the channel for low flow infiltration.

Director Elie asked when it rains where the recycled water is stored. Mr. Lee stated the water is discharged into our channels, which is what the Agency's agreement with the four parties requires. Mr. Lee stated this allows the natural water to percolate into the ground and there is capacity for the stormwater to come in.

SAWPA UPDATE

Source Control/Environmental Resources Supervisor Craig Proctor stated that the Commission approved by a 4-1 vote, the OWOW Update 2018. Mr. Proctor stated the Update took place over a 28-month period over 100 collaborative meetings with over 100 authors including staff. Mr. Proctor stated one of the key issues still being decided is how to delineate the grant funding amongst the various stakeholders.

SAWPA received a letter from the Orange County Water District, Orange County Sanitation District, and the County of Orange asking for one-third of the eligible grant funding to be allocated to the Orange County projects, for all of the Orange County projects in their portfolio to be included as OWOW projects, and for the SAWPA ranking for funding not be used for the selection of Orange County projects.

Mr. Proctor stated the OWOW program is meant to bring together programs and projects within the region that will be beneficial to the whole region. Due to the timing issues, the submittal of the OWOW solicitation to the Department of Water Resources, and Orange County's submission, the

SAWPA Commission has decided to create an Ad Hoc Committee. The Committee will be made up from Commissioners, the General Managers, and key staff from Western Municipal Water District and Orange County Water District. SAWPA will also be sending a letter to the Department of Water Resources asking for an extension on the projects.

Director Parker added that with what Orange County is suggesting that we divvy up one-third for each county, means there will be nothing allocated to the Santa Ana Watershed. She mentioned that SAWPA hopes that the Ad Hoc Committee will be able to come back with a counteroffer to Orange County. Director Parker stated that Orange County's justification for one-third of the allocation evolves from the fact that part of the Santa Ana Watershed sits on Orange County territory.

She noted that the other two Watersheds in Orange County are on a smaller scale and not regional projects that will get OWOW consideration.

Director Hall stated that in the 22 months of the OWOW Commission working on their update they've asked Orange County to join the discussion. They were asked from the beginning to help determine the ranking process. Orange County agreed on the ranking process, but then worked on their own specific projects and requested special consideration.

Mr. Proctor stated that everything else was routine in nature.

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

UPPER SANTA ANA RIVER MULTIPLE SPECIES HABITAT CONSERVATION PLAN UPDATE

President Hofer requested the item be presented at the next meeting.

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Parker had nothing additional to report.

MWD REPORT

Director Hall had nothing additional to report.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker stated the Baseline Recycled Water Pipeline Extension Contract Award was approved.

CHINO BASIN WATERMASTER REPORT

Director Elie stated the Salinity Management Update presentation was informative, significant and well done. Director Elie stated there are still a lot of challenges.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Hall stated a selection for the General Manager has been made. It has yet to be announced.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

President Hofer stated the Mission Statement was approved.

GENERAL MANAGER'S REPORT

Interim General Manager Kirby Brill stated he attended a meeting on February 7, regarding the development of the Agency's Integrated Water Resource Plan (IRP). The meeting was held at the Chino Basin Water Conservation District with the purpose of gathering input from our partners and stakeholders. Mr. Brill stated 16 agencies were represented, there were about 40 different participants, and all of the Agency's member agencies were represented. Mr. Brill noted that there was significant stakeholder engagement and partners were willing and able to see a potential bigger picture. Mr. Brill commended Senior Engineer Joshua Aguilar on leading a productive meeting.

Mr. Brill stated at the upcoming Board Workshop scheduled for March 6, the Agency has asked CBWM to present on the OBMP process. The Workshop will also include details on the development the IRP, an update on the CBP, and tie all the separate activities in an integrated way.

Mr. Brill stated he was impressed with the type of cooperation, engagement, and spirited collaboration he has experienced in meetings.

Mr. Brill also showed the Agency's recruitment video, which he noted was shown in the Community & Legislative Affairs Committee meeting and he believes it reflects the Agency's core values.

Director Elie asked if the video was scripted. Executive Manager of External Affairs & Policy Development/AGM Kathy Besser stated the statements were the individuals own. They were asked a question and they replied in their own words. Director Elie asked if there were any Managers interviewed for the video. Ms. Besser stated that no Deputy Manager positions or above were interviewed.

President Hofer asked for more information on the IRP. Mr. Berch stated the Agency is currently in the second phase of the IRP process. The first phase was compiling projects and programs and developing a vision for the region. The second phase will be working on modeling. The IRP schedule updates and next steps will be covered in the next meeting then CBWM will discuss the OBMP and the meeting will close with CBP and how the three are tied together.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

Director Parker requested staff investigate the number of incident reports involving the rocks in the parking lot next to the parking spaces. Director Parker noted that there have been incidents with personal vehicles as well as Agency vehicles. Director Parker requested staff investigate the cost of removing certain rocks from the parking lot.

DIRECTORS' COMMENTS

Director Elie stated he attended the Southern California Water Coalition Quarterly Luncheon and Board Meeting on January 25, the ASBCSD Membership Meeting on January 28, Marty Zvirbulis's Retirement Celebration on January 31, TVMWD General Manager/Chief Engineer Rick Hansen's Retirement Celebration on February 2, presented a big check to Chino Neighborhood House on February 7, and the San Bernardino Regional Business Summit on February 12.

Director Elie stated he enjoys working with the Interim General Manager Kirby Brill and staff on serving his constituents.

Director Hall stated she attended the 2019 Fontana State of the City Address on January 17, Assemblymember Eloise Reyes's Swearing-in and State of the 47th Address on January 18, the CASA 2019 Winter Conference from January 23-25, the ASBCSD Membership Meeting on January 28, TVMWD General Manager/Chief Engineer Rick Hansen's Retirement Celebration on February 2, the State Water Resources Control Board Workshop on February 4, the San Bernardino Regional Business Summit on February 12, and presented a big check to Caritas San Vicente on February 14.

Director Camacho stated he attended Marty Zvirbulis's Retirement Celebration on January 31.

Director Parker stated she presented a big check to Anthesis on February 11 and attended the San Bernardino Regional Business Summit on February 12.

CLOSED SESSION

The Board went into Closed Session at 11:57 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; C. A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d) – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: INITIATION OF LITIGATION: Two cases D. PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYMENT: (1) General Manager.

The meeting resumed at 1:35 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.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Case #2

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 Hofer adjourned the meeting at 1:37 p.m.

Kati Parker, Secretary/Treasurer

APPROVED: MARCH 20, 2019

**CONSENT
CALENDAR
ITEM**

2B



Date: March 20, 2019

To: The Honorable Board of Directors

Committee: Finance & Administration

From: ^{for} Kirby Brill, Interim General Manager 

03/13/19

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

Subject: Report on General Disbursements

Executive Summary:

Total disbursements for the month of January 2019 were \$15,930,152.02. Disbursement activity included check payments of \$4,024,419.83 to vendors and \$6,008.57 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$4,377,255.19 and wire transfers (excluding payroll) of \$5,952,538.55. Total payroll was \$1,563,971.63 for employees and \$5,958.25 for the Board of Directors.

Staff's Recommendation:

1. Approve the total disbursements for the month of January, 2019, in the amount of \$15,930,152.02.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On February 20, 2019 the Board of Directors approved the December 2018 Report on General Disbursements totaling \$22,239,814.84

Environmental Determination:

Not Applicable

Business Goal:

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

Attachments:

Attachment 1 - Background

Attachment 2 - Details of General Disbursements

Attachment 1 - 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
2A	Vendor Checks	\$ 4,024,419.83
2B	Workers' Comp Checks	\$ 6,008.57
2C	Vendor ACHs	\$ 4,377,255.19
2D	Vendor Wires (excludes Payroll)	\$ 5,952,538.55
2E	Payroll-Net Pay-Directors	\$ 5,958.25
2F	Payroll-Net Pay-Employees	\$ 1,563,971.63
Total Disbursements		\$15,930,152.02

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

Vendor	Amount	Description
MWD	\$ 4,388,096.77	November 2018 Water Purchases
CAROLLO ENGINEERS	\$ 1,302,141.06	10/2018 Professional Svc's for: EN16060-RW Connections to City of Pomona EN17049-Baseline RWPL Extension EN19051-RW Hydraulic Modeling 11/2018 Professional Svc's for: RW15003-Recharge Master Plan Update EN16060-RW Connections to City of Pomona EN17043- RP4 Primary Clarifier Rehab; EN17110- RP-4 Process Improvements; EN19001- RP-5 Expansion to 30mgd; EN19006- RP-5 Biosolids Facility; EN24001- RP-1 Liquid Treatment Capacity Recovery; EN24002- RP-1 Solids Treatment Expansion.

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

MYERS & SONS CONSTRUCTION LP	\$1,270,971.78	12/18 Professional Services for: EN14019-RP-1 Headworks Primary & Secondary Upgrades
PARSONS WATER & INFRASTRUCTURE	\$ 940,018.21	11/2018 Professional Svc's for: EN19001-RP-5 Expansion to 30 mgd; EN19006- RP-5 Biosolids Facility.
IRS	\$ 709,110.48	P/R 01, 02: Dir 01 Payroll Taxes
PERS	\$ 692,972.32	01/19 Health Ins / P/R 01, 02 Def Comp/ 2019 RBP-Replacement Benefit Contribution

Attachment 2A

Vendor Checks

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key		122234149				
Acct number		CHECK 231167641				
Check						
Check number from to	Payment	Rmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
227026	2200096160	01/03/2019	USD	431.31	AGILENT TECHNOLOGIES, INC. CHICAGO IL	01/10/2019
227027	2200096183	01/03/2019	USD	12,119.59	ALLIED UNIVERSAL SECURITY SERV PASADENA CA	01/07/2019
227028	2200096181	01/03/2019	USD	507.85	AMERICAN PAYROLL ASSOCIATION SAN ANTONIO TX	01/09/2019
227029	2200096185	01/03/2019	USD	1,063.30	ASAP INDUSTRIAL SUPPLY FONTANA CA	01/08/2019
227030	2200096166	01/03/2019	USD	60.00	ASBCSD HESPERIA CA	01/22/2019
227031	2200096186	01/03/2019	USD	67.00	ATKINSON, ANDELSON, LOYA, RUDCERRITOS CA	01/09/2019
227032	2200096212	01/03/2019	USD	50.01	BELL, GARRETT CHINO HILLS CA	
227033	2200096188	01/03/2019	USD	17,339.00	BRIGHTVIEW LANDSCAPES LLC ROCKVILLE MD	01/07/2019
227034	2200096213	01/03/2019	USD	65.00	BURKE, JERRY CHINO HILLS CA	01/07/2019
227035	2200096158	01/03/2019	USD	661.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/14/2019
227036	2200096189	01/03/2019	USD	14,730.72	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	01/07/2019
227037	2200096211	01/03/2019	USD	239.91	CAMACHO, MICHAEL CHINO HILLS CA	01/14/2019
227038	2200096208	01/03/2019	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	01/08/2019
227039	2200096162	01/03/2019	USD	1,043.85	CAROLLO ENGINEERS WALNUT CREEK CA	01/08/2019
227040	2200096215	01/03/2019	USD	2,000.00	CHIN, KELVIN RANCHO CUCAMONGA CA	01/08/2019
227041	2200096159	01/03/2019	USD	6,750.00	CHINO BASIN WATER CONSERVATION MONICLAIR CA	01/11/2019
227042	2200096157	01/03/2019	USD	460.30	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	01/08/2019
227043	2200096172	01/03/2019	USD	9,865.88	CHINO MFG & REPAIR INC CHINO CA	01/09/2019
227044	2200096180	01/03/2019	USD	4,395.21	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/15/2019
227045	2200096207	01/03/2019	USD	425.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	01/08/2019
227046	2200096199	01/03/2019	USD	424.85	CITY OF CHINO CHINO CA	01/07/2019
227047	2200096149	01/03/2019	USD	659.38	COLE PARMER INSTRUMENT CO CHICAGO IL	01/07/2019
227048	2200096177	01/03/2019	USD	3,289.13	CS-AMSCO HUNTINGTON BEACH CA	01/07/2019
227049	2200096193	01/03/2019	USD	13,585.00	CSI SERVICES INC SANTA CLARITA CA	01/14/2019
227050	2200096184	01/03/2019	USD	3,215.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	01/11/2019
227051	2200096214	01/03/2019	USD	47.55	DELGADO, ROBERTO CHINO HILLS CA	01/29/2019
227052	2200096173	01/03/2019	USD	676.48	DEPT OF INDUSTRIAL RELATIONS SAN FRANCISCO CA	01/10/2019
227053	2200096194	01/03/2019	USD	1,026.28	DORGAN LEGAL SERVICES LLP PASADENA CA	01/16/2019
227054	2200096161	01/03/2019	USD	93.00	ENVIRONMENTAL CONSULTING & TESSUPERIOR WI	01/16/2019
227055	2200096151	01/03/2019	USD	15,460.90	FISHER SCIENTIFIC LOS ANGELES CA	01/07/2019
227056	2200096206	01/03/2019	USD	1,030.82	FRANCHISE TAX BOARD SACRAMENTO CA	01/30/2019
227057	2200096203	01/03/2019	USD	818.77	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/10/2019
227058	2200096152	01/03/2019	USD	2.84	HOME DEPOT CREDIT SERVICES PHOENIX AZ	01/09/2019
227059	2200096204	01/03/2019	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	01/07/2019
227060	2200096156	01/03/2019	USD	179.57	INTERSTATE BATTERY SYSTEM ALTA LOMA CA	02/01/2019
227061	2200096196	01/03/2019	USD	3,614.00	KOFF & ASSOCIATES BERKELEY CA	01/08/2019
227062	2200096210	01/03/2019	USD	269.00	LETULLE, CHANDER CHINO HILLS CA	01/07/2019
227063	2200096169	01/03/2019	USD	1,150.00	LIEBERT CASSIDY WHITMORE LOS ANGELES CA	01/09/2019
227064	2200096209	01/03/2019	USD	95.67	MELTON, DANIEL CHINO HILLS CA	01/10/2019
227065	2200096187	01/03/2019	USD	6,011.83	MICROAGE PHOENIX AZ	01/09/2019
227066	2200096171	01/03/2019	USD	475.00	NALMANN HOBBS MATERIAL HANDLIN LOS ANGELES CA	01/08/2019
227067	2200096150	01/03/2019	USD	2,270.85	OFFICE DEPOT PHOENIX AZ	01/15/2019
227068	2200096200	01/03/2019	USD	74.04	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	01/07/2019
227069	2200096174	01/03/2019	USD	982.68	PANTHER PROTECTION ORANGE CA	01/08/2019

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

Check Register
 CBB Disbursement Account-January 2019

02/25/2019 / 20:36:02
 User: CCAMPBEL
 Page: 2

Bank		CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key		122234149				
Acct number		CHECK 231167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
227070	2200096175	01/03/2019	USD	360.98	PONTON INDUSTRIES INC YOREA LINDA CA	01/14/2019
227071	2200096164	01/03/2019	USD	12,460.00	POWER SYSTEMS SERVICES INC CHINO CA	01/10/2019
227072	2200096191	01/03/2019	USD	15,722.77	PRIORITY BUILDING SERVICES LLCBREA CA	01/10/2019
227073	2200096195	01/03/2019	USD	176.32	QUINN COMPANY LOS ANGELES CA	01/07/2019
227074	2200096198	01/03/2019	USD	608.98	RAM METER ROYAL OAK MI	01/08/2019
227075	2200096153	01/03/2019	USD	110.50	RAYNE WATER CONDITIONING COVINA CA	01/07/2019
227076	2200096154	01/03/2019	USD	2,558.91	ROYAL INDUSTRIAL SOLUTIONS LOS ANGELES CA	01/07/2019
227077	2200096178	01/03/2019	USD	662.26	RSD LAKE FOREST CA	01/07/2019
227078	2200096179	01/03/2019	USD	658.06	S&C ELECTRIC COMPANY CHICAGO IL	01/07/2019
227079	2200096168	01/03/2019	USD	6,555.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	01/08/2019
227080	2200096216	01/03/2019	USD	300.00	SCHOLL, STEVEN RANCHO CUCAMONGA CA	01/07/2019
227081	2200096201	01/03/2019	USD	525.04	SO CALIF EDISON ROSEMEAD CA	01/08/2019
227082	2200096202	01/03/2019	USD	334.19	SO CALIF GAS MONTEREY PARK CA	01/10/2019
227083	2200096163	01/03/2019	USD	9,592.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	01/09/2019
227084	2200096167	01/03/2019	USD	720.00	STRADLING YOCCA CARLSON & RAUTINEWPORT BEACH CA	01/08/2019
227085	2200096165	01/03/2019	USD	1,519.45	TELEDYNE INSTRUMENTS INC CHICAGO IL	01/07/2019
227086	2200096197	01/03/2019	USD	214.47	TESTAMERICA LABORATORIES INC NORTH CANTON OH	01/08/2019
227087	2200096182	01/03/2019	USD	1,500.00	TOTALFUNDS BY HASLER CAROL STREAM IL	01/10/2019
227088	2200096190	01/03/2019	USD	283.75	TRIPEPI SMITH AND ASSOCIATES, IRVINE CA	01/09/2019
227089	2200096170	01/03/2019	USD	342.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	01/07/2019
227090	2200096155	01/03/2019	USD	373.00	UNDERGROUND SERVICE ALERT/SC CORONA CA	01/09/2019
227091	2200096205	01/03/2019	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	01/14/2019
227092	2200096192	01/03/2019	USD	7,711.05	VIRAMONTES EXPRESS INC CORONA CA	01/14/2019
227093	2200096176	01/03/2019	USD	596.94	YORK EMPLOYMENT SERVICES INC ONTARIO CA	01/07/2019
227094	2200096254	01/10/2019	USD	352.96	ACCUSTANDARD INC NEW HAVEN CT	02/06/2019
227095	2200096237	01/10/2019	USD	429.60	AIRGAS WEST INC PASADENA CA	01/14/2019
227096	2200096282	01/10/2019	USD	1,160.64	ALITA FOODCRAFT COFFEE LONG BEACH CA	01/15/2019
227097	2200096310	01/10/2019	USD	188.02	AMERICAN HERITAGE LIFE INSURANDALLAS TX	01/24/2019
227098	2200096277	01/10/2019	USD	298.38	AMERICAN PRINTING & PROMOTIONSCHINO CA	01/22/2019
227099	2200096244	01/10/2019	USD	2,443.20	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	01/16/2019
227100	2200096283	01/10/2019	USD	2,726.01	ASAP INDUSTRIAL SUPPLY FONTANA CA	01/15/2019
227101	2200096266	01/10/2019	USD	204.00	AUTOMATIONDIRECT.COM INC ATLANTA GA	01/16/2019
227102	2200096288	01/10/2019	USD	1,258.58	BERLIN PACKAGING LLC CHICAGO IL	01/14/2019
227103	2200096246	01/10/2019	USD	299.85	BLAZE CONE COMPANY PORTLAND OR	01/15/2019
227104	2200096233	01/10/2019	USD	1,919.89	BRITHINEE ELECTRIC COLTON CA	01/14/2019
227105	2200096307	01/10/2019	USD	5,205.08	BURRTEC WASTE INDUSTRIES INC FONTANA CA	01/17/2019
227106	2200096248	01/10/2019	USD	87.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/17/2019
227107	2200096279	01/10/2019	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	01/16/2019
227108	2200096289	01/10/2019	USD	3,742.17	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	01/15/2019
227109	2200096316	01/10/2019	USD	133.53	CAMACHO, MICHAEL CHINO HILLS CA	01/14/2019
227110	2200096256	01/10/2019	USD	28,263.18	CAROLLO ENGINEERS INC SALT LAKE CITY UT	01/15/2019
227111	2200096267	01/10/2019	USD	1,958.22	CASC ENGINEERING AND CONSULTINCOLTON CA	01/16/2019
227112	2200096250	01/10/2019	USD	8,160.50	CHAMPION NEWSPAPERS CHINO CA	02/05/2019
227113	2200096249	01/10/2019	USD	3,840.00	CHINO BASIN WATER CONSERVATIONMONTCLAIR CA	01/22/2019

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	
227114	2200096255	01/10/2019	USD	54.50	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA		
227115	2200096274	01/10/2019	USD	407.14	CINIAS CORPORATION ONTARIO CA		01/17/2019
227116	2200096264	01/10/2019	USD	978.34	CINIAS FIRST AID & SAFETY LOCCINCINNATI OH		01/15/2019
227117	2200096240	01/10/2019	USD	376.00	CITY OF CHINO CHINO CA		01/15/2019
227118	2200096241	01/10/2019	USD	404.00	CITY OF ONTARIO ONTARIO CA		01/15/2019
227119	2200096247	01/10/2019	USD	200.00	CITY OF RANCHO CUCAMONGA RANCHO CUCAMONGA CA		01/16/2019
227120	2200096323	01/10/2019	USD	88.00	CORREIA, DAVID CHINO HILLS CA		01/11/2019
227121	2200096322	01/10/2019	USD	314.65	DELGADO, ROBERIO CHINO HILLS CA		
227122	2200096321	01/10/2019	USD	125.00	DIAS, MICHAEL CHINO HILLS CA		01/14/2019
227123	2200096319	01/10/2019			voided by BUACKSON - Check not needed		01/10/2019
227124	2200096293	01/10/2019	USD	17,366.75	ECOTECH SERVICES INC MONROVIA CA		02/07/2019
227125	2200096286	01/10/2019	USD	1,550.00	EPI-USE AMERICA INC ATLANTA GA		01/22/2019
227126	2200096292	01/10/2019	USD	4,451.00	FIREHAWK FIRE & SAFETY ESCONDIDO CA		01/22/2019
227127	2200096234	01/10/2019	USD	1,555.70	FISHER SCIENTIFIC LOS ANGELES CA		01/14/2019
227128	2200096243	01/10/2019	USD	199.15	FONTANA HERALD NEWS FONTANA CA		01/16/2019
227129	2200096304	01/10/2019	USD	825.46	FONTANA WATER COMPANY FONTANA CA		01/17/2019
227130	2200096309	01/10/2019	USD	2,947.63	FRONTIER COMMUNICATIONS CORP CINCINNATI OH		01/16/2019
227131	2200096273	01/10/2019	USD	7,564.00	GEI CONSULTANTS INC BOSTON MA		01/15/2019
227132	2200096285	01/10/2019	USD	5,499.00	GHD PASADENA CA		01/14/2019
227133	2200096239	01/10/2019	USD	3,107.37	GRAINGER PALATINE IL		01/15/2019
227134	2200096299	01/10/2019	USD	7,635.00	HEAVENLY PET RESORT INC WEST COVINA CA		01/14/2019
227135	2200096324	01/10/2019	USD	50.00	Hallihan, Diane Alta Loma CA		02/04/2019
227136	2200096251	01/10/2019	USD	25.00	IAPMA-HR RIVERSIDE CA		
227137	2200096271	01/10/2019	USD	8,000.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC		01/16/2019
227138	2200096272	01/10/2019	USD	636.00	INSIDE PLANTS INC CORONA CA		01/16/2019
227139	2200096296	01/10/2019	USD	55,067.77	KEARNS & WEST SAN FRANCISCO CA		01/18/2019
227140	2200096253	01/10/2019	USD	1,593.50	KONICA MINOLTA PASADENA CA		01/14/2019
227141	2200096308	01/10/2019	USD	847.34	LEVEL 3 COMMUNICATIONS LLC DENVER CO		01/15/2019
227142	2200096314	01/10/2019	USD	14,835.69	LIFE INSURANCE COMPANY OF PHILADELPHIA PA		01/17/2019
227143	2200096291	01/10/2019	USD	3,185.88	MANAGED MOBILE INC PLACENTIA CA		01/15/2019
227144	2200096252	01/10/2019	USD	1,350.00	MBC APPLIED ENVIRONMENTAL SCIENCOSTA MESA CA		01/16/2019
227145	2200096262	01/10/2019	USD	650.27	MCR TECHNOLOGIES INC LAKE FOREST CA		01/17/2019
227146	2200096297	01/10/2019	USD	11,317.74	MEANS CONSULTING LLC NEWPORT BEACH CA		01/15/2019
227147	2200096278	01/10/2019	USD	15,332.83	NEW YORK BLOWER COMPANY WILLOWBROOK IL		01/17/2019
227148	2200096315	01/10/2019	USD	197.68	O'BRIEN, MICHELLE CHINO HILLS CA		01/18/2019
227149	2200096245	01/10/2019	USD	5,877.44	ONTARIO FIRE EXTINGUISHER CO ONTARIO CA		01/23/2019
227150	2200096300	01/10/2019	USD	304.00	ONTARIO MUNICIPAL UTILITIES COONTARIO CA		01/14/2019
227151	2200096318	01/10/2019	USD	28.72	ORTIZ, BRIAN CHINO HILLS CA		01/18/2019
227152	2200096313	01/10/2019	USD	205.38	PERS LONG TERM CARE PROGRAM PASADENA CA		01/14/2019
227153	2200096238	01/10/2019	USD	345.07	PETTY CASH EXPENDITURES CHINO CA		01/15/2019
227154	2200096312	01/10/2019	USD	6,722.64	PUBLIC EMPLOYEES RETIREMENT SYSACRAMENTO CA		01/25/2019
227155	2200096261	01/10/2019	USD	223.03	RED WING BUSINESS ADVANTAGE DALLAS TX		01/15/2019
227156	2200096320	01/10/2019	USD	125.00	REED, MICHELLE CHINO HILLS CA		01/17/2019
227157	2200096301	01/10/2019	USD	17,002.88	SO CALIF EDISON ROSEMEAD CA		01/23/2019

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227160	2200096281	01/10/2019	USD	25.00	SOUTHERN CALIFORNIA PUBLIC LOS ANGELES CA	01/17/2019
227161	2200096287	01/10/2019	USD	5,296.10	STAFFING NETWORK LLC CAROL STREAM IL	01/17/2019
227162	2200096258	01/10/2019	USD	1,638.00	STATE WATER RESOURCES CNTRL ERSACRAMENTO CA	01/22/2019
227163	2200096260	01/10/2019	USD	4,823.06	U S BANK ST PAUL MN	01/16/2019
227164	2200096275	01/10/2019	USD	17,269.00	U S BANK ST LOUIS MO	01/17/2019
227165	2200096265	01/10/2019	USD	240.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	01/14/2019
227166	2200096263	01/10/2019	USD	1,251.82	VERIZON WIRELESS DALLAS TX	01/17/2019
227167	2200096270	01/10/2019	USD	1,605.36	WORLDWIDE EXPRESS ALBANY NY	01/23/2019
227168	2200096269	01/10/2019	USD	1,925.62	YORK EMPLOYMENT SERVICES, INC SAN FRANCISCO CA	01/14/2019
227169	2200096280	01/10/2019	USD	222.47	YRC PASADENA CA	01/17/2019
227170	2200096393	01/17/2019	USD	443.33	10-8 RETROFIT INC ONTARIO CA	01/23/2019
227171	2200096406	01/17/2019	USD	215.00	AACE INTERNATIONAL MORGANTOWN WV	01/23/2019
227172	2200096359	01/17/2019	USD	2,852.02	AGILENT TECHNOLOGIES, INC. CHICAGO IL	01/22/2019
227173	2200096358	01/17/2019	USD	600.37	AGILENT TECHNOLOGIES INC LOS ANGELES CA	01/22/2019
227174	2200096347	01/17/2019	USD	2,252.04	AIRGAS WEST INC PASADENA CA	01/22/2019
227175	2200096375	01/17/2019	USD	298.38	AMERICAN PRINTING & PROMOTIONSCHINO CA	01/30/2019
227176	2200096352	01/17/2019	USD	1,221.60	APPLBONE EMPLOYMENT SERVICES GLENDALE CA	01/23/2019
227177	2200096376	01/17/2019	USD	4,495.29	AQUA-AEROBIC SYSTEMS INC LOVES PARK IL	01/23/2019
227178	2200096381	01/17/2019	USD	217.72	ASAP INDUSTRIAL SUPPLY FONTANA CA	01/24/2019
227179	2200096385	01/17/2019	USD	1,830.77	AUTOZONE INC ATLANTA GA	01/23/2019
227180	2200096377	01/17/2019	USD	2,298.97	BIOTAGE LLC PHILADELPHIA PA	01/23/2019
227181	2200096367	01/17/2019	USD	950.28	BOOT BARN INC IRVINE CA	01/22/2019
227182	2200096340	01/17/2019	USD	536.60	BRTIHINEE ELECTRIC COLTON CA	01/22/2019
227183	2200096389	01/17/2019	USD	23,809.84	BUSINESS CARD WILMINGTON DE	01/25/2019
227184	2200096355	01/17/2019	USD	188.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/31/2019
227185	2200096400	01/17/2019	USD	47.80	CALIFORNIA DEPARTMENT OF TAX SACRAMENTO CA	01/25/2019
227186	2200096388	01/17/2019	USD	15,797.27	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	01/22/2019
227187	2200096341	01/17/2019	USD	4,255.36	CALITROL INC LOS ANGELES CA	01/22/2019
227188	2200096425	01/17/2019	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	01/23/2019
227189	2200096368	01/17/2019	USD	657.28	CHINO MFG & REPAIR INC CHINO CA	01/23/2019
227190	2200096374	01/17/2019	USD	1,497.03	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/29/2019
227191	2200096365	01/17/2019	USD	61.31	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	01/25/2019
227192	2200096423	01/17/2019	USD	425.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	01/25/2019
227193	2200096407	01/17/2019	USD	1,784.35	CITY OF CHINO CHINO CA	01/22/2019
227194	2200096342	01/17/2019	USD	329.69	COLE PARMER INSTRUMENT CO CHICAGO IL	01/22/2019
227195	2200096384	01/17/2019	USD	6,612.43	CONSERV CONSTRUCTION INC MENIFEE CA	01/22/2019
227196	2200096409	01/17/2019	USD	282.51	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	01/23/2019
227197	2200096351	01/17/2019	USD	2,000.00	CUCAMONGA VALLEY WATER DISTRICTRANCHO CUCAMONGA CA	
227198	2200096343	01/17/2019	USD	1,146.70	FLISHER SCIENTIFIC LOS ANGELES CA	01/22/2019
227199	2200096353	01/17/2019	USD	3,222.44	FLUID COMPONENTS INTERNATIONALSAN MARCOS CA	01/23/2019
227200	2200096422	01/17/2019	USD	235.00	FRANCHISE TAX BOARD SACRAMENTO CA	02/13/2019
227201	2200096413	01/17/2019	USD	3,499.09	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/25/2019

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227204	2200096383	01/17/2019	USD	48,436.03	GHD PASADENA CA		01/22/2019
227205	2200096350	01/17/2019	USD	6,582.93	GRAINGER PALATINE IL		01/23/2019
227206	2200096399	01/17/2019	USD	81,610.51	GWINCO CONSTRUCTION & ENGINEERONTARIO CA		01/23/2019
227207	2200096345	01/17/2019	USD	446.06	HOME DEPOT CREDIT SERVICES PHOENIX AZ		01/23/2019
227208	2200096395	01/17/2019	USD	233.26	IDEXX DISTRIBUTION INC ATLANTA GA		01/22/2019
227209	2200096418	01/17/2019	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA		01/22/2019
227210	2200096403	01/17/2019	USD	420,745.50	KIEWIT INFRASTRUCTURE WEST CO SANTA FE SPRINGS CA		01/25/2019
227211	2200096382	01/17/2019	USD	140.00	KIM'S MASTER AUTO REPAIR CHINO CA		01/24/2019
227212	2200096426	01/17/2019	USD	195.44	KING, JEFFREY L CHINO HILLS CA		01/29/2019
227213	2200096357	01/17/2019	USD	417.58	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA		01/22/2019
227214	2200096401	01/17/2019	USD	8,145.00	LITTLER MENDELSON PC SAN FRANCISCO CA		01/23/2019
227215	2200096405	01/17/2019	USD	1,186.05	MARTIN ENGINEERING NEPONSET IL		01/24/2019
227216	2200096356	01/17/2019	USD	4,050.00	MBC AQUATIC SCIENCES INC COSTA MESA CA		01/22/2019
227217	2200096387	01/17/2019	USD	282.31	MICROAGE PHOENIX AZ		01/23/2019
227218	2200096362	01/17/2019	USD	265.82	MIDPOINT BEARING ONTARIO CA		01/22/2019
227219	2200096408	01/17/2019	USD	6,185.12	ONTARIO MUNICIPAL UTILITIES COONTARIO CA		01/22/2019
227220	2200096427	01/17/2019	USD	129.00	POMPA, JESSE CHINO HILLS CA		02/01/2019
227221	2200096428	01/17/2019	USD	61.80	ROBSON, PAT CHINO HILLS CA		01/29/2019
227222	2200096371	01/17/2019	USD	6,270.00	SAGE SOFTWARE INC CHICAGO IL		01/22/2019
227223	2200096364	01/17/2019	USD	1,250.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA		
227224	2200096414	01/17/2019	USD	887.14	SHERIFF'S COURT SERVICES SAN BERNARDINO CA		01/24/2019
227225	2200096410	01/17/2019	USD	112,441.77	SO CALIF EDISON ROSEMEAD CA		01/30/2019
227226	2200096411	01/17/2019	USD	4,273.67	SO CALIF EDISON ROSEMEAD CA		01/28/2019
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227228	2200096386	01/17/2019	USD	2,118.74	STAFFING NETWORK LLC CAROL STREAM IL		01/28/2019
227229	2200096379	01/17/2019	USD	200.00	ULLOA, EUNICE M CHINO CA		
227230	2200096420	01/17/2019	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA		01/28/2019
227231	2200096412	01/17/2019	USD	460.18	VERIZON BUSINESS ALBANY NY		01/23/2019
227232	2200096435	01/17/2019	USD	504.00	PETE'S ROAD SERVICE FULLERTON CA		01/24/2019
227233	2200096433	01/17/2019	USD	3,869.70	RMA GROUP RANCHO CUCAMONGA CA		01/25/2019
227234	2200096434	01/17/2019	USD	28,594.28	ROYAL INDUSTRIAL SOLUTIONS LOS ANGELES CA		01/22/2019
227235	2200096442	01/17/2019	USD	230.32	SO CALIF GAS MONTEREY PARK CA		01/28/2019
227236	2200096436	01/17/2019	USD	538.58	SOUTH COAST AQMD DIAMOND BAR CA		01/28/2019
227237	2200096440	01/17/2019	USD	24,602.82	STANTEC CONSULTING INC CHICAGO IL		01/22/2019
227238	2200096437	01/17/2019	USD	1,651.00	STATE WATER RESOURCES CNTRL BRACRAMENTO CA		01/28/2019
227239	2200096438	01/17/2019	USD	5,608.07	SYSTEMS SOURCE INC NEWPORT BEACH CA		01/22/2019
227240	2200096441	01/17/2019	USD	835.00	TRIPLETT SMITH AND ASSOCIATES, IRVINE CA		01/25/2019
227241	2200096439	01/17/2019	USD	26.94	URIMAGE BLOOMINGTON CA		01/25/2019
227242	2200096443	01/21/2019	USD	2,497.40	KONICA MINOLTA PASADENA CA		01/28/2019
227243	2200096469	01/24/2019	USD	147.14	AGILENT TECHNOLOGIES INC LOS ANGELES CA		01/28/2019
227244	2200096459	01/24/2019	USD	560.36	AIRGAS WEST INC PASADENA CA		01/29/2019
227245	2200096470	01/24/2019	USD	816.66	ARC IMAGING RESOURCES CALIFORNMONTEREY PARK CA		01/29/2019

Inland Empire Util. Agency
 Chino, CA
 Company code 1000

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227248	2200096462	01/24/2019	USD	420.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	02/01/2019
227249	2200096482	01/24/2019	USD	10,362.75	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	01/29/2019
227250	2200096457	01/24/2019	USD	196.95	CALITROL INC LOS ANGELES CA	01/28/2019
227251	2200096496	01/24/2019	USD	175.00	CAMBIASO, PIETRO CHINO HILLS CA	01/31/2019
227252	2200096476	01/24/2019	USD	19,137.74	CASC ENGINEERING AND CONSULTINCOLTON CA	01/30/2019
227253	2200096491	01/24/2019	USD	123,310.00	CASCADE DRILLING LP BOTHELL WA	02/06/2019
227254	2200096497	01/24/2019	USD	232.44	CHAGOYEN-LAZARO, JAVIER CHINO CA	02/05/2019
227255	2200096463	01/24/2019	USD	1,800.00	CHINO BASIN WATER CONSERVATIONMONTCLAIR CA	02/01/2019
227256	2200096471	01/24/2019	USD	54.50	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	
227257	2200096478	01/24/2019	USD	7,782.86	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/31/2019
227258	2200096473	01/24/2019	USD	2,234.90	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	02/04/2019
227259	2200096486	01/24/2019	USD	1,140.00	CSI SERVICES INC SANTA CLARITA CA	01/31/2019
227260	2200096494	01/24/2019	USD	566.78	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	01/29/2019
227261	2200096477	01/24/2019	USD	1,961.79	DESERT PUMPS AND PARTS INC BELLA VISTA AR	02/08/2019
227262	2200096480	01/24/2019	USD	20,440.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	01/29/2019
227263	2200096484	01/24/2019	USD	57,796.20	FACILITY SOLUTIONS GROUP INC PLACENTIA CA	01/29/2019
227264	2200096458	01/24/2019	USD	631.04	FISHER SCIENTIFIC LOS ANGELES CA	01/28/2019
227265	2200096461	01/24/2019	USD	159.32	FONTANA HERALD NEWS FONTANA CA	01/29/2019
227266	2200096495	01/24/2019	USD	716.42	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/31/2019
227267	2200096489	01/24/2019	USD	578.51	GARRATT CALLAHAN COMPANY BURLINGAME CA	01/30/2019
227268	2200096460	01/24/2019	USD	1,918.21	GRAINGER PALATINE IL	01/29/2019
227269	2200096468	01/24/2019	USD	395.00	GREATER ONTARIO BUSINESS COUNONTARIO CA	02/04/2019
227270	2200096472	01/24/2019	USD	3,258.36	HORIZON TECHNOLOGY SALEM NH	01/29/2019
227271	2200096465	01/24/2019	USD	167,269.78	J F SHEA CONSTRUCTION INC WALNUT CA	01/29/2019
227272	2200096492	01/24/2019	USD	971.81	KIRBY BRILL BOZEMAN MT	01/28/2019
227273	2200096464	01/24/2019	USD	5,175.68	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	01/28/2019
227274	2200096479	01/24/2019	USD	1,154.04	MARS ENVIRONMENTAL INC ANAHEIM CA	02/14/2019
227275	2200096488	01/24/2019	USD	10,356.68	MEANS CONSULTING LLC NEWPORT BEACH CA	01/28/2019
227276	2200096481	01/24/2019	USD	123.91	MICROAGE PHOENIX AZ	01/29/2019
227277	2200096490	01/24/2019	USD	85.00	MK AUTO DETAIL INC ONTARIO CA	02/14/2019
227278	2200096466	01/24/2019	USD	325.00	MONTCLAIR CHAMBER OF COMMERCE MONTCLAIR CA	02/20/2019
227279	2200096485	01/24/2019	USD	25,725.00	MWH CONSTRUCTORS INC BROOMFIELD CO	01/30/2019
227280	2200096487	01/24/2019	USD	1,270,971.78	MYERS AND SONS CONSTRUCTION LPSACRAMENTO CA	01/31/2019
227281	2200096499	01/24/2019	USD	145.89	NANGIA, SAPNA CHINO HILLS CA	02/04/2019
227282	2200096493	01/24/2019	USD	296.78	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	01/28/2019
227283	2200096498	01/24/2019	USD	8.00	SARMIENTO, JESSICA CHINO HILLS CA	02/12/2019
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227286	2200096467	01/24/2019	USD	165.00	UPLAND CHAMBER OF COMMERCE UPLAND CA	01/31/2019
227287	2200096668	01/29/2019	USD	187.74	BREIG, ANNA VICTORVILLE CA	02/12/2019
227288	2200096671	01/29/2019	USD	511.48	HOBBS, DIANA APPLE VALLEY CA	02/05/2019
227289	2200096669	01/29/2019	USD	511.48	HORNE, WILLIAM YUCCA VALLEY CA	02/04/2019

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 CBB Disbursement Account-January 2019

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227293	2200096779	01/31/2019	USD	300.00	AGUILERA, SAIL RANCHO CUCAMONGA CA	02/11/2019
227294	2200096689	01/31/2019	USD	680.90	AIRGAS WEST INC PASADENA CA	02/04/2019
227295	2200096720	01/31/2019	USD	12,287.36	ALLIED UNIVERSAL SECURITY SERV PASADENA CA	02/04/2019
227296	2200096750	01/31/2019	USD	188.02	AMERICAN HERITAGE LIFE INSURANCE DALLAS TX	02/11/2019
227297	2200096702	01/31/2019	USD	11,655.18	ANTHRACITE FILTER MEDIA CO LOS ANGELES CA	02/13/2019
227298	2200096693	01/31/2019	USD	916.20	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	02/05/2019
227299	2200096697	01/31/2019	USD	1,914.37	ARC IMAGING RESOURCES CALIFORNIA MONTEREY PARK CA	02/06/2019
227300	2200096726	01/31/2019	USD	8,575.00	ATKINSON, ANDELSON, LOYA, RUUD CERRITOS CA	02/07/2019
227301	2200096743	01/31/2019	USD	198,980.87	BEST CONTRACTING SERVICES INC GARDENA CA	02/11/2019
227302	2200096774	01/31/2019	USD	87.53	BIBSTADA, JOSH CHINO HILLS CA	02/06/2019
227303	2200096728	01/31/2019	USD	17,339.00	BRIGHTVIEW LANDSCAPE SERVICES PASADENA CA	02/04/2019
227304	2200096729	01/31/2019	USD	11,574.20	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	02/04/2019
227305	2200096745	01/31/2019	USD	5,321.00	CALIFORNIA WATER EFFICIENCY SACRAMENTO CA	02/06/2019
227306	2200096681	01/31/2019	USD	4,492.81	CALITROL INC LOS ANGELES CA	02/04/2019
227307	2200096768	01/31/2019	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	02/05/2019
227308	2200096706	01/31/2019	USD	2,440.00	CASC ENGINEERING AND CONSULTING COLTON CA	02/06/2019
227309	2200096746	01/31/2019	USD	4,216.00	CAUSEY CONSULTING WALNUT CREEK CA	02/04/2019
227310	2200096771	01/31/2019	USD	45.78	CHAVEZ, NESTOR C CHINO HILLS CA	
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227312	2200096714	01/31/2019	USD	2,393.72	CINTAS CORPORATION LOC#150 PHOENIX AZ	02/08/2019
227313	2200096765	01/31/2019	USD	425.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	02/05/2019
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227315	2200096708	01/31/2019	USD	20,784.60	CITY OF MONTECLAIR MONTECLAIR CA	02/08/2019
227316	2200096759	01/31/2019	USD	334.26	COLONIAL LIFE & ACCIDENT INSURANCE COLUMBIA SC	02/05/2019
227317	2200096777	01/31/2019	USD	404.07	CORREIA, DAVID CHINO HILLS CA	02/05/2019
227318	2200096703	01/31/2019	USD	135.00	COUNTY OF SAN BERNARDINO SAN BERNARDINO CA	02/11/2019
227319	2200096682	01/31/2019	USD	8,796.62	COUNTY SANITATION DISTRICTS OF WHITTIER CA	02/05/2019
227320	2200096740	01/31/2019	USD	13,300.00	CSI SERVICES INC SANTA CLARITA CA	02/11/2019
227321	2200096722	01/31/2019	USD	4,315.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	02/05/2019
227322	2200096725	01/31/2019	USD	200.00	EUROFINS EATON ANALYTICAL LLC GRAPEVINE TX	02/05/2019
227323	2200096767	01/31/2019	USD	2,264.28	FIDELITY SECURITY LIFE INSURANCE CINCINNATI OH	02/07/2019
227324	2200096683	01/31/2019	USD	12,175.01	FISHER SCIENTIFIC LOS ANGELES CA	02/04/2019
227325	2200096684	01/31/2019	USD	4,643.29	FLO SYSTEMS INC ANAHEIM HILLS CA	02/05/2019
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227328	2200096738	01/31/2019	USD	19,350.00	GILLIS + PANICHAPAN ARCHITECTS COSTA MESA CA	02/05/2019
227329	2200096691	01/31/2019	USD	4,100.45	GRAINGER PALATINE IL	02/05/2019
227330	2200096772	01/31/2019	USD	301.10	HAWES, STEPHANIE CHINO HILLS CA	02/01/2019
227331	2200096742	01/31/2019	USD	196,725.28	HENKELS & MC COY INC BLUE BELL PA	02/06/2019
227332	2200096685	01/31/2019	USD	1.62	HOME DEPOT CREDIT SERVICES PHOENIX AZ	02/07/2019
227333	2200096770	01/31/2019	USD	88.39	HOOVEN, PAULA CHINO HILLS CA	02/11/2019

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 Company code 1000

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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	
227334	2200096755	01/31/2019	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	02/04/2019	
227335	2200096709	01/31/2019	USD	8,000.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	02/11/2019	
227336	2200096718	01/31/2019	USD	1,194.85	JB'S POOLS & PONDS INC UPLAND CA	02/05/2019	
227337	2200096723	01/31/2019	USD	2,265.66	KIM'S MASTER AUTO REPAIR CHINO CA	02/05/2019	
227338	2200096704	01/31/2019	USD	39,879.42	LEE & RO INC CITY OF INDUSTRY CA	02/06/2019	
227339	2200096769	01/31/2019	USD	218.72	LEE, SYLVIE CHINO HILLS CA		
227340	2200096764	01/31/2019	USD	523.20	LEGALSHIELD ADA OK	02/08/2019	
227341	2200096744	01/31/2019	USD	3,596.06	LONE STAR BLOWER FRIENDSWOOD TX	02/07/2019	
227342	2200096735	01/31/2019	USD	1,354.03	MANAGED MOBILE INC PLACENTIA CA	02/05/2019	
227343	2200096701	01/31/2019	USD	127.33	MIDPOINT BEARING ONTARIO CA	02/04/2019	
227344	2200096721	01/31/2019	USD	6,332.61	MYERS & SONS HI-WAY SAFETY INCCHINO CA	02/05/2019	
227345	2200096776	01/31/2019	USD	125.00	NASHED, KIROLS CHINO HILLS CA		
227346	2200096736	01/31/2019	USD	37,440.00	NATIONAL ASSOCIATION POTOMAC FALLS VA	02/05/2019	
227347	2200096741	01/31/2019	USD	27,500.00	NATIONAL CENTER FOR CIVIC INNOVATION NEW YORK NY	02/12/2019	
227348	2200096737	01/31/2019	USD	966.74	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	02/04/2019	
227349	2200096717	01/31/2019	USD	873.47	NEW YORK BLOWER COMPANY WILLOWBROOK IL	02/05/2019	
227350	2200096761	01/31/2019	USD	410.76	PERS LONG TERM CARE PROGRAM PASADENA CA	02/04/2019	
227351	2200096690	01/31/2019	USD	1,038.52	PETTY CASH EXPENDITURES CHINO CA	02/04/2019	
227352	2200096778	01/31/2019	USD	50.00	Perez, Lisa Ontario CA	02/05/2019	
227353	2200096696	01/31/2019	USD	395.00	RANCHO CUCAMONGA RANCHO CUCAMONGA CA	02/15/2019	
227354	2200096780	01/31/2019	USD	300.00	SANTOS, GERARDO CHINO HILLS CA		
227355	2200096751	01/31/2019	USD	553.73	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	02/11/2019	
227356	2200096775	01/31/2019	USD	210.00	SMITH, JASON D CHINO HILLS CA	02/05/2019	
227357	2200096730	01/31/2019	USD	141.15	SPORT PINS INTERNATIONAL INC UPLAND CA	02/05/2019	
227358	2200096727	01/31/2019	USD	5,570.91	STAFFING NETWORK LLC CAROL STREAM IL	02/06/2019	
227359	2200096700	01/31/2019	USD	2,236.00	STATE WATER RESOURCES CNTRL BRACRAMENTO CA	02/12/2019	
227360	2200096694	01/31/2019	USD	4,014.44	TELEDYNE INSTRUMENTS INC CHICAGO IL	02/04/2019	
227361	2200096710	01/31/2019	USD	160.00	THE INSTITUTE OF INTERNAL AUDIORLANDO FL	02/05/2019	
227362	2200096734	01/31/2019	USD	60.00	THE SHREDDERS LOS ANGELES CA	02/11/2019	
227363	2200096719	01/31/2019	USD	10,208.50	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	02/05/2019	
227364	2200096758	01/31/2019	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	02/08/2019	
227365	2200096713	01/31/2019	USD	24,841.00	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA	02/05/2019	
227366	2200096707	01/31/2019	USD	43,320.00	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	02/06/2019	
227367	2200096748	01/31/2019	USD	500.00	WEST COVINA UNIFIED SCHOOL DISTWEST COVINA CA	02/19/2019	
227368	2200096756	01/31/2019	USD	2,273.36	WESTERN DENTAL PLAN ORANGE CA	02/13/2019	
227369	2200096762	01/31/2019	USD	25.00	WILCO LIFE INSURANCE COMPANY CHARLOTTE NC	02/12/2019	
* Payment method Check			USD	4,024,419.83			

Total of all entries

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Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	4,024,419.83		

Attachment 2B

Workers' Comp Checks

Inland Empire Util. Agency
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Check Register
 CBB Workers Comp Account-January 2019

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Bank		CBB		CITIZENS BUSINESS BANK		ONTARIO CA 917610000	
Bank Key		122234149					
Acct number		WCOMP		231159290			
Checks created manually							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
05064	2200096431	01/02/2019	USD	251.73	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/09/2019	
05065	2200096432	01/02/2019	USD	104.75	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/07/2019	
05066	2200096526	01/09/2019	USD	358.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05067	2200096527	01/09/2019	USD	349.77	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05068	2200096528	01/09/2019	USD	104.75	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05069	2200096529	01/09/2019	USD	290.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05070	2200096907	01/16/2019	USD	123.50	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05071	2200096908	01/16/2019	USD	16.94	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05072	2200096909	01/16/2019	USD	62.07	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05073	2200096910	01/23/2019	USD	1,608.92	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05074	2200096911	01/23/2019	USD	93.29	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05075	2200096912	01/23/2019	USD	2,416.19	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05076	2200096913	01/23/2019	USD	12.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05077	2200096914	01/30/2019	USD	204.66	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
05078	2200096915	01/30/2019	USD	12.00	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA		
* Payment method Checks created manually			USD	6,008.57			

Total of all entries

Check Register
CBB Workers Comp Account-January 2019

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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	6,008.57		

Attachment 2C

Vendor ACHs

Check	Payee / Description	Amount
ACH	ICMA RETIREMENT TRUST 457 P/R 1 1/4/19 Deferred Comp Ded	HR 0075200 45,208.43
	ICMA RETIREMENT TRUST 457	\$ 45,208.43
ACH	LINCOLN NATIONAL LIFE INS CO P/R 1 1/4/19 Deferred Comp Ded	HR 0075200 71,105.13
	LINCOLN NATIONAL LIFE INS CO	\$ 71,105.13
ACH	ICMA RETIREMENT TRUST 401 P/R 1 1/4/19 Exec Deferred Comp	HR 0075200 61,457.44
	ICMA RETIREMENT TRUST 401	\$ 61,457.44
ACH	AQUA BEN CORPORATION RP1-25,300 Lbs Hydrofloc 750E	38206 31,349.86
	AQUA BEN CORPORATION	\$ 31,349.86
ACH	SANTA ANA WATERSHED November 2018 Truck Discharge	9413 5,077.12
	SANTA ANA WATERSHED	\$ 5,077.12
ACH	UNIVAR USA INC CCWRP-12,796 Lbs Sodium Bisulfite	LA690307 2,983.68
	UNIVAR USA INC	\$ 2,983.68
ACH	WAXIE SANITARY SUPPLY Bleach, Towels, Paper Towels, Liners, Toilet P	77913726 3,643.46
	WAXIE SANITARY SUPPLY	\$ 3,643.46
ACH	HACH COMPANY Inv-Sensor Cap Replacmenets	11252420 3,467.05
	HACH COMPANY	\$ 3,467.05
ACH	NATIONAL CONSTRUCTION RENTALS RP1-12/6/18-1/2/18 Toilet, Handwash	5227636 211.55
	NATIONAL CONSTRUCTION RENTALS	\$ 211.55
ACH	OLIN CORP TP1-4,876 Gals Sodium Hypochlorite CCWRP-2,996 Gals Sodium Hypochlorite RP5-4,922 Gals Sodium Hypochlorite	2610433 3,774.02 2610434 2,510.65 2610902 3,809.63
	OLIN CORP	\$ 10,094.30
ACH	FERREIRA COASTAL CONSTRUCTION EN19019-Fill Sand at RP2	5216-003.1 200,000.00
	FERREIRA COASTAL CONSTRUCTION	\$ 200,000.00
ACH	JC LAW FIRM	

Check	Payee / Description	Amount
	11/18 RCA Legal 00518	875.00
	11/18 IEUA vs Spicer-EN17018 00519	1,225.00
	11/18 Watermaster 00520	2,420.00
	11/18 General Legal 00517	51,545.00
	JC LAW FIRM \$	56,065.00
ACH	U S BANK - PAYMENT PLUS	
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200095123	8,768.78
	107780 SUPERIOR ELECTRIC MOTOR SERVICE I 2200095616	24,407.51
	107889 ALS ENVIRONMENTAL 2200095617	5,525.00
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200095742	3,660.60
	107432 PMC ENGINEERING LLC 2200095615	1,170.84
	100319 MISSION REPROGRAPHICS 2200095743	199.24
	104896 WESTERN WATER WORKS SUPPLY CO 2200095744	930.96
	105133 BIRMINGHAM CONTROLS INC 2200095745	7,770.54
	101945 FLORENCE FILTER CORP 2200095614	919.91
	101945 FLORENCE FILTER CORP 2200095943	452.14
	107432 PMC ENGINEERING LLC 2200095945	537.01
	107780 SUPERIOR ELECTRIC MOTOR SERVICE I 2200095946	8,013.62
	101706 CALOLYMPIC SAFETY 2200095613	2,331.88
	101123 ALL AMERICAN CRANE MAINTENANCE 2200095612	315.00
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200095611	2,155.51
	100319 MISSION REPROGRAPHICS 2200095470	10.78
	100163 J G TUCKER & SON INC 2200095469	271.28
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200095468	3,447.01
	104896 WESTERN WATER WORKS SUPPLY CO 2200095161	459.23
	U S BANK - PAYMENT PLUS \$	71,346.84
ACH	AMAZON BUSINESS	
	200 Classic GrainTexture Covers 116P-D6NQ-HCV	23.97
	Microwave Oven 1P9R-YRKD-TMF	54.83
	144 Birthday Cards 16Y6-JVVX-KWJ	60.07
	AMAZON BUSINESS \$	138.87
ACH	IEUA EMPLOYEES' ASSOCIATION	
	P/R 1 1/4/19 Employee Ded HR 0075200	225.00
	IEUA EMPLOYEES' ASSOCIATION \$	225.00
ACH	IEUA SUPERVISORS UNION ASSOCIA	
	P/R 1 1/4/19 Employee Ded HR 0075200	330.00
	IEUA SUPERVISORS UNION ASSOCIA\$	330.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA	
	P/R 1 1/4/19 Employee Ded HR 0075200	1,081.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,081.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS	
	P/R 1 1/4/19 Employee Ded HR 0075200	470.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	470.00
ACH	DISCOVERY BENEFITS INC	
	P/R 1 1/4/19 Cafeteria Plan HR 0075200	4,037.40

Check	Payee / Description	Amount
	DISCOVERY BENEFITS INC	\$ 4,037.40
ACH	PATRICK W HUNTER P/R 1 1/4/19	HR 0075200 248.50
	PATRICK W HUNTER	\$ 248.50
ACH	ELIE, STEVE MlgReim-12/18 Meetings-Elie,S	MLG 12/18 96.03
	ELIE, STEVE	\$ 96.03
ACH	HALL, JASMIN MlgReim-12/18 Meetings-Hall,J	MLG 12/18 A 171.40
	MlgReim-12/18 Meetings-Hall,J	MLG 12/18 B 73.08
	HALL, JASMIN	\$ 244.48
ACH	PARKER, KATI MlgReim-12/18 Meetings-Parker,K	MLG 12/18 96.19
	PARKER, KATI	\$ 96.19
ACH	AQUA BEN CORPORATION RP1-29,900 Lbs Hydrofloc 750A	38074 41,131.76
	AQUA BEN CORPORATION	\$ 41,131.76
ACH	SANTA ANA WATERSHED November 2018 Service	9420 100,638.02
	SANTA ANA WATERSHED	\$ 100,638.02
ACH	ENVIRONMENTAL RESOURCES ASSOC Semivolatiles,Pesticides	884796 628.56
	ENVIRONMENTAL RESOURCES ASSOC	\$ 628.56
ACH	MCMASTER-CARR SUPPLY CO V-Belt	81817998 205.87
	V-Belts	81897652 57.77
	MCMASTER-CARR SUPPLY CO	\$ 263.64
ACH	HACH COMPANY RP4Ops-Sample Cells-w/Cap/Portable Turbs	11256286 380.29
	HACH COMPANY	\$ 380.29
ACH	GK & ASSOCIATES 46-2054-11/18 Prof Svcs	18-113 22,400.00
	46-2054-11/18 Prof Svcs	18-114 10,200.00
	46-2054-11/18 Prof Svcs	18-111 29,120.00
	46-2054-11/18 Prof Svcs	18-112 11,628.00
	GK & ASSOCIATES	\$ 73,348.00
ACH	DOWNS ENERGY	

Check	Payee / Description	Amount
	RP1-698.1 Gals Dyed Diesel Fuel 0243557-IN	1,738.54
	DOWNS ENERGY \$	1,738.54
ACH	ARCADIS U.S., INC. EN13016-7/23/18-10/21/18 Professional Se 0945376	38,255.20
	ARCADIS U.S., INC. \$	38,255.20
ACH	MSDSOONLINE INC 1/31/19-1/30/20 MSDSonline HQ Account 191252	3,100.00
	MSDSOONLINE INC \$	3,100.00
ACH	AMAZON BUSINESS 3 Cooler Freeze Packs 1LTM-9FVV-4D4	61.96
	AMAZON BUSINESS \$	61.96
ACH	THE GAVARES GROUP 10/8 Gnrtnl Diff,10/23 Dvrsty&Inclsn Ed 103118 ED SVC	4,769.00
	THE GAVARES GROUP \$	4,769.00
ACH	SHELL ENERGY NORTH AMERICA LP 11/18 Gas Cmmdty-Core,9/18 Adj 1100002880411	3,266.79
	SHELL ENERGY NORTH AMERICA LP \$	3,266.79
ACH	SOLAR STAR CALIFORNIA V LLC RP1-11/1-11/30 2450 Phila St E02M0615-2411 13,268.28 RP5/TP5/HQA/B-11/1-11/30 6075 Kimball Av E02M0614-2411 13,290.69 CCWRP/TP/RWPS-11/1-11/30 14950 Telephone E02M0613-2411 9,838.38	36,397.35
	SOLAR STAR CALIFORNIA V LLC \$	36,397.35
ACH	IEUA EMPLOYEES' ASSOCIATION P/R DIR 1 1/10/19 Employee Ded HR 0076100	12.00
	IEUA EMPLOYEES' ASSOCIATION \$	12.00
ACH	ELIE, STEVE Elie,S-ExpRpt-11/27-11/29/18 ACWA-SD 11/27/18 ACWA	116.63
	ELIE, STEVE \$	116.63
ACH	ICMA RETIREMENT TRUST 457 P/R 2 1/18 Deferred Comp Ded HR 0076200	20,354.84
	ICMA RETIREMENT TRUST 457 \$	20,354.84
ACH	LINCOLN NATIONAL LIFE INS CO P/R 2 1/18 Deferred Comp Ded HR 0076200	20,876.41
	LINCOLN NATIONAL LIFE INS CO \$	20,876.41
ACH	ICMA RETIREMENT TRUST 401 P/R 2 1/18 Exec Deferred Comp HR 0076200	5,457.44

Check	Payee / Description	Amount
	ICMA RETIREMENT TRUST 401	\$ 5,457.44
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Hydrofloc 748E 38255	4,361.72
	AQUA BEN CORPORATION	\$ 4,361.72
ACH	NAPA GENUINE PARTS COMPANY 6 Qts Mobil 15W20,6 Qts Mobil 10W20 4584-268582	129.17
	NAPA GENUINE PARTS COMPANY	\$ 129.17
ACH	PACIFIC PARTS & CONTROLS Capacitors I425768	196.11
	PACIFIC PARTS & CONTROLS	\$ 196.11
ACH	CAROLLO ENGINEERS EN24001/EN24002-11/2018 Professional Svc 0173047 EN19051-10/2018 Professional Services 0172409	1,145,719.03 1,745.30
	CAROLLO ENGINEERS	\$ 1,147,464.33
ACH	MCMASTER-CARR SUPPLY CO 2 Pressure Relief Valves 83170768 Buna-N Rubber Sheet 83160012 Yale Door Knob 83134451 Ratcheting Wrenches 82146541	248.88 907.50 95.39 389.31
	MCMASTER-CARR SUPPLY CO	\$ 1,641.08
ACH	TOM DODSON & ASSOCIATES EN19017-9/25-9/28 Prof Svcs IE-312 18-1	450.00
	TOM DODSON & ASSOCIATES	\$ 450.00
ACH	PALM AUTO DETAIL INC 11/18 Carwash Svcs f/Agency Fleet Vehicl 181199-4	4,420.00
	PALM AUTO DETAIL INC	\$ 4,420.00
ACH	PARSONS WATER & INFRASTRUCTURE EN19001/EN19006-11/3-12/7 Prof Svcs 1812B549	940,018.21
	PARSONS WATER & INFRASTRUCTURE	\$ 940,018.21
ACH	HACH COMPANY RP4Ops-Tensette Pipets 11256859 RP4-Rpr/PM & Calibrate Solitax Sensor 11231715	459.02 481.61
	HACH COMPANY	\$ 940.63
ACH	PEST OPTIONS INC JrpBsn 12/17 Clean Out 315094	2,250.00
	PEST OPTIONS INC	\$ 2,250.00
ACH	ADVANCED ENVIRONMENTAL COMPLIA Various Odor Control Study 7522	1,014.55

Check	Payee / Description	Amount
	ADVANCED ENVIRONMENTAL COMPLIA\$	1,014.55
ACH	KAMBRIAN CORPORATION ISS-OLP GOVT UPG WIN,Win Pro Lic KINV2275	2,214.40
	KAMBRIAN CORPORATION \$	2,214.40
ACH	DAVIS BARBER PRODUCTIONS INC EN14019-Grit and Grit Washers Training 00087	2,032.94
	DAVIS BARBER PRODUCTIONS INC \$	2,032.94
ACH	WEST COAST ADVISORS 12/18 Prof Svcs 11273	9,800.00
	WEST COAST ADVISORS \$	9,800.00
ACH	LINKO TECHNOLOGY INC ISS-9/18-8/19 Annl Sftwr Maint & Support 5643	7,330.00
	LINKO TECHNOLOGY INC \$	7,330.00
ACH	CHEMTRADE CHEMICALS US LLC RP1-11.041 Tons Aluminim Sulfate 92536813	3,588.33
	CHEMTRADE CHEMICALS US LLC \$	3,588.33
ACH	AMAZON BUSINESS Screwdrivers 1KNT-9XT7-LF4 65.86 Emergency Planning for Water Utilities 1HKP-YRC7-GLP 161.63 Pretzel Rods,LED Candlesticks,Wizard Gla 1M49-61YH-73H 626.33 Harry Potter Lanyards 191X-YYGC-VR3 158.75 Limit Switch 1CKT-HVV4-4QG 226.68	1,239.25
	AMAZON BUSINESS \$	1,239.25
ACH	AMERICAN OFFICE PROFESSIONALS Service Call HP CP5225 1911 89.95 Waste Unit,Labor 1928 180.69 4 Toner Cartridges 1952 563.31	833.95
	AMERICAN OFFICE PROFESSIONALS \$	833.95
ACH	VARIDESK LLC Dual Monitor Arms IVC-2-960824	378.21
	VARIDESK LLC \$	378.21
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 2 1/18 Employee Ded HR 0076200	225.00
	IEUA EMPLOYEES' ASSOCIATION \$	225.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 2 1/18 Employee Ded HR 0076200	330.00
	IEUA SUPERVISORS UNION ASSOCIA\$	330.00

Check	Payee / Description	Amount
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 2 1/18 Employee Ded	HR 0076200 1,081.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,081.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 2 1/18 Employee Ded	HR 0076200 480.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	480.00
ACH	DISCOVERY BENEFITS INC P/R 2 1/18 Cafeteria Plan	HR 0076200 4,037.40
	DISCOVERY BENEFITS INC \$	4,037.40
ACH	PATRICK W HUNTER P/R 2 1/18	HR 0076200 248.50
	PATRICK W HUNTER \$	248.50
ACH	AQUA BEN CORPORATION RP2-23,000 Lbs Hydrofloc 748E RP1-27,600 Lbs Hydrofloc 750E RP1-13,800 Lbs Hydrofloc 750E DAFT-11,500 Lbs Hydrofloc 748E	38289 21,808.60 38256 34,199.85 38293 17,099.93 38292 10,904.30
	AQUA BEN CORPORATION \$	84,012.68
ACH	UNIVAR USA INC TP1-13,036 Lbs Sodium Bisulfite TP1-11,059 Lbs Sodium Bisulfite TP1-13,046 Lbs Sodium Bisulfite TP1-13,025 Lbs Sodium Bisulfite TP1-12,735 Lbs Sodium Bisulfite	LA691515 3,039.51 LA690538 2,578.65 LA692352 3,041.89 LA692030 3,037.14 LA692291 2,969.43
	UNIVAR USA INC \$	14,666.62
ACH	WAXIE SANITARY SUPPLY Cups Automated Towel Dispensers	77888194 709.00 77919928 155.91
	WAXIE SANITARY SUPPLY \$	864.91
ACH	CAROLLO ENGINEERS EN17049-10/2018 Professional Services EN16060-2/2018 Professional Services	0172010 9,694.31 0171472 8,797.18
	CAROLLO ENGINEERS \$	18,491.49
ACH	MCMASTER-CARR SUPPLY CO SS U-Bolts, Strut Connector Wrenches, Grease Gun, Ladder, Clamp U-Bolt, F Strut Channel, Concrete Anchors, Nuts w/Sp	82458931 227.63 82489407 1,879.01 83865590 4,131.76
	MCMASTER-CARR SUPPLY CO \$	6,238.40
ACH	AGRICULTURAL RESOURCES 2/19 Wtr Quality Consult	2/19 WTR QLTY 3,500.00

Check	Payee / Description	Amount
	AGRICULTURAL RESOURCES	\$ 3,500.00
ACH	PALM AUTO DETAIL INC 12/18 Carwash Svcs f/Agency Fleet Vehicl 181299-4	6,045.00
	PALM AUTO DETAIL INC	\$ 6,045.00
ACH	SCHNEIDER ELECTRIC SYSTEMS INC 8/18-8/19 Foxboro System Auditor 93889686	6,020.28
	SCHNEIDER ELECTRIC SYSTEMS INC\$	6,020.28
ACH	LA OPINION PI-Water Conservation Ads-12/6/18 107291218	1,100.00
	LA OPINION	\$ 1,100.00
ACH	SHI INTERNATIONAL CORP 12/18-12/19 SecurityCenter Software Main B09240775	29,532.16
	SHI INTERNATIONAL CORP	\$ 29,532.16
ACH	NATIONAL CONSTRUCTION RENTALS 12/28-1/24/19 Potty/Handicap Potty/Sink 5245761	994.80
	NATIONAL CONSTRUCTION RENTALS \$	994.80
ACH	SAP PUBLIC SERVICES INC 1/19-12/19 SAP Business Suite Ltd Pro Su 6065038418 10/19-12/19 mySAP Business Suite Enterpr 6065038420 1/19-12/19 mySAP Business Suite Enterpri 6065038419 1/19-12/19 BSI US Payroll Tax Maint Supp 6065038414 1/19-12/19 SAP BusObj Enterprise Support 6065038415 1/19-12/19 SAP BusObj Enterprise Support 6065038416 1/19-12/19 SSO License Maint Enterprise 6065038417	6,523.00 961.55 134,020.15 5,443.20 20,838.61 16,839.90 4,365.90
	SAP PUBLIC SERVICES INC	\$ 188,992.31
ACH	OLIN CORP TP1-4,912 Gals Sodium Hypochlorite 2616229 RP5-4,964 Gals Sodium Hypochlorite 2608198 TP1-4,952 Gals Sodium Hypochlorite 2611369 CCWRP-2,970 Gals Sodium Hypochlorite 2611915 RP4-4,560 Gals Sodium Hypochlorite 2611916 TP1-4,806 Gals Sodium Hypochlorite 2611917 TP1-4,982 Gals Sodium Hypochlorite 2612263 TP1-4,904 Gals Sodium Hypochlorite 2612744 CCWRP-4,912 Gals Sodium Hypochlorite 2613386 TP1-4,978 Gals Sodium Hypochlorite 2613387 RP5-4,938 Gals Sodium Hypochlorite 2613997 RP4-4,872 Gals Sodium Hypochlorite 2613998 TP1-4,920 Gals Sodium Hypochlorite 2614583 RP5-4,946 Gals Sodium Hypochlorite 2615210 CCWRP-3,002 Gals Sodium Hypochlorite 2615211 TP1-4,936 Gals Sodium Hypochlorite 2615212	3,801.89 3,842.14 3,832.85 2,488.86 3,821.28 3,719.84 3,856.07 3,795.70 3,801.89 3,852.97 3,822.01 3,770.93 3,808.08 3,828.20 2,515.68 3,820.46
	OLIN CORP	\$ 58,378.85
ACH	DANRAE INC	

Check	Payee / Description	Amount
	EN14042-12/2018 Professional Services 151024	3,736.25
	EN15012-11/2018 Professional Services 151016	1,758.75
	EN14019-12/2018 Professional Services 151022	10,970.75
	DANRAE INC \$	16,465.75
ACH	HUMPHREY CONSTRUCTORS CCWRP-Rplc Wstng Actvtd Sldg Pmpng System 1225	84,400.00
	HUMPHREY CONSTRUCTORS \$	84,400.00
ACH	DAVIS BARBER PRODUCTIONS INC EN17110-12/2018 Professional Services 00093	2,390.81
	DAVIS BARBER PRODUCTIONS INC \$	2,390.81
ACH	AMAZON BUSINESS Kubota Tune Up Filter Kit 1YCX-MHQN-HG9	94.21
	2 Pack Water Resistant Aprons 19VH-KNRX-Q3Y	16.75
	AMAZON BUSINESS \$	110.96
ACH	AMERICAN OFFICE PROFESSIONALS 4 Toner Cartridges 1955	421.23
	AMERICAN OFFICE PROFESSIONALS \$	421.23
ACH	SUEZ WTS ANALYTICAL INSTRUMENT TOC Analyzer Maintenance Agreement 99590316	5,465.00
	SUEZ WTS ANALYTICAL INSTRUMENTS \$	5,465.00
ACH	CDM CONSTRUCTORS INC EN13016.04-12/18 Pay Est 15 PE 15-EN13016	172,422.76
	EN13016.03-12/18 Pay Est 11 PE 11-EN13016	141,579.73
	CDM CONSTRUCTORS INC \$	314,002.49
ACH	SCHULER CONSTRUCTORS INC EN17039-Ret Rls 1-Final EN17039-RET R	11,835.94
	SCHULER CONSTRUCTORS INC \$	11,835.94
ACH	PREFERRED BENEFIT INSURANCE 1/19 Agency Dental Plan EIA26824	17,351.50
	PREFERRED BENEFIT INSURANCE \$	17,351.50
ACH	DISCOVERY BENEFITS INC December 2018 Admin Fees 0000960442-IN	190.00
	DISCOVERY BENEFITS INC \$	190.00
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem HEALTH PREM	511.48
	ESTRADA, JIMMIE J \$	511.48
ACH	LICHTI, ALICE	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	187.74
	LICHTI, ALICE	\$	187.74
ACH	MORASSE, EDNA Reim Monthly Health Prem	HEALTH PREM	187.74
	MORASSE, EDNA	\$	187.74
ACH	NOWAK, THEO T Reim Monthly Health Prem	HEALTH PREM	511.48
	NOWAK, THEO T	\$	511.48
ACH	SONNENBURG, ILSE Reim Monthly Health Prem	HEALTH PREM	187.74
	SONNENBURG, ILSE	\$	187.74
ACH	DYKSTRA, BETTY Reim Monthly Health Prem	HEALTH PREM	187.74
	DYKSTRA, BETTY	\$	187.74
ACH	TORRES, ROBERT G Reim Monthly Health Prem	HEALTH PREM	187.74
	TORRES, ROBERT G	\$	187.74
ACH	MUELLER, CAROLYN Reim Monthly Health Prem	HEALTH PREM	187.74
	MUELLER, CAROLYN	\$	187.74
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem	HEALTH PREM	187.74
	GRIFFIN, GEORGE	\$	187.74
ACH	CANADA, ANGELA Reim Monthly Health Prem	HEALTH PREM	187.74
	CANADA, ANGELA	\$	187.74
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM	187.74
	CUPERSMITH, LEIZAR	\$	187.74
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM	323.74
	DELGADO-ORAMAS JR, JOSE	\$	323.74
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM	161.87
	GRANGER, BRANDON	\$	161.87

Check	Payee / Description	Amount
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 161.87
	GADDY, CHARLES L	\$ 161.87
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 25.87
	BAKER, CHRIS	\$ 25.87
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 136.00
	WEBB, DANNY C	\$ 136.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 161.87
	HUMPHREYS, DEBORAH E	\$ 161.87
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 161.87
	MOUAT, FREDERICK W	\$ 161.87
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 136.00
	MORGAN, GARTH W	\$ 136.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 25.87
	ALLINGHAM, JACK	\$ 25.87
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 476.19
	MAZUR, JOHN	\$ 476.19
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 25.87
	RUDDER, LARRY	\$ 25.87
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 136.00
	HAMILTON, MARIA	\$ 136.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM 187.74
	PICENO, TONY	\$ 187.74
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 25.87
	RAMOS, CAROL	\$ 25.87

Check	Payee / Description	Amount
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 136.00
	FISHER, JAY	\$ 136.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 25.87
	KING, PATRICK	\$ 25.87
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 25.87
	HOWARD, ROBERT JAMES	\$ 25.87
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM 136.00
	DIETZ, JUDY	\$ 136.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM 25.87
	DAVIS, GEORGE	\$ 25.87
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM 25.87
	MONZAVI, TAGHI	\$ 25.87
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 187.74
	PETERSEN, KENNETH	\$ 187.74
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 187.74
	TRAUTERMAN, HELEN	\$ 187.74
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 942.38
	TIEGS, KATHLEEN	\$ 942.38
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 511.48
	DIGGS, GEORGE	\$ 511.48
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 511.48
	HAYES, KENNETH	\$ 511.48
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 161.87

Check	Payee / Description	Amount
	HUNTON, STEVE	\$ 161.87
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 161.87
	RODRIGUEZ, LOUIS	\$ 161.87
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 476.19
	VARBEL, VAN	\$ 476.19
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 335.19
	CLIFTON, NEIL	\$ 335.19
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 136.00
	DELGADO, FRANCOIS	\$ 136.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 618.64
	WELLMAN, JOHN THOMAS	\$ 618.64
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 25.87
	SPEARS, SUSAN	\$ 25.87
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 187.74
	TROXEL, WYATT	\$ 187.74
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 476.19
	CORLEY, WILLIAM	\$ 476.19
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 346.34
	CALLAHAN, CHARLES	\$ 346.34
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 187.74
	LESNIAKOWSKI, NORBERT	\$ 187.74
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 482.34
	VER STEEG, ALLEN J	\$ 482.34
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 476.19

Check	Payee / Description	Amount
	HACKNEY, GARY	\$ 476.19
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 25.87
	CAREL, LARRY	\$ 25.87
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 187.74
	TOL, HAROLD	\$ 187.74
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 492.63
	BANKSTON, GARY	\$ 492.63
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 136.00
	ATWATER, RICHARD	\$ 136.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 476.19
	FIESTA, PATRICIA	\$ 476.19
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 647.48
	DIGGS, JANET	\$ 647.48
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM 173.32
	CARAZA, TERESA	\$ 173.32
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM 511.48
	ANDERSON, JOHN	\$ 511.48
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM 804.23
	SANTA CRUZ, JACQUELYN	\$ 804.23
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM 25.87
	HECK, ROSELYN	\$ 25.87
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM 323.74
	SOPICKI, LEO	\$ 323.74
ACH	GOSE, ROSEMARY	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	136.00
	GOSE, ROSEMARY	\$	136.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM	136.00
	KEHL, BARRETT	\$	136.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM	136.00
	RITCHIE, JANN	\$	136.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM	482.64
	LONG, ROCKWELL DEE	\$	482.64
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM	136.00
	FATTAHI, MIR	\$	136.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM	323.74
	VERGARA, FLORENTINO	\$	323.74
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM	187.74
	ROGERS, SHIRLEY	\$	187.74
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM	309.32
	WALL, DAVID	\$	309.32
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM	161.87
	CHUNG, MICHAEL	\$	161.87
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM	25.87
	ADAMS, PAMELA	\$	25.87
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM	482.64
	BLASINGAME, MARY	\$	482.64
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM	161.87
	ANDERSON, KENNETH	\$	161.87

Check	Payee / Description	Amount
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 25.87
	MOE, JAMES	\$ 25.87
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 804.23
	POLACEK, KEVIN	\$ 804.23
ACH	ELROD, SONDR Reim Monthly Health Prem	HEALTH PREM 173.32
	ELROD, SONDR	\$ 173.32
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 178.32
	FRAZIER, JACK	\$ 178.32
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 136.00
	HOAK, JAMES	\$ 136.00
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 178.32
	DEZHAM, PARIVASH	\$ 178.32
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 173.32
	FOLEY III, DANIEL J.	\$ 173.32
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 136.00
	CLEVELAND, JAMES	\$ 136.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 632.25
	LANGNER, CAMERON	\$ 632.25
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 25.87
	HAMILTON, LEANNE	\$ 25.87
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 136.00
	HOOSHMAND, RAY	\$ 136.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 136.00
	SCHLAPKOHL, JACK	\$ 136.00

Check	Payee / Description	Amount
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 173.32
	POOLE, PHILLIP	\$ 173.32
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 161.87
	ADAMS, BARBARA	\$ 161.87
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 187.74
	RUESCH, GENECE	\$ 187.74
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 492.63
	VANDERPOOL, LARRY	\$ 492.63
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 471.19
	AMBROSE, JEFFREY	\$ 471.19
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 482.34
	MERRILL, DIANE	\$ 482.34
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 644.21
	HOUSER, ROD	\$ 644.21
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 173.32
	RUSSO, VICKI	\$ 173.32
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 828.68
	HUSS, KERRY	\$ 828.68
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 668.23
	BINGHAM, GREGG	\$ 668.23
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 136.00
	CHARLES, DAVID	\$ 136.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 136.00

Check	Payee / Description	Amount
	YEBOAH, ERNEST	\$ 136.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 335.19
	ALVARADO, ROSEMARY	\$ 335.19
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 136.00
	BARELA, GEORGE	\$ 136.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 804.23
	FETZER, ROBERT	\$ 804.23
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 173.32
	SPAETH, ERIC	\$ 173.32
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 173.32
	DAVIS, MARTHA	\$ 173.32
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 173.32
	BRULE, CHRISTOPHER	\$ 173.32
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 482.64
	ROOS, JAMES	\$ 482.64
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 309.32
	MULLANEY, JOHN	\$ 309.32
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 482.64
	VALENZUELA, DANIEL	\$ 482.64
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 482.64
	PACE, BRIAN	\$ 482.64
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 136.00
	KING, JOSEPH	\$ 136.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 173.32

Check	Payee / Description	Amount
	VILLALOBOS, HECTOR	\$ 173.32
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 309.32
	BAXTER, KATHLEEN	\$ 309.32
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM 482.64
	PENMAN, DAVID	\$ 482.64
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM 482.64
	ANGIER, RICHARD	\$ 482.64
ACH	MERRILL, DEBORAH Reim Monthly Health Prem	HEALTH PREM 340.19
	MERRILL, DEBORAH	\$ 340.19
ACH	O'DEA, KRISTINE Reim Monthly Health Prem	HEALTH PREM 161.87
	O'DEA, KRISTINE	\$ 161.87
ACH	OAKDEN, LISA Reim Monthly Health Prem	HEALTH PREM 817.22
	OAKDEN, LISA	\$ 817.22
ACH	LAUGHLIN, JOHN Reim Monthly Health Prem	HEALTH PREM 136.00
	LAUGHLIN, JOHN	\$ 136.00
ACH	HUGHBANKS, ROGER Reim Monthly Health Prem	HEALTH PREM 173.32
	HUGHBANKS, ROGER	\$ 173.32
ACH	SPENDLOVE, DANNY Reim Monthly Health Prem	HEALTH PREM 161.87
	SPENDLOVE, DANNY	\$ 161.87
ACH	HOULIHAN, JESSE Reim Monthly Health Prem	HEALTH PREM 173.32
	HOULIHAN, JESSE	\$ 173.32
ACH	WARMAN, EVELYN Reim Monthly Health Prem	HEALTH PREM 25.87
	WARMAN, EVELYN	\$ 25.87
ACH	HERNANDEZ, DELIA	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	HEALTH PREM 173.32
	HERNANDEZ, DELIA	\$ 173.32
ACH	AVILA, ARTHUR L Reim Monthly Health Prem	HEALTH PREM 173.32
	AVILA, ARTHUR L	\$ 173.32
ACH	GUARDIANO, GARY Reim Monthly Health Prem	HEALTH PREM 161.87
	GUARDIANO, GARY	\$ 161.87
ACH	POMERLEAU, THOMAS Reim Monthly Health Prem	HEALTH PREM 183.32
	POMERLEAU, THOMAS	\$ 183.32
ACH	BARRER, SATURNINO Reim Monthly Health Prem	HEALTH PREM 309.32
	BARRER, SATURNINO	\$ 309.32
ACH	LACEY, STEVEN Reim Monthly Health Prem	HEALTH PREM 668.23
	LACEY, STEVEN	\$ 668.23
ACH	MILLS, JOHN Reim Monthly Health Prem	HEALTH PREM 173.32
	MILLS, JOHN	\$ 173.32
ACH	REED, RANDALL Reim Monthly Health Prem	HEALTH PREM 618.64
	REED, RANDALL	\$ 618.64
ACH	RAMIREZ, REBECCA Reim Monthly Health Prem	HEALTH PREM 618.64
	RAMIREZ, REBECCA	\$ 618.64
ACH	RAZAK, HALLA Reim Monthly Health Prem	HEALTH PREM 272.00
	RAZAK, HALLA	\$ 272.00
ACH	OSBORN, CINDY L Reim Monthly Health Prem	HEALTH PREM 1,261.34
	OSBORN, CINDY L	\$ 1,261.34
ACH	ICMA RETIREMENT TRUST 457 P/R 3 2/1/19 Deferred Comp Ded	HR 0076600 20,239.77
	ICMA RETIREMENT TRUST 457	\$ 20,239.77

Check	Payee / Description	Amount
ACH	LINCOLN NATIONAL LIFE INS CO P/R 3 2/1/19 Deferred Comp Ded	HR 0076600 21,352.66
	LINCOLN NATIONAL LIFE INS CO \$	21,352.66
ACH	ICMA RETIREMENT TRUST 401 P/R 3 2/1/19 Exec Deferred Comp	HR 0076600 5,557.44
	ICMA RETIREMENT TRUST 401 \$	5,557.44
ACH	AQUA BEN CORPORATION RP1-29,900 Lbs Hydrofloc 750E DAFT-4,600 Lbs Hydrofloc 748E	38315 37,049.84 38327 4,361.72
	AQUA BEN CORPORATION \$	41,411.56
ACH	NAPA GENUINE PARTS COMPANY Purple Power, Brake Fluid	3973-953831 84.50
	NAPA GENUINE PARTS COMPANY \$	84.50
ACH	SANTA ANA WATERSHED December 2018 Truck Discharge	9430 4,066.09
	SANTA ANA WATERSHED \$	4,066.09
ACH	UNIVAR USA INC RP5-11,681 Lbs Sodium Bisulfite RP5-12,450 Lbs Sodium Bisulfite TP1-12,959 Lbs Sodium Bisulfite CCWRP-12,944 Lbs Sodium Bisulfite PradoLS-12,781 Lbs Sodium Bisulfite RP5-12,588 Lbs Sodium Bisulfite	LA690309 2,723.56 LA692629 2,902.91 LA692630 3,021.70 LA693202 3,018.13 LA693583 2,980.13 LA694557 2,935.27
	UNIVAR USA INC \$	17,581.70
ACH	CAROLLO ENGINEERS EN17043/EN17110-11/2018-Professional Srv 0173042	136,185.24
	CAROLLO ENGINEERS \$	136,185.24
ACH	MCMMASTER-CARR SUPPLY CO 7 V-Belts, Roller Chain Breaker Phillips Screws 2 V-Belts Phillips Round Head Screws 10 Weather Resistant Padlocks V-Belt Clear PVC Tubing	84609016 386.64 84725888 22.63 82791259 36.11 82791258 20.87 84304207 174.31 84346792 18.97 84304206 154.63
	MCMMASTER-CARR SUPPLY CO \$	814.16
ACH	NATIONAL CONSTRUCTION RENTALS RP1-1/3/19-1/30/19 Toilet, Handwash	5251524 211.55
	NATIONAL CONSTRUCTION RENTALS \$	211.55
ACH	PEST OPTIONS INC November 2018 GWR Weed Abatement Service 313669	6,275.91

Check	Payee / Description		Amount
	December 2018 Weed Abatement Services	315341	3,960.00
	December 2018 GWR Weed Abatement Service	315422	6,275.91

	PEST OPTIONS INC	\$	16,511.82
ACH	OLIN CORP		
	TP1-4,910 Gals Sodium Hypochlorite	2592817	3,800.34
	RP5-4,962 Gals Sodium Hypochlorite	2622603	3,840.59
	TP1-4,872 Gals Sodium Hypochlorite	2622602	3,770.93
	RP4-4,688 Gals Sodium Hypochlorite	2622601	3,928.54
	CCWRP-3,016 Gals Sodium Hypochlorite	2622600	2,527.41
	TP1-4,990 Gals Sodium Hypochlorite	2622047	3,862.26
	TP1-4,946 Gals Sodium Hypochlorite	2621645	3,828.20
	TP1-4,812 Gals Sodium Hypochlorite	2621189	3,724.49
	CCWRP-3,024 Gals Sodium Hypochlorite	2621187	2,534.11
	TP1-4,924 Gals Sodium Hypochlorite	2620567	3,811.18
	RP5-4,952 Gals Sodium Hypochlorite	2619994	3,832.85
	TP1-4,978 Gals Sodium Hypochlorite	2619724	3,852.97
	CCWRP-3,024 Gals Sodium Hypochlorite	2619723	2,534.11
	TP1-4,806 Gals Sodium Hypochlorite	2619519	3,719.84
	TP1-4,908 Gals Sodium Hypochlorite	2618751	3,798.79
	CCWRP-3,024 Gals Sodium Hypochlorite	2618750	2,534.11
	TP1-4,882 Gals Sodium Hypochlorite	2618169	3,778.67
	RP5-4,828 Gals Sodium Hypochlorite	2617527	3,736.87
	RP4-4,920 Gals Sodium Hypochlorite	2617526	3,808.08
	CCWRP-3,020 Gals Sodium Hypochlorite	2616908	2,530.76
	TP1-4,914 Gals Sodium Hypochlorite	2616907	3,803.44
	TP1-4,890 Gals Sodium Hypochlorite	2596753	3,784.86
	TP1-4,952 Gals Sodium Hypochlorite	2594843	3,832.85

	OLIN CORP	\$	81,176.25
ACH	DAVE'S PLUMBING		
	2 Water Softener Removal 12/2018	5207	500.00
	2 Water Softener Removal 1/2019	5212	490.00

	DAVE'S PLUMBING	\$	990.00
ACH	EVOQUA WATER TECHNOLOGIES LLC		
	1/1/19-3/31/19 DI Tank Rental	903836641	111.55

	EVOQUA WATER TECHNOLOGIES LLC	\$	111.55
ACH	FERREIRA COASTAL CONSTRUCTION		
	EN19019-12/2018 Professional Services	5216-003.2	12,038.00

	FERREIRA COASTAL CONSTRUCTION	\$	12,038.00
ACH	DAVIS BARBER PRODUCTIONS INC		
	EN15012-Construction Aerial Video	00092	513.77

	DAVIS BARBER PRODUCTIONS INC	\$	513.77
ACH	U S BANK - PAYMENT PLUS		
	101945 FLORENCE FILTER CORP	2200096259	2,349.67
	100150 HARRINGTON INDUSTRIAL PLASTICS LL	2200096454	138.50
	107889 ALS ENVIRONMENTAL	2200096394	3,825.00
	100951 POLYDYNE INC	2200096354	4,871.25
	100319 MISSION REPROGRAPHICS	2200096348	553.48

Check	Payee / Description	Amount
100150	HARRINGTON INDUSTRIAL PLASTICS LL 2200096344	911.73
101706	CALOLYMPIC SAFETY 2200095144	5,095.70
100150	HARRINGTON INDUSTRIAL PLASTICS LL 2200096126	4,376.13
100319	MISSION REPROGRAPHICS 2200096127	203.76
101123	ALL AMERICAN CRANE MAINTENANCE 2200096128	1,134.20
100150	HARRINGTON INDUSTRIAL PLASTICS LL 2200096235	1,244.22
101706	CALOLYMPIC SAFETY 2200095942	2,707.29
105213	BAVCO 2200095944	78.80
100150	HARRINGTON INDUSTRIAL PLASTICS LL 2200095940	7,233.14
	U S BANK - PAYMENT PLUS \$	34,722.87
ACH	CALIFORNIA HEALTH & SAFETY INC Air Respirator 19-001CALB	2,082.55
	CALIFORNIA HEALTH & SAFETY INC\$	2,082.55
ACH	SHELL ENERGY NORTH AMERICA LP RP2/RP5-10/1-10/31 16400 El Prado Rd 9/1 2044 12/18	9,555.12
	SHELL ENERGY NORTH AMERICA LP \$	9,555.12
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 3 2/1/19 Employee Ded HR 0076600	222.00
	IEUA EMPLOYEES' ASSOCIATION \$	222.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 3 2/1/19 Employee Ded HR 0076600	330.00
	IEUA SUPERVISORS UNION ASSOCIA\$	330.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 3 2/1/19 Employee Ded HR 0076600	1,081.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,081.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 3 2/1/19 Employee Ded HR 0076600	500.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	500.00
ACH	DISCOVERY BENEFITS INC P/R 3 2/1/19 Cafeteria Plan HR 0076600	4,037.40
	DISCOVERY BENEFITS INC \$	4,037.40
ACH	PATRICK W HUNTER P/R 3 2/1/19 Employee Ded HR 0076600	248.50
	PATRICK W HUNTER \$	248.50
ACH	ELIE, STEVE Elie,S-ExpRpt-1/17-1/19/19 WaterNow Cmmt 1/17/19 WATER	515.66
	ELIE, STEVE \$	515.66

Report: ZFIR TREASURER Inland Empire Utilities Agency
For 01/01/2019 ~ 01/31/2019 Treasurer Report

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Date 02/25/2019

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

Grand Total Payment Amount: \$

4,377,255.19

Attachment 2D

Vendor Wires
(excludes Payroll)

Check	Payee / Description			Amount
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 1 1/4/19 Taxes	HR	0075200	72,896.21
	P/R 1 1/4/19 Taxes	HR	0075200	14,937.21

	EMPLOYMENT DEVELOPMENT DEPARTM\$			87,833.42
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 1 1/4/19 Deferred Comp Ded	HR	0075200	37,294.31

	PUBLIC EMPLOYEE'S RETIREMENT S\$			37,294.31
Wire	INTERNAL REVENUE SERVICE P/R 1 1/4/19 Taxes	HR	0075200	401,743.90

	INTERNAL REVENUE SERVICE		\$	401,743.90
Wire	STATE DISBURSEMENT UNIT P/R 1 1/4/19	HR	0075200	2,184.90
	P/R 1 1/4/19	HR	0075200	198.00

	STATE DISBURSEMENT UNIT		\$	2,382.90
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 1 1/04/19 PERS Adj	P/R 1 1/4/19		433.45-
	P/R 1 1/4/19 PERS	HR	0075200	180,473.78

	PUBLIC EMPLOYEES RETIREMENT SY\$			180,040.33
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R DIR 1 1/10/19 Taxes	HR	0076100	384.64

	EMPLOYMENT DEVELOPMENT DEPARTM\$			384.64
Wire	INTERNAL REVENUE SERVICE P/R DIR 1 1/10/19 Taxes	HR	0076100	2,399.16

	INTERNAL REVENUE SERVICE		\$	2,399.16
Wire	METROPOLITAN WATER DISTRICT November 2018 Water Purchase	9550		4,388,096.77

	METROPOLITAN WATER DISTRICT		\$	4,388,096.77
Wire	STATE BOARD OF EQUALIZATION 12/18 Sales Tax Deposit	23784561 12/1		11,437.00

	STATE BOARD OF EQUALIZATION		\$	11,437.00
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 2 1/18 Deferred Comp Ded	HR	0076200	33,023.44

	PUBLIC EMPLOYEE'S RETIREMENT S\$			33,023.44
Wire	STATE DISBURSEMENT UNIT P/R 2 1/18	HR	0076200	2,184.90
	P/R 2 1/18	HR	0076200	198.00

	STATE DISBURSEMENT UNIT		\$	2,382.90

Check	Payee / Description	Amount
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 2 1/18 Taxes HR 0076200 11,950.11 P/R 2 1/18 Taxes HR 0076200 52,651.53 EMPLOYMENT DEVELOPMENT DEPARTM\$ 64,601.64	
Wire	INTERNAL REVENUE SERVICE P/R 2 1/18 Taxes HR 0076200 304,509.42 INTERNAL REVENUE SERVICE \$ 304,509.42	
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 102 1/22 Taxes HR 0076300 11.20 P/R 102 1/22 Taxes HR 0076300 31.34 EMPLOYMENT DEVELOPMENT DEPARTM\$ 42.54	
Wire	INTERNAL REVENUE SERVICE P/R 102 1/22 Taxes HR 0076300 287.93 INTERNAL REVENUE SERVICE \$ 287.93	
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 202 1/23 Taxes HR 0076400 9.86 P/R 202 1/23 Taxes HR 0076400 6.72 EMPLOYMENT DEVELOPMENT DEPARTM\$ 16.58	
Wire	INTERNAL REVENUE SERVICE P/R 202 1/23 Taxes HR 0076400 170.07 INTERNAL REVENUE SERVICE \$ 170.07	
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 2 1/18 PERS Adj P/R 2 1/18 AD 91.98- P/R 2 1/18 PERS HR 0076200 176,707.93 PUBLIC EMPLOYEES RETIREMENT SY\$ 176,615.95	
Wire	PUBLIC EMPLOYEES' RETIREMENT S 1/19 Health Ins-Retirees, Employees 15526452 1/19 252,645.68 1/19 Health Ins-Board 15526461 1/19 6,629.97 PUBLIC EMPLOYEES' RETIREMENT S\$ 259,275.65	

Grand Total Payment Amount: \$ 5,952,538.55

Attachment 2E

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

Ratification of Board of Directors

Payroll for January 11, 2019
Presented at Board Meeting on March 20, 2019

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
Jasmin Hall	\$3,141.57	\$2,000.45
Katherine Parker	\$3,656.16	\$1,186.70
Michael Camacho	\$4,260.79	\$1,579.66
Steven J. Elie	\$4,351.16	\$1,191.44
Paul Hofer	\$0.00	\$0.00
TOTALS	\$15,409.68	\$5,958.25

	Count	Amount
TOTAL EFTS PROCESSED	3	\$4,378.59
TOTAL CHECKS PROCESSED	1	\$1,579.66
CHECK NUMBERS USED	110342 - 110342	

IEUA DIRECTOR PAYSHEET

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

DECEMBER 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-03-18	Telecon Mtg. w/ D. Pitman-MWD Org. Personnel, & Tech Committee Update	Yes	\$247.50
12-04-18	40 th Judgment Anniversary Event	Yes	\$247.50
12-05-18	Special IEUA Board Meeting/Workshop	Yes	\$247.50
12-12-18	IEUA Engineering, Operations, & Water Resources Committee Meeting	Yes (same day)	\$-0-
12-12-18	Special IEUA Board Meeting	Yes	\$247.50
12-14-18	Special IEUA Board Meeting	Yes	\$247.50
12-18-18	Mtg. w/O Gonzalez, CVWD re: Agency Water Updates	Yes	\$247.50
12-19-18	CBRFA/IEUA Special Board Meeting	Yes	\$247.50
12-19-18	IEUA Employee Recognition Holiday Luncheon	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$1,732.50
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			9
Total No. of Meetings Paid			7

DIRECTOR
SIGNATURE

Michael Camacho

 Michael Camacho

Approved by:

Steven J. Elie

 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 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-18	Southern Coalition/Inland Caucus Meeting	Yes	\$247.50
12-10-18	MWD Standing Committees	Yes	\$247.50
12-11-18	MWD Standing Committee Meetings & Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17).			\$742.50
Total No. of Meetings Attended			3
Total No. of Meetings Paid			3

DIRECTOR
SIGNATURE


Michael Camacho

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 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-18	Regional Policy Committee Meeting	No (cancelled)	\$-0-
TOTAL REIMBURSEMENT (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**

Michael Camacho

Michael Camacho

Approved by:

Kathy Beese

for Steven J. Elie
President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO BASIN WATER BANK (ALTERNATE)**

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

DECEMBER 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
	None		
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105			\$-0-
Total No. of CBWB Meetings Attended			0
Total No. of CBWB Meetings Paid			0

DIRECTOR SIGNATURE *Michael Camacho*

Approved by: *Kathy Bessel*
for Steven J. Elie
President, Board of Directors

IEUA DIRECTOR PAYSHEET

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

DECEMBER 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-18	City of Chino Hills Tree Lighting Ceremony	Yes	\$247.50
12-03-18	Oath of Office Ceremony for Supervisor C Hagman	Yes	\$247.50
12-05-18	IEUA Board of Directors Mtg.	Yes	\$247.50
12-06-18	Supervisor C. Hagman's VIP Open House	Yes	\$247.50
12-11-18	Mtg. w/Supervisor C. Hagman, General Manager Halla, C. Berch to discuss Agency business	Yes	\$247.50
12-11-18	Meeting with Director Parker to discuss Agency business	Yes (staff)	\$-0-
12-11-18	Special IEUA Audit Committee	Yes (same day)	\$-0-
12-12-18	IEUA Swearing-in Ceremony	Yes (same day)	\$-0-
12-12-18	Special IEUA Board Meeting	Yes	\$247.50
12-17-18	Board Package Review w/ General Counsel JC, General Manager Halla & Interim GM Kirby	Yes	\$247.50
12-19-18	Special CBRFA/IEUA Board of Directors	Yes	\$247.50
12-19-18	Employee Recognition Holiday Luncheon	Yes (same day)	\$-0-
12-20-18	Mtg. w/Interim GM Kirby	Yes (staff)	\$-0-
TOTAL REIMBURSEMENT 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.			\$1,980.00
Total No. of Meetings Attended			13
Total No. of Meetings Paid			8

DIRECTOR
SIGNATURE

Steven J. Elie

 Steven J. Elie

Approved by:

Kathleen Hall

 for Jasmin Hall
 Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA
ON WATERMASTER BOARD**


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

DECEMBER 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-18	CBWM 40 th Judgment Anniversary Event	Yes	\$-0-*
12-27-18	CBWM Board Meeting	No (cancelled)	\$-0-*
TOTAL REIMBURSEMENT			\$-0-
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			1
Total No. of Watermaster Meetings Paid			0

*Decline IEUA portion

DIRECTOR 
SIGNATURE Steven J. Elie

Approved by: 
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 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-18	CDA Board Meeting	No	\$-0-
TOTAL REIMBURSEMENT			\$-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 *Spil Woolley*
SIGNATURE *Steven J. Elie*

Approved by: *Kathy Bessell*
for Jasmin Hall
Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO BASIN WATER BANK**

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

DECEMBER 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
	None		
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105.			\$-0-
Total No. of CBWB Meetings Attended			0
Total No. of CBWB Meetings Paid			0

DIRECTOR SIGNATURE *Steven J. Elie*

Approved by: *Kathryn Fisher*
for Jasmin Hall
Secretary/Treasurer

IEUA DIRECTOR PAYSHEET

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

DECEMBER 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-03-18	Mtg. w/Director Parker to discuss Agency business	Yes (staff)	\$-0-
12-04-18	CBWM 40 th Judgment Anniversary Event	Yes	\$247.50
12-05-18	IEUA Board Workshop/Meeting	Yes	\$247.50
12-06-18	BIA Home Aid Baldy View Chapter Holiday Charity Gala	Yes (same day)	\$-0-
12-08-18	City of Fontana Christmas Parade	Yes	\$247.50
12-10-18	ASBCSD Dinner Meeting	Yes	\$247.50
12-11-18	Mayor Warren Luncheon	Yes (same day)	\$-0-
12-11-18	Fontana City Council	Yes	\$247.50
12-12-18	IEUA Swearing-In Ceremony	Yes (same day)	\$-0-
12-12-18	IEUA Special Board Meeting	Yes	\$247.50
12-13-18	IEUA Leadership Breakfast	Yes	\$247.50
12-14-18	IEUA Special Board Meeting	Yes	\$247.50
12-17-18	CASA Board of Directors conference call	Yes	\$247.50
12-19-18	CBRFA/IEUA Special Board Meeting	Yes (10 mtgs. max.)	\$-0-
TOTAL REIMBURSEMENT			\$2,227.50
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			14
Total No. of Meetings Paid			9

DIRECTOR SIGNATURE *Jasmin A. Hall*

Approved by: *Kathy Bessen*
 for 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 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-18	SAWPA Project Agreement 23 Regular Committee Meeting	Yes (same day)	\$-0-
12-04-18	SAWPA Commission Workshop	Yes (same day)	\$-0-
12-18-18	SAWPA Commission Meeting	Yes (10 mtgs. max.)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
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			3
Total No. of SAWPA Meetings Paid			0

DIRECTOR
SIGNATURE

David W. ...
Jasmin A. Hall

Approved by:

Kathy ...

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 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-18	CDA Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT			\$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 *Jasmin A. Hall*
 SIGNATURE *Jasmin A. Hall*

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


IEUA DIRECTOR PAYSHEET

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


DECEMBER 2018

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-18	Meeting w/General Manager Halla re: Agency Business	Yes (staff)	\$-0-
12-04-18	40 th Judgment Anniversary Event	Yes (same day)	\$-0-
12-05-18	IEUA Special Board Meeting	Yes	\$-0-
12-06-18	Supervisor Curt Hagman's Open House	Yes	\$-0-
12-12-18	IEUA Swearing-In Ceremony	Yes	\$-0-
12-13-18	Meeting w/General Manager Halla re: Agency Business	Yes (staff)	\$-0-
12-19-18	Special CBRFA/IEUA Board Meeting	Yes	\$-0-
12-20-18	Meeting w/General Manager Halla re: Agency Business	Yes (staff)	\$-0-
TOTAL REIMBURSEMENT 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			8
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE



Approved by:


 for Steven J. Elie
 President, Board of Directors

Director Hofer has waived all stipend payments

Attachment 2F

Payroll-Net Pay-Employees

Non-Board Members	PP 1 Checks	PP 1 EFTs	PP 2 Checks	PP 2 EFTs	January
NET PAY TO EE	\$0.00	\$813,349.14	\$1,411.96	\$749,210.53	\$1,563,971.63

INLAND EMPIRE UTILITIES AGENCY

Payroll for January 4, 2019

Presented at Board Meeting on March 20, 2019

GROSS PAYROLL COSTS			\$1,628,848.13
DEDUCTIONS			(\$815,498.99)
NET PAYROLL			813,349.14
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED			
TRANSACTION PROCESSED	0	365	365
AMOUNT	\$0.00	\$813,349.14	<u>\$813,349.14</u>

INLAND EMPIRE UTILITIES AGENCY

Payroll for January 18, 2019

Presented at Board Meeting on March 20, 2019

GROSS PAYROLL COSTS			\$1,332,216.60
DEDUCTIONS			(\$581,594.11)
NET PAYROLL			750,622.49
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED			
TRANSACTION PROCESSED	3	362	365
AMOUNT	\$1,411.96	\$749,210.53	<u>\$750,622.49</u>

**CONSENT
CALENDAR
ITEM**

2C



Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager *KBS*

Committee: Finance & Administration

03/13/19

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

Subject: Adoption of Resolution No. 2019-3-1, Approving the Agency's Investment Policy Update

Executive Summary:

The Agency's Investment Policy mandates an annual review and Board approval of the Policy, or whenever there are significant changes. The Fiscal Year 2018/19 Investment Policy (Policy) was updated and approved on February 21, 2018. On December 20, 2017, the Board of Directors awarded PFM Asset Management LLC (PFM) a contract to provide advisory services and day to day management of the Agency's investment portfolio. As the Agency's financial and investment advisor, PFM reviewed the Agency's current Policy and provided confirmation that the Policy is in compliance with the California Government Code which governs the investment of public funds. As such, PFM did not recommend any changes to the Policy in regards to the state's statutes. The Policy remains largely unchanged from the prior year apart from one change from monitoring the Agency's weighted average portfolio duration to its weighted average maturity. Additionally, minor clarifications and updates were made to the Policy's glossary.

The Policy continues to emphasize the Agency's public funds management objectives of safety, liquidity, and return on investment, listed in order of priority.

Staff's Recommendation:

Adopt Resolution No. 2019-3-1, approving the update of the Agency's Investment Policy for Fiscal Year 2019/20.

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 February 21, 2018, the Board of Directors adopted Resolution No. 2018-2-5, approving the Agency's Investment Policy for Fiscal Year 2018/19.

Environmental Determination:

Not Applicable

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.

Attachments:

Attachment 1 - PFM Memorandum

Attachment 2 - Resolution 2019-3-1

Attachment 3 - Agency Investment Policy

Attachment 4 - Blacklined or Tracked Changes to FY 2018/19 Investment Policy



February 9, 2019

Memorandum

To: Christina Valencia, CFO/AGM
Tina Cheng, Budget Officer
Jeannette Smith, Financial Analyst I
Inland Empire Utilities Agency

From: Sarah Meacham, Managing Director
Richard Babbe, Senior Managing Consultant
PFM Asset Management LLC

Re: 2019 Investment Policy Review

At your request, we reviewed the Inland Empire Utilities Agency's (the "IEUA") Investment Policy (the "Policy"), as part of the IEUA's annual review process. As written, the Policy is in compliance with the California Government Code sections (the "Code") that govern the investment of public funds. Furthermore, there were no changes to the Government Code effective 2019 that would require any changes to the Policy. Consequently, we are not recommending any changes to the Policy at this time.

Please let us know if you have any questions or if you would like to discuss our recommendations in more detail.

RESOLUTION NO. 2019-3-1

**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;

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 March 20, 2019 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. 2018-2-5 is hereby rescinded in its entirety.

ADOPTED this 20th day of March, 2019

ATTEST:

Paul Hofer
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

Kati Parker
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Kati Parker, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2019-3-1, was adopted at a
regular Board Meeting on March 20, 2019, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Kati Parker
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

** a Municipal Water District*

(SEAL)



6075 Kimball Avenue Chino CA 91708 909 993 1600 www.ieua.org

INVESTMENT POLICY

**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 Nationally Recognized Statistical Rating Organization (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 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 Delivery 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 MATURITY LIMITATION

The weighted average maturity 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 (wavier) 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: Paul Hofer
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 over 3,600 brokerage firms, about 155,000 branch offices and approximately 630,000 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:

The measure of an asset's ability to 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.

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 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

**INLAND EMPIRE UTILITIES AGENCY
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM
OR GENERAL MANAGER
Authorized Brokers/Dealers**

NONE



6075 Kimball Avenue Chino CA 91708 909 993 1600 www.ieua.org

INVESTMENT POLICY

BLACKLINED/CHANGES

**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-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 [Nationally Recognized Statistical Rating Organization \(NRSRO\)](#). 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 Delivery 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~~ 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~~ 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~~ MATURITY LIMITATION

The weighted average ~~duration~~ maturity 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 (wavier) 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~~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: Paul Hofer
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~~ over 3,600 brokerage firms, about ~~167,000~~ 155,000 branch offices and approximately ~~634,000~~ 630,000 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:

~~The measure of An asset's ability to 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 INVESTMENT STANDARD:

~~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. Page 13

~~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

**CONSENT
CALENDAR
ITEM**

2D

Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager 

Committee: Engineering, Operations & Water Resources

03/13/19

Finance & Administration

03/13/19

Executive Contact: Shaun Stone, Acting Executive Manager of Engineering/AGM

Subject: RP-5 Expansion Design Contract Amendment

Executive Summary:

In June 2017, the design of the Regional Water Recycling Plant No. 5 Expansion (RP-5) began. To date, the project design team has completed the 30% design, 50% design, and provided a draft 90% design. To better improve on the findings of the Preliminary Design Report (PDR), the project design team has identified potential modifications to the design that will result in reduced construction cost, improved operations, or reliable maintenance of RP-5. The amendment includes six tasks: Fine Screens Relocation, Increased Digester Capacity, Return Activated Sludge (RAS) Pump Station Physical Model, Tagging of Existing RP-5 Equipment, additional Soils Corrosion Analysis, and additional Geotechnical Evaluations. Details of the amendment including discussions on impacts to design, construction, cost, and schedule are provided in Attachment 1 - Background.

If the amendment is approved, the additional design fee is \$495,979, which will increase Parsons design contract amount from \$18,055,231 to \$18,551,210 resulting in an amendment ratio of 3.1%. To include these amendments in the design, the project design team will require an additional three months with final design being completed in September 2019 and the construction bid beginning in October 2019.

Staff's Recommendation:

1. Approve a consulting engineering services contract amendment for the RP-5 Expansion, Project Nos. EN19001 and EN19006, to Parsons Water and Infrastructure Inc., in the amount of \$495,979; and
2. Authorize the Interim General Manager to execute the consulting engineering services contract amendment, subject to non-substantive changes.

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

Account/Project Name:

EN19001/RP-5 Liquids Treatment Expansion
EN19006/RP-5 Solids Treatment Facility

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

On November 20, 2018, the Board of Directors awarded the Membrane Bio-Reactor Preselection Agreement.

On May 17, 2017, the Board of Directors approved a contract amendment for the design to Parsons Water & Infrastructure, Inc. for the not-to-exceed amount of \$17,993,680.

On March 15, 2017, the Board of Directors adopted the RP-1 & RP-5 Expansion Preliminary Design Report.

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 has completed CEQA Plus evaluation for potential SRF Loan Funding.

Business Goal:

The RP-5 Liquids Treatment Expansion Project is consistent with the Agency's Business Goal of Wastewater Management specifically the Water Quality objective that IEUA will ensure that Agency systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Design Amendment

Attachment 1

Background

Subject: RP-5 Expansion Design Contract Amendments

In March 2017, the IEUA Board of Directors approved the findings of the RP-1/RP-5 Expansion Preliminary Design Report (PDR). The PDR outlined a process of pre-selecting major pieces of equipment to ensure these met specific qualifications required by IEUA and outlined the progression of the design. In May 2017, the IEUA Board of Directors approved the consulting engineering services contract amendment for the RP-5 Expansion Design to Parsons Water & Infrastructure Inc. (Parsons). In June 2017, the project design team began work on the project and to date has completed the 30% design, 50% design, and provided a draft 90% design. To better improve on the findings of the Preliminary Design Report (PDR), the project design team has identified potential modifications to the design that will result in reduced construction cost, improved operations, or reliable maintenance of RP-5. The amendment includes six tasks: Fine Screens Relocation, Increased Digester Capacity, Return Activated Sludge (RAS) Pump Station Physical Model, Tagging of Existing RP-5 Equipment, Soils Corrosion Analysis, and additional Geotechnical Evaluations. Details of these six amendments including discussions on impacts to design, construction, cost, and schedule are provided below.

FINE SCREENS RELOCATION

Design Scope of Work: Task 1 – Develop and Evaluate Fine Screen Alternative Locations
Task 2 – Prepare Detailed Hydraulic Calculations
Task 3 – Evaluate Preliminary Design of Fine Screen Building
Task 4 – Prepare Final Design of New Location

Justification: The PDR originally had the fine screens located between the coarse screens and grit removal system. As the project team began working with the fine screen manufacturers in detail, concern was raised about the longevity of the fine screen seal in an environment with a large amount of grit and the potential impacts to the frequency of maintenance to replace the seal. The PDR had not placed the fine screens downstream of the grit removal system, because this would require additional pumping of all facility flow. Further evaluation was required to propose simple modifications to the primary clarifier influent diversion box to allow the hydraulics of the facility to be maintained without additional pumping. Estimated O&M cost savings is \$100,000 per year. In addition, this amendment includes the evaluation of removing the fine screens building and replacing with a canopy structure.

Design Amendment Value: \$69,442

Construction Cost Savings: \$600,000 – Approximate construction cost savings for replacing the fine screens building with a canopy structure. Construction cost to relocate the fine screens structure from upstream to downstream of grit removal is negligible.

INCREASED DIGESTER CAPACITY

Design Scope of Work: Task 1 – Develop and Evaluate Digester Alternatives
Task 2 – Prepare Final Design of Larger Digesters

Justification: The PDR originally sized the digesters for 1.5 million gallons (MG) of capacity to treat the biosolids of the service area. If the capacity of the digesters is increased to 1.65 MG, this will provide additional capacity for 30,000 gallons per day (gpd) of additional sludge flow. This additional treatment capacity can allow for organics diversion at the RP-5 Solids Treatment Facility and provide flexibility for the operations and maintenance of the RP-5 Solids Handling Facility. In addition, it is extremely difficult to gain this capacity in the future while maintaining an integral design of the facility.

Design Amendment Value: \$180,415

Construction Cost: \$2,900,000 – Approximate construction cost for additional materials to increase the digester capacity from 1.5 MG to 1.65 MG for four digesters, additional heating equipment, and additional gas cleaning/conveyance systems.

RETURN ACTIVATED SLUDGE (RAS) PUMP STATION PHYSICAL MODEL

Design Scope of Work: Task 1 – Coordination and Data Transfer with Modeler
Task 2 – Development of Physical Model

Justification: The RAS pump station will have a peak design flow rate of 180 MGD. For pump stations this large, the Hydraulic Institute of America recommends building a physical model to ensure hydraulic conditions are not created that would render the pump station inoperable. Since the RAS pump station is integral to the Membrane Bio-Reactor (MBR) Basin, the pump station cannot be easily modified in the future. A 1 to 5 physical model of the RAS pump station will be constructed and operated at various flow rates to ensure no issues are encountered.

Design Amendment Value: \$83,657

Construction Cost: \$0 – If adverse hydraulic conditions are created, the design will be modified to eliminate the condition.

TAGGING OF EXISTING RP-5 EQUIPMENT

Design Scope of Work: Task 1 – Develop Process Control Narratives (PCN's) for Existing Equipment
Task 2 – Develop P&ID's for Existing Equipment

Justification: As part of the RP-5 Expansion Project, IEUA's existing equipment tagging structure needed to be modified to allow for unique tag names for complex mechanical systems, such as the Membrane Bio-Reactor. The existing equipment is currently tagged on the old methodology, which would result in two naming conventions at the end of the project. To ensure the project is completed with one uniform system and to create one complete document set (record drawings, PCN's

P&ID's, programming, O&M manuals, and SOP's) based on one structure, the existing equipment needs to be tagged in the new system.

Design Amendment Value: \$44,309

Construction Cost: \$200,000 – Approximate Cost for the system integrator to program tags for existing equipment in the Supervisory Control and Data Acquisition system.

SOILS CORROSION ANALYSIS

Design Scope of Work: Task 1 – Provide Corrosion Assessment
Task 2 – Provide Design of Corrosion Control Systems

Justification: The geotechnical evaluation for this project identified that on-site soils in certain areas could be corrosive to buried metal pipes. The soils could be classified as severely corrosive to buried metal pipes based on the results of soil resistivity from the lab soil analyses. Due to the corrosive soil conditions, it is recommended to prepare a corrosion assessment report and provide design for corrosion protection of metal pipelines to be constructed for this project.

Design Amendment Value: \$49,990

Construction Cost: Corrosion protection systems have been included in the current cost estimate. This will be adjusted based upon the results of the corrosion assessment report.

ADDITIONAL GEOTECHNICAL EVALUATION

Design Scope of Work: Task 1 – Conduct Physical Survey and Utility Research
Task 2 – Complete Field Borings
Task 3 – Complete Laboratory Testing
Task 4 – Complete Geotechnical Report

Justification: The proposed overflow pipeline from the RP-5 Influent Pump Station to the Emergency Overflow Pond will be constructed approximately 35 feet below grade. Instead of constructing the pipeline by an open trench, it has been proposed to tunnel the pipeline along the west side of the Emergency Storage Basin (ESB), which would result in substantial construction cost savings. Additional borings along the ESB are required to ensure this proposed method of construction is viable. In addition, borings will be conducted at Prado Golf Course for a new pump station and at the northeast corner of RP-5 for organics diversion tanks.

Design Amendment Value: \$68,166

Construction Cost Savings: \$300,000 – Approximate construction cost savings for installing the overflow pipeline through tunneling compared to trenching.

SCHEDULE

To include this amendment in the design, the project design team will require an additional 3 months of design. The project schedule is adjusted below:

RP-5 Expansion Project Schedule	Date
RP-5 Expansion 90% Design	May 2019
RP-5 Expansion Final Design	September 2019
RP-5 Expansion Construction Bid	October 2019
RP-5 Expansion Board Award	March 2020
RP-5 Solids Treatment Facility Construction Completion	March 2023
RP-5 Liquids Treatment Expansion Construction Completion	December 2024

FISCAL IMPACT

The total value of this amendment is \$495,979, with the task breakdown shown in the table below:

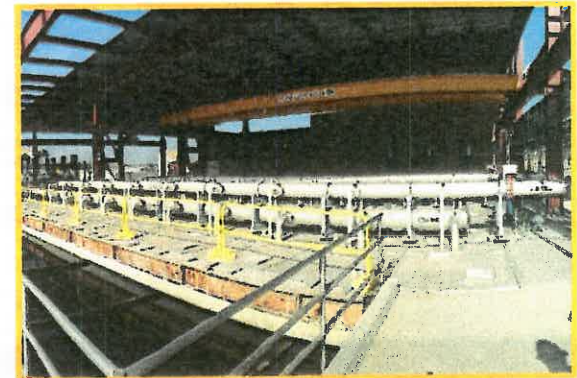
Amendment	Value
Fine Screens Relocation	\$69,442
Increased Digester Capacity	\$180,415
RAS Pump Station Physical Model	\$83,657
Tagging of Existing RP-5 Equipment	\$44,309
Soils Corrosion Analysis	\$49,990
Additional Geotechnical Evaluations	\$68,166
TOTAL	\$495,979

This amendment will increase Parsons' design contract amount from 18,055,231 to \$18,551,210. The amendment value is within the budgeted design contingency. The engineer's construction cost estimate for the 50% design submittal is 283,886,000; however this includes optional additive items (such as UV disinfection), a conservative 20% contingency, and costing to the mid-point of construction. Upon receipt of the engineer's construction cost estimate for the 90% design submittal, the project team will conduct a cost containment workshop to ensure the project maintains the construction budget of \$269,000,000 and the overall combined project budgets for the RP-5 Liquids Treatment Expansion (EN19001) and RP-5 Solids Treatment Facility (EN19006) of \$325,000,000.

Attachment 2

RP-5 Expansion Project Design Contract Amendment

Project Nos. EN19001/EN19006



Shaun J. Stone, P.E.

March 2019

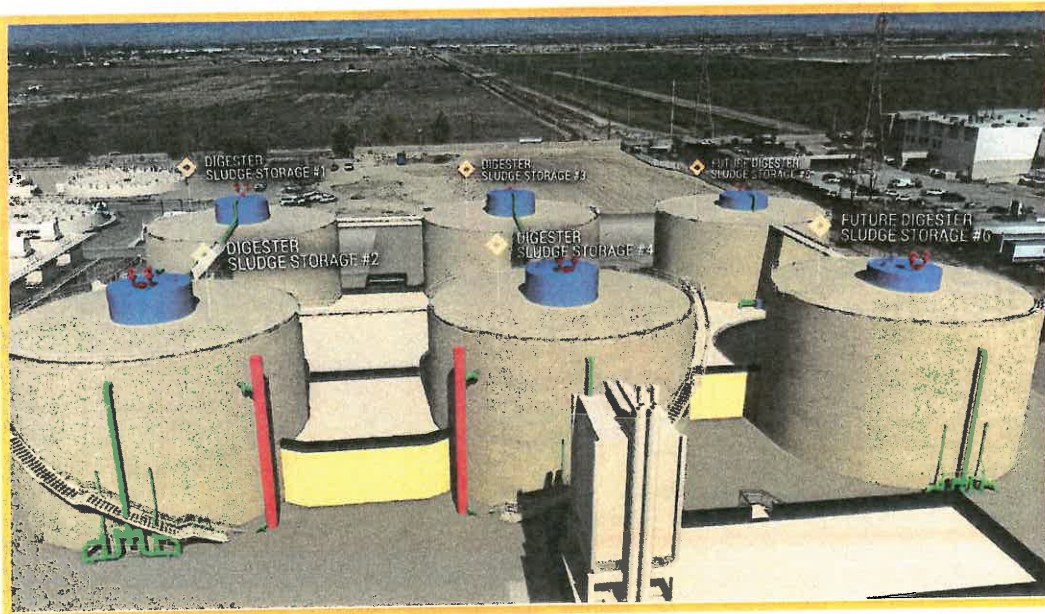
Fine Screens Relocation



RP-5 Headworks

- Scope: Evaluate Feasibility of Relocating Fine Screens Downstream of Grit Removal
- Justification: Improves Long Term Operations and Maintenance
- Amendment Amount: \$69,442

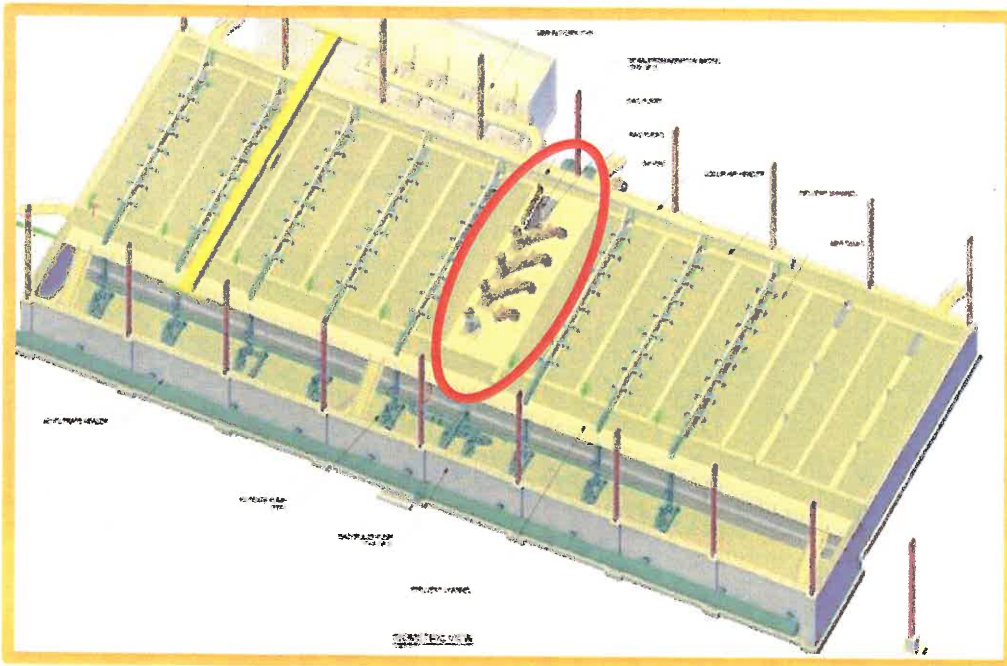
Increased Digester Capacity



RP-5 Digesters

- Scope: Increase Digester Capacity from 1.5 MG to 1.65 MG
- Justification: Provides Operational Flexibility and Allows for Organics Diversion (Future Regulations)
- Amendment Amount: \$180,415

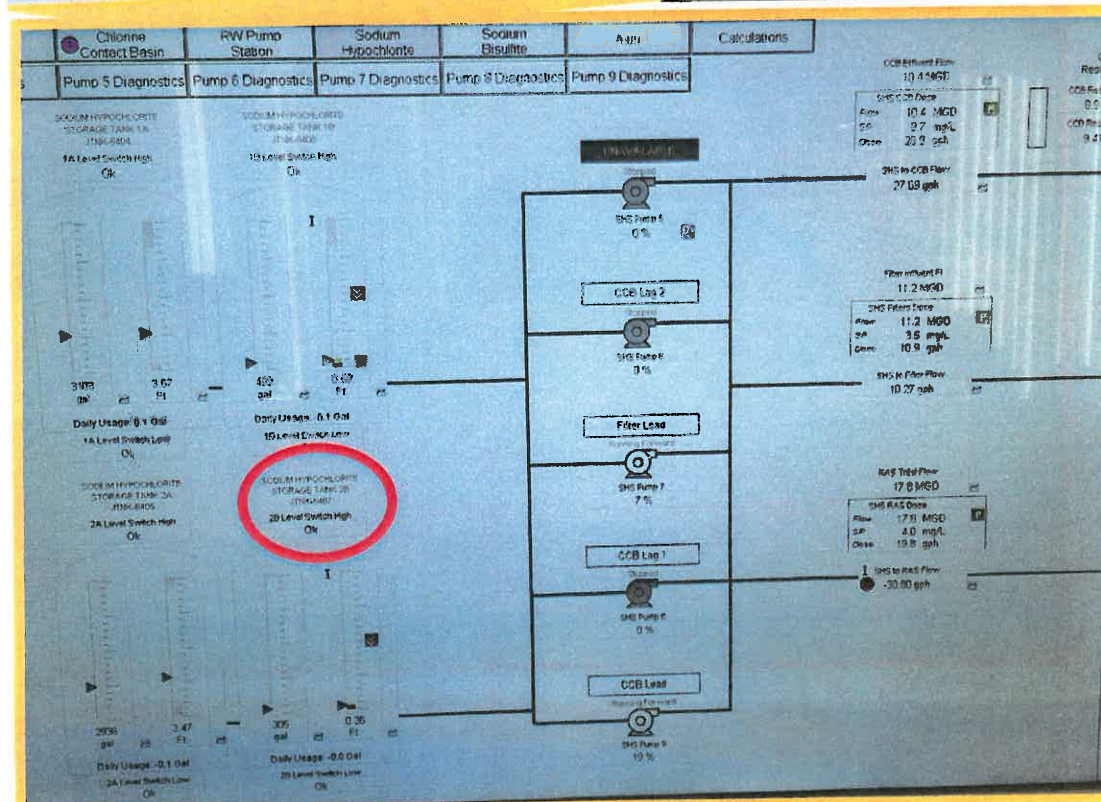
RAS Pump Station Physical Model



Vortex Video

- Scope: Construct Physical Model of RAS Pump Station and Test at Various Flow Rates
- Justification: Ensure Pump Station Hydraulics are Acceptable
- Amendment Amount: \$83,657

Tagging of Existing Equipment



RP-5 SCADA Screen with Old Tagging

- Scope: Tag Existing Equipment with New Tagging Structure
- Justification: RP-5 will have One Cohesive Tagging System Improving Operations and Maintenance
- Amendment Amount: \$44,309

Soils Corrosion Analysis



Example of Extremely Corroded Pipe

- Scope: Provide Design of Corrosion Prevention Systems
- Justification: Geotechnical Report Identified Corrosive Soils at Site
- Amendment Amount: \$49,990


Additional Geotechnical Evaluation






Influent Pump Station Overflow Pipeline Location

- Scope: Provide additional Geotechnical Evaluation for Overflow Pipeline, Prado Golf Course, and Organics Tanks
- Justification: Reduced Construction Cost to Allow Tunneling Versus Trenching
- Amendment Amount: \$68,166

RP-5 Expansion Project Budget & Schedule

Description	Estimated Cost
Design Services	\$26,063,680
Consultant Design Contract	\$18,551,210
Design Amendment Cost	\$495,979 
Other Design Services (3%)	\$7,574,021
Construction Services	\$24,210,000
Engineering Services During Construction (3%)	\$8,070,000
Other Construction Services (6%)	\$16,140,000
Construction	\$269,000,000
Construction (estimate)	\$245,000,000
Contingency (~10%)	\$24,000,000
Total Project Cost:	\$319,273,680
Total Project Budget:	\$325,000,000

Project Milestone	Date
Design	
 Consultant Design Contract Award	May 2017
 30% Design Completion	December 2017
 50% Design Completion	July 2018
90% Design Completion	May 2019
Final Design Completion	September 2019
Construction	
Construction Bid Phase	October 2019
Construction Contract Award	March 2020
Solids Facility Completion	March 2023
Liquids Construction Completion	December 2024

Recommendation

- Approve a consulting engineering services contract amendment for the RP-5 Expansion, Project Nos. EN19001 and EN19006, to Parsons Water and Infrastructure Inc., in the amount of \$495,979; and
- Authorize the Interim General Manager to execute the consulting engineering services contract amendment, subject to non-substantive changes.

The RP-5 Liquids Treatment Expansion Project is consistent with **IEUA's Business Goal of Wastewater Management** specifically the Water Quality objective that IEUA will ensure that systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.

Attachment 3



CONTRACT AMENDMENT NUMBER: 4600002042-006
CONSULTING ENGINEERING SERVICES
FOR
RP-5 LIQUIDS TREATMENT SYSTEM EXPANSION,
AND RP-5 SOLIDS TREATMENT FACILITY SERVICES

THIS CONTRACT AMENDMENT SIX is made and entered into this ____ day of _____, 2019, 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 Parsons Water & Infrastructure Inc. with offices located in Pasadena, California (hereinafter referred to as "Consultant") to provide professional design engineering services in support of Projects EN19001 and EN19006 (previously EN16025 and EN16028), and shall herein revise the Contract as amended:

SECTION 6., PAYMENT, INVOICING AND COMPENSATION, IS HEREBY AMENDED TO ADD THE FOLLOWING: Contract value is increased by \$495,979.00 as per SAP Purchase Requisition 10048147, increasing the Contract's total NOT-TO-EXCEED maximum adjusted amount to **\$21,038,797.**

ALL OTHER PROVISIONS OF THIS CONTRACT REMAIN UNCHANGED.

WITNESSETH, that the parties hereto have mutually covenanted and agreed as per the above amendment item, and in doing so have caused this document to become incorporated into the Contract documents.

INLAND EMPIRE UTILITIES AGENCY:
(A Municipal Water District)

PARSONS WATER & INFRASTRUCTURE INC.:

Kirby Brill
Interim General Manager

(Date)

 02/27/19
Satish Kamath, P.E., BCEE
Vice President, Program Director

(Date)

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EXHIBIT A-006

{Consultant's Scopes of Work / Levels of Effort and Fees}

October 8, 2018

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: Proposal to Design, Construct, and Demonstrate a Physical Model of the proposed RAS Pump Station, RP-5 Expansion/Upgrade Project

Dear Mr. Marseilles:

Parsons is pleased to present this letter proposal to conduct physical modeling of the RAS Pump Station planned for the subject project. Included in the letter proposal is the project background, basis for scope, scope of services, schedule, level of effort and fee.

Background

The Inland Empire Utilities Agency's (IEUA) Regional Plant (RP)-5 expansion/upgrade project is currently in design phase. Currently, the design of the project is approximately 55% complete. As part of the 50% design package submittal Parsons prepared a 3D Model of the site including all the process facilities and buildings, including the entire Liquid Treatment Facility per the original scope of work, which did not include design/construction/demonstration of a physical model of the RAS Pump Station. The original scope was based on the Pre-Design Report (PDR). During preparation of the PDR it was determined that the RAS Pump Station capacity would be 90 MGD, relying on 3 vertical propeller pumps of 30 MGD each at a discharge head of approximately 20 feet, and the configuration of the wet well would be a trench type wet well similar to that designed by Parsons for the City of Visalia, which the Agency visited during the pre-design stage.

During the 50% design workshop, the participants discussed and agreed that the size of the station would merit the preparation and demonstration of a physical model in a qualified hydraulic laboratory/work, so the expected hydraulic conditions could be simulated to confirm stable operation and performance of the pumps.

Parsons has worked on development of several such models, and we have found that Clemson Engineering Hydraulics (CEH) Lab to be among the best and most reputable to work with and will be using the services of Clemson Lab to conduct this work.

Basis for Scope

Initial Consultation on RAS PS pumps and trench wet well hydraulic

- Parsons will provide drawings to illustrate proposed hydraulic design to CEH and coordinate the physical modeling activities align with the design intent.
- Provide hydraulic calculations and initial pump selection and specifications, pump curves, system curves, and other related information on the proposed pumps
- Provide range of water levels in wet well and RAS discharge channels
- Provide options for baffling and other means to optimize hydraulic conditions in the trench wet well
- CEH will assist with initial and follow up consultation, and we are including costs for a trip for their principal Dr. David Werth to meet with Agency and Parsons personnel in Chino, CA.
- CEH requires about 8 to 10 weeks to complete and demonstrate the model, and it is important to recognize they generally take time off in December and January, so the completion schedule may be affected.

Model Design, Construction, and Demonstration

- Using the information developed above, CEH will design and build the model of the wet well and pumps, and a discharge system to simulate the anticipated head conditions. The scale is anticipated to be about 1 to 5, as explained in the CEH proposal provided herewith.
- Once completed, Parsons and Agency personnel are expected to spend a day at the CEH lab in Anderson, SC, to observe the operation/performance of the model wet well and pumps.

Model Results and Final Full-Scale Design Features

- Any recommendations and conclusions resulting from the model will be addressed in the final design of the wet well and pump selection/specifications.

Scope of Work

Detailed scope of work for RAS PS physical modeling is as follows:

Task 1: Initial Consultation and Data Transfer

Parsons and CEH will coordinate with respect to the proposed hydraulic design of the RAS PS, and will meet with Agency personnel to answer questions and concerns about the design and modeling effort. CEH will discuss the development and construction of the model, and will submit shop drawings of the model, and testing protocol, for review and approval by Parsons and the Agency or its other technical representatives. This is expected to include sketches, calculations, and scale and capacity options.

Task 2: Develop Physical Model

All 3 pumps will be simulated.

A scale of approximately 1 to 5 will be used and may be adjusted based on pump specifics.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
October 8, 2018

Clean cycle testing will be conducted with graded crushed walnut and silica sand to simulate solids in the activated sludge.

Performance Criteria will include:

No organized free surface or submerged vortices greater than Type 1 general rotation should be permitted at Froude scaled flow rates.

Pre-swirl should be less than 5 degrees at pump impeller per Hydraulic Institute.

Time averaged velocities in the pump throat should deviate less than 10 percent of cross-sectional area average velocity.

Turbulence in the pump throat should be less than 10 percent. This could deviate slightly with submersible pumps.

Approach flow will be evaluated, to achieve relatively uniform distribution.

Instrumentation will be provided to measure flow rates, water levels, vortices, velocities, and pre-swirl.

Task 3: Conduct Test Program

The model testing will be carried out in 4 phases, with actual test conditions determined based on additional input from the pump manufacturer, Parsons, and Agency.

Baseline Testing: Up to 6 baseline tests will be conducted using original intake design. Worst case conditions will be determined.

Modification Testing: Modification tests will be conducted to bring pump intake within performance criteria, with proposed modifications submitted for prior approval by the Agency. The modifications will be limited to non-structural components only.

Witness Test: A one day witness test will be held at CEH Lab in Anderson, SC. Parsons and Agency personnel are expected to attend.

Documentation Tests: Up to 12 documentation tests will be conducted to document performance of the intake with recommended modifications in place.

All studies, design, model, and tests will be prepared and conducted in accordance with 2018 Hydraulic Institute Standards.

Task 4: Reporting -Prepare and Submit draft and final report of the physical model development

Parsons/CEH will prepare and submit a draft and final report of the physical model development and test results. Raw video footage of the testing will be provided in DVD format. Parsons will implement recommendations from the report in the final design of the RAS PS.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
October 8, 2018

Schedule

Tasks will be completed to support completion of the 85% and subsequent submittals per deliverable schedule to be established by the Agency and mutually agreed upon. The CEH Lab requires approximately 8 to 10 weeks for completion after notice to proceed, though a 4- to 6-week time extension may be required in the event the work is not authorized in time to complete the work prior to mid-December.

Level of Effort and Fee

The total fee to complete the above tasks is \$83,657.00, including one trip for Dr. Werth to Chino, CA, and one trip for two Parsons engineers to attend the physical model demonstration at CEH Lab in Anderson, SC. The detailed level of effort of fee is presented as Attachment 1 to this proposal. The proposal from CEH Lab is attached as Attachment 2 for further reference and clarity.

We thank IEUA for the opportunity to present this proposal. If you have any further questions or comments, please call me at 626 440 3355 or contact me at satish.kamath@parsons.com.

Sincerely,



Satish Kamath, P.E., BCEE
Vice President

Attachments:

1. Fee Estimate Breakdown
2. Clemson Engineering Hydraulics Letter Proposal

Attachment 1-Estimated Level of Effort and Fee

TASK	DESCRIPTION	HOURS BY LABOR CLASSIFICATION													TOTAL HOUR	LABOR FEE	SUBCONSULTANT				
		A	B	C	D	E	F	G	H	I	J	K	L	M			CEM Lab	Others	TOTAL SUB w/ 8% MARKUP	ODCs	TOTAL FEE
		5000hr	1200hr	1200hr	1200hr	1200hr	1200hr	1200hr	1200hr	1200hr	1200hr	1200hr	1200hr	1200hr			1200hr			5.0%	2.00%
1. Initial Consultation																					
1.1	Hydraulic Evaluations	0	0	4	8	0	0	0	0	0	0	0	0	0	12	\$2,880	\$0,000	\$4,280	\$68	\$5,188	
1.2	Structural	0	0	0	4	0	0	0	0	0	0	0	0	0	4	\$840		\$0	\$18	\$858	
1.3	Project Management and Meetings	0	4	0	0	0	0	0	0	0	0	0	0	0	4	\$1,080		\$0	\$21	\$1,081	
	Subtotal Task 1	0	4	4	12	0	0	0	0	0	0	0	0	0	20	\$4,800	\$0,000	\$0	\$87	\$5,228	
2. Develop Physical Model																					
2.1	Process Mechanical and Hydraulics	0	0	0	0	4	8	0	0	0	0	0	0	0	12	\$2,560	\$25,000	\$28,280	\$60	\$29,000	
2.2	Structural	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0		\$0	\$0	\$0	
2.3	Project Management	0	4	0	0	0	0	0	0	0	0	0	0	0	4	\$1,080		\$0	\$21	\$1,081	
	Subtotal Task 2	0	4	0	0	4	8	0	0	0	0	0	0	0	16	\$3,640	\$25,000	\$0	\$81	\$28,881	
3. Conduct Test Program																					
3.1	Hydraulics	0	0	0	24	24	0	0	0	0	0	0	0	0	48	\$10,800	\$16,000	\$15,750	\$2,500	\$29,050	
3.2	Project Management	0	4	0	0	0	0	0	0	0	0	0	0	0	4	\$1,080		\$0	\$21	\$1,081	
	Subtotal Task 3	0	4	0	0	24	0	0	0	0	0	0	0	0	52	\$11,880	\$16,000	\$0	\$27	\$28,187	
4. Reporting																					
4.1	Hydraulics	0	0	0	4	4	0	0	0	0	0	0	0	0	8	\$1,800	\$10,000	\$10,600	\$36	\$12,336	
4.2	Structural	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0		\$0	\$0	\$0	
4.3	Project Management	0	4	0	0	0	0	0	0	0	0	0	0	0	4	\$1,080		\$0	\$21	\$1,081	
	Subtotal Task 4	0	4	0	4	4	0	0	0	0	0	0	0	0	12	\$2,880	\$10,000	\$0	\$57	\$13,417	
Total Tasks 1 through 4		0	16	4	16	32	8	0	0	0	0	0	0	0	104	\$23,160	\$65,000	\$0	\$2,747	\$83,967	
Additional Task																					
															0	\$0		\$0	\$0	\$0	
															0	\$0		\$0	\$0	\$0	
Grand Total		0	16	4	16	32	8	0	0	0	0	0	0	0	104	\$23,160	\$65,000	\$0	\$2,747	\$83,967	

- A = Principal-in-Charge
- B = Project Manager
- C = Technical Advisor
- D = Principal Engineer
- E = Project Engineer
- F = Supervising Engineer
- G = Senior Engineer
- H = Staff Engineer
- I = Associate Engineer
- J = Senior Designer
- K = Designer
- L = Cost Estimator/Scheduler/Project Controls
- M = Administrative Support Staff/Word Processor

Attachment 2



1203 River Heights Circle • Anderson, SC 29621
864.231.9585

September 14, 2018

Steven A. Schaefer, P.E., BCEE, ENV SP
100 West Walnut Street
Pasadena, CA 91124

Ref: Inland Empire Trench Style RAS Pump Station Hydraulic Model

Dear Mr. Schaefer,

Thank you for the opportunity to provide you with a quotation to conduct the physical hydraulic model study of the Inland Empire Utilities Agency MBR RAS pump station. We have conducted many model studies of similar trench type pump intake structures in the past as well as recent model studies with Parsons.

INTRODUCTION

Parsons has requested that Clemson Engineering Hydraulics, Inc. (CEH) assist them in conducting a physical hydraulic model study of the proposed IEUA RAS pump station. The pump station design has not been finalized but will consist of a trench-type (potentially self-cleaning) wet well housing three (3) vertical wet pit pumps, each rated at 30 MGD.

Limited drawings exist but the structure appears the structure will be supplied from a single influent pipe or conduit and then transitioning to the pumps via a rectangular trench type design with the pumps located inline with the approach flow. CEH has modeled trench configurations many times in the past and will be happy to provide any level of conceptual design review that is desired prior to modeling. Current 2018 Hydraulic Institute Standards require physical modeling for this configuration for pumps in excess of 20,000 gpm (30 MGD) so modeling this station will allow for adherence to the standards even with design deviations.

CEH has considerable experience modeling these types of structures and our staff has modeled over 900 pump stations and can fully meet the specifications. The photos below show a recent study of a similar trench style self-cleaning designs.

PROJECT SCHEDULE AND LAB AVAILABILITY

We have both the staff and model basin availability to complete the study within 8 to 10 weeks from being given a notice to proceed and receiving either the detailed pump information or notice that the final pump selection will not be made prior to modeling and approximated pump details will be utilized (this is commonly done). As you are aware, we have recently acquired 60,000-ft² of additional modeling space. This space is now fully operational as shown in the photo below.



Photo 1 A Portion of 60,000-ft² of New Lab Space Immediately Available for This Project

MODELING EXPERIENCE

CEH has extensive pump station physical modeling experience and has completed over 900 large scale pump intake models including many wastewater intakes. The photos below show several recent studies demonstrating our ability to simulate complex upstream geometries, complex piping and large scale models.



Photo 2 CEH Regularly Models Trench Style Intakes



Photo 3 CEH Can Model Both Horizontal and Vertical Pumps With This Style Intake



Photo 4 CEH Can Simulate Any Channel Geometry / Transition As Needed

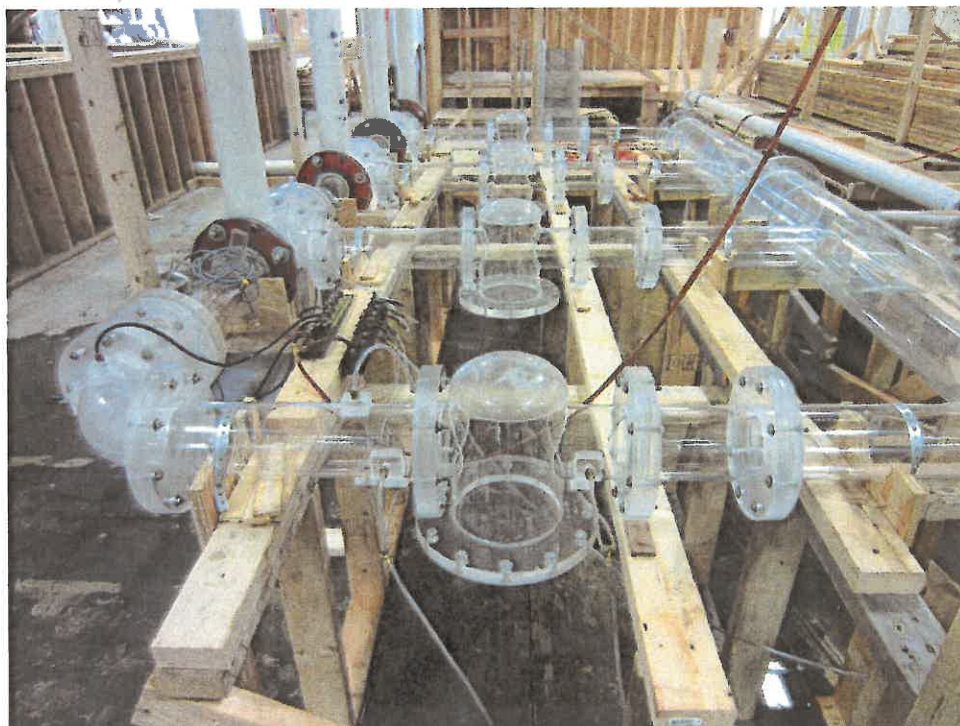


Photo 5 CEH Has Complete In-House Acrylic Fabrication Capability

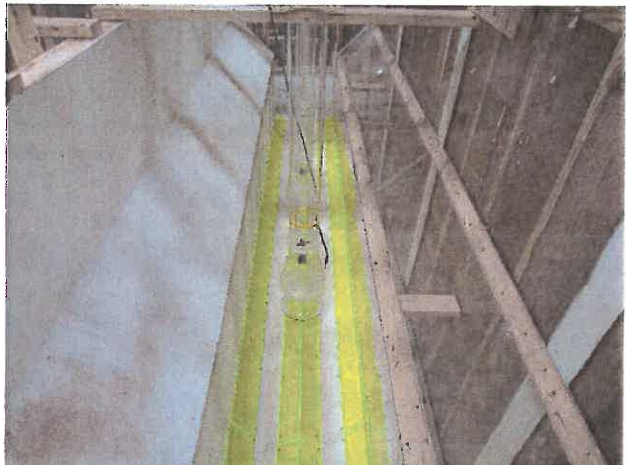


Photo 6 All Pumps Will Be Made In-House from Clear Acrylic for Full Flow Visualization

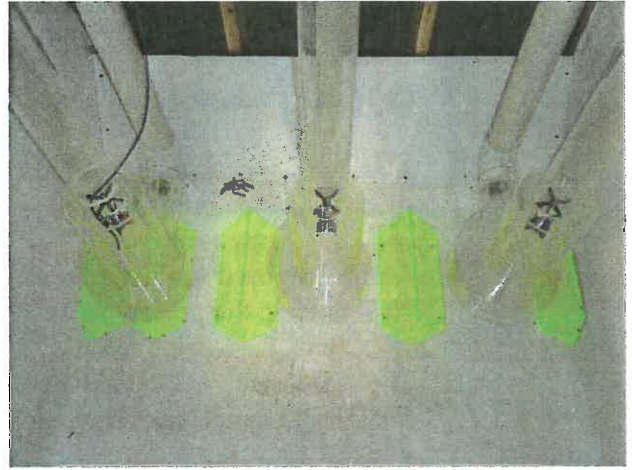


Photo 7 CEH Can Simulate All Pump Types (similar in-line trench design)

Some Recent Trench Type Intake Models



Various Solids Handling Pump Station Models



ASSUMPTIONS

The following assumptions were made during the preparation of this proposal:

1. All 3 pumps will be simulated – CEH will simulate different operating combinations.
2. CEH will simulated the pump and all bowls.
3. A scale of approximately 1:5.0 will be used. The scale may be adjusted once pump specifics are determined.
4. At the proposed scale, the model will be capable of simulating a water level of up 30-ft deep in the prototype wet well.
5. The scale is subject to change once detailed pump information is provided and the final throat diameter of the pump is determined.
6. Clean-cycle testing will be conducted with a combination of graded crushed walnut shells and silica sand used to represent grit.
7. **If desired, CEH will conduct an up-front conceptual design review with Parsons to provide comments and recommendations based on previous modeling experience for no additional costs.**

SCALE SELECTION

To obtain accurate results from a model study, there must be dynamic similitude between the model and the prototype. To satisfy this requirement, there must be exact geometric similitude. In addition, the ratio of the dynamic pressures must also be maintained. Strictly satisfying dynamic similitude requires a 1:1 scale model. This is usually not feasible, so some compromise is made. To accomplish this, geometric similarity is maintained and the dominant forces associated with the prototype are determined and maintained between the model and prototype.

The primary forces that affect fluid flow are viscosity, surface tension, velocity (inertial), pressure, gravity and elastic forces. In structures with a free surface, such as a pump intake, gravitational and inertial forces are far greater than the viscous and turbulent shear forces. Therefore, when modeling free surface structures, geometric similarity and the ratio of inertial to gravitational forces, or the Froude number, is maintained between the model and prototype.

Simply holding the Froude number constant violates the strict definition of dynamic similitude. However, if the model is operated within a high enough range of Reynolds numbers, viscous and surface tension scale effects may be minimized. The 2018 Hydraulic Institute Standards (HI) recommends that the minimum Reynolds number at the bell be greater than 6×10^4 . Therefore, when choosing the model scale, it is necessary to ensure that the scaled flow rate will result in a high enough Reynolds number to minimize scale effects. It is common to be conservative and select a scale that results in a Reynolds number on the order of 1×10^5 .

Based on the above discussion, a Froude scaled, undistorted and geometrically similar model, with a scale on the order of 1:5.0 is anticipated for this study. At this scale, the Reynolds number will be on the order of 1.0×10^5 but will be finalized when additional pump details are made available. This scale is subject to change slightly based on final pump design drawings and the availability of materials.

PERFORMANCE CRITERIA

It is proposed that the following acceptance criteria be used for this model study:

1. No organized free surface or submerged vortices greater than a Type 1 (general rotation) should be permitted at Froude scaled flow rates
2. Pre-swirl should be less than 5-degrees at the pump impeller location (per Hydraulic institute).
3. Time averaged velocities within the pump throat should deviate less than 10 percent of the cross-sectional area average velocity
4. Time-varying velocity fluctuations (turbulence) at a point within the pump throat should be less than 10 percent. This is often allowed to deviate slightly when using submersible pumps.
5. The approach flow to the screens will be evaluated to ensure there is positive (no upstream flow) through the screens with a relatively uniform screen-flow distribution.

INSTRUMENTATION AND DATA COLLECTION

The following data will be collected and recorded for each test:

1. Flow Rate – The total model flow rate will be determined with an ASME standard orifice meter. Individual pump flow rates will be measured with elbow meters calibrated in-situ or other suitable flow meters with an accuracy of +/- 2 percent or better.

2. Water Levels – The water level in the pump sump will be recorded with a point or staff gauge with an accuracy of 3 mm (.01 ft) or better.
3. Vortices – Vortex formation will be visually observed. Dye will be used to aid in the visualization of vortex formation. Digital photographs and video footage will be used to document vortex formation.
4. Velocities – Velocity fluctuations and turbulence levels will be measured in the pump throat of one pump throat. The velocity meter will be capable of measuring the axial component of the flow velocity and will have a repeatability of +/- 2-percent. The velocities will be measured on a constant radius, at 8 points around the pump throat.
5. Pre-Swirl – A swirl meter will be installed in each pump. Each swirl meter consists of 4 straight vanes mounted on a shaft.

MODEL LIMITS

The upstream model boundary is assumed to be a portion of the influent pipe or channel. The entire intake from the influent channel intake to the pump station back wall, including all pumps, will be simulated in detail. The downstream model boundary will be the entrance to the pump impeller. The model head box, floor, and sidewalls will be constructed with waterproof wood. The model pumps, intake piping and suction inlet bells will be fabricated out of clear acrylic up to the impeller location. The additional piping will be fabricated out of PVC pipe.

The suction piping will be fabricated from PVC pipe. Valves will be used to control the individual pump flows as well as the total model flow. A pump will be installed downstream of the model pumps to re-circulate flow back to the model head box. Flow straightening devices will be installed as necessary to ensure that flow entering the model head box is uniform.

Friction losses within the model limits are negligible compared to form or boundary losses. Therefore, it is assumed that materials mentioned above will be appropriate for model construction.

Model design drawings will be prepared and submitted to Parsons for approval prior to construction. The overall model basin will be constructed with a tolerance of +/- 0.25 model inches. The model pumps will be constructed to within +/- 0.06 model inches.

TEST PROGRAM

The model testing will be carried out in four phases. The actual test conditions will be determined with additional input from the pump manufacturer, design engineer, and end user. Each phase is described below:

1. Baseline tests – Baseline tests will be conducted with the original intake design. It is anticipated that up to 6 baseline tests will be conducted and the data mentioned in the instrumentation and data collection section of this proposal will be collected during each test. The worst case conditions will be determined during this phase of testing. These tests will be used to determine the nature and severity of hydraulic phenomena occurring within the pump intake structure.
2. Modification Tests – Modification tests will be conducted and modifications will be performed to bring the pump intake within the performance criteria. All proposed modifications would be presented to Parsons for approval. Approximately 2 weeks have been allocated to modification testing. Changes will be limited to non-structural modifications only (i.e. the overall intake size and shape will remain unchanged).
3. Witness Test – Following modification testing, a one-day witness test can be held at Clemson Engineering Hydraulics facility to demonstrate the models with and without the proposed modifications. Preliminary modification drawings and a draft report will be available at the witness test. Representatives from Parsons and their clients will be encouraged to attend this test. Travel costs associated with Parsons attending this test are not included in this proposal.
4. Documentation Tests – Following the witness test, it is anticipated that up to 12 documentation tests will be conducted to document the performance of the pump intake with the recommended modifications in place. The cost of evaluating the performance of the intake with the proposed modifications is included in this proposal. The model will be capable of conducting 1.5 x Froude tests as well as minimum water level tests.

REPORTING

CEH will prepare a project report containing methodology, procedures, conclusions and recommendations, as well as all data and documentation acquired during the testing for each of the intakes. A draft report will be made available at the witness test. Raw video footage of the testing will be provided in DVD format.

SCHEDULE

Based on our current workload we anticipate that a draft report could be submitted in approximately 8 to 10 weeks. The final report will be issued approximately one week after the witness test. A detailed schedule will be provided once an actual start date has been determined.

PERSONNEL

Dr. David Werth, Ph.D., P.E. will serve as the project manager and principal investigator for this study as well as the primary technical contact. Dr. Werth has conducted and managed over 900 physical model studies of pump intake structures. Dr. Werth will be responsible for all phases of this project including model design and construction, testing and data collection, modifications, reporting, and quality assurance.

Mr. Ken Davy will be responsible for model construction and will manage the model operation. Mr. Davy has been responsible for the construction and operation of over 500 hydraulic model studies of pump intakes and has extensive experience in pump sump modeling. Additional technicians are available and may assist in model construction and instrumentation under the direct supervision of Dr. Werth and Mr. Davy.

Mr. Matthew Havice, P.E. will serve as the project engineer. Mr. Havice holds a Masters degree in Applied Fluid Mechanics and has over 10 years of physical modeling experience and has worked on over 400 pump intake models. Additional technicians are available and may assist in model construction and instrumentation under the direct supervision of Dr. Werth and Mr. Davy.

CLEMSON ENGINEERING HYDRAULICS, INC.

Clemson Engineering Hydraulics, Inc. (CEH) was “spun-off” from the successful modeling program developed by Dr. Werth and Mr. Davy at Clemson University. The company was formed to provide a larger more efficient physical hydraulic modeling program. CEH has relocated their modeling program to a much larger and better equipped 60,000 ft² facility just a few miles from the previous hydraulics lab located at Clemson University. The facility is fully equipped and staffed with significantly more physical modeling capabilities than those previously available at the university.

If needed, the following vender information is provided:

Company Name: Clemson Engineering Hydraulics, Inc.

Tax EIN: 20-5871960

Mailing Address: PO Box 1267, Anderson, SC 29621

Physical Address: 1203 River Heights Circle, Anderson SC 29625

Contact: Dr. David Werth, Ph.D., P.E. - Phone: 864-231-9585

COSTS

A separate attachment outlining the fixed price costs to conduct this study has been included for your review. This price includes the cost of all testing, including documentation testing to verify the performance with the proposed modifications in place.

CEH proposes the following invoicing schedule, but will be happy to negotiate if necessary:

- 100 % upon submittal of the final report (net 30 days)

Invoices not paid within 30 days are subject to interest from the 31st day at the rate of 1.5 percent per month (18 percent annum) but not to exceed the maximum interest allowed by law. In addition, CEH may, after giving 7 days written notice to client, suspend services without liability until the client has paid in full all amounts due on account of services rendered and expenses incurred including interest on past due invoices, or terminate services without liability. If there is a disputed amount on an invoice, client agrees to pay all undisputed amounts in the 30-day period. In the event that CEH places client's account in the hands of the attorney for collection, client agrees to pay CEH all fees and expenses, including attorney's fees.

Costs have been estimated with the assumption that Parsons will provide all information required for the model study. Parsons will be responsible for the accuracy and completeness of the information. The owner retains responsibility for integrating any recommendations into the final design. CEH is not responsible for implementation, construction, or operation.

CEH agrees to conduct this study based on commonly accepted physical modeling procedures as outlined in the 2018 Hydraulic Institute Standards, and provide such services on a best faith effort. CEH warrants that the study will conform to the 2018 Hydraulic Institute standards, as well as commonly accepted physical hydraulic modeling practices. CEH makes no other warranty, express or implied, and shall have no other liability to Client.

We look forward to the opportunity to once again work with Parsons on this important project. In the event that any of the assumptions or technical aspects of this proposal are invalid, or need clarification, please feel free to contact Dr. Werth by e-mail at dwerth@ceh-lab.com or phone at 864-231-9585. We look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink, appearing to read "David E. Werth". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David E. Werth, Ph.D., P.E.
President, Clemson Engineering Hydraulics, Inc.



**FIXED PRICE BUDGET
INLAND EMPIRE RP-5 RAS PUMP STATION**

SIMULATE FOUR PUMPS IN DETAIL

Fixed Price **\$50,000**
(includes modifications, witnessing, reporting and video)

Optional 1 Day On-Site Kickoff Meeting or Workshop
(includes all travel costs)

Optional Cost **\$5,000**

January 16, 2019

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: Proposal to Conduct Additional Geotechnical Investigation Work, RP-5 Expansion/Upgrade Project

Dear Mr. Marseilles:

Parsons is pleased to present this letter proposal to conduct additional geotechnical investigation work for the subject project. Included in the letter proposal is the project background, basis for scope, scope of services, schedule, level of effort and fee.

Background

The Inland Empire Utilities Agency's (IEUA) Regional Plant (RP)-5 expansion/upgrade project is currently in design phase. Currently, the design of the project is approximately 70% complete. As part of the 30% design package submittal, Parsons' geotechnical subconsultant, Diaz Yourman, conducted substantial geotechnical investigations and documented these in a geotechnical report dated December 15, 2017.

After the completion of the originally scoped investigation and report, the following work was identified for additional investigation:

1. Additional deep borings in support of proposed microtunneling of a new 36-inch overflow pipe from the Influent Pump Station (IPS) to the Emergency Overflow Pond (EOP). The pipe is designed to be about 30 to 35 feet below grade, and at this depth it may make sense to allow microtunneling, provided the geotechnical conditions are favorable.
2. Addition of a lift station at the El Prado Golf Course that was not in the original scope and requires at least one boring in the vicinity of the proposed wet well location.
3. Revised location of the food waste receiving facility from the SHF site to a site north of the proposed solids treatment facility. This area has not previously been tested for geotechnical conditions.

Basis for Scope

1. Provide subsurface geotechnical data for the proposed 36-inch diameter pipeline, to be reviewed for checking the feasibility of microtunneling at 30 to 35 feet below grade.
2. Provide geotechnical design recommendations for the El Prado Golf Course Lift Station. The wet well is estimated to extend to about 17 feet below grade.
3. Provide geotechnical data and design recommendations for the relocated food waste facility.

Scope of Work

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
January 16, 2019

Detailed scope of work for additional geotechnical investigation work is as follows:

Task 1: Data Review and Underground Service Alert (USA) Notification: Review underground utility information previously provided on record drawings, assist with encroachment permits (none anticipated), mark Task 2 locations, and contact USA.

Task 1A: Geophysical Survey to further identify underground utilities or obstructions for Task 2 below.

Task 2: Subsurface Exploration: Complete 4 SPT borings of about 40 feet depth for the pipeline and lift station, and 2 SPT borings at 20 feet depth for the food waste receiving facility. Backfill borings, and patch paved surfaces per procedures in the original scope of work.

Task 3: Laboratory Testing: Complete 20 moisture/dry density, 22 index tests (particle size analysis or Atterburg limits), 2 shear strength, 1 unconfined compression, 2 consolidation, 3 compaction, and 7 corrosion tests.

Task 4: Analysis and Reporting: Diaz Yourman will prepare and submit a draft and final supplemental report to document the results of the work conducted in the tasks identified above.

Task 5: Meetings and Consultation: Attend meetings and/or phone calls to assist with answering any questions related to the services completed.

Schedule

Tasks will be completed to support completion of the 90% and subsequent submittals per deliverable schedule to be established by the Agency and mutually agreed upon. Diaz Yourman requires approximately 8 weeks for completion after notice to proceed.

Level of Effort and Fee

The proposed fee for this effort is \$68,166.00. The detailed estimated level of effort is included in Attachment A.

The proposal from Diaz Yourman is included as Attachment B for further reference and clarity.

We thank IEUA for the opportunity to present this proposal. If you have any further questions or comments, please contact me at 626 440 3355 or at satish.kamath@parsons.com.

Sincerely,

Satish Kamath, P.E., BCEE



Vice President

Attachments:

- A - Detailed Fee Estimate Breakdown
- B - Diaz Yourman Letter Proposal

Attachment A

A - Estimated Level of Effort and Fee

TASK	DESCRIPTION	HOURS BY LABOR CLASSIFICATION														TOTAL HOUR	LABOR FEE	SUBCONSULTANT			
		A	B	C	D	E	F	G	H	I	J	K	L	M	Blas			Yourman	TOTAL \$/HR w/ 4.5% MARKUP	ODC _a	TOTAL FEE
		\$275/hr	\$265/hr	\$250/hr	\$235/hr	\$215/hr	\$205/hr	\$170/hr	\$125/hr	\$112/hr	\$140/hr	\$106/hr	\$170/hr	\$95/hr							
1. Data Review, Underground Service Alert (USA), Geophysical Survey																					
1.1	Data Review and USA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$3,050	\$3,203	\$0	\$3,203
1.2	Geophysical Survey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$3,400	\$3,570	\$0	\$3,570
1.3	Project Management/Coordination	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	\$1,000	\$0	\$0	\$20	\$1,020
	Subtotal Task 1	0	2	0	2	0	0	0	0	0	0	0	0	0	0	\$1,000	\$6,450	\$6,773	\$20	\$7,783	
2. Subsurface Exploration																					
2.1	Subsurface Exploration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$22,200	\$23,310	\$0	\$23,310
2.2	Project Management/Coordination	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	\$1,000	\$0	\$0	\$20	\$1,020
	Subtotal Task 2	0	2	0	2	0	0	0	0	0	0	0	0	0	0	\$1,000	\$22,200	\$23,310	\$20	\$24,530	
3. Conduct Laboratory Testing																					
3.1	Lab Testing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$7,800	\$8,190	\$2,500	\$10,690
3.2	Project Management	0	2	0	0	2	0	0	0	0	0	0	0	0	0	0	\$860	\$0	\$0	\$19	\$879
	Subtotal Task 3	0	2	0	0	2	0	0	0	0	0	0	0	0	0	\$860	\$7,800	\$8,190	\$2,519	\$11,869	
4. Analyze and Reporting																					
4.1	Report Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$18,900	\$19,845	\$0	\$19,845
4.2	Project Management/Engineering Review	0	2	0	4	4	0	0	0	0	0	0	0	0	0	0	\$2,330	\$0	\$0	\$47	\$2,377
	Subtotal Task 4	0	2	0	4	4	0	0	0	0	0	0	0	0	0	\$2,330	\$18,900	\$19,845	\$47	\$22,522	
5. Meetings and Consultation																					
5.1	Meetings and Consultation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$2,050	\$2,153	\$0	\$2,153
	Subtotal Task 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$2,050	\$2,153	\$0	\$2,153	
	Total Tasks 1 through 5	0	8	0	8	6	0	0	0	0	0	0	0	0	0	\$5,290	\$57,400	\$60,270	\$2,606	\$68,166	
	Grand Total	0	8	0	8	6	0	0	0	0	0	0	0	0	0	\$5,290	\$57,400	\$60,270	\$2,606	\$68,166	

- | | | |
|-------------------------|--------------------------|---|
| A = Principal-in-Charge | F = Supervising Engineer | K = Designer |
| B = Project Manager | G = Senior Engineer | L = Cost Estimator/Schedule/Project Controls |
| C = Technical Advisor | H = Staff Engineer | M = Administrative Support Staff/Word Processor |
| D = Principal Engineer | I = Associate Engineer | |
| E = Project Engineer | J = Senior Designer | |

Attachment B



Date: November 21, 2018 Proposal No: PW18-087
To: Mr. Bill Lu From: Mr. V.R. (Nadesh) Nadeswaran
 Parsons
Email: bill.lu@parsons.com
cc:

Subject: Revised Proposal for Supplemental Geotechnical Services
 Inland Empire Utilities Agency
 Regional Water Recycling Plant RP-5
 Chino, California

Diaz•Yourman & Associates (DYA) is pleased to present this revised proposal to provide supplemental geotechnical services for the subject project. This proposal is based on our review of your email dated November 16, 2018; our previous proposal dated June 18, 2018; and our discussions. We understand that supplemental geotechnical services will be required for the following:

- To provide subsurface geotechnical data for the proposed 36-inch-diameter pipeline that will be installed using microtunnelling within the RP-5 site. The pipeline will be installed approximately 30 to 35 feet below the ground surface (bgs).
- To provide geotechnical design recommendations for design of a lift station at the El Prado Golf Course site. The lift station bottom floor will be approximately 17 feet bgs.
- To provide subsurface geotechnical data and design recommendations for the relocated food waste facility as shown on the November 16, 2018, email.

We propose to perform our services in two stages: design and construction. The scope of services specifically excludes any exploration needed to evaluate the presence or absence of hazardous or toxic materials, including mold, at the site in the soil, surface water, or groundwater. However, these environmental services can be provided upon request. Our scope of services for input to design, proposed schedule, and estimated fee are summarized in Table 1, followed by a list of assumptions. Our scope of services for construction will be provided once the design is complete and the contractor's schedule is known.

We propose to provide our design services on a lump-sum basis in accordance with the attached agreement. Future services will be provided on a time-and-expense basis in accordance with our attached Schedule of Charges.

Table 1 - PROJECT SUMMARY

TASK		SCOPE	SCHEDULE (weeks)*	DYA LABOR FEE	DIRECT AND OUTSIDE COST	FEE
1	Data Review and Underground Service Alert (USA) Notification	Review project and underground utility information provided. Assist in obtaining encroachment permits. Mark Task 2 locations in the field and contact USA.	3	\$3,000	\$50	\$ 3,050
1A	Geophysical Survey	Perform a geophysical survey to help check Task 2 locations for underground utilities.	3	\$1,200	\$2,200	\$ 3,400
2	Subsurface Exploration	Drill 4 borings along the proposed pipeline and lift station, each approximately 40 feet deep. Drill 2 borings each approximately 20 feet deep at the relocated food waste facility. Backfill borings. Patch paved surfaces.	3	\$6,000	\$16,200	\$ 22,200
3	Laboratory Testing	Perform 20 moisture content/dry density, 22 index test (particle size analysis - #200 sieve, or Atterberg limits), 2 shear strength, 1 unconfined compression, 2 consolidation, 3 compaction, and 7 corrosion tests.	6	\$900	\$6,900	\$ 7,800
4	Analysis and Reporting	Provide a supplemental report with conclusions and recommendations regarding subsurface conditions, seismic hazards, earthwork/grading, shallow foundation bearing capacity and settlement, temporary excavation stability, lateral earth pressures, and corrosion potential.	8	\$18,900	\$0	\$ 18,900
5	Meetings and Consultation	Attend meetings and provide consultation when requested.	As requested	\$2,000	\$50	\$2,050
TOTAL			8	\$32,000	\$25,400	\$57,400
Note:						
* Time to complete after receipt of written notice to proceed or site access is granted, whichever is later.						

The fee and schedule presented in Table 1 are based on the following assumptions:

- This scope of services is authorized within 90 days.
- Coordination with El Prado Golf Course is provided by others.
- Encroachment permits are provided by others.
- Access permit fees are paid by others.
- All underground utilities are shown correctly on one set of plans described in Task 1. Note that sewer and storm drains are not included in the USA inventory.



- Geophysical survey, drilling, and laboratory testing services will be provided by outside independent subconsultants/subcontractors. .
- The site is accessible to truck-mounted field equipment during non-overtime hours.
- Prevailing wage rules apply to DYA's subcontractor's field work.
- Soil, groundwater, and investigation-derived waste are not contaminated or hazardous.
- Borings will be backfilled with cuttings above the groundwater and cement bentonite grout below.
- Paved surfaces will be patched with cold-patch asphalt.
- Subsurface investigation and recommendations for pipeline construction within the Golf Course is not included.
- A supplemental report will be prepared to summarize the information from this investigation. Incorporation into previous report for IEUA is not required.
- A draft report will be provided in electronic pdf format.
- One original and an electronic copy of the final report will be provided.
- Reviewing project plans and responding to permitting agency review comments are not included.

To provide written authorization to proceed, please sign the attached agreement or issue an amendment to the existing contract.

We appreciate the opportunity to continue to provide our services to you on this project. If you have any questions, please call.



ATTACHMENT A

DIAZ•YOURMAN & ASSOCIATES
Schedule of Charges - 2018

Professional Services	
Staff I	\$130.00/hour
Staff II	150.00/hour
Project I.....	176.00/hour
Project II.....	182.00/hour
Associate I	219.00/hour
Associate II	234.00/hour
Principal	262.00/hour

Support Services	
CADD/ Word Processing	93.00/hour
Technical Editing	113.00/hour
Technician I	109.00/hour
Technician II	132.00/hour

Prevailing Wage Field Services	
Week Days (6 am to 5 pm).....	152.00/hour
Weekday Overtime (first 4 hours).....	182.00/hour
Week Nights (5 pm to 6 am), Saturdays (0 to 12 hours).....	182.00/hour
Sundays, Holidays, Other Overtime	211.00/hour

Equipment	
Field Truck.....	18.00/hour
Mileage	IRS Rate/mile
Nuclear Gauge.....	95.00/day
Manometer.....	56.00/day
Slope Inclinator.....	61.00/day
Coring Machine.....	221.00/day
Other Equipment.....	Separate Schedule

Outside direct costs such as subconsultants, equipment rental, outside services, printing, copying, travel, and subsistence..... Cost + 15%

For non prevailing wage field services provided by a staff engineer during night time (7 pm to 7 am) a \$160 surcharge/ per night and a minimum per visit charge of 4 hours will apply.

Contract personnel may be charged at the hourly rates listed above. Travel time will be charged at regular hourly rates. Appearances as a witness (including depositions and court appearances) will be charged at a rate of \$400/hour plus expenses, with a minimum daily charge of 4 hours. Preparation will be charged at regular hourly rates.

These rates are subject to a minimum 3 percent escalation for services provided in subsequent years.

Invoices are due upon receipt and are past due 30 days after the invoice date. A finance charge of 1.5~percent per month, or the maximum allowed by law, will be charged on past due invoices.

Diaz•Yourman & Associates makes no warranty, either express or implied, to its statements, conclusions, findings, recommendations or specifications except that they are prepared and presented in accordance with generally accepted standard of care.



ATTACHMENT B

AGREEMENT BETWEEN CLIENT AND DYA

1. Proposal number PW18-087 and this agreement contain the entire agreement between Parsons (Client) and DYA. Any prior agreements, promises, negotiation or representations not expressly set forth in this agreement are of no force or effect. Subsequent modifications to this agreement shall be in writing and signed by both Client and DYA.
2. Client agrees that if Client requests services not specified in the scope of services described in this agreement, Client will pay for all such additional services as extra services, in accordance with DYA's Schedule of Charges.
3. DYA's or Client's waiver of any term, condition or covenant shall not constitute the waiver of any other term, condition or covenant. DYA's or Client's waiver of any breach of this agreement shall not constitute the waiver of any other breach of the agreement.
4. If any term, condition, or covenant of this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this agreement shall be valid and binding on Client and DYA.
5. Client acknowledges all reports, plans, specifications, field data and notes and other documents prepared by DYA are instruments of service, and shall remain the property of DYA and may be used by DYA without the consent of Client.
6. All fees and other charges due DYA will be billed monthly and shall be due at the time of billing. If Client fails to pay DYA within thirty (30) days after invoices are rendered, DYA shall have the right in its sole discretion to consider such default in payment a material breach of this entire agreement, and, upon written notice, DYA duties, obligations and responsibilities under this agreement may be suspended or terminated. In such event, Client shall promptly pay DYA for all outstanding fees and charges due DYA at the time of suspension or termination and reasonable suspension of termination costs or expenses. Client agrees to pay a monthly late payment charge, which will be the lesser of one and one-half percent (1-1/2%) per month or a monthly charge not to exceed the maximum legal rate, which will be applied to any unpaid balance commencing thirty (30) days after the due date of the billing.
7. Client agrees that in accordance with generally accepted construction practices, the construction contractor and construction subcontracts will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety of all persons and property, and that this requirement shall apply continuously and not be limited to normal working hours. Neither the professional activities of DYA nor the presence of DYA employees or subconsultant at a construction site shall relieve the contractor and its subcontractors of their obligations, duties and responsibilities.
8. DYA makes no warranty, either expressed or implied, as to its findings, recommendations, plan, specification, or professional advice except that the services were performed pursuant to generally accepted standards of professional practice in effect at the time of performance.
9. Client agrees to limit the liability of DYA, its principals, employees, and subconsultants, to Client and all third parties, for any claim or action arising in tort, contract, or strict liability, to the sum of \$25,000 or two times DYA's fee, whichever is greater. Client and DYA acknowledge that this provision was expressly negotiated and agreed upon.



10. Client acknowledges that DYA's scope of services for this project does not include any services related in any way to asbestos and/or hazardous or toxic materials. Should DYA or any other party encounter such materials on the job site, or should it in any other way become known that such materials are present or may be present on the job site or any adjacent or nearby areas which may affect DYA's services, DYA may, at its option, suspend or terminate work on the project.
11. DYA shall be entitled to immediately, and without notice, suspend the performance of any and all of its obligations pursuant to this agreement if Client files a voluntary petition seeking relief under the United States Bankruptcy Code or if there is an involuntary bankruptcy petition filed against Client in the United States Bankruptcy Court.
12. This agreement shall be governed by and construed in accordance with the laws of the State of California.
13. In the event of any litigation arising from or related to the services provided under this agreement, the prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorney's fees and other related expenses.
14. Except as noted below, in an effort to resolve any conflicts that arise during the design or construction of the project or following completion of the project, Client and DYA agree that all disputes between them arising out of or relating to this agreement shall be submitted to nonbinding mediation, unless the parties mutually agree otherwise.
15. Client agrees that in the event DYA institutes litigation to enforce or interpret the provisions of this agreement, such litigation is to be brought and adjudicated in the appropriate court in Orange County and Client waives the right to bring, try or remove such litigation to any other county or judicial district.
16. No statement herein shall preclude or limit DYA's right to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court or limit DYA's right to file, perfect or enforce applicable mechanic's liens or stop notice remedies. In this regard, preliminary notices may be filed by DYA or its subcontractors.
17. The amount of this authorization is \$57,400. The method of charging for DYA's services shall be on a lump sum basis. If it appears that the authorized amount will be exceeded because of changes in anticipated scope or conditions, Client will be promptly notified and DYA will present a revised estimate for additional authorization.

Accepted:

DIAZ•YOURMAN & ASSOCIATES

PARSONS

Signature: V.R. Nadeswaran

Signature: _____

Name: V.R. Nadeswaran, GE

Name: _____

Title: Principal Engineer

Title: _____

Date: November 21, 2018

Date: _____



January 16, 2019

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: Proposal to Re-tag Existing Equipment, RP-5 Expansion/Upgrade Project

Dear Mr. Marseilles:

Parsons is pleased to present this letter proposal to assist with re-tagging of existing equipment at RP-5, for items not affected by the RP-5 Expansion and Upgrade project. Included in the letter proposal is the project background, basis for scope, scope of services, schedule, level of effort and fee.

Background

The Inland Empire Utilities Agency's (IEUA) Regional Plant (RP)-5 expansion/upgrade project is currently in design phase. Currently, the design of the project is approximately 70% complete. As part of the 50% design package submittal Parsons prepared a nearly complete set of P&ID's and Process Control Narratives, including nearly all the unit processes affected by the project. The Agency's new tagging standards were undetermined at the time of the 50% submittal. Since then, the tagging standards have been defined, and the Agency has expressed interest in re-tagging equipment not affected by the expansion project at RP-5. This will be done by updating existing Process Control Narratives (PCNs) and/or creating or modifying existing Process and Instrumentation Diagrams (P&IDs). Re-tagging of existing equipment not affected by the RP-5 Expansion/Upgrade Project is not included in the original contractual scope of work.

Assumptions

- 1) Existing P&IDs available at IEUA include:
 - a. Eleven existing record P&IDs (electronic CAD files available) at RP-5.
 - b. Four existing record P&IDs (electronic CAD files available) at REEP.
 - c. Fourteen existing P&IDs (only PDFs available) at SHF.
- 2) Existing PCNs at IEUA are available only for RP-5 for 17 process areas. Two processes do not have PCNs (Primary Anionic Polymer and Tertiary Cationic Polymer). There are no PCNs for REEP and SHF.
- 3) Processes to be demolished as part of the RP-5 Expansions/upgrade Project are not included in this scope of work.
- 4) CAD and 3D Model Development shall follow RP-5 overall design approach. AutoCAD MEP 3D for process mechanical and electrical; Revit 3D for structural and architectural; Civil 3D for civil site work and yard piping.
- 5) Design drawings and specifications for this task will be integrated with other project drawings and specifications at 100% design level.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
January 16, 2019

Basis for Scope

There is equipment at RP-5, REEP, and SHF that is unaffected by the RP-5 Expansion/Upgrade Project. The design effort to re-tag this existing equipment is identified to include both PCNs and P&IDs as separate tasks:

Task 1: Modify only available 17 PCNs at RP-5 with new tags. Alarm tags will not be included (left blank for programmer's input).

Task 2: Modify or create P&IDs with new tags. There are two options for this task:

- i. **Option 2a:** Modify or create P&IDs "as-is" with new tags. In this option, Record P&IDs will not be field-verified. It is recognized that the SHF may be eliminated from this effort at the Agency's discretion, and the effort for this area is separately listed.
- ii. **Option 2b:** modify/create P&IDs "field verified" with new tags. In this option, only above ground and accessible equipment/instruments/piping will be field verified. Pipe sizes will not be field verified. It is recognized that the SHF may be eliminated from this effort at the Agency's discretion, and the effort for this area is separately listed.

Scope of Work

Detailed scope of work for re-tagging of existing equipment at RP-5 not affected by the expansion project:

Task 1 - PCNs: Develop Modified Process Control Narratives (PCNs) to incorporate the new tags in accordance with the basis for scope defined above.

Task 2, Option a – P&IDs: Develop or create up to 29 P&IDs with new tags, without field verification, based solely on existing record drawings as described in the basis for scope defined above.

Task 2, Option b – P&IDs: Develop or create up to 29 P&IDs with new tags, including field verification, as described in the basis for scope defined above.

Schedule

All tasks will be completed to support completion of the 100% and subsequent submittals per deliverable schedule to be established by the Agency and mutually agreed upon.

Level of Effort and Fee

Task 1 - 52 manhours, subtotal fee of \$10,231.00.

Task 2, Option a - 178 manhours, subtotal fee of \$33,527.00. If SHF is not included, then this option is reduced to 60 manhours, subtotal fee of \$13,841.00.

Task 2, Option b- 358 manhours, subtotal fee of \$67,402.00. If SHF is not included, then this option is reduced to 158 manhours, subtotal fee of \$34,078.00.

A detailed breakdown of this fee is included in Attachment A.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
January 16, 2019

A summary table of the fee estimate for the various options is included below:

Tasks		With SHF	Without SHF
1+2a	PCNs, P&IDs without field verification	\$ 43,758	\$ 24,072
1+2b	PCNs, P&IDs with field verification	\$ 77,632	\$ 44,309

If the Agency selects a combination of Task 1 and Task 2b, without SHF, as we would recommend based on our current understanding, the total fee would be \$44,309.

A detailed breakdown of this fee is included in Attachment A (with SHF) and Attachment B (without SHF).

We thank IEUA for the opportunity to present this proposal. If you have any further questions or comments, please contact me at 626 440 3355 or satish.kamath@parsons.com.

Sincerely,



Satish Kamath, P.E., BCEE
Vice President

Attachment A

A - Estimated Level of Effort and Fee, with SHF

HOURS BY LABOR CLASSIFICATION																		
TASK	DESCRIPTION	A	B	C	D	E	F	G	H	I	J	K	L	M	TOTAL HOUR	LABOR FEE	ODCs	TOTAL FEE
		\$275/hr	\$265/hr	\$250/hr	\$235/hr	\$215/hr	\$205/hr	\$170/hr	\$125/hr	\$112/hr	\$140/hr	\$108/hr	\$170/hr	\$65/hr				
1. Develop Revised PCN's																		
1.1	PCN's for RP-5	0	0	0	0	0	24	24	0	0	0	0	0	0	48	\$9,000	\$180	\$9,180
1.2	Project Management	0	2	2	0	0	0	0	0	0	0	0	0	0	4	\$1,030	\$21	\$1,051
Subtotal Task 1		0	2	2	0	0	24	24	0	0	0	0	0	0	52	\$10,030	\$201	\$10,231
2a. Develop P&ID's without field verification																		
2.1	P&ID's for RP-5, REEP, SHF	0	0	0	0	0	60	112	0	0	0	0	0	0	172	\$31,340	\$627	\$31,967
2.2	Project Management	0	2	4	0	0	0	0	0	0	0	0	0	0	6	\$1,530	\$31	\$1,561
Subtotal Task 2		0	2	4	0	0	60	112	0	0	0	0	0	0	178	\$32,870	\$657	\$33,527
2b. Develop P&ID's with field verification																		
3.1	P&ID's for RP-5, REEP, SHF	0	0	0	0	0	120	226	0	0	0	0	0	0	346	\$63,020	\$1,260	\$64,280
3.2	Project Management	0	4	8	0	0	0	0	0	0	0	0	0	0	12	\$3,060	\$61	\$3,121
Subtotal Task 3		0	4	8	0	0	120	226	0	0	0	0	0	0	358	\$66,080	\$1,322	\$67,402
Total Tasks 1 and 2a, with SHF		0	4	6	0	0	84	136	0	0	0	0	0	0	230	\$42,900	\$858	43,758
Total Tasks 1 and 2b, with SHF		0	6	10	0	0	144	260	0	0	0	0	0	0	410	76,110	1,622	77,732

A =	Principle-In-Charge	F =	Supervising Engineer	K =	Designer
B =	Project Manager	G =	Senior Engineer	L =	Cost Estimator/Scheduler/Project Controls
C =	Technical Advisor	H =	Staff Engineer	M =	Administrative Support Staff/Word Processor
D =	Principal Engineer	I =	Associate Engineer		
E =	Project Engineer	J =	Senior Designer		

B - Estimated Level of Effort and Fee, without SHF

HOURS BY LABOR CLASSIFICATION																		
TASK	DESCRIPTION	A	B	C	D	E	F	G	H	I	J	K	L	M	TOTAL HOUR	LABOR FEE	ODCs	TOTAL FEE
		\$276/hr	\$265/hr	\$250/hr	\$235/hr	\$215/hr	\$205/hr	\$170/hr	\$125/hr	\$112/hr	\$140/hr	\$108/hr	\$170/hr	\$95/hr				
1. Develop Revised PCN's																		
1.1	PCN's for RP-5	0	0	0	0	0	24	24	0	0	0	0	0	0	48	\$9,000	\$180	\$9,180
1.2	Project Management	0	2	2	0	0	0	0	0	0	0	0	0	0	4	\$1,030	\$21	\$1,051
Subtotal Task 1		0	2	2	0	0	24	24	0	0	0	0	0	0	52	\$10,030	\$201	\$10,231
2a. Develop P&ID's without field verification																		
2.1	P&ID's for RP-5, REEP	0	0	0	0	24	36	0	0	0	0	0	0	0	60	\$12,540	\$251	\$12,791
2.2	Project Management	0	2	2	0	0	0	0	0	0	0	0	0	0	4	\$1,030	\$21	\$1,051
Subtotal Task 2		0	2	2	0	24	36	0	0	0	0	0	0	0	64	\$13,570	\$271	\$13,841
2b. Develop P&ID's with field verification																		
3.1	P&ID's for RP-5, REEP	0	0	0	0	60	90	0	0	0	0	0	0	0	150	\$31,350	\$627	\$31,977
3.2	Project Management	0	4	4	0	0	0	0	0	0	0	0	0	0	8	\$2,080	\$41	\$2,101
Subtotal Task 3		0	4	4	0	60	90	0	0	0	0	0	0	0	158	\$33,410	\$668	\$34,078
Total Tasks 1 through 2a, without SHF		0	4	4	0	24	60	24	0	0	0	0	0	0	116	\$23,600	\$472	24,072
Total Tasks 1 through 2b, without SHF		0	8	6	0	60	114	24	0	0	0	0	0	0	210	43,460	869	44,309

A = Principal-in-Charge	F = Supervising Engineer	K = Designer
B = Project Manager	G = Senior Engineer	L = Cost Estimator/Scheduler/Project Controls
C = Technical Advisor	H = Staff Engineer	M = Administrative Support Staff/Word Processor
D = Principal Engineer	I = Associate Engineer	
E = Project Engineer	J = Senior Designer	

January 31, 2019

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: Proposal for additional engineering services to provide corrosion assessment and corrosion protection system design, RP-5 Expansion/Upgrade Project

Dear Mr. Marseilles:

Parsons is pleased to present this letter proposal for additional engineering services to provide corrosion assessment and corrosion protection design for the RP-5 Expansion/Upgrade Project. Included in the letter proposal is the project background, basis for the scope, scope of services, schedule, and level of effort and fee.

Background

The Inland Empire Utilities Agency (IEUA) Regional Water Recycling Plant No. 5 (RP-5) expansion/upgrade project is in the design phase. Currently, the design of the project is approximately 70% complete. The geotechnical investigation report dated December 15, 2017 prepared by Diaz • Yourman & Associates (DYA) for this project identified that on-site soils in certain areas could be corrosive to buried metal pipes. The soils could be classified as severely corrosive to buried metal pipes based on the results of soil resistivity from the lab soil analyses, which would require the services of a corrosion protection consultant to provide corrosion condition assessment, pipe coating and cathodic protection design, and technical support for corrosion control and prevention.

In our proposal dated March 9, 2017, we had included corrosion consulting services to be performed by Corrosion Probe, Inc. (CPI), which were not included in the scope of work for the final design as authorized by IEUA then. In consideration of the severe corrosivity of on-site soils as presented in the project geotechnical report, we recommend that CPI be retained as a subconsultant to provide corrosion protection specialty services, as described in the enclosed CPI proposal dated January 29, 2019, who will prepare a corrosion assessment report and provide design for corrosion protection of metal pipelines to be constructed for the project. Parsons will incorporate the corrosion protection measures as recommended and designed by CPI into the design plans and specifications for the project pipelines.

Basis for the Scope

Based on the soil corrosivity information provided in the geotechnical report prepared by DYA, a corrosion assessment will be conducted initially, including desktop review of the geotechnical report, corrosion assessment, life cycle cost analysis, and a corrosion assessment report presenting corrosion mitigation recommendations. Following review and approval by IEUA, design of the mitigation measures as recommended in the corrosion assessment report will be prepared by NACE-certified cathodic protection specialists and SSPC-

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
January 31, 2019

certified protective coating specialists from CPI. Parsons will modify civil and electrical plans and specifications as required to incorporate the corrosion protection design provided by CPI.

Scope of Work

Detailed scope of work for corrosion engineering services is as follows:

Task 1 – Provide Corrosion Assessment

- A. Perform Desktop Review** – CPI will review pipeline plans, geotechnical reports, historical data and any other related records and reports for corrosion conditions assessment.
- B. Conduct Corrosion Assessment** – Based on the above reviews, CPI will develop recommendations for corrosion control of the buried pipelines. This will include protective coatings and cathodic protection solutions. The requirements for evaluation of stray current effects will be incorporated into the design specifications, to be performed by the contractor during construction. Parsons and CPI will participate in discussions with IEUA personnel regarding the recommended approaches to corrosion control.
- C. Perform Life-Cycle Cost Analysis** – Parsons will use the construction and O&M cost information provided by CPI for the corrosion control recommended options to perform a life-cycle cost analysis comparing the capital and O&M costs associated with the various corrosion control options.
- D. Prepare Corrosion Assessment Report** – CPI will prepare and submit a Corrosion Assessment Report containing results from the reviews, analyses and evaluations and providing recommendations for corrosion control of the buried pipelines. Possible stray current effects from any cathodic protection systems, along with mitigation recommendations, will be discussed. This report will also contain the life-cycle cost analysis.

Deliverable: Draft Corrosion Assessment Report in PDF and Final Corrosion Assessment Report in PDF.

Task 2 – Provide Design and Bidding Support

- A. Provide Corrosion Protection Design** – CPI will provide design of corrosion control systems (protective coatings and cathodic protection), as recommended in the previous tasks. For protective coatings, CPI will prepare specifications. For cathodic protection, CPI prepare design calculations, specifications, detail drawings, and construction cost estimates, including locations for cathodic protection system components. Parsons will incorporate the corrosion protection design into the design plans and specifications.
- B. Provide Bid Phase Support** – Provide support services during bidding phase, including responding to requests for information from bidders and evaluating bids received.

Deliverable: Design plans and specifications incorporating coating and corrosion protection measures for pipeline facilities.

Schedule

1. Draft Corrosion Assessment Report: 5 weeks from NTP.
2. Final Corrosion Assessment Report: 2 weeks from receiving IEUA review comments.
3. Incorporation of corrosion protection design into design plans and specifications: 4 weeks after IEUA approval of the Corrosion Assessment Report.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
January 31, 2019

Level of Effort and Fee

The level of effort and fee is presented in Exhibit A for an amount of \$49,990.

We thank IEUA for the opportunity to present this proposal. If you have any further questions or comments, please call me at 626 440 3355 or contact me at satish.kamath@parsons.com.

Sincerely,



Satish Kamath, P.E., BCEE
Vice President

Enclosures:

1. Fee estimate breakdown
2. Corrosion Probe, Inc. letter proposal

Attachment 1

Corrosion Assessment and Corrosion Protection Design
RP-5 Expansion/Upgrade Project

Estimated Level of Effort and Fee



Task	Description	Hour by Labor Classification										Total Hour	Labor Fee	Subconsultant		ODC	Total Fee	
		B	C	D	E	F	G	H	I	J	Corrosion Probe			Total Sub w/ 5% markup				
		\$265/hr	\$250/hr	\$235/hr	\$215/hr	\$205/hr	\$170/hr	\$125/hr	\$112/hr	\$140/hr								
1. Provide Corrosion Assessment																		
A.	Perform Desktop Review											0	\$0	\$800	\$840	\$0	\$840	
B.	Conduct Corrosion Assessment										0	\$0	\$6,900	\$7,245	\$0	\$7,245		
C.	Perform Life-Cycle Cost Analysis				4						4	\$860	\$1,000	\$1,050	\$0	\$1,910		
D.	Prepare Corrosion Assessment Report										0	\$0	\$9,500	\$9,975	\$0	\$9,975		
Subtotal Task 1		0	0	0	4	0	0	0	0	0	4	\$860	\$18,200	\$19,110	\$0	\$19,970		
2. Provide Design and Bidding Support																		
A.	Provide Corrosion Protection Design			2		12					54	68	\$10,490	\$16,000	\$16,800	\$0	\$27,290	
B.	Provide Bid Phase Support										0	\$0	\$2,600	\$2,730	\$0	\$2,730		
Subtotal Task 2		0	0	2	0	12	0	0	0	0	54	68	\$10,490	\$18,600	\$19,530	\$0	\$30,020	
Total Tasks 1 and 2		0	0	2	4	12	0	0	0	0	54	72	\$11,350	36,800	38,640	\$0	\$49,890	
B = Project Manager		E = Project Engineer			H = Staff Engineer													
C = Technical Advisor		F = Supervising Engineer			I = Associate Engineer													
D = Principal Engineer		G = Senior Engineer			J = Senior Designer													



CORROSION PROBE, INC.

THE COMPLETE ENGINEERING APPROACH – FROM DETECTION TO CORRECTION

January 29, 2019

Via E-mail: bill.lu@parsons.com

Bill Lu
Principal Project Manager
Parsons
100 West Walnut Street
Pasadena, CA 91124

Subject: Proposal for Corrosion Engineering Services for Inland Empire Utilities Agency – RP-5 Liquids Treatment System Expansion and Solids Treatment Facility (Project No. EN19001 & EN19006)

Dear Mr. Lu:

Corrosion Probe, Inc. (CPI) is pleased to provide this proposal for the subject services. CPI has been asked to provide recommendations for corrosion protection of buried, welded steel and ductile iron pipelines, and associated preparation of construction plans, specifications, and estimates. To fulfill this request, CPI proposes the following scope of work, schedule and cost.

Scope of Work

Phase I – Corrosion Assessment

- A. **Desktop Review** – Review pipeline plans, geotechnical reports, historical data and any other related records and reports.
- B. **Corrosion Assessment** – Based on the above reviews, develop recommendations for corrosion control of the buried pipelines. This will include protective coatings and cathodic protection solutions. Evaluation of stray current effects will be incorporated into the design specification, to be performed during construction. Participate in discussions with Parsons and Inland Empire Utilities Agency (IEUA) personnel regarding the recommended approaches to corrosion control.
- C. **Life-Cycle Cost Analysis Input** – Provide construction and O&M cost information for the corrosion control recommended options. This cost information will be used by Parsons to perform a Life-Cycle Cost Analysis comparing the capital and O&M costs associated with the various corrosion control options.

CORPORATE HEADQUARTERS:

12 INDUSTRIAL PARK ROAD • P.O. BOX 178 • CENTERBROOK, CT 06409-0178 • PHONE: (860) 767-4402 • FAX: (860) 767-4407 • WWW.CPIENGINEERING.COM

ALABAMA • FLORIDA • GEORGIA • INDIANA • MAINE • MASSACHUSETTS
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- D. Reporting** – Prepare and submit a Corrosion Assessment report containing results from the reviews, analyses and evaluations and providing recommendations for corrosion control of the buried pipelines. Possible stray current effects from any cathodic protection systems, along with mitigation recommendations, will be discussed. This report will also contain the Life-Cycle Cost Analysis.

Phase II – Design and Bidding

- E. Corrosion Protection Design** – Provide design of corrosion control systems (protective coatings and cathodic protection), as recommended in the previous tasks. For protective coatings, prepare specifications. For cathodic protection, prepare design calculations, specifications, detail drawings, and construction cost estimates. Civil drawings will also be red-lined to show locations for cathodic protection system components. Design documents will be in accordance with IEUA standards. 90% and 100% design stage documents will be submitted to IEUA for review and comment.
- F. Bid-Phase Support** – Provide support services during bidding phase, including responding to Requests for Information from bidders and evaluating bids received.

Schedule

Phase I – Corrosion Assessment

The Corrosion Assessment scope of work is anticipated to take about four weeks. Factors affecting CPI's schedule will include scheduling and execution of the soil sampling and timeframe for review of the Corrosion Assessment Report drafts by Parsons and IEUA.

- A. Desktop Review** will be completed within two to three days after authorization to proceed.
- B. Corrosion Assessment** will be completed within two weeks after authorization to proceed. A conference call discussion will be arranged with Parsons and IEUA personnel upon completion of the Corrosion Assessment.
- C. Life-Cycle Cost Analysis Input** will be provided to Parsons upon completion of the Corrosion Assessment and after the conference call discussion.
- D.** A draft of the Corrosion Assessment Report will be provided to Parsons within one week after the Life-Cycle Cost Analysis Input has been provided. Draft review comments will be incorporated into a second draft of the report, which will then be submitted to IEUA for review. The final Corrosion Assessment Report will be submitted within one week after review comments have been received from IEUA.

Phase II – Design and Bidding

- E. Corrosion Protection Design** (90% design stage) will be completed within two weeks after the final Corrosion Assessment Report has been submitted. The remaining schedule will be in concert with the remaining schedule (100% design stage, etc.) for the overall project.
- F. Bid-Phase Support** will be provided as requested, and within the time frame required for each task, by IEUA.

Qualifications to Proposal

CPI's scope and cost estimate are based on the following assumptions and qualifications:

1. All work proposed herein will be performed under the direction of Mr. Leonard Bouchard, NACE-certified Cathodic Protection Specialist. Others providing support on this project will be NACE-certified Senior Corrosion Technologists and NACE- and SSPC-certified Protective Coatings Specialists.
2. All work will be performed remotely; there is no site work proposed in this scope of work.
3. For the **Corrosion Assessment**, note that different corrosion control recommendations will likely be different for different pipelines, based on pipe material, planned coating systems, differences in soil characteristics, ability to electrically isolate pipe from other metallic structures, etc.
4. Parsons will perform the Life-Cycle Cost Analysis, with cost input from CPI (Task C).

Cost

CPI's estimated cost to perform the scope of work as described herein is as follows:

Phase I – Corrosion Assessment

A.	Desktop Review	\$800
B.	Corrosion Assessment	\$6,900
C.	Life-Cycle Cost Analysis Input	\$1,000
D.	Reporting	\$9,500
Subtotal Phase I		\$18,200

Phase II – Design and Bidding

E.	Corrosion Protection Design	\$16,000
F.	Bid-Phase Support	\$2,600
Subtotal Phase II		\$18,600

Total (Phases I and II)		\$36,800
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Actual costs will be billed on a time-and-materials basis, per CPI's Standard T&M Billing Rate Schedule. Should the results of any task indicate the need for a change in work scope or cost, CPI

Mr. Bill Lu
January 29, 2019
Page 4

will first contact you to discuss our findings and obtain your approval to modify the statement of work and/or cost.

We at CPI sincerely appreciate the opportunity to support Parsons, and Inland Empire Utilities Agency on this important project. This proposal is respectfully submitted for your review and consideration by,

The Staff of Corrosion Probe, Inc.



Douglas A. Sherman, P.E.
Vice President/Principal Consultant
ShermanD@cpiengineering.com
(512) 528-0827

cc: T. Long – CPI

January 31, 2019

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: RP-5 Expansion/Upgrade Project Proposal to Re-evaluate Fine Screen Location and Design for New Location

Dear Mr. Marseilles:

Parsons is pleased to present this letter proposal for the re-evaluation of the location of fine screens for the RP-5 Expansion and Upgrade project. Included in the letter proposal is the project background, basis for scope, scope of services, schedule, level of effort and fee.

Background

The Inland Empire Utilities Agency's (IEUA) Regional Plant (RP)-5 expansion/upgrade project is currently in design phase. The original scope was based on the Pre-Design Report (PDR) downstream of the coarse screens and upstream of the grit chamber, at which time it was found the location would have the least hydraulic impact and was therefore the most preferable. During the process of preparing the 30% design and thereafter, the Agency requested a re-evaluation of the location of the fine screens, to include locations downstream of grit removal, and downstream of primary clarifiers, and to assess feasibility and cost for intermediate pumping and gravity flow alternatives. To assess the merits of these various approaches, a BCE was required to assess the life cycle cost for each alternative and then ultimately select a preferred alternative and proceed with the detailed design of the selected alternative.

Basis for Scope

- Parsons will evaluate four new locations for the fine screens including:
 - Downstream of grit removal-gravity flow
 - Downstream of grit removal-pumped flow
 - Downstream of primary clarifiers-gravity flow
 - Downstream of primary clarifiers-pumped flow
- For the selected alternative develop the design at the new location agreed upon with the Agency. As a basis for the pricing of the scope changes, the following features are considered:
 - New location just downstream of the Grit Removal Basins.
 - Provide design of structural connection of fine screen inlet/outlet channels to the existing Headworks Effluent Splitter Box
 - Provide design of modifications to the existing Headworks Splitter Box, to permanently divert grit chamber effluent to the fine screens, and to convey/split fine screen effluent to the new and

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
January 31, 2019

existing primary clarifiers. Modifications include the removal of existing trough weirs in the splitter box, required to preserve the hydraulic head needed to flow completely by gravity to clarifiers, with no need for pumping the effluent. It is recognized the effluent will split slightly unevenly through the piping to the clarifiers, with a few percent of an even split, well within the acceptable range for loadings at each clarifier.

- Fine Screen Facility will be provided with an open canopy superstructure designed using carbon steel columns, beams and other structural framing members, furnished with high performance coating, to provide shelter of workers and equipment from the most challenging heat of the summer or wet conditions in the winter. The roof will include removable roof panels, to facilitate installation and removal of the fine screens.
- An adjacent platform with separate canopy will be provided to shelter the control panels for the fine screens, placing them outside the classified area in the immediate vicinity of the fine screen channels.
- Facility will be furnished with foul air ductwork connections of the equipment and channels to the odor control system.
- Screenings bins will be provided with removable covers that can be readily disconnected and reconnected to the foul air ductwork. The bin size is limited by the surrounding site and access road constraints.
- Final design of the facility will vary somewhat depending on the fine screen equipment that is pre-selected by the Agency in a separate pre-selection process. Credit is given for the change from original scope that included an enclosed building with architectural features and full building ventilation system.

Scope of Work

Detailed scope of work for fine screen relocation evaluation and design is as follows:

Task 1: Develop and Evaluate Alternative Locations: Parsons will prepare sketches and assessments for each location, including life cycle costs in BCE format for pumped and gravity flow alternatives, downstream of grit chamber, and downstream of primary clarifiers.

Task 2: Conduct Detailed Hydraulic Calculations for the Selected Alternative, Including primary clarifier bypass evaluation: Parsons will conduct detailed hydraulic calculations to verify expected hydraulic performance relative to upstream and downstream processes, particularly the flow split to the primary clarifiers due to modifications at the headworks effluent splitter box.

Task 3: Prepare and Evaluate Preliminary Design of Alternative Superstructure at Selected Location: Parsons will prepare 3D models and associated renderings to assist the Agency in selecting the preferred superstructure, comparing open canopy and enclosed building options.

Task 4: Prepare Final Design of Selected Alternative: Parsons will prepare the final design for the selected alternative. This proposal accounts for the original scope that included an enclosed building upstream of grit removal and will now include an open canopy downstream of the grit chamber, and associated changes to the headworks splitter box just downstream of grit removal.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
January 31, 2019

Schedule

All tasks will be completed to support completion of the 50% and subsequent submittals per deliverable schedule established by the Agency for the overall RP-5 Expansion/Upgrade design project.

Level of Effort and Fee

Total of 356 hours of engineering/designer/management time is required to complete the effort and the total fee to complete the above tasks is \$ 69,442. A detailed breakdown of scope and fee is presented as Attachment 1.

We thank IEUA for the opportunity to present this proposal. If you have any further questions or comments please call me at 626 440 3355 or satish.kamath@parsons.com.

Sincerely,



Satish Kamath, P.E., BCEE
Vice President

Estimated Attachment 1-Level of Effort and Fee

TASK	DESCRIPTION	HOURS BY LABOR CLASSIFICATION													TOTAL HOUR	LABOR FEE	ODGs	TOTAL FEE		
		A	B	C	D	E	F	G	H	I	J	K	L	M						
		\$275/hr	\$295/hr	\$280/hr	\$235/hr	\$215/hr	\$300/hr	\$170/hr	\$120/hr	\$1120/hr	\$140/hr	\$108/hr	\$170/hr	\$90/hr						
1. Develop and Evaluate Alternative Locations																				
1.1	Civil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0
1.2	Process and Hydraulic Evaluations	0	0	12	40	0	0	0	0	0	0	0	0	0	0	0	62	\$12,400	\$248	\$12,648
1.3	Structural	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1,640	\$33	\$1,673
1.4	Cost Estimating	0	0	0	12	0	18	0	0	0	0	0	0	18	0	44	\$6,660	\$178	\$6,838	
1.5	Project Management	0	8	0	0	0	0	0	0	0	0	0	0	0	8	\$2,120	\$42	\$2,162		
Subtotal Task 1		0	8	12	62	0	24	0	0	0	0	0	18	0	112	\$24,880	\$500	\$25,380		
2. Conduct detailed hydraulic calculations for selected alternative, including primary clarifier bypass evaluation																				
2.1	Civil	0	0	0	0	4	12	0	0	0	0	0	0	0	16	\$3,220	\$66	\$3,286		
2.2	Hydraulics	0	0	0	0	4	24	0	0	0	0	0	0	0	28	\$5,780	\$116	\$5,896		
2.3	Structural	0	0	0	0	8	8	0	0	0	0	0	0	0	16	\$3,260	\$67	\$3,327		
2.4	Cost Estimating	0	0	0	0	4	8	0	0	0	0	0	0	0	12	\$2,800	\$50	\$2,850		
2.5	Project Management	0	4	0	0	0	0	0	0	0	0	0	0	0	4	\$1,080	\$21	\$1,101		
Subtotal Task 2		0	4	0	0	20	52	0	0	0	0	0	0	0	76	\$16,860	\$330	\$17,190		
3. Prepare/Evaluate preliminary design of alternative superstructure																				
3.1	Civil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0
3.2	Architecture	0	0	0	0	0	0	20	0	0	12	0	0	0	32	\$5,080	\$102	\$5,182		
3.3	Structural	0	0	0	0	0	20	0	0	12	0	0	0	32	\$6,780	\$119	\$6,899			
3.4	HVAC	0	0	0	0	0	0	18	0	0	0	0	0	18	\$2,720	\$54	\$2,774			
3.5	Cost Estimating	0	0	0	0	0	0	8	0	0	0	0	0	8	\$2,720	\$54	\$2,774			
3.6	Project Management	0	8	0	0	0	0	0	0	0	0	0	0	8	\$2,120	\$42	\$2,162			
Subtotal Task 3		0	8	0	0	0	20	44	0	12	0	0	0	18	\$18,680	\$389	\$19,069			
4. Provide Final Design for Selected Alternative (open canopy, downstream of grit chamber, no primary clarifier bypass, existing splitter box modifications)																				
4.1	Civil and Hydraulics	Changes from original scope	0	0	0	0	12	0	0	0	12	0	0	0	24	\$4,200	\$85	\$4,285		
4.2	Architectural	Changes from original scope	0	0	0	0	0	-80	0	0	0	0	0	0	-80	-\$12,300	-\$248	-\$12,548		
4.3	Structural	Changes from original scope	0	0	0	0	84	0	0	0	72	0	0	156	\$23,840	\$477	\$24,317			
4.4	HVAC	Changes from original scope	0	0	0	0	0	-40	0	0	0	0	0	0	-40	-\$6,200	-\$124	-\$6,324		
4.5	Project Management	Changes from original scope	0	4	0	0	0	0	0	0	0	0	0	4	\$1,080	\$21	\$1,101			
Subtotal Task 4			0	4	0	0	78	-100	0	0	84	0	0	84	\$8,860	\$173	\$9,033			
Total Tasks 1 through 4			0	24	12	62	88	-4	44	0	108	0	18	0	368	\$88,880	\$1,382	\$90,262		
Grand Total																				
			0	24	12	62	88	-4	44	0	108	0	18	0	368	\$88,880	\$1,382	\$90,262		

A = Principal-in-Charge **F =** Supervising Engineer **K =** Designer
B = Project Manager **G =** Senior Engineer **L =** Cost Estimator/Scheduler/Project Controls
C = Technical Advisor **H =** Staff Engineer **M =** Administrative Support Staff/Word Processor
D = Principal Engineer **I =** Associate Engineer
E = Project Engineer **J =** Senior Designer

February 4, 2019

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: Proposal for Design to Incorporate Additional Digester Capacity at RP-5

Dear Mr. Marseilles:

Parsons is pleased to present this letter proposal for design services to incorporate additional digester capacity into the anaerobic digester design for the RP-5 Expansion and Upgrade project. Included in the letter proposal is the project background, basis for scope, scope of services, schedule, level of effort and fee.

Background

The Inland Empire Utilities Agency's (IEUA) Regional Plant (RP)-5 expansion/upgrade project is currently in design phase. Currently, the design of the project is approximately 70% complete. As part of the 50% design package submittal Parsons prepared a 3D Model of the site including all the process facilities and buildings, including the digester complex per the original scope of work. The original scope was based on the Pre-Design Report (PDR), at which time it was determined that food waste would continue to be digested off-site in dedicated food waste digesters at the nearby Solids Handling Facility (SHF). During the process of preparing the 90% design, the Agency requested a re-evaluation of the potential to implement co-digestion of food waste with the biosolids at RP-5, which would allow IEUA to eventually decommission the SHF.

Basis for Scope/Level of Effort

The Agency had requested evaluation of the RP-5 Food Waste Treatment Facility, with the following activities:

- 1) Identify alternatives for co-digestion of biosolids with Engineered Bioslurry (EBS-prepared from food waste to provide characteristics to support successful co-digestion in biosolids digesters), without adding a fifth digester to the design at present. Among those identified, the following will be evaluated for suitability:
 - Increase organic loading rate, and incoming sludge thickness, by 10 to 15% from PDR criteria
 - Include digester bottom cone volume as part of the active digester volume
 - Operate the gas phase digesters in thermophilic mode
 - Increase digester capacity from current 1.52 MG each, to 1.56 MG, 1.6 MG, 1.7 MG, or 1.8 MG. Increasing the digester diameter by 12-inches will increase the digester active volume by approximately 40,000 gallons (gal), each, to 1.56 MG each and allow increased capacity for food waste co-digestion.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
February 4, 2019

- 2) Prepare sketches/presentation materials to illustrate each new alternative. Final deliverable for this evaluation would not require a technical memorandum.
- 3) Prepare process calculations and parametric cost estimates for each alternative
- 4) Prepare pros and cons of each alternative from a process and cost/benefit standpoint
- 5) Using the information developed above, assist the Agency in assessing the suitability of each alternative, considering process implications, operations and maintenance requirements, capital costs, engineering cost and schedule impacts, constructability and construction sequencing concerns, construction and O&M personnel safety, performance, and reliability
- 6) Based upon the conclusions and recommendations derived from the above, and from associated discussions and follow up with the Agency, develop the modified design with the agreed upon changes incorporated.

Assumptions

- 1) The food waste receiving facility will be located at the north end/west side of the RP-5 site, near Kimball Avenue, north of the thickening facility and east of the headworks and primary clarifiers.
- 2) Design of food waste receiving facility will require additional geotechnical investigations. These geotechnical services are not included in this proposal and are being proposed as part of other additions to the geotechnical services in a separate letter proposal for the Agency's consideration.
- 3) No changes are assumed to the acid phase digestion facilities. All food waste will be delivered to the gas phase digesters.
- 4) Digester gas conveyance, gas conditioning, gas holder, and waste gas flares (current and future) will be increased in capacity to handle to additional gas production.
- 5) Power and Control Integration for new RP-5 Food Waste Facility to be connected to Power Center No. 8.
- 6) Process Control Narrative will be developed in accordance with IEUA Standards.
- 7) CAD and 3D Model Development shall follow RP-5 overall design approach. AutoCAD MEP 3D for process mechanical and electrical; Revit 3D for structural and architectural; Civil 3D for civil site work and yard piping.
- 8) Cost estimating will be provided in accordance with the RP-5 design scope of work.
- 9) Design drawings and specifications for this task will be integrated with other project drawings and specifications at 100% design level.
- 10) A separate letter proposal has been submitted for the Agency's consideration to add a 20,000 cf digester gas holder. That proposal was based on a lower capacity where gas produced from food waste digestion was not included. The gas holder would now have to be sized for 25,000 cf to accommodate additional gas production from food waste co-digestion. This letter proposal does not include services and fee for gas storage design.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
February 4, 2019

11) For evaluating the impacts of increasing the digester diameter by 12-inches, the following assumptions are made:

- Due to limitations to the structural design of the digester control building, the digester diameter will be increased away from the building in such a way as to minimize the impact to the building design.
- The digestion facility will shift in coordinates approximately 12" East to prevent encroachment into the site civil yard piping west of the facility.
- The future digester facility building East-West dimension will be reduced by 12".
- The future digester facility will move 12" East to accommodate larger future digesters.
- The gas-phase digestion facility footprint will increase by approximately 12" North and South. This will require relocation of planned buried utilities, piping, roads, and nearby facilities.
- Dimensions of the initial-phase digester building will not change. As such, changes to the HVAC design are not anticipated.
- The boilers and digested sludge heat exchangers are sufficiently sized with appropriate safety factors such that no changes are required to these systems to accommodate larger digesters.
- Electrical disciplines will assume digester mixing equipment will increase motor size by 10 HP to accommodate mixing the larger tanks.
- All disciplines and site civil will update backgrounds for the new facility size and location.

Scope of Work

Detailed scope of work for the food waste co-digestion re-evaluation and design is as follows:

Task 1: Develop and Evaluate Alternatives: Parsons/BC team will prepare sketches and assessments for each alternative as described in the basis of scope above. Deliverable will include recommendation in Microsoft PowerPoint slides.

Task 2: Conduct Detailed Process and Design Calculations and Prepare 100% plans and specifications for the Selected Alternative. It is estimated that at least 110 drawings will be revised to accommodate the change in digester size, along with changes in equipment specifications and electrical loads. In addition, another 20 drawings require revision to accommodate an increase in gas production, thereby affecting gas conveyance, gas conditioning, and waste gas flares (current and future).

Schedule

Incorporation of this scope of work will increase the duration of the 100% design completion activity in the overall RP-5 Upgrades and Expansion project schedule by 8 calendar weeks.

Level of Effort and Fee

Task 1. Project Management and Engineering: Total fee to complete the task is \$28,782.00.

Task 2. Detailed Design - The fee to complete the task is \$151,633.00.

The total fee for the two tasks is \$180,415.00. A detailed breakdown of this fee is included in Attachment A. The proposal from Brown and Caldwell is included as Attachment B for further reference and clarity.

Jason Marseilles, P.E.
Senior Engineer
Inland Empire Utilities Agency
February 4, 2019

We thank IEUA for the opportunity to present this proposal. If you have any further questions or comments, please contact me at 626 440 3355 or satish.kamath@parsons.com.

Sincerely,

A handwritten signature in blue ink that reads "Satish Kamath". The signature is fluid and cursive, with a prominent initial 'S'.

Satish Kamath, P.E., BCEE
Vice President

Attachment 1

A - Estimated Level of Effort and Fee

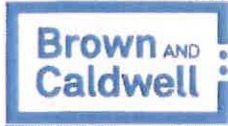
TASK	DESCRIPTION	A	B	C	D	E	F	G	H	I	J	K	L	M	TOTAL HOUR	LABOR FEE	SU/CONSULTANT			
																	Brown and Calhoun	TOTAL SUB w/ 4.6% MARKUP	ODCs	TOTAL FEE
		\$275/hr	\$295/hr	\$260/hr	\$235/hr	\$215/hr	\$205/hr	\$170/hr	\$125/hr	\$112/hr	\$140/hr	\$108/hr	\$170/hr	\$95/hr						
1. Develop and Evaluate Alternatives																				
1.1	Project Management	0	4	0	0	4	0	0	0	0	0	0	0	0	8	\$1,920	\$0	\$0	\$38	\$1,958
1.1	Design Meetings and Site Visits	0	2	0	6	6	0	0	0	8	0	0	0	0	22	\$4,128	\$0	\$0	\$83	\$4,211
1.2	Process and Mass Balance Calculations	0	0	0	6	0	4	0	0	8	0	0	0	0	18	\$3,128	\$0	\$0	\$83	\$3,188
1.3	Alternatives Evaluation	0	2	0	6	6	4	0	0	8	0	0	0	0	26	\$4,948	\$0	\$0	\$96	\$5,044
1.4	Cost Estimating - Capital and O&M	0	2	0	6	0	4	0	0	8	0	0	15	0	38	\$6,378	\$0	\$0	\$128	\$6,506
1.5	Prepare Evaluation Slides	0	2	0	6	6	4	0	0	8	0	0	0	0	26	\$4,948	\$0	\$0	\$96	\$5,044
1.6	Review Meetings and Response Comments	0	2	0	4	4	0	0	0	4	0	0	0	0	14	\$2,778	\$0	\$0	\$56	\$2,834
Subtotal Task 1		0	14	0	34	28	18	0	0	44	0	0	16	0	180	\$28,218	\$0	\$0	\$684	\$28,792
2. Develop 100% Design																				
2.1	Project Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0
2.2	General	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$1,141	\$1,196	\$0	\$1,196
2.3	Civil	0	0	0	0	100	0	72	84	0	0	0	0	0	256	\$44,240	\$0	\$0	\$885	\$45,125
2.4	Architectural	0	0	0	0	20	0	28	0	0	0	0	0	0	48	\$9,050	\$0	\$0	\$191	\$9,241
2.5	Process Mechanical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$20,460	\$29,828	\$0	\$29,828
2.6	Building Mechanical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$1,640	\$1,719	\$0	\$1,719
2.7	Structural	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$30,128	\$41,006	\$0	\$41,006
2.8	Electrical and Controls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$19,340	\$19,220	\$0	\$19,220
2.9	QA/QC	0	0	0	0	20	0	0	0	0	0	0	0	0	20	\$4,300	\$0	\$0	\$0	\$4,300
2.10	Cost Estimating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	\$0
Subtotal Task 2		0	0	0	0	140	0	100	84	0	0	0	0	0	324	\$57,990	\$68,709	\$92,887	\$1,098	\$151,633
Total Tasks 1 through 2		0	14	0	34	168	18	100	84	44	0	0	16	0	474	\$86,218	\$68,709	\$92,887	\$1,630	\$180,415
Grand Total		0	14	0	34	168	18	100	84	44	0	0	16	0	474	\$86,218	\$68,709	\$92,887	\$1,630	\$180,415

A =	Principal-In-Charge	F =	Supervising Engineer	K =	Designer
B =	Project Manager	G =	Senior Engineer	L =	Cost Estimator/Schedule/Project Controls
C =	Technical Advisor	H =	Staff Engineer	M =	Administrative Support Staff/Word Processor
D =	Principal Engineer	I =	Associate Engineer		
E =	Project Engineer	J =	Senior Designer		

Attachment 2

18500 Von Karman Avenue, Suite 1100
Irvine, California 92612

T: 714.730.7600
F: 714.734.0940



January 31, 2019

Mr. Satish Kamath, P.E.
Vice President, Program Director
Parsons
100 W. Walnut Street
Pasadena, California 91124

150907.010

Subject: Inland Empire Utilities Agency RP-5 Liquids Treatment System Expansion and RP-5 Solids Treatment Facility Design – Additional Digester Capacity Design Proposal

Dear Mr. Kamath:

Thank you for the opportunity to team with Parsons on the Inland Empire Utilities Agency (IEUA) RP-5 Liquids Treatment System Expansion and RP-5 Solids Treatment Facility Design (Project). We are committed to partner with you to support the development of the Project documents using both local experienced staff and our nationally-recognized process design experts.

As requested, we have developed a scope of work and fee estimate for integrating additional digester capacity into the project Contract Documents, specifically increasing the digester diameters by 12-inches. Brown and Caldwell (BC) will lead design development for the digestion facilities, and Parsons will provide and civil, architectural, and cost estimating services. The following attachments are provided:

- A. Scope of Work, Fee Summary, and Schedule
- B. Level of Effort and Fee (BC only)

The proposed fee to complete the items described in the attached Scope of Work is \$88,689. We have based our fee on the assumptions described in the attachments, which were developed from our collective communications since request of these services from IEUA.

We look forward to continuing our work with you on this important project.

Very truly yours,

Brown and Caldwell

A handwritten signature in black ink, appearing to read 'Dan Bunce'.

Dan Bunce, P.E., PMP
Senior Vice President

AL:DB

Attachment A: Scope of Work, Fee Summary and Schedule



Scope of Work, Fee Summary, and Schedule

Attachment A

Introduction

The current, authorized design basis for the Inland Empire Utilities Agency (IEUA) Regional Plant No. 5 (RP-5) solids treatment facility (STF) design includes digestion of primary sludge and waste activated sludge from RP-5 and the Carbon Canyon Water Recycling Facility and storage of digested food waste (digestate) from the solids handling facility (SHF). The current design includes a total of four gas phase digesters during initial construction and six (two additional) at ultimate conditions. During initial construction and ultimate conditions, one of the gas phase digesters serves as digested sludge storage or can be converted to digestion service. Design of the facilities to accommodate this design basis has progressed beyond 50 percent in conjunction with the 90 percent design deliverable due in April 2019 (estimated).

On January 3, 2019, IEUA requested that the design team develop a scope of work and preliminary level of effort to integrate additional digester capacity into the project design by increasing the digester diameter by 12-inches. This will increase the digester active volume by approximately 40,000 gallons (gal), each, and allow increased capacity for food waste co-digestion.

This scope of work includes design services required to modify the contract documents to provide additional digester capacity for food waste co-digestion. A summary of the scope of work is provided below.

Overall Project Assumptions

The following general assumptions were made in preparation of this proposal:

- Due to limitations to the structural design of the digester control building, the digester diameter will be increased away from the building in such a way as to minimize the impact to the building design.
- The digestion facility will shift in coordinates approximately 12" East to prevent encroachment into the site civil yard piping West of the facility.
- The future digester facility building East-West dimension will be reduced by 12".
- The future digester facility will move 12" East to accommodate larger future digesters.
- The gas-phase digestion facility footprint will increase by approximately 12" North and South. This will require relocation of planned buried utilities, piping, and roads.
- Dimensions of the initial-phase digester building will not change. As such, changes to the HVAC design are not anticipated.
- The boilers and digested sludge heat exchangers are sufficiently sized with appropriate safety factors such that no changes are required to these systems to accommodate larger digesters.
- Electrical disciplines will assume digester mixing equipment will increase motor size by 10 HP to accommodate mixing the larger tanks.

- All disciplines and site civil will update backgrounds for the new facility size and location.
- Calculation QC will be integrated into engineering efforts.
- Pending authorization of this amendment and in coordination with our current design schedule, we have assumed the changes will be implemented into the 100% deliverable. In this way, the current budget will accommodate production efforts and QC review of the modified drawings as part of the 100% deliverable. If the submittal procedures for this amendment are different, additional production and QC hours may be required.
- Yard piping connections to facility will be adjusted to accommodate the new facility coordinates.
- Addition of one new P&ID to accommodate food waste addition, control strategy development, and schedule updates.

1.0 Scope of Work

Brown and Caldwell (BC) Scope and Assumptions

The BC-specific scope of work is based on the assumptions listed below.

- Modify and update drawings and specifications from the current design basis to accommodate a digester diameter increase of 12" .
- CAD and 3D model development shall follow the same approach as the current RP-5 design scope, including:
 - AutoCAD MEP 3D for process mechanical and electrical
 - Revit 3D for structural
- Parsons is responsible for the following services (level of effort not included in estimate provided in Attachment B to this proposal):
 - Prepare food waste receiving facility design
 - Cost estimating (Parsons to conduct cost estimation for all related facilities; BC to provide 3D CAD model and any pertinent manufacturer quotations to Parsons for estimate preparation)
 - Civil design (AutoCAD 3D)
 - Architectural design (Revit 3D)



2.0 Fee Summary

The level of effort was estimated using a total sheet count of 83 drawings impacted by the changes. The estimated fee to complete the amendment Scope of Work is \$88,689. A detailed level of effort and fee estimate is provided in Attachment B, including a summary of the impacted drawings and hourly effort associated with updating each drawing.

3.0 Schedule

If the proposal is accepted, extension of the current schedule will be required to accommodate the effort associated with these changes. A new schedule will be developed following approval of this amendment. We anticipate that a schedule extension of 6-8 weeks would be required to incorporate these changes.



Attachment B: Level of Effort and Fee

Inland Empire Utilities Agency
 RP-5 Expansion and Solids Treatment Facility

Additional Digester Capacity Design Proposal - BC Level of Effort and Fee

	Role	Process Lead	Senior Engineer	Managing Engineer	Suprvsng Engineer	Project Engineer	Principal Engineer	Entry Engineer	CAD Designer	Total Hours	Total Labor	Direct Expense	Total Cost
Task description	Bill rate	200.58	204.00	204.00	204.00	120.00	150.00	120.00	185.00				
Drawing Modifications		2	72	25	50	28	6	31	272	486	\$ 88,689	\$ -	\$ 88,689
General		2							4	6	\$ 1,141	\$ -	\$ 1,141
Civil										0	\$ -	\$ -	\$ -
Architectural										0	\$ -	\$ -	\$ -
Structural			72					31	112	215	\$ 39,128	\$ -	\$ 39,128
Process mechanical				25		28			108	161	\$ 28,440	\$ -	\$ 28,440
HVAC							6		4	10	\$ 1,640	\$ -	\$ 1,640
Electrical					10				20	30	\$ 5,740	\$ -	\$ 5,740
I&C					40				24	64	\$ 12,600	\$ -	\$ 12,600
TOTAL		2	72	25	50	28	6	31	272	486	\$ 88,689	\$ -	\$ 88,689

**CONSENT
CALENDAR
ITEM**

2E



Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager 

Committee: Engineering, Operations & Water Resources

03/13/19

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

Subject: Inland Empire Brine Line Lease Capacity Pool Agreement

Executive Summary:

The Santa Ana Watershed Project Authority (SAWPA) and its member agencies including the Inland Empire Utilities Agency (IEUA), Eastern Municipal Water District (EMWD), San Bernardino Valley Municipal Water District (SBVMWD) and Western Municipal Water District (WMWD) have received feedback from both existing and new customers that purchasing capacity in the Brine Line is a significant financial challenge for some businesses. Currently, IEUA sells Brine Line capacity at a cost of \$215,000 per capacity unit for 15 gpm instantaneous flow.

The Brine Line Lease Capacity Pool Agreement will allow IEUA to contribute available Brine Line capacity to a "pool" which will be marketed and made available for lease to new or existing customers. The customer would be charged for the lease based on the cost to purchase capacity from SAWPA and Orange County Sanitation Districts at the time of the lease agreement, with an annual adjustment for inflation. Lease revenues will be distributed to capacity pool participants annually based on the capacity contributed to the pool regardless of the customer location within the SAWPA service area. Customers will be subject to all other pretreatment program rules and requirements regardless of capacity lease or purchase.

Staff's Recommendation:

1. Approve the Lease Capacity Pool Agreement between IEUA, EMWD, WMWD, SBVMWD and SAWPA; and
2. Authorize the Interim General Manager to execute the Agreement, subject to non-substantive changes.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

If approved, the annual lease revenue for 50,000 gpd of capacity will increase the Non-Reclaimable Fund by \$46,173 plus capacity and administrative charges.

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The Lease Capacity Pool Agreement is consistent with IEUA's business goal of Fiscal Responsibility and Business Practices by maintaining service rates and fees that support cost of service for IEUA programs and provides regional benefit in an equitable manner within the IEUA service area.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Lease Capacity Pool Agreement

Background

Subject: Inland Empire Brine Line Lease Capacity Pool Agreement

The Santa Ana Watershed Project Authority (SAWPA) and its member agencies Inland Empire Utilities Agency (IEUA), Eastern Municipal Water District (EMWD), San Bernardino Valley Municipal Water District (SBVMWD) and Western Municipal Water District (WMWD) have received feedback from both new customers, and existing customers seeking to increase their wastewater discharge, that the current practice of requiring purchase of treatment and disposal capacity in the Inland Empire Brine Line (Brine Line) is very costly and limiting due to the significant capital investment.

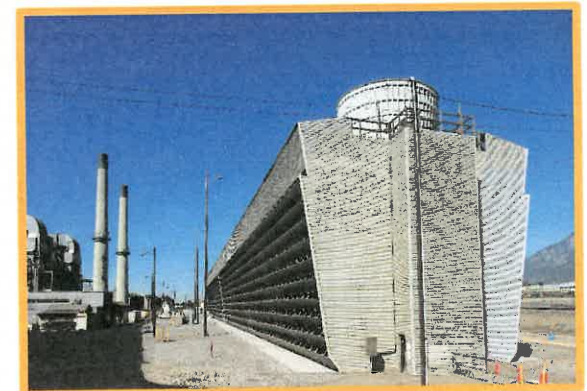
SAWPA is proposing the Brine Line Lease Capacity Pool Agreement as an option for member agencies to offer a long-term lease to customers. IEUA currently sells Brine Line capacity at a cost of \$215,000 per capacity unit for 15 gallons per minute of instantaneous flow. The last two customers to purchase Brine Line capacity were the City of Chino in 2016 and Repet, Inc. in 2012. IEUA currently has 2.33 MGD Pipeline and 0.45 MGD of Treatment and Disposal Capacity available in the Brine Line. In 2014, IEUA implemented a capacity lease provision for the North Non-Reclaimable Wastewater System with the Los Angeles County Sanitation Districts.

Under the proposed Brine Line Lease Capacity Pool Agreement, two agencies (IEUA and WMWD) will each initially commit 50,000 GPD of capacity to the pool. The “Flow” component of the commitment consists of both pipeline and treatment and disposal capacity rights. The initial commitment to the pool shall be for a 5-year term from the effective date of the agreement. An Agency may renew, extend, or increase its commitment of capacity to the “Pool” at any time. An Agency may also withdraw capacity from the “Pool” by providing 90 day advance written notice to SAWPA and the other member agencies but will only be allowed to withdraw capacity from the pool that is uncommitted to a customer. The capacity committed to the pool will be available for lease to any customer located within the SAWPA service area.

Individual agreements between SAWPA and the customers will set the specific terms and conditions for capacity leases. The lessee shall pay the monthly lease charge directly to SAWPA. The lease rate will be set by Brine Line rates and charges that are effective at the time the lease is executed. The lease rate will escalate annually based on the Consumer Price Index All-Urban (CPI-U) for Los Angeles/Riverside/Orange Counties. In the event the CPI-U decreases, the lease rate will remain unchanged. If the discharge during any month exceeds the amount leased for flow, BOD or TSS, a surcharge for the month will be applied based on the maximum daily use. All lease revenues will be pooled and distributed annually upon completion of the Fiscal Year, to capacity pool contributors based on the proportional amount contributed.

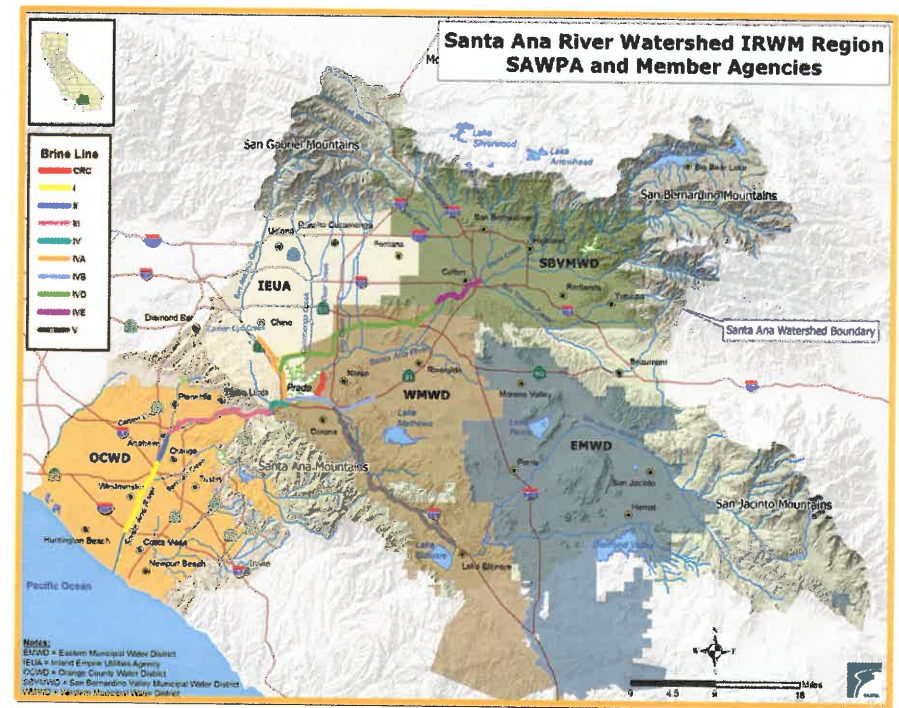
The lessee will pay to the Agency within which it operates and discharges, the rates established by that Agency including any administrative charges. The rates will also include SAWPA’s O&M charges for flow, BOD, TSS, Fixed Pipeline and Treatment & Disposal, and any associated permit fees. For example, if IEUA’s initial commitment of 50,000 gpd to the Pool is fully utilized by a lessee, at the current rates the annual net revenue to IEUA will be \$46,173 plus capacity and administrative charges.

Inland Empire Brine Line Lease Capacity Pool Agreement



Lease Capacity Pool Agreement

- SAWPA Member Agencies
 - IEUA
 - EMWD
 - SBVMWD
 - WMWD
- Alternative to purchasing capacity
- Available to both new and existing customers
- Available throughout SAWPA service area
- Lease option already available on North NRWS



How it Works

- Member Agencies contribute both Pipeline and Treatment capacity to a “Lease Pool”
 - 50,000 gpd
 - 5-year term
 - Provisions for future capacity contributions and withdrawals
- Lease agreement between SAWPA and customer
- Lease revenues managed by SAWPA distributed annually
- Monthly rates and fees collected by Agency



Benefits of Lease Agreement

- IEUA has available Brine Line Capacity
 - 2.33 MGD Pipeline
 - 0.45 MGD Treatment and Disposal
- Additional revenue source
- Opportunity to market Brine Line
- More viable option for new customers
- Aligns with North NRWS program



Recommendation

1. Approve the Inland Empire Brine Line Lease Capacity Pool Agreement between IEUA, EMWD, SBVMWD, WMWD and SAWPA; and
2. Authorize the Interim General Manager to execute the Agreement, subject to non-substantive changes.

The Brine Line Lease Capacity Pool Agreement is consistent with the Agency's Business Goal of Fiscal Responsibility and Business Practices.

AGREEMENT BETWEEN
SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA)
AND
EASTERN MUNICIPAL WATER DISTRICT (EMWD)
INLAND EMPIRE UTILITIES AGENCY (IEUA)
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (SBVMWD)
WESTERN MUNICIPAL WATER DISTRICT (WMWD)
FOR THE CREATION OF A LEASE CAPACITY POOL FOR
THE INLAND EMPIRE BRINE LINE

This Agreement is made this ___th day of _____ 2019 between SAWPA and EMWD, IEUA, SBVMWD, and WMWD (the Agencies). SAWPA and the Agencies are individually and collectively referred to as the Party and Parties respectively.

RECITALS

- A. The Inland Empire Brine Line is a wastewater pipeline conveyance system constructed for the transmission of non-reclaimable wastewater. The pipeline extends from the Orange County line into the Upper Santa Ana River Watershed. At the Orange County line, it connects to the Orange County Sanitation District's (OCSD's) Santa Ana River Interceptor (SARI), which conveys wastewater to OCSD's treatment plant in Huntington Beach. SAWPA owns and operates the Inland Empire Brine Line, and Member Agencies and other agencies in the upper watershed (hereafter referred to as the "Agency" or "Agencies" own 30 million gallons per day (MGD) of pipeline capacity right in the SARI as defined in various agreements.
- B. Agencies in the upper watershed also own a treatment and disposal capacity right of 17 MGD and there is an ability to purchase up to 30 MGD in certain wastewater treatment and disposal facilities owned by OCSD. This treatment and disposal right, and the pipeline capacity right referred to in Recital A above, are subject to certain payment obligations and other terms and conditions as defined in the Treatment and Disposal Capacity Agreement with OCSD dated July 24, 1996 (1996 Agreement) that is administered by SAWPA and paid by the Agencies in the upper watershed.
- C. Through the 1996 Agreement SAWPA has purchased 17 MGD of treatment and disposal capacity right from OCSD and in turn sold this capacity right to Agencies in the upper watershed. Flow and water quality are defined components of the purchase based upon the maximum flow rate (Million Gallons per Day, MGD) and strength of Biochemical Oxygen Demand (BOD) (measured as BOD5) and Total Suspended Solids (TSS) presented as milligrams per liter (mg/l) and pounds per day (lbs/day). Amendment No. 1 to the 1996 Agreement further defines the SAWPA owned treatment and disposal capacity right as 20,834 lbs/day BOD5 and 19,832 lbs/day TSS.

- D. The Agencies utilize pipeline capacity and treatment and disposal capacity rights for individual dischargers in their service areas. Use of the capacity requires that the discharger obtain a discharge permit from the Agency, as well. Individual dischargers are not allowed to transfer or assign capacity to others.
- E. As of April 2018, actual flows are approximately 11 MGD, leaving 6 MGD of unused volumetric treatment capacity. Similarly, BOD5 and TSS actual discharges are approximately 3,121 and 7,261 pounds per day respectively leaving 17,713 and 12,571 pounds per day of unused capacity. Industrial and commercial businesses that could potentially connect to the Brine Line as new customers, or existing customers seeking to increase their flows, have expressed that the current practice of requiring purchase of treatment and disposal capacity is very costly and limiting due to the need for a significant capital investment prior to connection to the Brine Line or prior to an increase in flow rate. An option such as a long-term lease would be desirable.
- F. SAWPA has adopted policies or resolutions addressing the authority of each Agency to manage allocation and reallocation of capacity among dischargers within that Agency's service area, and describing the SAWPA role during transfers of capacity among the Agencies, requiring that SAWPA be informed of all capacity transfers so that a comprehensive record of allocation is maintained, and establishing unit prices for capacity, including for lease purposes.
- G. The purpose of this Agreement is to create an additional option for Agencies to offer a long-term lease option for pipeline capacity and treatment and disposal capacity to their customers, if they choose.
- H. Individual agreements between SAWPA and dischargers will set the specific terms and conditions for capacity leases. Individual discharge agreements shall be consistent with this Agreement and approved by the SAWPA Commission.
- I. The 1991 Memorandum of Understanding between SAWPA and OCSD Governing Quality Control of Wastewaters Discharged continues to define the pretreatment program roles and responsibilities for SAWPA and OCSD. SAWPA's Ordinance No. 8, or successors thereto, defines the discharge permitting requirements and process that applies to all dischargers to the Brine Line.

NOW THEREFORE, SAWPA and the Agencies in consideration of the mutual promises contained in this Agreement do hereby covenant and agree as follows:

1. A long-term "Lease Capacity Pool" is hereby created to make available pipeline and treatment and disposal capacity rights. The Agencies agree to provide pipeline and treatment and disposal capacity rights for leasing by SAWPA in separate follow-on agreements with dischargers. This Agreement will not impact an Agency's ability to purchase treatment and disposal capacity nor

to allocate or transfer any capacity that is not allocated to the lease capacity pool according to existing policies and procedures.

2. The following initial commitments are made by the Agencies to the Capacity Pool. The “Flow” component of the commitment addresses both pipeline and treatment and disposal capacity rights. Increases to the initial commitment can be made by any Agency at any time per Section 9 below. An Agency may request to withdraw capacity from the pool by providing the Parties 90 days written notice, and if the capacity is not subject to an agreement with a discharger, SAWPA will return the capacity, adjust the formula distributing proceeds and make any other changes necessary. SAWPA will maintain a record of increases, withdrawals and leased capacity.

Initial Commitment

Agency	Lease Pool		
	Flow (gpd)	BOD mg/l (lbs/day)	TSS mg/l(lbs/day)
EMWD	0	0	0
IEUA	50,000	250 (104.25)	250 (104.25)
SBVMWD	0	0	0
WMWD	50,000	250 (104.25)	250 (104.25)
TOTAL	100,000	250 (208.5)	250 (208.5)

3. Leasing.

- a. The Lease Capacity Pool. Agencies may commit a specific amount of capacity right for lease. The initial commitment to the pool shall be for a five-year term from the effective date of this Agreement. An Agency may renew or extend its commitment at any time. If an Agency intends not to renew or extend a commitment of capacity to the Lease Pool, it will provide SAWPA notice to that effect not less than 90 days prior to the expiration of the then-current term of the commitment. SAWPA will provide notification to the Agency of the forthcoming expiration date prior to the start of the 90 day period. Upon completion of the 90-day period and expiration of the commitment, control of the capacity will revert back to the Agency. The pooled capacity will be marketed and made available to new dischargers or existing dischargers needing additional capacity. A lease agreement between SAWPA and the lessee/discharger must be approved by the SAWPA Commission to establish the terms and conditions of the capacity lease. Lessees will be charged for the capacity lease per Section 3.b.ii. below. All lease revenues will be pooled and distributed annually upon completion of the Fiscal Year, to capacity pool contributors based on the proportional amount contributed. The Parties expect that, if demand for leased capacity is strong, the pool may be expanded in increments. SAWPA will notify the Parties when an additional contribution to the capacity pool is needed. It is the desire of the Parties to contribute to the capacity pool equally thereby lease revenues will be distributed equally among the Parties. If an Agency elects not to

contribute equally to the capacity pool their proportionate share of lease revenues will be proportionate to their pool share. It is anticipated that up to 4 MGD may be made available to customers from the Lease Pool.

- b. Lease Agreement Terms. In executing leases of capacity, SAWPA will adhere to the following provisions.
- i. The lessee shall pay a Monthly Lease Charge to SAWPA and Brine Line Rates to the Agency within which the lessee operates and discharges.
 - ii. Monthly Lease Charge. The Monthly Lease Charge will apply the lease rate to the quantity leased or used, whichever is greater. The lease rate will be set by the lease agreement in accordance with the SAWPA resolution establishing Brine Line rates and charges that is effective at the time the lease is executed. The lease agreement will provide that the lease rate will escalate annually based on the Consumer Price Index All-Urban (CPI-U) for Los Angeles/Riverside/Orange Counties. In the event the CPI-U decreases, the lease rate will remain unchanged. If the discharge during any month exceeds the amount leased for flow, BOD, or TSS, a surcharge for the month will be applied based on the maximum daily use. If a surcharge is applied for three consecutive months, the lessee shall be required to modify the agreement increasing the capacity leased. The surcharge will be based on the unit lease prices (flow, BOD, TSS) applied for the entire month. Flow will be based on the actual daily flow information. BOD and TSS will be based on the average of samples taken during the previous 12 month period. In the event of missing data, an average value will be used as determined by SAWPA. Failure to pay the Monthly Lease Charge shall result in the termination of the lease agreement.
 - iii. Brine Line Rates. The lessee, as a discharger, will pay to the Agency within which it operates and discharges, the rates established by that Agency for brine line discharges, including any administrative surcharges that Agency normally charges other dischargers. These Brine Line Rates will include SAWPA's O&M Charges for Flow, BOD, TSS, Fixed Pipeline, Fixed Treatment & Disposal, and Permit Fees, and will be invoiced by the Agency within which the lessee operates.
 - iv. The lease agreement will assign the responsibilities for operating and maintaining the flow meter for the lessee's discharge.
 - v. Lease term may not exceed the end date for the capacity pool.
 - vi. Lease renewal is allowable if there is sufficient pool capacity available.
 - vii. Service to lessees will be interruptible the same as for other users for O&M activities or in the event of an emergency as allowed by SAWPA's Ordinance No. 8.
 - viii. For each new lease agreement, SAWPA will evaluate site specific system capacity issues that may affect permitting of the lessee's discharge.

4. Billing.

- a. Brine Line Rates. O&M charges, as established from time to time by SAWPA for Flow, BOD, TSS, Fixed Pipe, Fixed Treatment & Disposal, and Permit Fees, will be invoiced by SAWPA to the Agency in which the lessee operates. An Agency that contributes capacity that is leased to a discharger outside their service boundaries will not be invoiced for the Fixed Pipe and Fixed Treatment and Disposal charges for their proportionate share contributed to the discharger. Agencies will invoice lessees who discharge in their service area for their Agency Brine Line Rates.
 - b. Lease Payments. SAWPA will invoice the lessee for the Monthly Lease Charge based upon the terms and conditions contained in the lease agreement between SAWPA and the discharger. The lessee will be required to provide to SAWPA a deposit in advance of the discharge permit being issued. The deposit will be the sum of the first Monthly Lease Charge based on leased capacity plus an estimate of the monthly O&M charge.
5. Lessees shall be required to comply with SAWPA Ordinance No. 8, and the applicable Agency Ordinance and any successors thereto, including the requirement for provision of a flow meter installed per the manufacturer's recommendations. A discharge permit is required, and this Agreement does not modify any permit processes or requirements. Draft lease agreements may be processed concurrently with permit applications, but in no case will a permit or permit amendment be issued without a sufficient capacity lease agreement completed and in place.
 6. Rights and Responsibilities of Orange County Sanitation District are retained. The parties to this Agreement understand and agree that OCSD retains its rights and responsibilities as defined in the 1991 MOU and 1996 Agreement. This Agreement in no way diminishes the effectiveness or reduces the scope of the 1991 MOU and 1996 Agreement.
 7. Term of OCSD Capacity Agreements. The pool and associated agreements with dischargers shall not extend beyond the term of SAWPA's agreement with OCSD, currently April 12, 2046 per the 1996 Agreement.
 8. Amendments and Modifications. The terms of this Agreement may only be amended or modified in writing when executed by all of the signatories hereto. SAWPA and the Agencies shall review and amend this Agreement as necessary at least once every five years from the effective date or if requested by one of the Parties.
 9. Adding Capacity to the Pool. An Agency may offer to add capacity to the pool by delivering to SAWPA a board resolution to that effect. The notification shall specify the flow rate and water quality (pounds of BOD per day, pounds of TSS per day) being added. SAWPA shall accept the

offer to increase the pool if there is foreseeable demand, and subject to the ultimate limits of the total capacity purchased from OCSD. SAWPA shall maintain a record of changes to the capacity pool.

10. This Agreement will remain in effect unless terminated by SAWPA or by all of the Agencies. Once the first follow-on agreement between SAWPA and a discharger is executed, this Agreement may only be terminated upon the expiration of all follow-on agreements. An Agency may withdraw from this Agreement by providing 90 days advance written notice to SAWPA and to the other Agencies, but will only be allowed to withdraw capacity from the pool that is uncommitted to a discharger.
11. Notice. Except as otherwise provided herein, all notices and other communications required or permitted hereunder shall be in writing, and shall be delivered in person, by E-mail, or sent by certified mail, return receipt requested, and shall be deemed received upon actual receipt or 72 hours after deposit in the mail of the United States Postal Service, postage prepaid and addressed as follows:

To SAWPA:

Santa Ana Watershed Project Authority (SAWPA)
Attention: General Manager
11615 Sterling Ave.
Riverside, CA 92503
(951) 354-4220

To Agencies:

Eastern Municipal Water District
Attention: General Manager
2270 Trumble Road
Perris, CA 92570

Inland Empire Utilities Agency
Attention: General Manager
6075 Kimball Avenue
Chino, CA 91708

San Bernardino Valley MWD
Attention: General Manager
380 E. Vanderbilt Way
San Bernardino, CA 92408

Western Municipal Water District
Attention: General Manager
14205 Meridian Parkway
Riverside, CA 92518

In witness whereof, SAWPA and the Agencies have executed this Agreement as of the day and year first above written:

Eastern Municipal Water District

By: _____
Name: _____
Title: _____
Date: _____

Inland Empire Utilities Agency

By: _____
Name: _____
Title: _____
Date: _____

San Bernardino Valley Municipal Water District

By: _____
Name: _____
Title: _____
Date: _____

Western Municipal Water District

By: _____
Name: _____
Title: _____
Date: _____

SAWPA

By: _____
Name: _____
Title: _____
Date: _____

Final, December 18, 2018

**CONSENT
CALENDAR
ITEM**

2F



Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, General Manager

Committee: Engineering, Operations & Water Resources

03/13/19

Executive Contact: Shaun Stone, Acting Executive Manager of Engineering/AGM

Subject: RP-1 Civil Improvements Construction Contract Award

Executive Summary:

Much of the asphalt at Regional Water Recycling Plant No. 1 (RP-1) has been in-place since 1972 and is well past its service life. Well maintained asphalt cement has a life expectancy of 10 to 15 years. Curbs, gutters, and vaults generally have a life of 25 years. The scope of work for the project has been prioritized to begin repairs and replacement of failed asphalt cement, curbs and gutters, and in-ground vaults for the most degraded portions of the facility.

On December 12, 2018, IEUA received two construction bids. Terra Pave Inc., was the lowest responsive, responsible bidder with a bid price of \$626,000.

Staff's Recommendation:

1. Award a construction contract for the RP-1 Civil Improvements, Project Nos. EN18042 and EN19034, to Terra Pave, Inc., in the amount of \$626,000; and
2. Authorize the Interim General Manager to execute the construction contract, subject to non-substantive changes.

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

Account/Project Name:

EN18042/RP-1 Civil Improvements
EN19034/RP-1 Operations Building Paving Project

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

None.

Environmental Determination:

Statutory Exemption

The project is statutorily exempt based on the CEQA General Rule found in Section 15061(b)(3) of the State CEQA Guidelines.

Business Goal:

The RP-1 Civil Improvement Project is consistent with the IEUA's Business Goal of Wastewater Management and Work Environment specifically the Asset Management and Staff Safety objectives that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment, exceeding industry best practices.

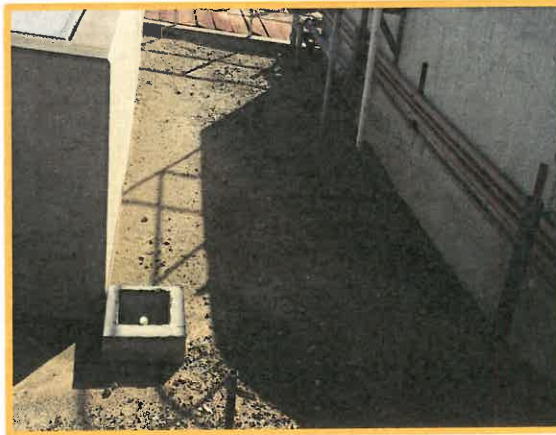
Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

Attachment 1

RP-1 Civil Improvements Construction Contract Award Project No. EN18042 and EN19034



Matthew A. Poeske, P.E.
March 2019

Project Location



The Project

- Remove/Dispose of failed asphalt cement, curbs, and gutters
- Replace failed in-ground vaults
- Place new base and asphalt
- Restripe



3

Entry to Parking Area at RP-1. Slurry Seal obscures failed A.C.

Contractor Selection

Two bids were received on December 13, 2018:

Bids Received

Bidder's Name	Total
Terra Pave, Inc.	\$ 626,000
Ferreira Coastal Construction	\$ 798,957
Engineer's Estimate	\$600,000

Project Budget and Schedule

Description	Estimated Cost
Design Services	\$128,000
Design	\$128,000
Construction Services	\$109,000
IEUA Construction Services (~15%)	\$109,000
Construction	\$688,600
Construction Contract (this action)	\$626,000
Contingency (~10%)	\$62,600
Total Project Cost:	\$925,600
Total Project Budget:	\$980,000

Project Milestone	Date
Construction	
Construction Contract Award	March 2019
Construction Completion	September 2019

Recommendation

- Award a construction contract for the RP-1 Civil Improvements, Project Nos. EN18042 and EN19034, to Terra Pave, Inc., in the amount of \$626,000, and
- Authorize the Interim General Manager to execute the construction contract, subject to non-substantive changes.

The RP-1 Civil Improvement Project is consistent with the **IEUA's Business Goal of Wastewater Management and Work Environment** specifically the Asset Management and Staff Safety objectives that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment, exceeding industry best practices.

Attachment 2

SECTION D - CONTRACT AND RELEVANT DOCUMENTS

1.0 CONTRACT

THIS CONTRACT, made and entered into this ____ day of March, 2019, by and between Terra Pave, Incorporated, hereinafter referred to as "Contractor," and The Inland Empire Utilities Agency, a Municipal Water District, located in San Bernardino County, California, hereinafter referred to as "Agency".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Agency and the Contractor agree as follows:

Contractor agrees to perform and complete in a workmanlike manner, all work required under the bidding schedule of said Agency's specifications entitled SPECIFICATIONS FOR:

RP-1 Civil Restoration and Upgrades (EN18042 and 19034).

1. in accordance with the specifications and drawings, and to furnish at their own expense, all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said specifications to be furnished by said Agency, and to do everything required by this Contract and the said specifications and drawings.
2. For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and said specifications and drawings; also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the work until its acceptance by said Agency, and for all risks of every description connected with the work; also for all expenses resulting from the suspension or discontinuance of work, except as in the said specifications are expressly stipulated to be borne by said Agency; and for completing the work in accordance with the requirements of said specifications and drawings, said Agency will pay and said Contractor shall receive, in full compensation therefore, the price(s) set forth in this Contract.
3. That the Agency will pay the Contractor progress payments and the final payment, in accordance with the provisions of the contract documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bidding and Contract

Requirements, Section C - Bid Forms and accepted by the Agency and set forth in this below.

Total Bid Price \$ Six-hundred and twenty-six thousand Dollars,
and No Cents.

If this is not a lump sum bid and the contract price is dependent upon the quantities constructed, the Agency will pay and said Contractor shall receive, in full compensation for the work the prices named in the Bidding and Contract Requirements, Section C - Bid Forms.

4. The Agency hereby employs the Contractor to perform the work according to the terms of this Contract for the above-mentioned price(s), and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said specifications; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.
5. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractors License Declaration, Specifications, Drawings, all General Conditions and all Special Conditions, and all addenda issued by the Agency with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.
6. The Contractor agrees to commence work under this Contract on or before the date to be specified in a written "Notice To Proceed" and to complete said work to the satisfaction of the Agency within the time period specified below for each Phase of work, after award of the Contract. All work shall be completed before final payment is made.

Phase I (FY2018/2019)	One-hundred and twenty (120) calendar days after date of Contract award by the Agency
Phase II (FY2019/2020)	Forty (40) calendar days beginning on July 1 st , 2019

7. Time is of the essence on this Contract.
8. Contractor agrees that in case the work is not completed before or upon the expiration of the contract time, damage will be sustained by the Agency, and that it is and will be impracticable to determine the actual damage which the Agency will sustain in the event and by reason of such delay, and it is therefore agreed that the Contractor shall pay to the Agency the amount listed below for each day of delay, which shall be the period between the expiration of the contract time and the date of final acceptance by the Agency, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that

would be sustained by the Agency, and the Contractor agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the Contractor agrees that the Agency may deduct the amount thereof from any money due or that may become due to the Contractor by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.

Phase I (FY2018/2019)	Five-hundred (\$ 500.00) dollars for each calendar-day delay
Phase II (FY2019/2020)	Five-hundred (\$ 500.00) dollars for each calendar-day delay

In addition to the liquidated damages, which may be imposed if the Contractor fails to complete the work within the time agreed upon, the Agency may also deduct from any sums due or to become due the Contractor, liquidated damages in accordance with the Bidding and Contract Requirements, Section B - Instruction to Bidders, Part 5.0 "Liquidated Damages", for any violation of the General Conditions, Section D - Contractor's Responsibilities, Part 8, "Law and Regulations"; Bidding and Contract Requirements Contract Section D -Contract and Relevant Documents, Part 1.0, Paragraphs 9 through 11; General Conditions , Section D – Contractor's Responsibilities, Part 4.0, "Labor, Materials and Equipment"; General Conditions Section D – Contractor's Responsibilities, Part 12.0, "Safety and Protection" or General Conditions Section H – Legal Responsibilities, Part 8.0, "Disturbance of the Peace".

9. That the Contractor will pay, and will require subcontractors to pay, employees on the work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, contained in or referenced in the contract documents.
10. That, in accordance with Section 1775 of the California Labor Code, Contractor shall forfeit to the Agency, as a penalty, not more than Fifty (\$50.00) Dollars for each day, or portion thereof, for each worker paid, either by the Contractor or any subcontractor, less than the prevailing rates as determined by the Director of the California Department of Industrial Relations for the work.
11. That, except as provided in Section 1815 of the California Labor Code, in the performance of the work not more than eight (8) hours shall constitute a day's work, and not more than forty (40) hours shall constitute a week's work; that the Contractor shall not require more than eight (8) hours of labor in a day nor more than forty hours of labor in a week from any person employed by the Contractor or any subcontractor; that the Contractor shall conform to Division 2, Part 7, Chapter 1, Article 3 (Section 1810, et seq.) of the California Labor Code; and that the Contractor shall forfeit to the Agency, as a penalty, the sum of Twenty-Five (\$25.00) Dollars for each worker employed in the execution of the work by Contractor or any subcontractor for each day during which any worker is required or permitted to labor more than eight (8) hours in violation of said Article 3.

12. That the Contractor shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
13. That the Contractor shall have furnished, prior to execution of the Contract, two bonds approved by the Agency, one in the amount of one hundred (100) percent of the contract price, to guarantee the faithful performance of the work, and one in the amount of one hundred (100) percent of the contract price to guarantee payment of all claims for labor and materials furnished.
14. The Contractor hereby agrees to protect, defend, indemnify and hold the Agency and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Agency and the Contractor) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the Contractor, its employees agents, representatives or subcontractors under or in connection with this Contract.

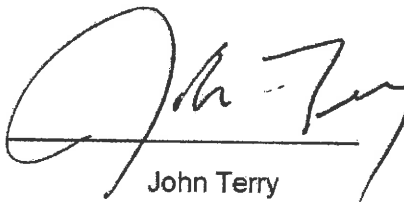
The Contractor further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Contractor.

IN WITNESS WHEREOF, The Contractor and the General Manager of Inland Empire Utilities Agency*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

Inland Empire Utilities Agency, *
San Bernardino County, California.

By _____
Kirby Brill
Interim General Manager

Terra Pave, Incorporated

By 
John Terry
President

*Municipal Water District

**ACTION
ITEM**

3A

Prior Board Action:

On February 20, 2019, IEUA's Board of Directors approved the contract amendment to Means Consulting, Inc. for a not-to-exceed amount of \$189,514 for professional support services of the CBP.

On December 19, 2018, IEUA's Board of Directors approved the contract awards to GEI Consultants, Inc. and Water Systems Consulting, Inc. for a combined not-to-exceed amount of \$2,787,095 for professional support services of the CBP.

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.

Business Goal:

The CBP supports IEUA's business goal of Water Reliability, of implementing an integrated water resources management plan providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Attachments:

Attachment 1 - Background

Attachment 2 - Presentation

Attachment 3 - Consultant Contract

Date: March 20, 2019
To: The Honorable Board of Directors
From: Kirby Brill, Interim General Manager
Subject: Background Information Chino Basin Program Professional Contract Award

In November 2018, the IEUA Board established a planning budget of \$6.3M for the Chino Basin Program (CBP), subsequent to the conditional funding award from the California Water Commission (CWC) in the amount of \$206.9M. In order to secure the final funding agreement, a final report including refined project scope, environmental determination and institutional agreements need to be submitted to the CWC by 2020.

Consultant Selection: Nine proposals as response to the Agency’s Request for Proposal for the CBP Pre Design Services were received. With a committee selection staff including both IEUA and four IEUA member agency shortlisted and subsequently interviewed six firms; the selection committee unanimously selected Brown & Caldwell as the best qualified team for CBP.

Total CBP Budget: Staff has identified core planning activities to meet the conditions for the final funding award by 2021. In order to achieve the milestones and the funding conditions, the total project budget in the proposed FY 2020-2029 TYCIP is proposed to be increased to \$15M for anticipated expenditures through FY 2021/2022, as depicted in Table 1 below. Detailed activities are summarized in Table 2.

Table 1: Chino Basin Project Total Project Budget

CBP Total Project Budget	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	Total Budget
Nov 2018 Board Authorization	\$3,000,000	\$3,300,000			\$6,300,000
Budget Amendment Request (Current Action)	\$300,000	\$3,250,000	\$2,575,000	\$2,575,000	\$8,700,000
Total CBP Project	\$3,300,000	\$6,550,000	\$2,575,000	\$2,575,000	\$15,000,000

Table 2: Chino Basin Program Planning Phase Activities through FY 2021/2022

CBP Planning Activity		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	Total Budget
Executed Contracts	1 Program Management (GEI)					\$1,953,680
	2 Outreach & Communication (WSC)					\$850,000
	3 Stakeholder Engagement (Means)					\$250,000
PDR Action	4 Preliminary Design Services					\$4,000,000
Budget for Future CBP Costs	5 Programmatic Environmental Impact Report					\$1,200,000
	6 CBWM Coordination OBMP Storage & Recovery CEQA					\$1,200,000
	7 Institutional Agreements Development (Strategy / Media)					\$500,000
	8 Staff (Assume 5 FT)					\$3,120,000
	9 Contingency (13%)					\$1,926,320
10 Total						\$15,000,000



Preliminary Design Report Engineering Services Contract Award

Sylvie Lee
Manager of Planning & Environmental Resources

March 20, 2019

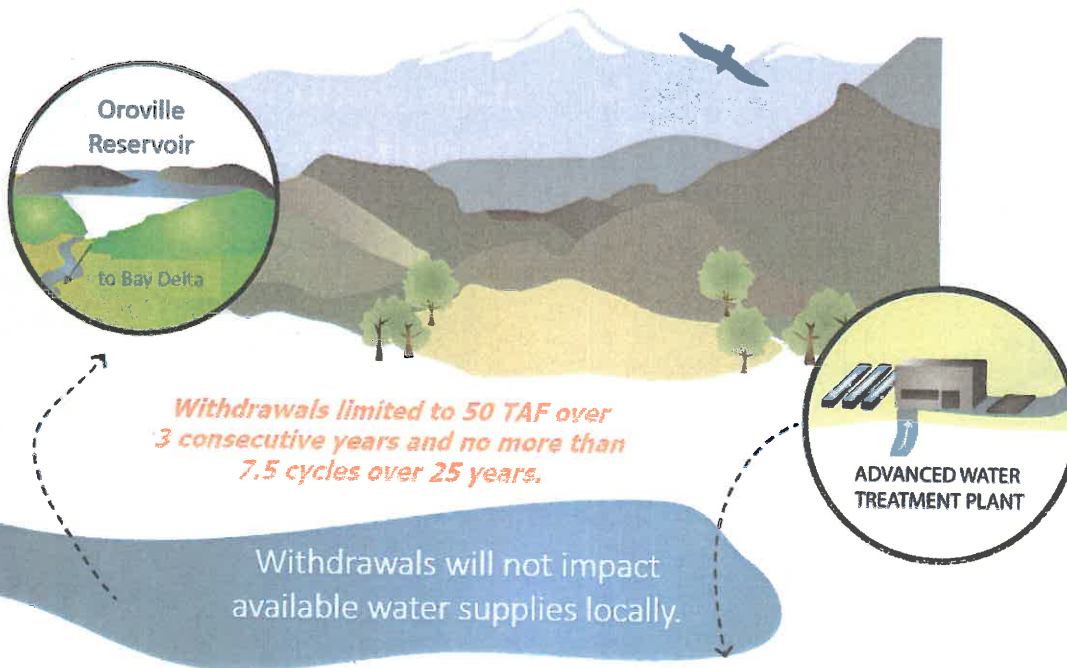




Chino Basin Program

Chino Basin Opportunity

So-Cal / Nor-Cal Water Exchange supports **water optimization** – and overarching benefits from affordability to environment and water quality / availability.



- 2015 Technical Studies
- Aug 2017 - Proposition 1 Application Submitted
- Jul 2018 - CBP received conditional award \$206.9M
- Nov 2018 - IEUA Board established CBP Planning budget \$6.3 million
- Dec 2018 – CBP PDR Request for Proposals was issued



CBP Preliminary Design Report

1

- Understand the broad mutual needs amongst the stakeholders and assess the synergy to meet the CBP performance goals

2

- Provide conceptual design of advanced water treatment facilities, wells and wellhead treatment facilities, and pipeline distribution system

3

- Prepare a Preliminary Design Report consisting of final concepts and associated cost that will be utilized in developing Environmental Impact Reports and Institutional Agreements



Consultant Selection Process

Request for Proposal

Advertised on BidNet

Meetings with all firms

Response to questions



DEC 2018

Nine Proposals Received

- *Arcadis*
- *Brown & Caldwell*
- *Carollo*
- *CDM Smith*
- *GHD*
- *Hazen & Sawyer*
- *Kennedy Jenks*
- *Parsons*
- *Tetra Tech*

JAN 24, 2019

Proposal Evaluation

4 IEUA Staff

4 IEUA Agencies:

- *Chino*
- *CVWD*
- *Ontario*
- *Upland*

JAN 31, 2019

Interviews

6 Firms were invited

Panel:
4 IEUA Staff
Chino
Ontario



FEB 6, 2019

Consultant Selection

Unanimous Selection

Most qualified

Brown & Caldwell

FEB 6, 2019

Contract Award

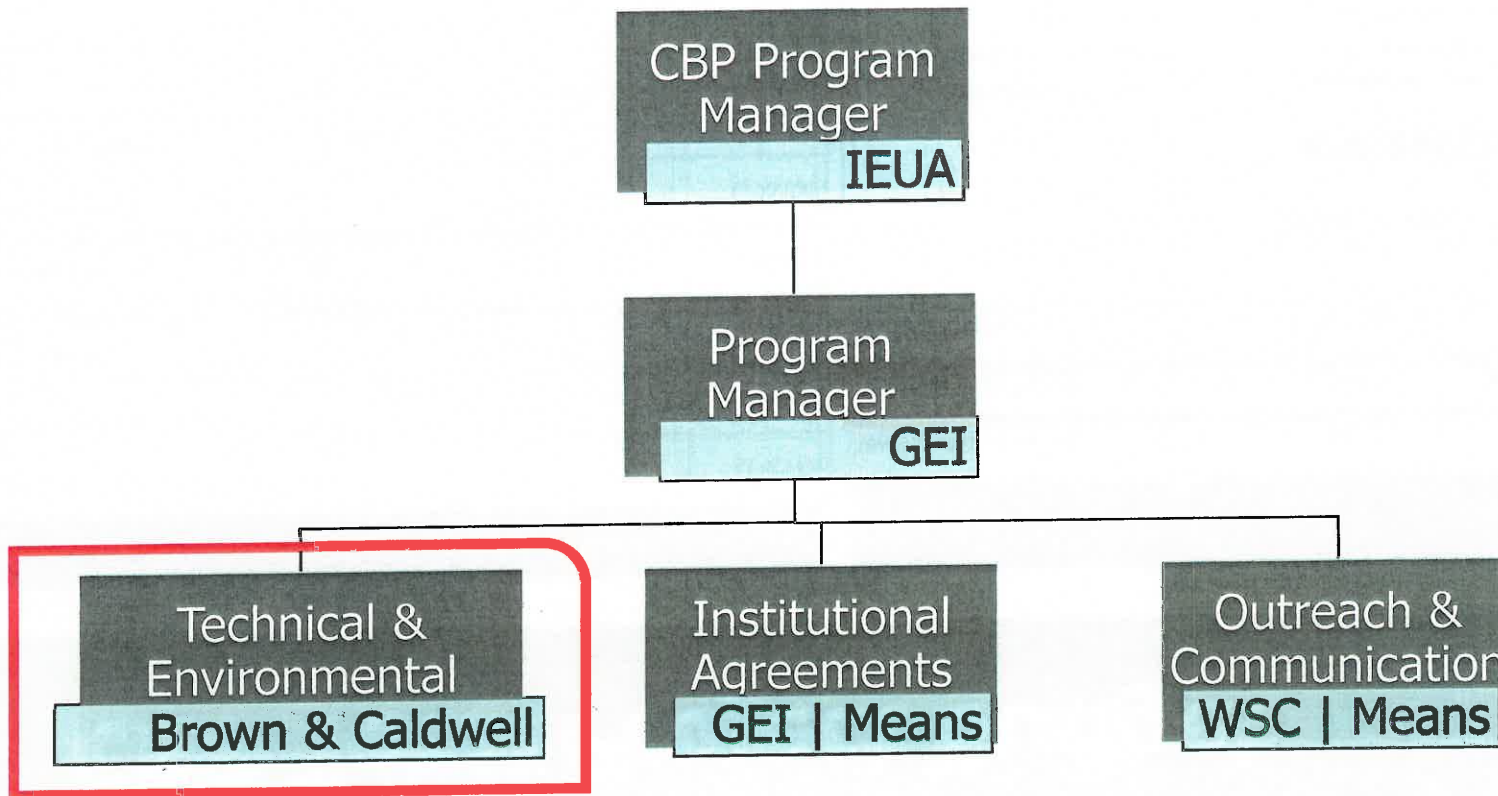
If approved, PDR will be completed by March 2020



MAR 20, 2019



Chino Basin Team

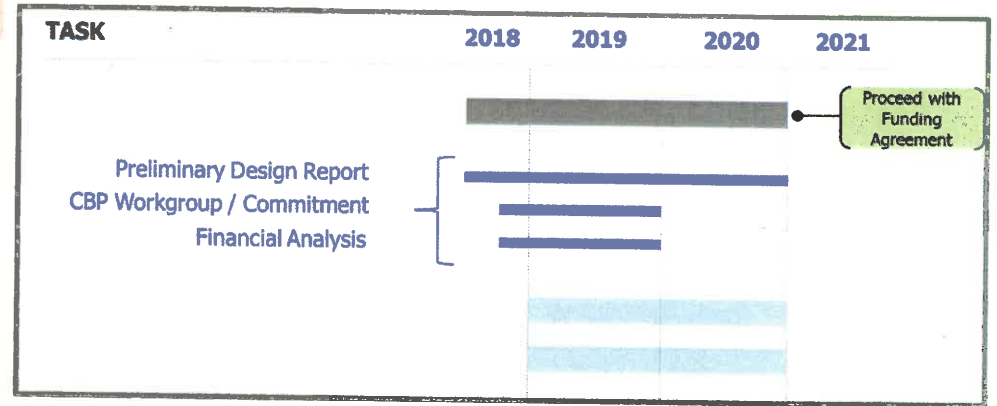




CBP Total Project Budget

CBP Planning Activity		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	Total Budget
Executed Contracts	1 Program Management (GEI)					\$1,953,680
	2 Outreach & Communication (WSC)					\$850,000
	3 Stakeholder Engagement (Means)					\$250,000
PDR Action	4 Preliminary Design Services					\$4,000,000
Budget for Future CBP Costs	5 Programmatic Environmental Impact Report					\$1,200,000
	6 CBWM Coordination OBMP Storage & Recovery CEQA					\$1,200,000
	7 Institutional Agreements Development (Strategy / Media)					\$500,000
	8 Staff (Assume 5 FT)					\$3,120,000
	9 Contingency (13%)					\$1,926,320
	10 Total					\$15,000,000

CBP Total Project Budget	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	Total Budget
Nov 2018 Board Authorization	\$3,000,000	\$3,300,000			\$6,300,000
Budget Amendment Request	\$300,000	\$3,250,000	\$2,575,000	\$2,575,000	\$8,700,000
Total CBP Project	\$3,300,000	\$6,550,000	\$2,575,000	\$2,575,000	\$15,000,000





Staff Recommendation

*CBP supports IEUA's business goal of **Water Reliability**, of implementing an integrated water resources management plan providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.*

1. Award CBP PDR engineering services contract to **Brown & Caldwell** for the not-to-exceed amount of \$3,978,506 and authorize the Interim General Manager to execute the contract, subject to non-substantive changes.
2. Increase the CBP Total Project Budget from \$6.3M to \$15M.



CONTRACT NUMBER: 4600002697

FOR

CHINO BASIN PROGRAM PRELIMINARY DESIGN REPORT

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, _____, 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 interchangeably referred to as "IEUA" and "Agency") and Brown and Caldwell, with offices located in Irvine, California (hereinafter referred to as "Consultant"), for consulting services in support of the Chino Basin Program Preliminary Design Report.

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: Liza Muñoz, Senior Engineer
Address: 6075 Kimball Avenue
Chino, California 91708

Telephone: (909) 993-1522
Facsimile: (909) 993-1982
Email: lmuñoz@ieua.org

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

Consultant: Andrew Lazenby, PE
Address: 18500 Von Karman Avenue, Suite 1100
Irvine, California 92612

Telephone: (714) 730-7600
Email: alazenby@brwncald.com

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 4600002697
 - B. Contract Number 4600002697 General Terms and Conditions.
 - C. Project Manager's Request for Proposal, RFP-JV-18-009 (**Exhibit A**)
 - D. Consultant's Proposal dated January 24th, 2019.
4. SCOPE OF WORK AND SERVICES: Consultant's services and responsibilities shall be in accordance with Project Manager's Request for Proposal, RFP-JV-18-009, as outlined in **Exhibit A** which is referenced herein, attached hereto, and made a part hereof (hereinafter "Work").
5. FAMILIARITY WITH SCOPE OF WORK: By execution of this Agreement, Consultant represents that:
- (1) It has investigated and considered the scope of the Work under this Agreement to be performed, based on all available information provided in the RFP; and
 - (2) It carefully considered how the Work should be performed; and
 - (3) It understands the difficulties and restrictions attending the performance of the Work under this Agreement; and
 - (4) It has the professional and technical competency to perform the Work and the production capacity to perform the Work in a timely manner in accordance with the Contract and applicable standard of care.
6. TERM: The term of this Contract shall extend from the date of the Notice to Proceed and terminate on December 1, 2020, unless agreed to by both parties, reduced to writing, and amended to this Contract.
7. COMPENSATION: Agency shall pay Consultant's once-monthly, properly-executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice by IEUA. Invoices shall include the name of assigned personnel, fully-burdened hourly billing rate, dates worked, a brief description of work, as well as the Contract Number 4600002697 for payment. Payment shall be withheld for any service which does not meet Agency requirements or have proven unacceptable until such service is revised, the invoice resubmitted and accepted by the Project Manager. Consultant's original invoice shall be submitted electronically to apgroup@ieua.org.

In compensation for the Work represented by this Contract, Agency shall pay Consultant **NOT-TO-EXCEED** a maximum total of **\$3,978,506.00** for all services provided in accordance with **Exhibit A**, referenced herein, attached hereto, and made a part hereof.

Agency may, at any time, make changes to the Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing by the Agency. Such changes shall be made by an Amendment to the Contract. Any changes shall be made by a written Amendment to the Contract. 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 **Exhibit B**. 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.

8. CONTROL OF THE WORK: The Consultant shall perform the Work in compliance with the Work Schedule. 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. FITNESS FOR DUTY:

A. Fitness: Consultant 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.
4. 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.

10. 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 claim 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

Except for professional liability, 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 canceled by either party, except after thirty (30) days prior written notice by regular mail, has been given to the Agency. Consultant will notify in the event of reduction in coverage or limits required by this Agreement.

- 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 copies of all required insurance policies, provided confidential information shall be redacted, 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

11. 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: Subject to the standard of care in Professional Responsibility, 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. For this project subcontractor list law shall apply.
- E. Grant-Funded Projects: This project is grant-funded. *[For Federal/State grant/loan-funded projects, the Consultant shall be responsible to comply with all grant requirements related to the Project. These may include, but shall not be limited to:*

*Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Disadvantaged Business Enterprise (DBE) Requirements, Competitive Solicitation, Record Retention and Public Access to Records, and Labor Compliance and Compliance Review. Federal funds have additional requirements. Please reference the flow-down requirements attached hereto and made a part hereof as **Exhibit C.**]*

- F. 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.

Consultant understands and acknowledges that executing this Agreement may inhibit the Consultant from engaging in future contracts, jobs, or agreements with the Agency that is, or can be considered, related to the Scope of Work due to a potential conflict of interest.

- G. 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 IEUA 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.

- H. Non-Conforming Work and Representation: Consultant represents that the Work and Documentation shall conform to the specifications 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 nonconforming Work or Documentation, regardless of whether any such errors or non-conforming Work or Documentation 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 non-conforming Work 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. The Consultant's liability with respect to any claims arising out of the Work and the Consultant shall bear no liability whatsoever for any consequential loss, injury or damage incurred by the Agency, including but not limited to, claims for loss of use, loss of profits and loss of markets.

I. 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 subcontractor 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.
12. **INDEMNIFICATION:** Consultant shall indemnify the Agency, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the 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.

13. 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 subcontractor(s) pertaining to this Contract. Any modifications or reuse of such materials for purposes other than those intended by the Contract shall be at the Agency's sole risk and without liability to Consultant and Agency shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants against all losses and damages, costs and expense, including attorneys' fees, arising out of or related to any such alteration or unauthorized use. 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.

14. 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.

15. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Consultant in the performance of the Work, shall be governed by the following provisions:
 - 1. 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.

2. 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.
3. 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.

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

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

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: Warren T. Green
Manager of Contracts
Inland Empire Utilities Agency, a Municipal Water District
P.O. Box 9020
Chino Hills, California 91709

Consultant: Andrew Lazenby, PE
Project Manager
18500 Von Karman Avenue, Suite 1100
Irvine, California 92612

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 this work.

In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure, (e.g., "Confidential," "Proprietary" or "Trade Secret,") 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. CERTIFICATION UNDER LABOR CODE SECTION 1861 BY CONSULTANT: I, the undersigned Consultant, am aware of the provisions of Section 3700 et seq. of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Consultant, agree to and will comply with such provisions before commencing the performance of the work of this Agreement.

21. 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 termination of the Contract. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
22. 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.
23. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California, County of San Bernardino.
24. 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.
25. 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.
26. 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.
27. AGENCY-PROVIDED INFORMATION AND SERVICES: The Agency shall furnish Consultant available studies, reports and other data pertinent to Consultant's services; obtain or authorize Consultant to obtain or provide additional reports and data as required; furnish to Consultant services of others required for the performance of Consultant's services hereunder, all subject to Agency's prior approval, and Consultant shall be entitled to use and rely upon all such information and services provided by the Agency or others in performing Consultant's services under this Agreement.
28. ESTIMATES AND PROJECTIONS: Consultant has no control over the cost of labor, materials, equipment or services furnished by others, or unknown or latent conditions of existing equipment or structures, and time or quality of performance by third parties. Data and cost projections are based on Consultant's opinion based on experience and judgment. Consultant cannot and does not guarantee that actual base unit quantities realized and/or costs will not vary from the data and cost projections prepared by Consultant and Consultant does not and will not be liable to and/or any third party in the future. However, nothing herein shall relieve Consultant from liability for its failure to perform the work to the standard of skill and care expected of a consultant under the same or similar circumstances.

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)

BROWN AND CALDWELL:

Kirby Brill
Interim General Manager

(Date)

Michael Puccio, P.E.
Vice President

(Date)

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**INFORMATION
ITEM**

4B



Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager KB

Committee: Finance & Administration

03/13/19

Engineering, Operations & Water Resources

03/13/19

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

Subject: Proposed Ten Year Capital Improvement Plan (TYCIP) Fiscal Years 2019/20-2028/29

Executive Summary:

Pursuant to the Regional Sewage Service Contract, an annual forecast of capital projects planned over the next ten years, the Ten Year Capital Improvement Plan (TYCIP), is submitted to the Regional Technical and Policy Committees and IEUA Board of Directors for approval. The proposed TYCIP of approximately \$924 million identifies projects planned for fiscal years (FYs) 2019/20 - 2028/29 along with respective budget and projected funding sources. Based on current and conservative assumptions, approximately 46% will be funded on a pay-go basis, 49% with new debt issuance, and the remaining balance with grant proceeds.

As one of the Agency's long-term planning documents, the TYCIP is instrumental in identifying necessary improvements and expansion of existing facilities, major asset replacement and rehabilitation (R&R), and major capital equipment purchases to meet current and future service demands. Capital projects in the Regional Wastewater and Recycled Water programs account for nearly 90% of the \$924 million, with about 70%, or \$635 million, scheduled within the first 5 years (FYs 2020-2024). Major projects in the proposed TYCIP include: Regional Water Recycling Facility No. 5 (RP-5) Expansion, RP-1 Rehabilitation and Improvement, recycled water intertie connections to the City of Pomona and Jurupa Community Services District, and rehabilitation and repair of critical assets including the Philadelphia Lift Station.

Staff's Recommendation:

This is an informational item.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

None.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

On June 20, 2018, the IEUA Board of Directors adopted the FY 2018/19 Budget Amendment to the FYs 2017/18 - 2026/27 TYCIP.

Environmental Determination:

Not Applicable

Business Goal:

The proposed TYCIP for FYs 2019/20 - 2028/29 is consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices.

Attachments:

- Attachment 1 - Background
- Attachment 2 - List of Projects
- Attachment 3 - Powerpoint

Background

Subject: Proposed Ten Year Capital Improvement Plan (TYCIP) for FYs 2019/20 – 2028/29

Presented is a preliminary overview of the Agency's proposed Ten Year Capital Improvement Plan for fiscal years (FYs) 2019/20 - 2028/29 (2020 TYCIP). The proposed 2020 TYCIP will be presented to the Regional Technical and Regional Policy Committees on March 28, 2019 and April 4, 2019, respectively.

FYs 2020 – 2029 Proposed Ten Year Capital Improvement Plan (2020 TYCIP)

The purpose of the capital improvement plan is to catalog and schedule capital improvement projects over a multi-year period to effectively and efficiently meet the service needs of the region, comply with statutory requirements, and appropriately maintain Agency assets. Each year, pursuant to the Regional Sewage Service Contract (Regional Contract), member agencies provide a ten-year forecast of expected growth in their area. The member agencies forecast, presented to the Board of Directors on October 2018, estimated over 52,000 new connections over the next ten years, with approximately 60% of those new connections anticipated in the southern portion of the Agency's service area. The Agency prepares a ten-year forecast of capacity demands and identifies capital projects needed to meet the service demand from future growth. The TYCIP is updated annually and presented to the Regional Technical and Policy Committees for review and comment.

The rehabilitation, replacement, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed FY 2020 TYCIP. These drivers are consistent with the Agency's long-term planning documents approved by the Board of Directors, amongst them:

- 2015 Wastewater Facilities Master Plan
- 2015 Recycled Water Program Strategy Update
- 2015 Energy Management Plan
- 2015 Regional Water Use Efficiency Business Plan
- 2016 Integrated Water Resources Plan

The proposed FY 2020 TYCIP of \$924 million is higher than the current 2019 TYCIP of \$715 million by approximately \$209 million. The primary drivers for the increase are the RP-1 Capacity Recovery project which is slated to begin construction in 2029, and the recycled water interties to the City of Pomona and Jurupa Community Services District (JCSD). Regional Capital projects in the Regional Wastewater and Recycled Water programs account for nearly 90% of the \$924 million, with about 70%, or \$635 million, scheduled within the first 5 years (FYs 2020-2024). The capital improvement plan includes both capital and operational and maintenance projects but only capital are shown by fund in Table 1 below.

Table 1: Proposed TYCIP Projects by Fund

Fund (\$Millions)	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25 through FY 2028/29	TOTAL
Wastewater Capital*	\$25.3	\$102.6	\$125.7	\$66.3	\$36.0	\$158.6	\$514.4
Wastewater Operations**	28.8	22.7	10.9	8.1	3.9	31.8	106.2
Recycled Water	18.7	23.8	16.3	23.3	44.0	78.3	204.4
Non-Reclaimable Wastewater	8.9	14.0	0.6	0.7	0.8	5.7	30.8
Water Resources	3.0	7.8	6.1	3	8	0.0	28.0
Recharge Water	5.0	13.2	0.3	0.5	0.8	6.8	26.5
Admin Services	2.3	1.2	0.6	0.7	1.0	7.7	13.6
Total	\$91.8	\$185.5	\$160.5	\$102.6	\$94.5	\$289.0	\$923.9

*Regional Wastewater Capital Improvement Fund

**Regional Wastewater Operations & Maintenance Fund

+/- Total may not add due to rounding

The RP-1 Capacity Recovery project and improvements to the regional recycled water system are expected to increase the capital improvement plan to \$211 million by 2030. As summarized in Table 2, eight major capital projects account for nearly 68%, or \$896 million, of the \$1.3 billion million planned over the next 15 years.

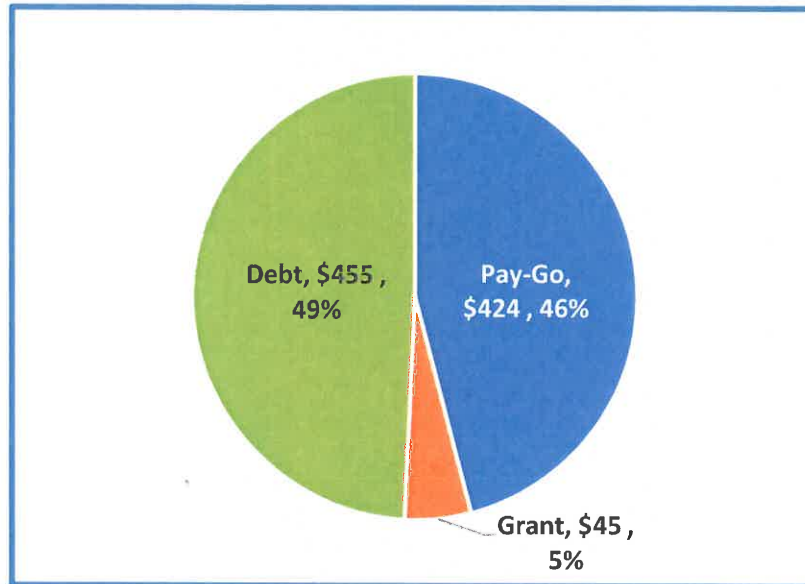
Table 2: Major Capital Projects

Description	FYs 2020-2029				TOTAL COST \$ Millions
	16/20	21/25	26/30	31/35	
RP-5 Solids Treatment Facility					\$ 162
RP-5 Expansion to 30 mgd					\$ 157
RP-4 Expansion					\$ 14
RP-1 Capacity Recovery					\$ 347
RP-1 Advanced Water Treatment					\$ 80
RP-4 Improvement					\$ 5
Intertie - Pomona & JCSD					\$ 112
Philadelphia Lift Station					\$ 19
Total					\$ 896

These major projects are needed to meet the anticipated growth in the Agency's service area, replacement and rehabilitation (R&R) of aging facilities and infrastructure, and sustainment of water quality in the region. Funding for these major projects is shared by the Regional Wastewater Capital Improvement (Wastewater Capital), the Regional Wastewater Operations & Maintenance (Wastewater Operations), Recycled Water (WC), and Non-Reclaimable Wastewater (NC) funds.

Based on current and conservative assumptions, the proposed TYCIP is funded on a pay-go basis, new debt, and grants as shown in Figure 1.

**Figure 1: Estimated Funding Sources
(\$ Million)**

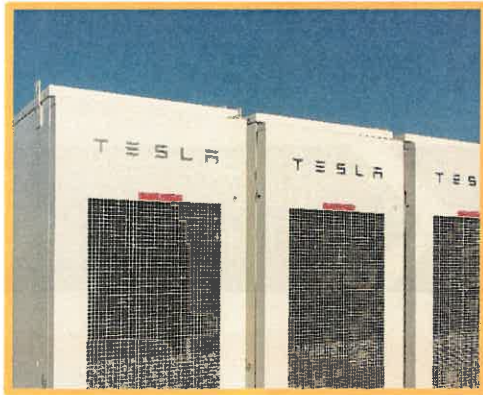


2019/20 TYCIP List of Projects

Project No.	Name	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	10 Years
EN19006	RP-5 SHF	8,000,000	65,000,000	69,000,000	13,000,000	200,000	-	-	-	-	-	155,200,000
EN19001	RP-5 Expansion to 30 mgd	3,000,000	25,000,000	45,000,000	45,000,000	29,000,000	2,700,000	-	-	-	-	149,700,000
EN16060	RW Connections to City of Pomona	2,000,000	3,000,000	3,000,000	18,000,000	40,000,000	10,500,000	3,500,000	-	-	-	80,000,000
EN22006	RC Asset Management	-	-	3,000,000	3,000,000	3,000,000	8,400,000	9,800,000	11,000,000	12,500,000	15,000,000	65,700,000
EN24001	RP-1 Liquid Treatment Capacity Recovery	100,000	-	-	-	-	-	-	2,500,000	4,750,000	57,000,000	64,350,000
EN22009	WC Asset Management	-	-	500,000	1,000,000	2,000,000	3,000,000	5,000,000	7,000,000	8,900,000	11,000,000	38,400,000
EN16065	RW Connections to JCSD	1,000,000	18,500,000	11,800,000	-	-	-	-	-	-	-	31,300,000
EN17006	CCWRf Assets Management and Improvemen	4,000,000	7,500,000	500,000	2,000,000	2,000,000	2,000,000	6,000,000	-	-	-	24,000,000
PL26001	RP-1 Advanced Water Treatment Facility	-	-	-	-	-	-	-	2,000,000	6,000,000	12,000,000	20,000,000
EN23002	Philadelphia Lift Station Force Main Imp	5,000,000	13,500,000	-	-	-	-	-	-	-	-	18,500,000
EN24002	RP-1 Solids Treatment Expansion	100,000	-	-	-	-	-	-	750,000	1,250,000	14,000,000	16,100,000
PL19005	Chino Basin Project	3,000,000	6,850,000	5,150,000	-	-	-	-	-	-	-	15,000,000
RW15003	Recharge Master Plan Update Projects	5,000,000	9,750,000	40,041	-	-	-	-	-	-	-	14,790,041
PL20001	SARCCUP Placeholder for Chino Basin Pipeline	-	1,000,000	1,000,000	3,000,000	8,000,000	-	-	-	-	-	13,000,000
EN26024	2025-2030 Recycled Water Projects	-	-	-	-	-	-	4,000,000	4,000,000	4,000,000	-	12,000,000
EN17082	RP-1 Mechanical Restoration and Upgrades	8,855,000	1,000,000	-	-	-	-	-	-	-	-	9,855,000
EN26023	1299 Pressure Zone Pipeline Capacity Upg	-	-	-	-	-	-	1,000,000	6,000,000	2,000,000	-	9,000,000
EN13016	SCADA Enterprise System	2,000,000	3,500,000	3,000,000	-	-	-	-	-	-	-	8,500,000
EN22008	GWR Asset Management	-	-	250,000	500,000	750,000	1,000,000	1,250,000	1,450,000	1,450,000	1,650,000	8,300,000
EN20057	RP-4 Process Improvements Phase II	-	-	1,000,000	5,300,000	2,000,000	-	-	-	-	-	8,300,000
EN11039	RP-1 Disinfection Pump Improvements	-	-	4,819,000	2,410,000	254,000	-	-	-	-	-	7,483,000
EN17043	RP4 Primary Clarifier Rehab	1,150,000	5,200,000	780,000	-	-	-	-	-	-	-	7,130,000
EN22010	GG Asset Management	-	-	150,000	300,000	600,000	800,000	1,000,000	1,200,000	1,400,000	1,600,000	7,050,000
EP21003	South Major Facilities Repair/Replacem	-	636,540	655,636	675,305	695,564	716,431	737,924	760,062	782,864	806,350	6,466,676
EN09007	1630 E Pipeline Seg B & 1630 E Resrvoir	-	-	-	-	-	-	1,000,000	2,400,000	3,000,000	-	6,400,000
EN17110	RP-4 Process Improvements	1,950,000	1,050,000	3,150,000	-	-	-	-	-	-	-	6,150,000
EN22005	RO Asset Management	-	-	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000	1,100,000	6,000,000
EN22007	NRW Asset Management	-	-	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000	1,100,000	6,000,000
EN20056	RSS Haven Avenue Repair & Replace from Airp	2,000,000	4,000,000	-	-	-	-	-	-	-	-	6,000,000
EN17049	Baseline RWPL Extension	5,730,000	-	-	-	-	-	-	-	-	-	5,730,000
EP21002	North Major Facilities Repair/Replacem	-	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	5,400,000
EN17032	RP-4 Outfall Repair from Mission Blvd to	-	-	1,000,000	4,000,000	-	-	-	-	-	-	5,000,000
EN18006	RP-1 Flare Improvements	5,000,000	-	-	-	-	-	-	-	-	-	5,000,000
EN20015	Collection System Upgrades 19/20	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN14042	RP-1 1158 RWPS Upgrades	4,671,728	-	-	-	-	-	-	-	-	-	4,671,728
EN16011	Whispering Lakes Pump Station Rehab	-	-	-	-	-	4,500,000	-	-	-	-	4,500,000
EN17042	Digester 6 and 7 Roof Repairs	1,500,000	2,800,000	-	-	-	-	-	-	-	-	4,300,000
EN19025	Montclair and San Bernardino Force Main	1,050,000	3,000,000	-	-	-	-	-	-	-	-	4,050,000
PL19001	Purchase Existing Solar Installation	-	-	-	-	-	3,500,000	-	-	-	-	3,500,000
RW15004	Lower Day Basin RMPU Improvements	-	3,404,044	-	-	-	-	-	-	-	-	3,404,044
EN18025	RP-1 Secondary System Rehabilitation	-	1,200,000	1,000,000	1,000,000	-	-	-	-	-	-	3,200,000
EN19003	RP-1 Outfall Parallel Line	-	-	-	230,000	1,925,000	960,000	-	-	-	-	3,115,000
EN19010	RP-4 Influent Screen Replacement	2,850,000	-	-	-	-	-	-	-	-	-	2,850,000
EN15012	RP-1 Primary Effluent Conveyance Improve	2,660,000	-	-	-	-	-	-	-	-	-	2,660,000
EN19009	RP-1 Energy Recovery	1,000,000	1,500,000	-	-	-	-	-	-	-	-	2,500,000
EN22004	1158 East Reservoir Re-coating/painting	1,000,000	1,200,000	-	-	-	-	-	-	-	-	2,200,000
EN19027	NRW Pipeline Relining Along Cucamonga Cr	2,150,000	-	-	-	-	-	-	-	-	-	2,150,000
EN18036	CCWRf Asset Management and Improvement	2,086,500	15,000	-	-	-	-	-	-	-	-	2,101,500
EN20014	NRWS Manhole Upgrades - 19/20	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
EP20004	Agency Wide Vehicle Replacement	500,000	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	150,000	1,983,850
EN22002	NRW East End Flowmeter Replacement	1,600,000	50,000	-	-	-	-	-	-	-	-	1,650,000
WR15021	Napa Lateral	1,605,496	-	-	-	-	-	-	-	-	-	1,605,496
EN20051	RP-1 MCB and Old Lab Building Rehab	200,000	700,000	600,000	100,000	-	-	-	-	-	-	1,600,000
EP21004	North Major Facilities Repair/Replacem	-	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,015	1,523,865
EN19026	CCWRf 12kV Switchgear	-	-	1,500,000	-	-	-	-	-	-	-	1,500,000
PL17002	HQ Solar Photovoltaic Power Plants Ph. 2	-	-	-	300,000	1,100,000	-	-	-	-	-	1,400,000
EN21004	1158 West Reservoir Re-coating/painting	1,200,000	-	-	-	-	-	-	-	-	-	1,200,000
EN15002	1158 Reservoir Site Cleanup	100,000	1,000,000	-	-	-	-	-	-	-	-	1,100,000
EN24003	Wineville Basin Pipeline	-	-	-	-	-	-	1,000,000	-	-	-	1,000,000
EN18004	RP-1 IPS System Improvements	-	525,000	300,000	-	-	-	-	-	-	-	825,000
EN18037	CCWRf Asset Management and Improvement	770,000	15,000	-	-	-	-	-	-	-	-	785,000
EN20006	RP-1 Digester Mixing Upgrade	-	250,000	500,000	-	-	-	-	-	-	-	750,000
EP20005	GapVax Replacement	750,000	-	-	-	-	-	-	-	-	-	750,000
EN20041	RP-1 Tertiary Treatment FM-1 Bleach Mixing &	50,000	340,000	290,000	-	-	-	-	-	-	-	680,000
FM20005	Agency Wide HVAC Replacement	120,000	250,000	100,000	100,000	100,000	-	-	-	-	-	670,000
EN20046	RP-1 TP-1 Wash Water Basin Pumps Replacem	250,000	400,000	-	-	-	-	-	-	-	-	650,000
EP20003	South Major Facilities Repair/Replacem	618,000	-	-	-	-	-	-	-	-	-	618,000
EN17045	RP-1 Filter Valve Replacement	600,000	-	-	-	-	-	-	-	-	-	600,000
EP20002	North Major Facilities Repair/Replacem	600,000	-	-	-	-	-	-	-	-	-	600,000
EN20044	RP-1 Plant 3 Primary Cover Replacement	200,000	400,000	-	-	-	-	-	-	-	-	600,000
EN14043	RP-5 RW Pipeline Bottleneck	515,000	-	-	-	-	-	-	-	-	-	515,000
EN20021	Agency SCADA Integration with SAP	250,000	250,000	-	-	-	-	-	-	-	-	500,000
EN21002	Chino Creek Wetlands & Educational Park	500,000	-	-	-	-	-	-	-	-	-	500,000
EN26021	Regional Conveyance AMP	-	-	-	-	-	-	500,000	-	-	-	500,000
EN26022	RP-4 Tertiary Expansion	-	-	-	-	-	-	500,000	-	-	-	500,000
IS20003	BIZ Infrastructure Replacement Project	300,000	110,000	-	-	-	-	-	-	-	-	410,000
EN20040	Headquarters Campus Driveway Improvement	400,000	-	-	-	-	-	-	-	-	-	400,000
EN17041	Orchard Recycled Water Turnout Improve	350,000	-	-	-	-	-	-	-	-	-	350,000
EN20037	Agency Wide Chemical Containment Coating R	350,000	-	-	-	-	-	-	-	-	-	350,000
EN18042	RP-1 Civil Restoration and Upgrades	320,000	-	-	-	-	-	-	-	-	-	320,000
EN19021	San Bernardino Lift Station Facility Imp	-	300,000	-	-	-	-	-	-	-	-	300,000
EN19029	RP-4 Outfall Pipeline Air Relief/Blow-Of	245,000	-	-	-	-	-	-	-	-	-	245,000
EN26020	Lift Station AMP Projects	-	-	-	-	-	-	200,000	-	-	-	200,000

2019/20 TYCIP List of Projects												
Project No.	Name	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	10 Years
LB20001	ICPinstrument	200,000	-	-	-	-	-	-	-	-	-	200,000
EN20045	RP-1 TP-1 Level Sensor Replacement	200,000	-	-	-	-	-	-	-	-	-	200,000
IS21006	Replace RP-1 Trailer	-	200,000	-	-	-	-	-	-	-	-	200,000
FM20004	HQ Door System Upgrades	180,000	-	-	-	-	-	-	-	-	-	180,000
EN20055	CCWRF Tertiary Panel Rebuild	170,000	-	-	-	-	-	-	-	-	-	170,000
EN20042	RP-1 Headworks Sump Pump Redundancy	75,000	75,000	-	-	-	-	-	-	-	-	150,000
IS20010	Control System Replacement Projects	150,000	-	-	-	-	-	-	-	-	-	150,000
EN17080	System Cathodic Protection Improvements	130,000	-	-	-	-	-	-	-	-	-	130,000
IS20005	WW Infrastructure Replacement Project	122,000	8,000	-	-	-	-	-	-	-	-	130,000
IS20004	WW Cybersecurity Projects	30,000	80,000	-	-	-	-	-	-	-	-	110,000
IS20007	Control System Enterprise Historian Enhancem	65,000	45,000	-	-	-	-	-	-	-	-	110,000
EN20022	1299 Reservoir Paint/Coating Repairs and	-	100,000	-	-	-	-	-	-	-	-	100,000
EP20006	Fleet OBDM System	85,000	-	-	-	-	-	-	-	-	-	85,000
EN24005	1630 West Reservoir Paint/Coating Repair	-	-	-	75,000	-	-	-	-	-	-	75,000
EN24006	930 Reservoir Paint/Coating Repairs and	-	-	-	-	75,000	-	-	-	-	-	75,000
IS20001	BIZ Microwave Upgrade Phase 1	70,000	-	-	-	-	-	-	-	-	-	70,000
IS21001	BIZ Microwave Upgrade Phase II	-	70,000	-	-	-	-	-	-	-	-	70,000
EN20048	RP-4 1158 RW Wet Well Level Sensors	65,000	-	-	-	-	-	-	-	-	-	65,000
LB20004	TurboVap Replacements	60,000	-	-	-	-	-	-	-	-	-	60,000
EN15008	Water Quality Laboratory	50,000	-	-	-	-	-	-	-	-	-	50,000
EN17044	RP-1 12 kV Switchgear and Generator Cont	50,000	-	-	-	-	-	-	-	-	-	50,000
LB20003	Titration	50,000	-	-	-	-	-	-	-	-	-	50,000
IS20006	BIZ New Workstations	20,000	20,000	-	-	-	-	-	-	-	-	40,000
IS20002	BIZ Cybersecurity Project (Hardware)	30,000	-	-	-	-	-	-	-	-	-	30,000
IS20009	Control System Enhancement Projects	30,000	-	-	-	-	-	-	-	-	-	30,000
IS21003	Wireless Manager Software Replacement	-	30,000	-	-	-	-	-	-	-	-	30,000
IS21008	GWR Infrastructure Replacement Project	-	30,000	-	-	-	-	-	-	-	-	30,000
IS20012	BIZ Backup System SAN	20,000	-	-	-	-	-	-	-	-	-	20,000
IS21004	Secure Access for RP-2	-	20,000	-	-	-	-	-	-	-	-	20,000
EN14019	RP-1 Headworks Primary and Secondary Upg	15,000	-	-	-	-	-	-	-	-	-	15,000
EN18055	Headquarters Roofing	15,000	-	-	-	-	-	-	-	-	-	15,000
EN16049	Conference Rooms Audio Visual Upgrades	10,000	-	-	-	-	-	-	-	-	-	10,000
IS20013	RW Remote Station RACO Alarm	10,000	-	-	-	-	-	-	-	-	-	10,000
Total		91,848,724	185,473,584	160,493,677	102,608,575	94,527,382	41,114,083	38,735,706	42,518,278	49,701,826	116,896,365	923,918,200

FY 2019/20 – 2028/29 Ten Year Capital Improvement Plan (TYCIP) Review



Projects Are Needed to Support

Expansion &
Improvement

Replacement &
Rehabilitation

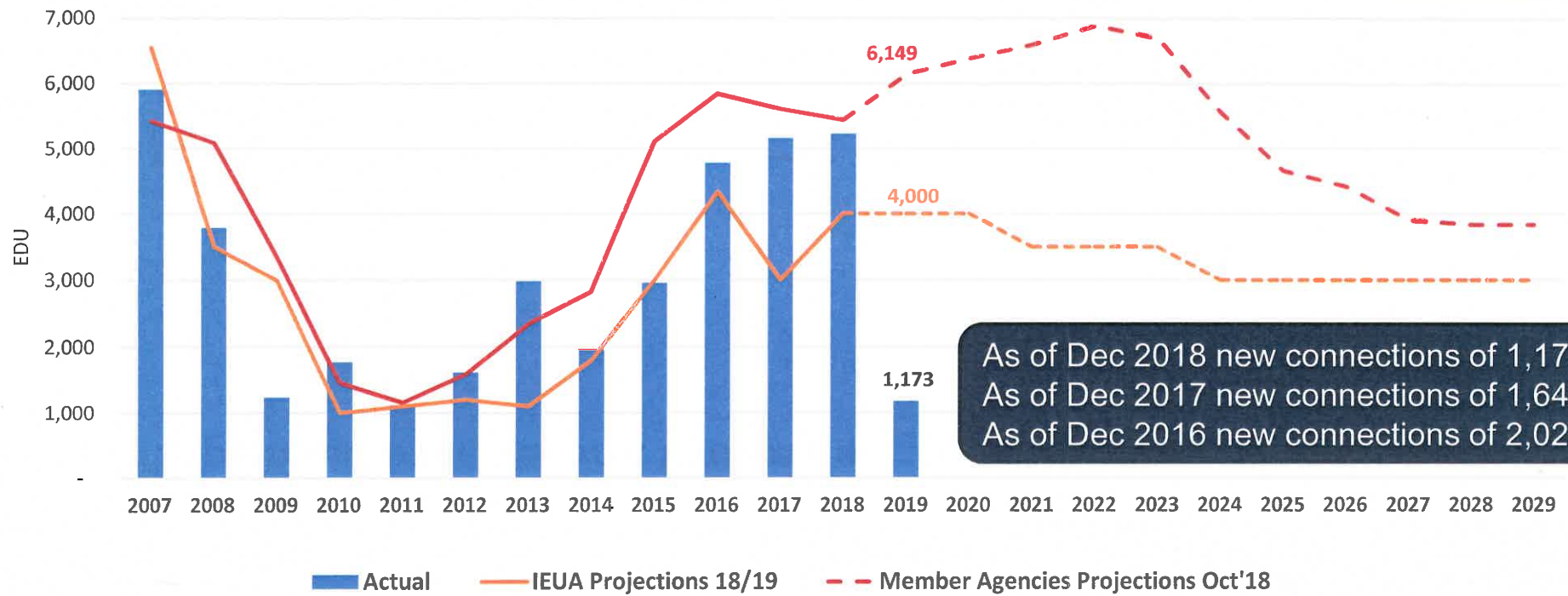
Regulatory
Compliance

Efficiency

- Member Agency growth projections
- 2015 Wastewater Facilities Master Plan
- 2015 Recycled Water Program Strategy Update
- 2015 Regional Use Efficiency Business Plan
- 2015 Energy Management Plan
- 2016 Integrated Water Resources Plan

New Wastewater Connections

Member Agencies Projections 52,975 new EDUs

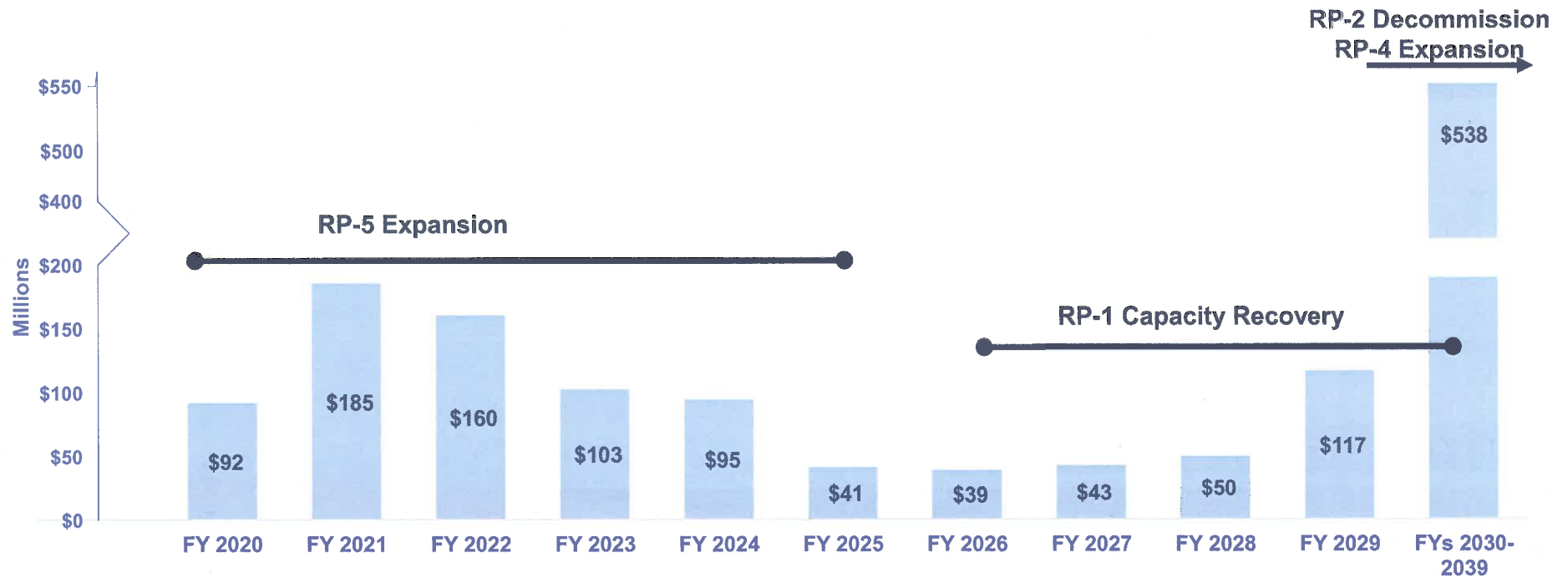


As of Dec 2018 new connections of 1,173
 As of Dec 2017 new connections of 1,645
 As of Dec 2016 new connections of 2,024



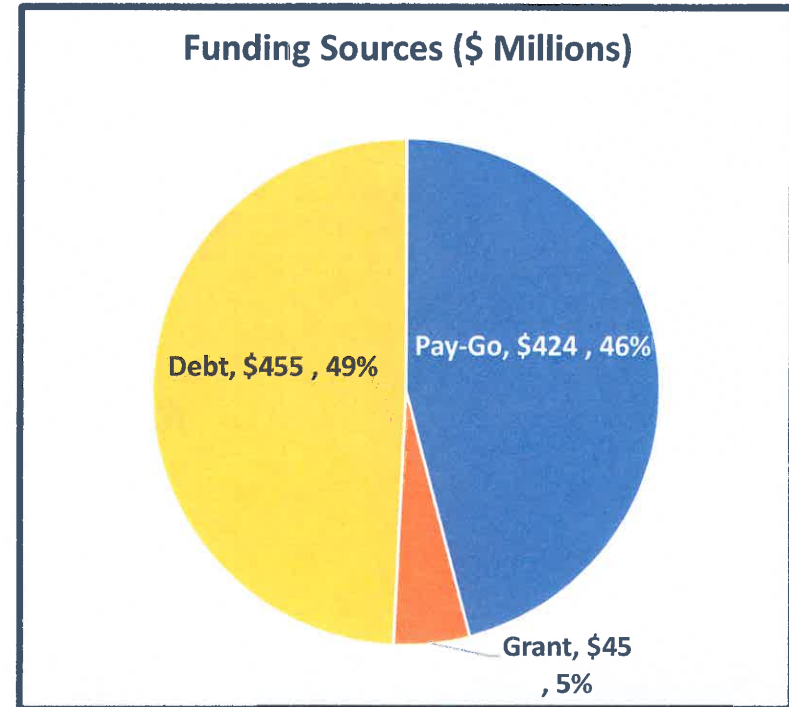
Proposed TYCIP \$923.9M

Nearly 70% planned over the first five years



TYCIP Proposed Capital Projects by Program and Funding Sources

Fund (\$ Millions)	FYs 2020 – 2029 Proposed TYCIP
Regional Wastewater Capital	\$514.4
Recycled Water	\$204.4
Regional Wastewater Operations & Maintenance	\$106.2
Non-Reclaimable Wastewater	\$30.8
Water Resources	\$28.0
Recharge Water	\$26.5
Administrative Services	\$13.6
Total	\$923.9



Other Considerations

- Asset Management
 - Carbon Canyon Wastewater Recycling Facility
 - RP-4 improvements
- Repair and Replacement (R&R)
- Chino Basin Program

CBP Impact to Future TYCIP

Project Component	TYCIP Cost \$ (Millions)	CBP Cost \$ (Millions)
Recycled Water Connections	\$100	\$80
Advanced Wastewater Treatment Plant	\$101	\$100
Groundwater Production Facilities (well, treatment facilities, pump stations)	-	\$100
Water Distribution System Interconnections (pipelines, interconnections to State Water Contractor)	-	\$105
Total Cost	\$201	\$385

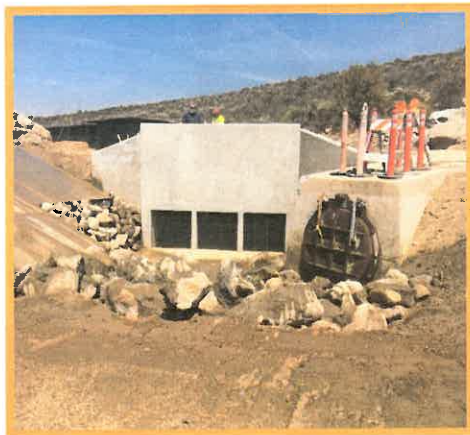
Review and Approval Timeline

Month	IEUA Committee	IEUA Board	Regional Technical Committee	Regional Policy Committee
March	03/13	03/20	03/28	
April	04/10	04/03 04/17	04/25	04/04
May	05/08	05/15	05/30	05/02
June	06/12	06/19		06/06

**INFORMATION
ITEM**

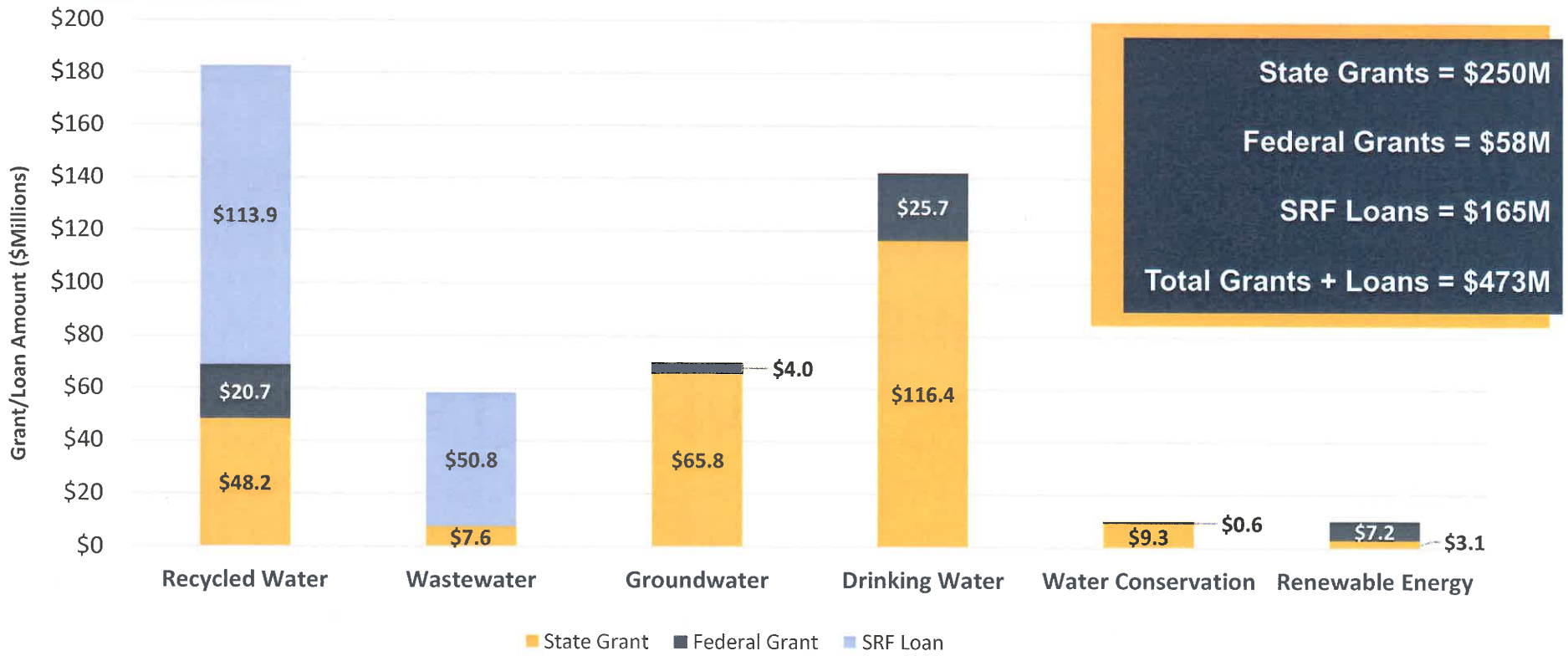
4C

Grants Department Semi-Annual Board Update

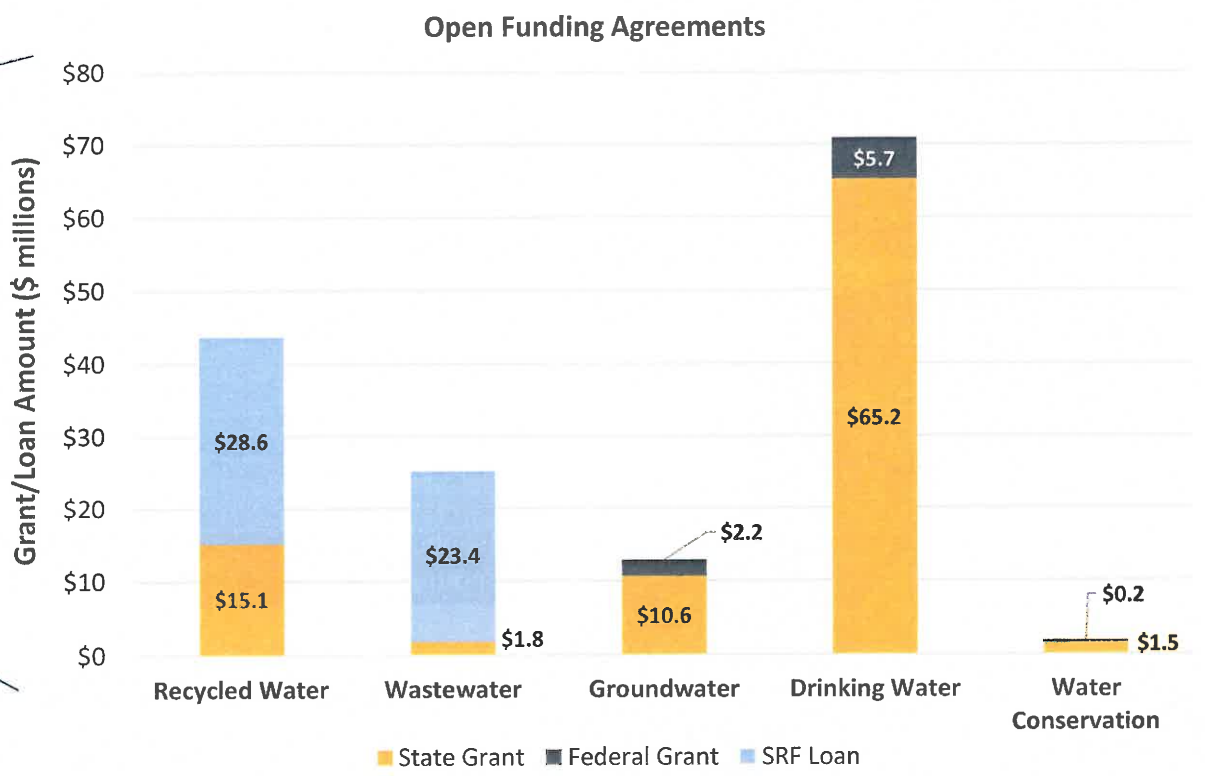
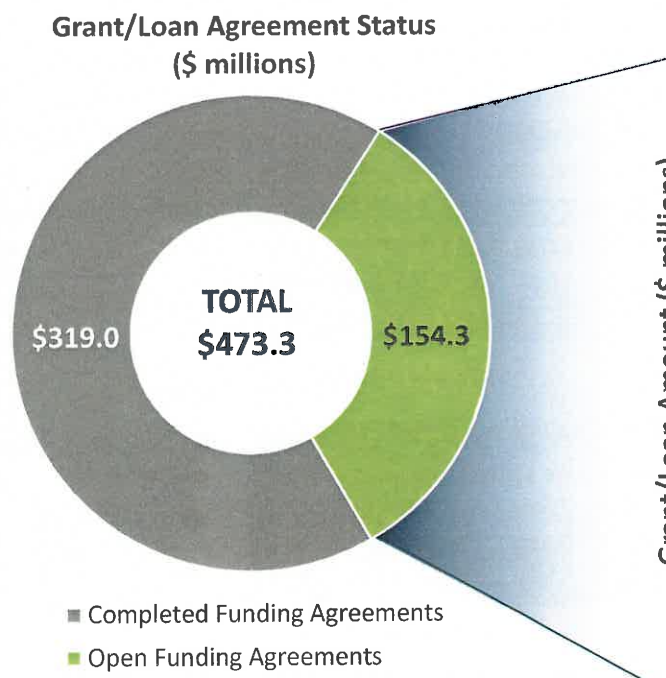


Jesse Pompa
March 2019

Grant & SRF Loan Funding Programs Overview 2000 – Present



Active Grants & SRF Loans



Current Funding Applications (\$ Millions)

No.	Funding Agency & Type	Project Name	Amount Requested
1	SAWPA Grant	IEUA-JCSD Intertie (WRCWRA)	\$16.6
2	CNRA Grant	Chino Creek Wetlands and Educational Park Improvements	\$1.1
3	SAWPA Grant	RMPU Montclair Basin Improvements	\$1.0
4	CWC – Invest. Program	Chino Basin Program	\$206.9
5	SWRCB- LOAN	RP-5 Liquids Treatment Expansion and RP-5 Solids Treatment Facility	\$325.0
6	SWRCB- LOAN	IEUA-Pomona-MVWD Intertie	\$144.6
7	SWRCB- LOAN	IEUA-JCSD Intertie (WRCWRA)	\$33.1
8	SWRCB- LOAN	RMPU - Wineville, Jurupa RP-3 Basin Improvements	\$8.8
9	SWRCB- LOAN	RP-1-1158 Recycled Water Pump Station Upgrades	\$6.7
10	SWRCB- LOAN	Baseline Extension Project (Village of Heritage)	\$5.4
11	SWRCB- LOAN	RMPU - Lower Day Basin Improvements	\$2.9
12	SWRCB- LOAN	RP-5 Recycled Water Pipeline Bottleneck	\$3.1
13	SWRCB- LOAN	RMPU Montclair Basin Improvements	\$1.8
Total			\$757.0



SRF Loan Projects on SWRCB Fundable List 2018 – Present (\$Millions)

2018 SWRCB SRF Loan Fundable List

Project	SRF Loan	PF	Total
RP 1 1158 Pump Station Upgrade	\$4.2	\$2.5	\$6.7
RP-5 RW Pipeline Bottleneck	\$1.6	\$1.6	\$3.2
Baseline Extension (Village of Heritage)	\$2.9	\$2.5	\$5.4
IEUA-JCSD RW Intertie	\$30.6	\$2.5	\$33.1
Subtotal	\$39.3	\$9.1	\$48.4

2019 SWRCB SRF Loan Fundable List

Project	SRF Loan	PF	Total
RMPU Wineville/Jurupa/RP3	\$6.3	\$2.5	\$8.8
RMPU Lower Day	\$1.4	\$1.4	\$2.8
RMPU Montclair	\$0.9	\$0.9	\$1.8
RP-5 Expansion Project	\$322.5	\$2.5	\$325.0
IEUA-Pomona-MVWD RW Intertie	\$142.1	\$2.5	\$144.6
Subtotal	\$473.2	\$9.8	\$483.0
Grand Total	\$512.5	\$18.9	\$531.4

Draft 2019 SWRCB Fundable list expected to be released in April 2019 – numbers in table are projected.

Green Project status has resulted in \$18.9 million of SRF Loan Principal Forgiveness (PF) between 2018 and 2019 Fiscal Years

Total SRF Loan Interest Savings (\$Millions)

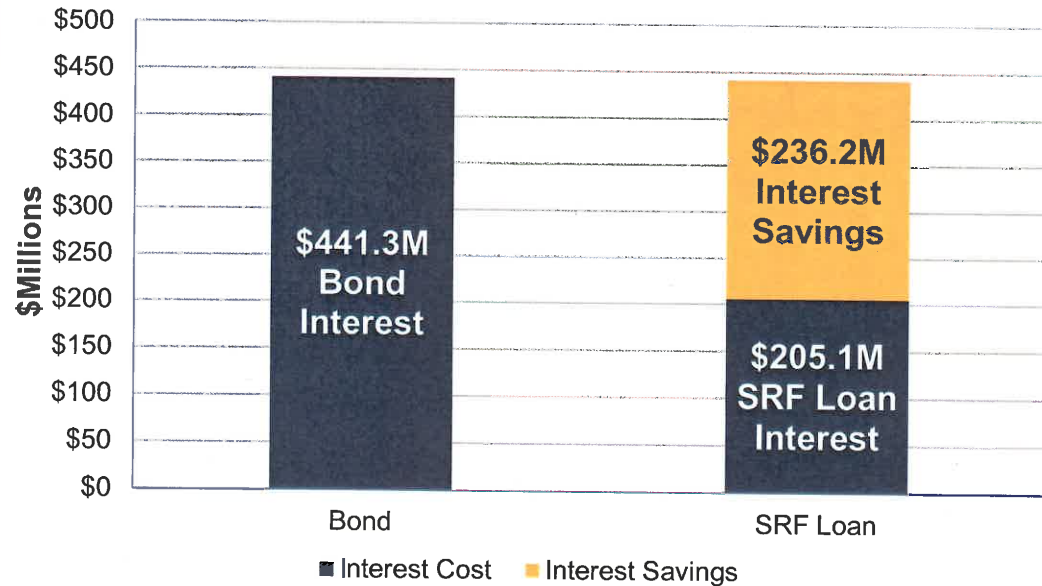
Active SRF Loans Principal = \$164.7M

SRF Loan Applications Principal = \$512.5M

Total Principal = \$677.2M

Funding	Interest Rate	Principal	Interest Cost
Bonds	3.60%	\$677.2	\$441.3
SRF Loan	1.80%		\$205.1
Savings			\$236.2

- SRF loan Terms
 - 30-year at 1.80% (50% of the State general obligation bond rate at 3.60%)



New Tools to Help the Process



SAP module implementation - collaboration with BIS

- Streamline invoicing process through automation
- Streamline procurement compliance



Online grants management system

- Centralized grants documentation and administration
- Improve grant management efficiencies

**INFORMATION
ITEM**

4D

Engineering and Construction Management Project Updates



SCADA Enterprise System - (Regional Water Recycling Plant No. 1)

Project Goal: Increase Reliability

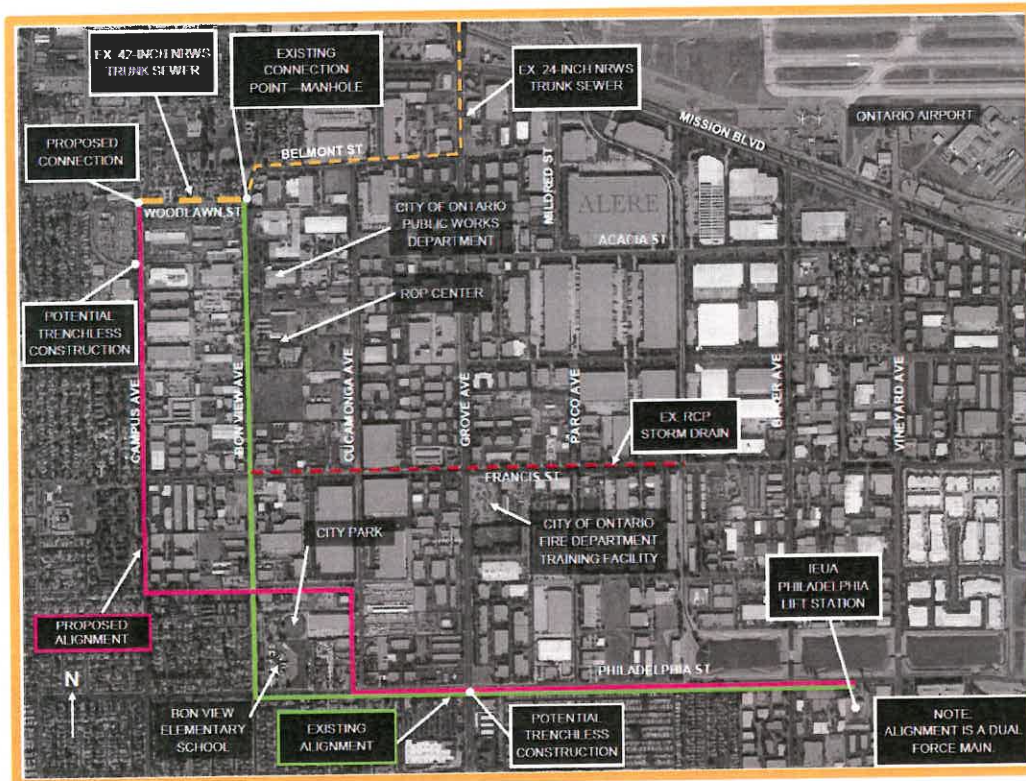
Total Project Budget: \$8.5 M
Project Completion: September 2021
Pre-Design Percent Complete: 50%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	Westin Engineering	\$650 K	51.02%
Construction	TBD	\$0 M	0.00%



Philadelphia Lift Station Force Main Improvements

Project Goal: Replace aging pipelines



Total Project Budget: \$6 M
Project Completion: May 2021
Pre-Design Percent Complete: 50%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	GHD	\$564 K	2.65%
Construction	TBD	\$0 M	0.00%

RP-4 Outfall Pipeline Air Release Valve Replacement/Relocation

Project Goal: Extend Asset Life

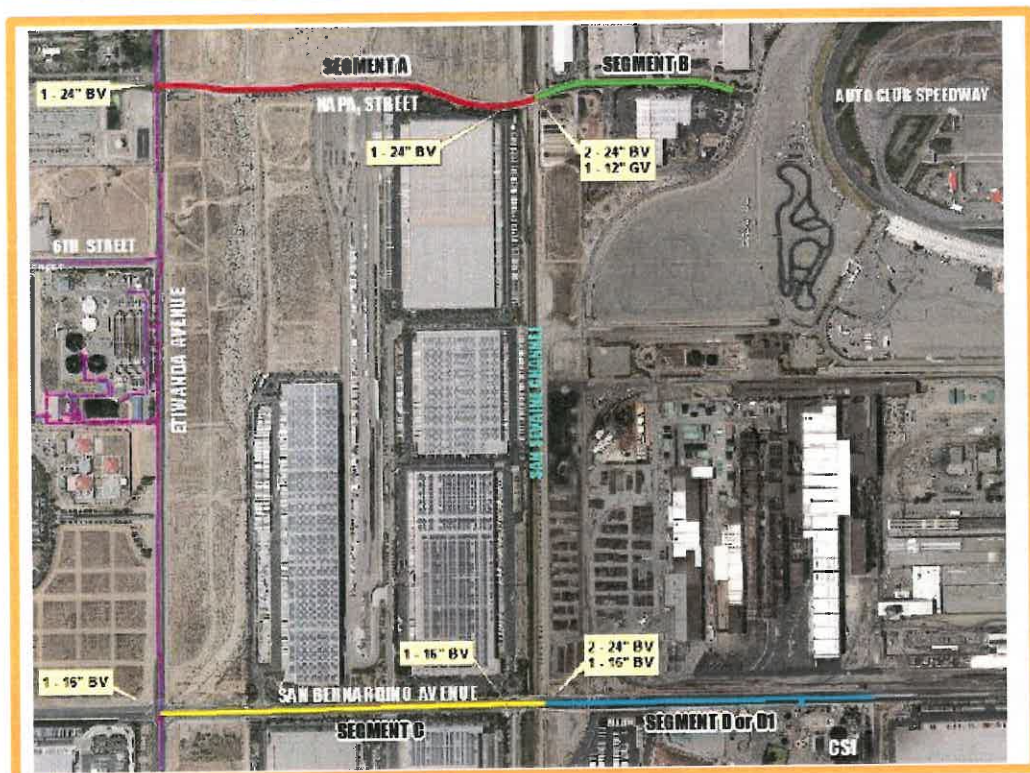
Total Project Budget: \$665 K
Project Completion: October 2019
Design Percent Complete: 90%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	CASC	\$78 K	15.76%
Construction	TBD	\$0	0.00%



Napa Lateral

Project Goal: Increased recycled water use
Design-Build Delivery



Total Project Budget: \$7.2 M
Project Completion: October 2019
Design Percent Complete: 70%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design-Build (Current)	KEC/Ferreira	\$5.3 M	0.00%

IERCF Trommel Screen Improvements

Project Goal: Increase screening efficiency

Design-Build Delivery

Total Project Budget: \$1.6 M

Project Completion: May 2019

Construction Percent Complete: 30%

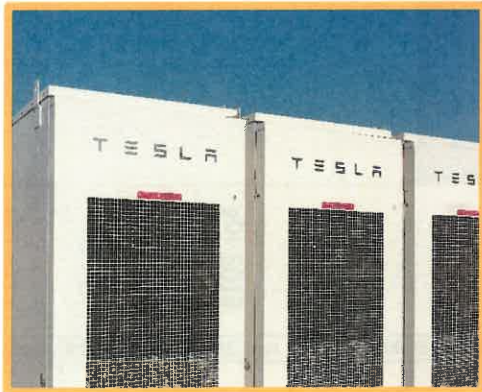
Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design-Build (Current)	WM Lyles	\$1.3 M	0.00%



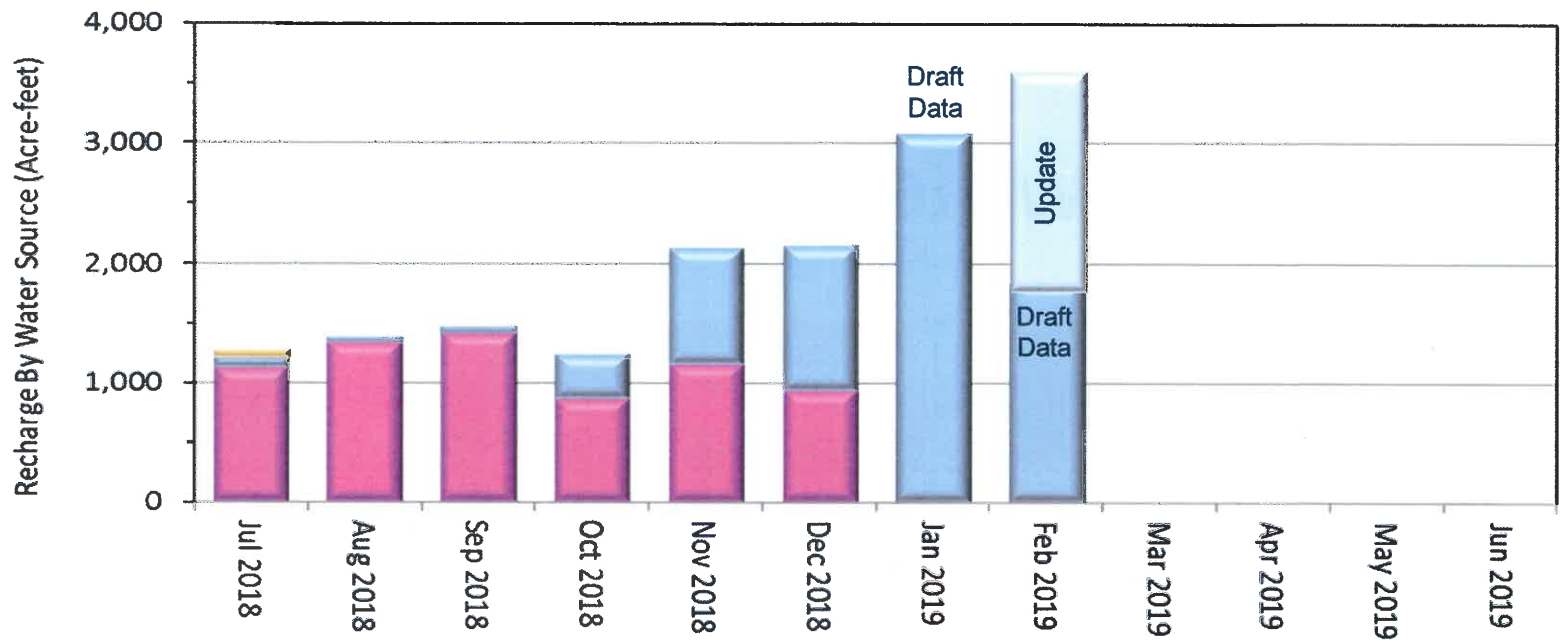
**INFORMATION
ITEM**

4E

Groundwater Recharge Update

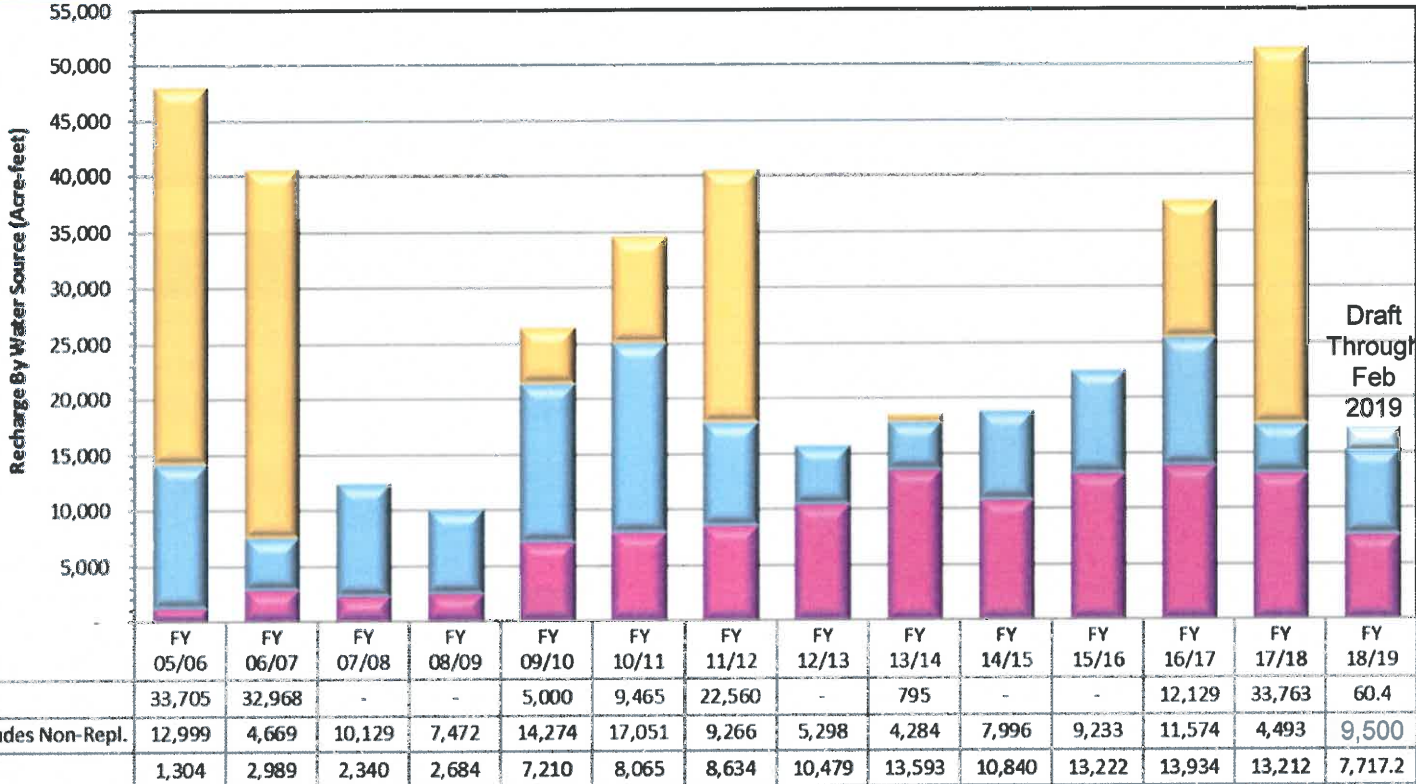


Groundwater Recharge FY18/19



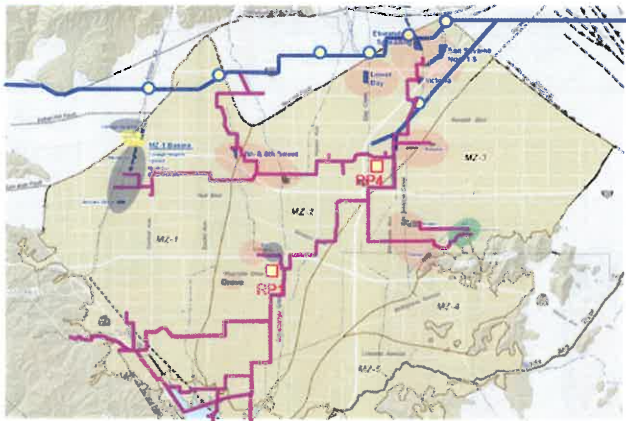
	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
MWD Imported Water	57.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Stormwater and LR (excludes Non-Repl.)	89.7	45.8	54.4	380.6	973.9	1218.8	3068.8	3,800				
Recycled Water	1126.1	1338.0	1414.7	860.2	1150.7	931.0	0.0	0.0				

Groundwater Recharge Record



IEUA GWR Recharge Locations

Chino Basin Recharge Program Facilities



Ownership of Each Basin

Inland Empire Utilities Agency	City of Upland	Chino Basin Water Conservation District	San Bernardino County Flood Control	
RP-3	Upland	College Heights	7 th & 8 th Street	San Sevaine 1 - 5
		Montclair 1-4	Ely 1 and 2	Banana
		Brooks	Turner 1 - 8	Hickory
		Ely 3	Lower Day	Jurupa
			Etiwanda Debris	Deciez
			Victoria	Grove



Recharge Basins during and after storm in Jan and Feb 2019

8th Street Basin Spilling (Upland)



Brooks Basin Record High Levels (Montclair)



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



San Sevaine Basin 5 - Full And Spilling (Rancho Cucamonga)



Turner 8 Basin - Full And Spilling (Ontario)



Etiwanda Debris Basin – Full and Spilling (Rancho Cucamonga)



Various ways to recharge runoff and stormwater

Basin Style = Flow Through
Ely Basin, Chino Basin Water Conservation
District



Basin Style – Off Channel
RP3 Basin, IEUA



Basin Style – Off Channel
Turner Basins, San Bernardino County Flood Control
District



Basin Style – Off Channel



- Off to the side of a creek channel
- Water enters during rains only when set to do so
- Diversion Structure Needed
- Basin is the impoundment
- Capture determined by impoundment height, basin area, inflow rate, and infiltration rate



This January 2019: IEUA Recharged Stormwater (2,985 acre-ft) and Flow Components of the Santa Ana River



**INFORMATION
ITEM**

41



Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager YB

Committee: Finance & Administration

03/13/19

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

Subject: Treasurer's Report of Financial Affairs

Executive Summary:

The Treasurer's Report of Financial Affairs for the month ended January 31, 2019 is submitted in a format consistent with the State requirement.

For the month of January 2019, total cash, investments, and restricted deposits of \$233,808,378 reflects an increase of \$13,601,819 compared to the total of \$220,206,559 reported for December 2018. The average days cash on hand for the month ended January 31, 2019 increased from 215 days to 243 days due to property tax receipts and EDU billing receipts.

The unrestricted Agency investment portfolio yield in January 2019 was 2.535 percent which was a 0.1 percent increase compared to the December 2018 yield of 2.434 percent. Increases in CAMP and LAIF yields account for the slight increase.

Staff's Recommendation:

The Treasurer's Financial Affairs Report for the month ended January 31, 2019 is an information item for the Board of Director's review.

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.

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

Prior Board Action:

On February 20, 2019 the Board of Directors approved the Treasurer's Financial Affairs Report for the month ended December 31, 2018.

Environmental Determination:

Not Applicable

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.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Treasurer's Report of Financial Affairs

Background

Subject: Treasurer's Report of Financial Affairs

The Treasurer's Report of Financial Affairs for the month ended January 31, 2019 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. 2018-2-5).

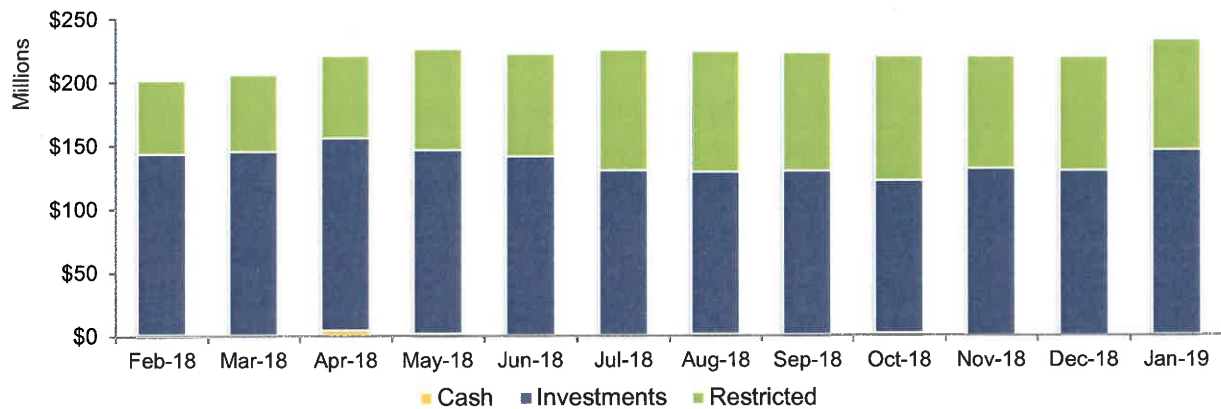
Agency total cash, investments, and restricted deposits for the month of January 2019 was \$233.8 million, an increase of \$13.6 million from the \$220.2 million reported for the month ended December 31, 2018.

Table 1 represents the unrestricted Agency investment portfolio, by authorized investment and duration, with total portfolio amount of \$145.4 million. The Agency portfolio excludes cash and restricted deposits in the amount of \$88.4 million held by member agencies and with fiscal agents.

Table 1: Agency Portfolio

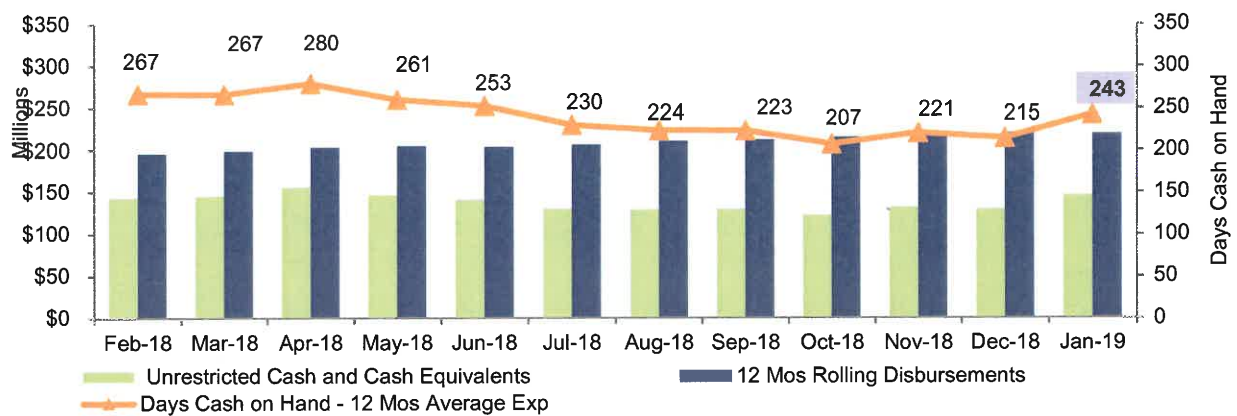
Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of January 31, 2019 (\$ million)				Average Yield %	Portfolio% (Unrestricted)
		Under 1 Year	1-3 Years	Over 3 Years	Total		
LAIF- Unrestricted	\$65	\$14.7	\$0	\$0	\$14.7	2.36%	10.1%
CAMP - Unrestricted	n/a	34.9			34.9	2.62	23.9
Citizens Business Bank – Sweep	40%	5.3			5.3	1.10	3.7
Sub-Total Agency Managed		\$54.9	\$0	\$0	\$54.9	2.40%	37.7%
Brokered Certificates of Deposit	30%	\$0.5	\$3.8	\$0	\$4.3	2.94%	3.0%
Commercial Paper	25%	1.0			1.0	3.07	0.7
Medium Term Notes	30%	1.5	5.2	6.8	13.5	2.94	9.3
Municipal Bonds	10%	1.0			1.0	1.75	0.7
US Treasury Notes	n/a		14.7	25.2	39.9	2.66	27.4
US Gov't Securities	n/a	6.7	17.5	6.6	30.8	2.38	21.2
Sub-Total PFM Managed		\$10.7	\$41.2	\$38.6	\$90.5	2.62%	62.3%
Total		\$65.6	\$41.2	\$38.6	\$145.4	2.54%	100.0%

Figure 1: Cash, Investments, and Restricted Deposits



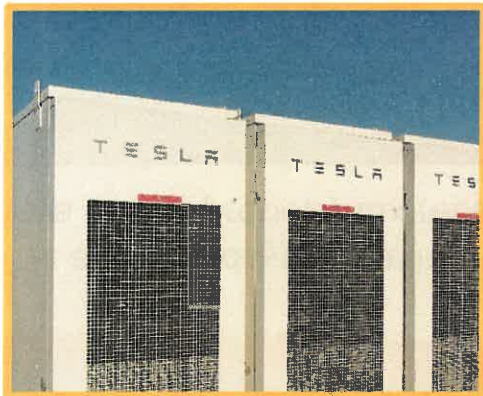
Average days cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency’s cash flow. A combination of property tax receipts and EDU billings receipts resulted in an increase of the average days cash on hand for the month ended January 31, 2019 from 215 to 243 as shown in Figure 2.

Figure 2: Days Cash on Hand – 12 Month Rolling Average



Monthly cash and investment summaries are available on the Agency’s website at www.ieua.org/fy-2018-19-cash-and-investment/.

Treasurer's Report of Financial Affairs for January 31, 2019



Agency Liquidity

- The average days of cash on hand for the month ended January 31, 2019 increased from 215 days to 243 days due to property tax receipts and EDU billing receipts.

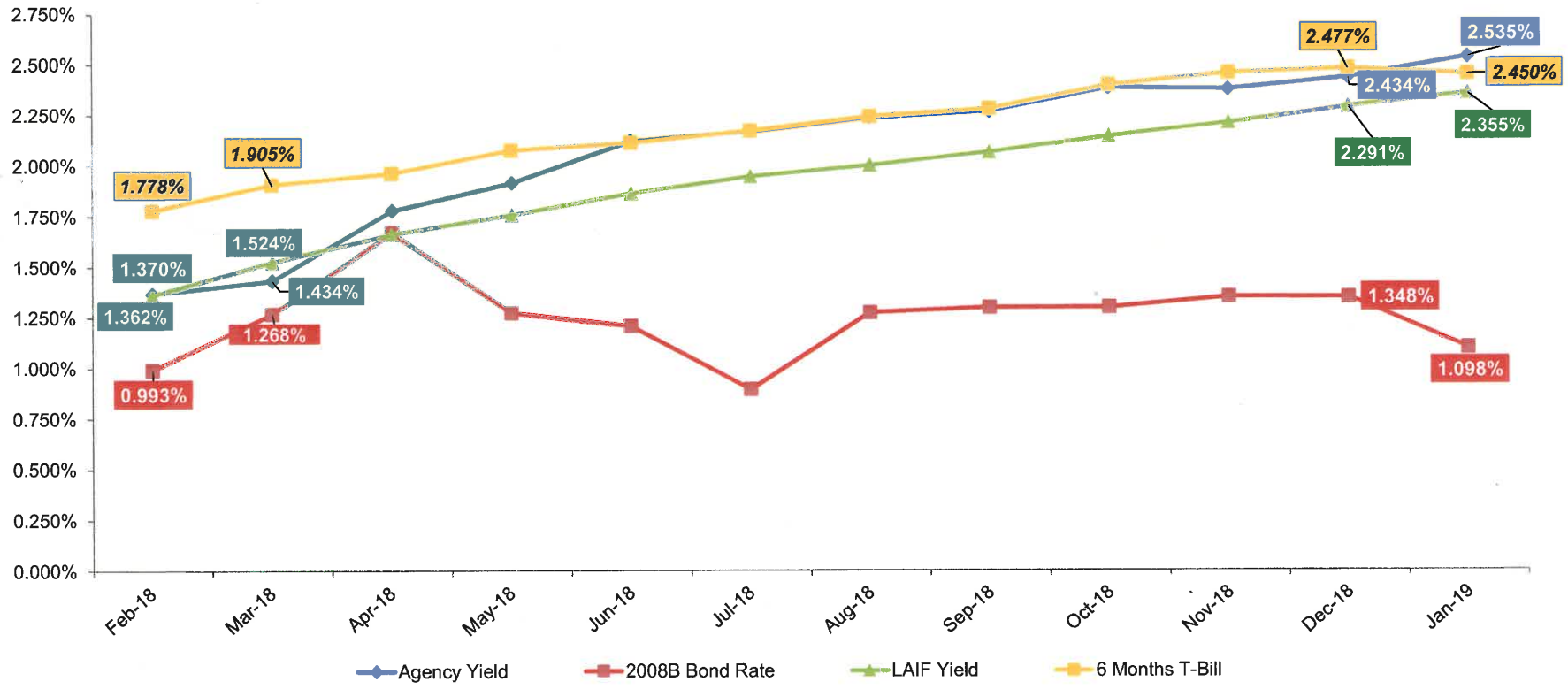
Description	January (\$ million)	December (\$ million)	Increase/ (Decrease) (\$ million)
Investment Portfolio	\$145.4	\$129.9	\$15.5
Cash and Restricted Deposits	\$88.4	\$90.3	(\$1.9)
Total Investments, Cash, and Restricted Deposits	\$233.8	\$220.2	\$13.6
Investment Portfolio Yield	2.535%	2.434%	0.101%
Weighted Average Duration (Years)	1.08	1.03	0.05
Average Cash on Hand (Days)	243	215	28

Monthly cash and investment summaries available at: <http://www.ieua.org/fy-2018-19-cash-and-investment/>

Agency Investment Position

Authorized Investments	Allowable Threshold (\$ million or %)	Under 1 Year	1 – 3 Years	Over 3 Years	Total	Average Yield %	Portfolio % (Unrestricted)
Local Agency Investment Fund	\$65	\$14.7	\$0	\$0	\$14.7	2.36%	10.1%
California Asset Management Program	n/a	34.9			34.9	2.62	23.9
Citizens Business Bank – Sweep	40%	5.3			5.3	1.10	3.7
Sub-Total Agency Managed		\$54.9	\$0	\$0	\$54.9	2.40%	37.7%
Brokered Certificates of Deposit (CD)	30%	\$0.5	\$3.8	\$0	\$4.3	2.94%	3.0%
Commercial Paper	25%	1.0			1.0	3.07	0.7
Medium Term Notes	30%	1.5	5.2	6.8	13.5	2.94	9.3
Municipal Bonds	10%	1.0			1.0	1.75	0.7
US Treasury Notes	n/a		14.7	25.2	39.9	2.66	27.4
US Government Securities	n/a	6.7	17.5	6.6	30.8	2.38	21.2
Sub-Total PFM Managed		\$10.7	\$41.2	\$38.6	\$90.5	2.62%	62.3%
Total		\$65.6	\$41.2	\$38.6	\$145.4	2.54%	100.0%

Month End Portfolio Yield Comparison



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 January 31, 2019



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2018-2-5) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on February 21, 2018.

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
January 31, 2019

	January	December	Variance
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>	<u>\$759,650</u>	<u>(\$14,073)</u>	<u>\$773,723</u>
<u>Investments</u>			
Agency Managed			
Citizens Business Bank (CBB) Repurchase (Sweep)	\$5,350,189	\$7,902,240	(\$2,552,051)
Local Agency Investment Fund (LAIF)	14,694,161	7,634,225	7,059,936
California Asset Management Program (CAMP)	34,874,833	32,799,184	2,075,649
Total Agency Managed Investments	<u>54,919,183</u>	<u>48,335,649</u>	<u>6,583,534</u>
PFM Managed			
Certificates of Deposit	\$4,349,634	\$4,349,612	22
Municipal Bonds	999,258	999,153	105
Commercial Paper	1,003,935	1,001,300	2,635
Medium Term Notes	13,457,410	11,872,374	1,585,036
U.S. Treasury Notes	39,849,660	33,364,190	6,485,470
U.S. Government Sponsored Entities	30,837,852	29,959,412	878,440
Total PFM Managed Investments	<u>90,497,749</u>	<u>81,546,041</u>	<u>8,951,708</u>
Total Investments	<u>\$145,416,932</u>	<u>\$129,881,690</u>	<u>\$15,535,242</u>
Total Cash and Investments Available to the Agency	<u>\$146,176,582</u>	<u>\$129,867,617</u>	<u>\$16,308,965</u>
<u>Restricted Deposits</u>			
CAMP Water Connection Reserve	\$12,439,085	\$12,221,931	\$217,154
LAIF Self Insurance Reserve	6,106,308	6,056,953	49,355
Debt Service Accounts	2,948,059	2,582,960	365,099
Capital Capacity Reimbursement Account (CCRA) Deposits Held by Member Agencies**	51,296,296	55,344,735	(4,048,439)
California Employers' Retirement Benefit Trust Account - CERBT (Other Post Employment Benefits - OPEB)	14,234,360	13,524,923	709,437
Escrow Deposits	607,688	607,440	248
Total Restricted Deposits	<u>\$87,631,796</u>	<u>\$90,338,942</u>	<u>(\$2,707,146)</u>
Total Cash, Investments, and Restricted Deposits	<u><u>\$233,808,378</u></u>	<u><u>\$220,206,559</u></u>	<u><u>\$13,601,819</u></u>

**Reported total as of December 2018 net of capital call.

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Negative balance offset by CBB Sweep Balance)	\$403,815
CBB Payroll Account	-
CBB Workers' Compensation Account	30,212
Subtotal Demand Deposits	\$434,027

Other Cash and Bank Accounts

Petty Cash	\$2,250
Subtotal Other Cash	\$2,250

US Bank Pre-Investment Money Market Account

\$323,373

Total Cash and Bank Accounts

\$759,650

Unrestricted Investments

CBB Repurchase (Sweep) Investments

Fannie Mae Bond	\$5,137,644
Federal Home Loan	212,545
Subtotal CBB Repurchase (Sweep)	\$5,350,189

Local Agency Investment Fund (LAIF)

LAIF Fund	\$14,694,161
Subtotal Local Agency Investment Fund	\$14,694,161

California Asset Management Program (CAMP)

Short Term	\$34,874,833
Subtotal CAMP	\$34,874,833

Subtotal Agency Managed Investment Accounts

\$54,919,183

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

Unrestricted Investments Continued

Brokered Certificates of Deposit

Brokered Certificates of Deposit	\$4,349,634
Subtotal Brokered Certificates of Deposit	<u>\$4,349,634</u>

Commercial Paper

JP Morgan Securities	\$1,003,935
Subtotal Commercial Paper	<u>\$1,003,935</u>

Municipal Bonds

State and Local Municipal Bonds	\$999,258
Subtotal Municipal Bonds	<u>\$999,258</u>

Medium Term Notes

Wells Fargo Bank	\$1,501,264
UPS of America Inc	771,504
Hershey Company	334,822
American Honda Finance	774,759
Boeing Co	777,061
Toyota Motor	1,182,851
Bank of NY Mellon	1,376,780
American Express	788,304
Walt Disney Company	801,861
Visa Inc	800,414
Bank of America	774,298
Oracle Corp	1,393,757
Burlington North Santa Fe Corp	792,191
Bank of NY Mellon	1,387,544
Subtotal Medium Term Notes	<u>\$13,457,410</u>

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

Unrestricted Investments Continued

U.S. Treasury Notes

Treasury Note	\$39,849,660
Subtotal U.S. Treasury Notes	<u>\$39,849,660</u>

U.S. Government Sponsored Entities

Fannie Mae Bank	\$11,318,165
Freddie Mac Bank	9,463,343
Federal Home Loan Bank	10,056,344
Subtotal U.S. Government Sponsored Entities	<u>\$30,837,852</u>

Subtotal PFM Managed Investment Accounts	<u>\$90,497,749</u>
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<i>Total Investments</i>	<u>\$145,416,932</u>
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Restricted Deposits

Investment Pool Accounts

CAMP -Water Connection Reserves	\$12,439,085
LAIF - Self Insurance Fund Reserves	6,106,308
Subtotal Investment Pool Accounts	<u>\$18,545,393</u>

Debt Service

2008B Debt Service Accounts	\$2,585,895
2010A Debt Service Accounts	361,250
2017A Debt Service Accounts	914
Subtotal Debt Service	<u>\$2,948,059</u>

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

Restricted Deposits Continued

CCRA Deposits Held by Member Agencies

City of Chino	\$9,034,826
Cucamonga Valley Water District	8,996,641
City of Fontana	6,195,032
City of Montclair	2,024,122
City of Ontario	16,773,586
City of Chino Hills	6,023,580
City of Upland	2,248,509
Subtotal CCRA Deposits Held by Member Agencies**	\$51,296,296

***Reported total as of December 2018 net of capital call.*

CalPERS

CERBT Account (OPEB)	\$14,234,360
Subtotal CalPERS Accounts	\$14,234,360

Escrow Deposits

Kemp Brothers Construction	\$455,509
Genesis Construction	152,179
Subtotal Escrow Deposits	\$607,688

Total Restricted Deposits

\$87,631,796

Total Cash, Investments, and Restricted Deposits as of January 31, 2019

\$233,808,378

Total Cash, Investments, and Restricted Deposits as of 01/31/19

\$233,808,378

Less: Total Cash, Investments, and Restricted Deposits as of 12/31/18

220,206,559

Total Monthly Increase (Decrease)

\$13,601,819

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	January	%	%	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Value	Coupon	Yield to Maturity	Date	Value
Cash, Bank Deposits, and Bank Investment Accounts												
Citizens Business Bank (CBB)												
Demand Account					\$403,815	\$403,815	N/A	\$403,815		N/A	N/A	\$403,815
Payroll Checking					0	0	N/A	0		N/A	N/A	0
Workers' Compensation Account					30,212	30,212	N/A	30,212		N/A	N/A	30,212
Subtotal CBB Accounts					\$434,027	\$434,027		\$434,027				\$434,027
US Bank (USB)												
Custodial Money Market (Investment Mgmt.)					\$285,971	\$285,971	N/A	\$285,971		1.92%	N/A	\$285,971
Custodial Money Market (Debt Service)					37,402	37,402	N/A	37,402		1.92%	N/A	37,402
Subtotal USB Account					\$323,373	\$323,373		\$323,373		1.92%		\$323,373
Petty Cash					\$2,250	\$2,250	N/A	\$2,250		N/A	N/A	\$2,250
Total Cash, Bank Deposits and Bank Investment Accounts					\$759,650	\$759,650		\$759,650				\$759,650
Investments												
CBB Daily Repurchase (Sweep) Accounts												
Fannie Mae Bond					\$5,137,644	\$5,137,644	N/A	\$5,137,644		1.10%	N/A	\$5,137,644
Federal Home Loan					212,545	212,545		212,545		1.10%		212,545
Subtotal CBB Repurchase Accounts					\$5,350,189	\$5,350,189		\$5,350,189		1.10%		\$5,350,189
LAIF Accounts												
Non-Restricted Funds					\$14,694,161	\$14,694,161	N/A	\$14,694,161		2.355%	N/A	\$14,694,161
Subtotal LAIF Accounts					\$14,694,161	\$14,694,161		\$14,694,161		2.355%		\$14,694,161
CAMP Accounts												
Non-Restricted Funds					\$34,874,833	\$34,874,833	N/A	\$34,874,833		2.62%	N/A	\$34,874,833
Subtotal CAMP Accounts					\$34,874,833	\$34,874,833		\$34,874,833		2.62%		\$34,874,833
Subtotal Agency Managed Investment Accounts					\$54,919,183	\$54,919,183		\$54,919,183		2.40%		\$54,919,183
Brokered Certificates of Deposit (CDs)												
Ally Bank	N/R	N/R			\$243,000	\$243,000	722	\$243,000	1.45%	1.45%	03/11/19	\$242,806
Wells Fargo Bank	N/R	N/R			242,000	242,000	729	242,000	1.55%	1.55%	03/15/19	241,807
Bank of Nova Scotia Houston	A+	Aa2			1,410,000	1,409,464	730	1,409,634	3.08%	3.10%	06/05/20	1,418,439
Bank of Montreal Chicago	A+	Aa2			1,400,000	1,400,000	731	1,400,000	3.19%	3.23%	08/03/20	1,403,816
Synchrony Bank	N/R	N/R			240,000	240,000	1827	240,000	2.25%	2.25%	10/02/20	238,246
Royal Bank of Canada NY	AA-	Aa2			815,000	815,000	1095	815,000	3.24%	3.24%	06/07/21	820,618
Subtotal Brokered CDs					\$4,350,000	\$4,349,464		\$4,349,634		2.94%		\$4,365,732

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	January Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's								
Investments (continued)												
US Treasury Note												
US Treasury Note	AA+	Aaa			\$2,195,000	\$2,149,128	819	\$2,165,020	1.500%	2.46%	07/15/20	\$2,163,618
US Treasury Note	AA+	Aaa			2,225,000	2,201,012	1019	2,207,668	2.125%	2.53%	01/31/21	2,209,790
US Treasury Note	AA+	Aaa			1,900,000	1,886,938	753	1,887,077	2.250%	2.59%	02/15/21	1,891,613
US Treasury Note	AA+	Aaa			2,850,000	2,715,627	1153	2,746,391	1.125%	2.69%	06/30/21	2,763,275
US Treasury Note	AA+	Aaa			2,615,000	2,588,543	1201	2,594,752	2.250%	2.57%	07/31/21	2,601,823
US Treasury Note	AA+	Aaa			580,000	567,426	1202	569,445	2.000%	2.69%	10/31/21	573,135
US Treasury Note	AA+	Aaa			2,555,000	2,480,346	1323	2,496,159	1.750%	2.60%	11/30/21	2,506,795
US Treasury Note	AA+	Aaa			2,500,000	2,418,750	1436	2,434,059	1.875%	2.75%	03/31/22	2,458,202
US Treasury Note	AA+	Aaa			3,070,000	2,969,266	1336	2,982,466	1.875%	2.82%	03/31/22	3,018,673
US Treasury Note	AA+	Aaa			3,790,000	3,678,225	1332	3,690,464	1.875%	2.75%	04/30/22	3,726,635
US Treasury Note	AA+	Aaa			2,550,000	2,476,090	1474	2,490,022	1.875%	2.64%	04/30/22	2,505,375
US Treasury Note	AA+	Aaa			1,300,000	1,252,570	1456	1,259,105	1.750%	2.72%	06/30/22	1,271,156
US Treasury Note	AA+	Aaa			2,065,000	1,980,706	1577	1,992,950	1.750%	2.76%	09/30/22	2,015,634
US Treasury Note	AA+	Aaa			1,600,000	1,546,625	1641	1,555,053	2.000%	2.80%	10/31/22	1,575,000
US Treasury Note	AA+	Aaa			1,040,000	990,356	1580	993,901	1.750%	2.93%	01/31/23	1,012,659
US Treasury Note	AA+	Aaa			1,260,000	1,191,980	1778	1,202,505	1.500%	2.69%	02/28/23	1,214,128
US Treasury Note	AA+	Aaa			1,275,000	1,206,269	1699	1,214,389	1.500%	2.74%	02/28/23	1,228,582
US Treasury Note	AA+	Aaa			\$2,000,000	\$1,899,453	1618	\$1,899,929	1.38%	2.58%	06/30/23	\$1,910,704
US Treasury Note	AA+	Aaa			\$2,525,000	\$2,479,826	1786	\$2,480,382	2.13%	2.52%	11/30/23	\$2,488,211
US Treasury Note	AA+	Aaa			\$985,000	\$987,924	1795	\$987,923	2.63%	2.56%	12/31/23	\$993,157
Subtotal US Treasuries					\$40,880,000	\$39,667,060		\$39,849,660		2.66%		\$40,128,165
U.S. Government Sponsored Entities												
Fannie Mae Step Bond	AA+	Aaa			1,500,000	1,500,000	1,095	1,500,000	1.25%	1.33%	07/26/19	1,500,105
Fannie Mae Bond	AA+	Aaa			900,000	899,460	1,169	899,460	1.25%	1.27%	08/23/19	893,660
Fannie Mae Bond	AA+	Aaa			1,350,000	1,350,000	1,173	1,350,000	1.25%	1.25%	08/26/19	1,340,347
Freddie Mac Bond	AA+	Aaa			3,000,000	2,972,928	1,359	2,995,026	1.25%	1.50%	10/02/19	2,974,656
Federal Home Loan Bank	AA+	Aaa			4,800,000	4,766,640	658	4,780,757	2.13%	2.52%	02/11/20	4,777,037
Federal Home Loan Bank	AA+	Aaa			2,500,000	2,495,600	712	2,497,360	2.38%	2.47%	03/30/20	2,498,385
Freddie Mac Bond	AA+	Aaa			2,500,000	2,485,350	1,036	2,489,359	2.38%	2.59%	02/16/21	2,494,055
Freddie Mac Bond	AA+	Aaa			2,550,000	2,527,994	1,028	2,533,875	2.38%	2.70%	02/16/21	2,543,936
Fannie Mae Bond	AA+	Aaa			2,510,000	2,502,671	1,092	2,504,556	2.50%	2.60%	04/13/21	2,511,795
Federal Home Loan Bank	AA+	Aaa			1,865,000	1,882,717	1,001	1,882,598	3.00%	2.63%	10/21/21	1,889,790
Fannie Mae Bond	AA+	Aaa			795,000	794,428	1,096	794,438	2.63%	2.65%	01/11/22	797,430
Fannie Mae Bond	AA+	Aaa			1,655,000	1,603,678	1,632	1,612,309	2.00%	2.74%	10/05/22	1,625,266
Freddie Mac Bond	AA+	Aaa			1,450,000	1,444,461	1,810	1,445,083	2.75%	2.83%	06/19/23	1,463,913
Fannie Mae Bond	AA+	Aaa			855,000	853,273	1,741	853,336	2.88%	2.92%	09/12/23	868,135
Fannie Mae Bond	AA+	Aaa			1,820,000	1,803,274	1,772	1,804,066	2.88%	3.08%	09/12/23	1,847,961
Federal Home Loan Bank	AA+	Aaa			870,000	895,642	1,772	895,629	3.38%	2.72%	12/08/23	900,013
Subtotal U.S. Gov't Sponsored Entities					30,920,000	30,778,116		\$30,837,852		2.38%		\$30,926,484

(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
 January 31, 2019

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	January	%	%	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Value	Coupon	Yield to Maturity	Date	Value
Investments (continued)												
Commercial Paper												
JP Morgan Securities	A-1	P-1			\$1,020,000	\$997,135	269	\$1,003,935		3.07%	08/09/19	\$1,004,642
Subtotal Commercial Paper					\$1,020,000	\$997,135		\$1,003,935		3.07%		\$1,004,642
Municipal Bonds												
San Diego Redevelopment Agency	AA	N/R			\$1,000,000	\$996,800	934	999,258	1.625%	1.75%	09/01/19	\$994,370
Subtotal State and Local Municipal Bonds					\$1,000,000	\$996,800		\$999,258		1.75%		\$994,370
Investments (continued)												
Medium Term Notes												
Wells Fargo Bank	A+	Aa2			1,500,000	1,511,655	1,075	1,501,264	1.75%	1.48%	05/24/19	1,495,617
UPS of America Inc	A+	A1			725,000	802,046	714	771,504	8.38%	2.75%	04/01/20	770,692
Toyota Motor	AA-	Aa3			200,000	199,880	731	199,884	3.05%	3.08%	01/08/21	201,431
Hershey Company	A	A1			335,000	334,769	1,101	334,822	3.10%	3.12%	05/15/21	336,460
American Honda Finance	A+	A2			800,000	767,016	1,181	774,759	1.65%	3.00%	07/12/21	777,057
Boeing Co	A	A2			680,000	805,678	1,215	777,061	8.75%	2.88%	08/15/21	777,740
Toyota Motor	AA-	Aa3			1,000,000	978,790	1,355	982,967	2.60%	3.21%	01/11/22	992,682
Bank of NY Mellon	A	A1			1,400,000	1,371,048	1,391	1,376,780	2.60%	3.18%	02/07/22	1,385,756
American Express	A-	A2			800,000	785,488	1,415	788,304	2.70%	3.20%	03/03/22	792,533
Walt Disney Company	A+	A2			815,000	798,692	1,416	801,861	2.45%	3.00%	03/04/22	805,985
Visa Inc	A+	A1			825,000	795,407	1,611	800,414	2.15%	3.03%	09/15/22	806,983
Bank of America	AA-	A3			800,000	769,264	1,647	774,298	2.50%	3.43%	10/21/22	781,811
Oracle Corp	AA-	A1			1,420,000	1,389,001	1,763	1,393,757	2.63%	3.11%	02/15/23	1,404,866
Burlington North Santa Fe Corp	A+	A3			800,000	790,800	1,792	792,191	3.00%	3.26%	03/15/23	800,776
Bank of NY Mellon	A	A1			1,375,000	1,387,595	1,555	1,387,544	3.50%	3.27%	04/28/23	1,396,901
Subtotal Medium Term Notes					\$13,475,000	\$13,487,129		\$13,457,410		2.94%		\$13,527,290
Subtotal PFM Managed Investment Accounts					\$91,645,000	\$90,275,704		\$90,497,749		2.62%		\$90,946,683
Total Investments					\$146,564,183	\$145,194,887		\$145,416,932				\$145,865,866
<i>(Source of Investment Amortized Cost: PFM)</i>												
Restricted Deposits												
Investment Pool Accounts												
CAMP - Water Connection Reserves					\$12,439,085	\$12,439,085	N/A	\$12,439,085		2.62%	N/A	\$12,439,085
LAIF - Self Insurance Reserves					6,106,308	6,106,308	N/A	6,106,308		2.36%	N/A	6,106,308
Total Investment Pool Accounts					\$18,545,393	\$18,545,393		\$18,545,393		2.53%		\$18,545,393
Debt Service and Arbitrage Accounts												
2008B Debt Service Accounts					\$2,585,895	\$2,585,895	N/A	\$2,585,895		1.83%		\$2,585,895
2010A Debt Service Accounts					361,250	361,250	N/A	361,250		0.30%		361,250
2017A Debt Service Accounts					914	914	N/A	914		0.30%		914
Total Debt Service Accounts					\$2,948,059	\$2,948,059		\$2,948,059		1.64%		\$2,948,059

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary
Month Ended
January 31, 2019

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par	Cost Basis	Term	January	% Coupon	% Yield to Maturity	Maturity	Market
	S&P	Moody's	S&P	Moody's	Amount	Amount	(Days)	Value			Date	Value
Restricted Deposits (continued)												
CCRA Deposits Held by Member Agencies												
City of Chino					\$9,034,826	\$9,034,826	N/A	\$9,034,826		N/A	N/A	\$9,034,826
City of Chino Hills					6,023,580	6,023,580	N/A	6,023,580		N/A	N/A	6,023,580
Cucamonga Valley Water District					8,996,641	8,996,641	N/A	8,996,641		N/A	N/A	8,996,641
City of Fontana					6,195,032	6,195,032	N/A	6,195,032		N/A	N/A	6,195,032
City of Montclair					2,024,122	2,024,122	N/A	2,024,122		N/A	N/A	2,024,122
City of Ontario					16,773,586	16,773,586	N/A	16,773,586		N/A	N/A	16,773,586
City of Upland					2,248,509	2,248,509	N/A	2,248,509		N/A	N/A	2,248,509
<i>Subtotal CCRA Deposits Held by Member Agencies**</i>					<u>\$51,296,296</u>	<u>\$51,296,296</u>		<u>\$51,296,296</u>				<u>\$51,296,296</u>
<i>**Reported total as of December 2018 net of capital call.</i>												
CalPERS Deposits												
CERBT Account (OPEB)					<u>\$13,000,000</u>	<u>\$13,000,000</u>	N/A	<u>\$14,234,360</u>		N/A	N/A	<u>\$14,234,360</u>
Subtotal CalPERS Deposits					<u>\$13,000,000</u>	<u>\$13,000,000</u>		<u>\$14,234,360</u>				<u>\$14,234,360</u>
<i>CERBT Strategy 2 Performance as of December 31, 2018 based on 1 Year Net Return was -5.37%.</i>												
Escrow Deposits												
Kemp Brothers Construction Escrow					\$455,509	\$455,509	N/A	\$455,509		N/A	N/A	\$455,509
Genesis Construction Escrow					152,179	152,179	N/A	152,179		N/A	N/A	152,179
Subtotal Escrow Deposits					<u>\$607,688</u>	<u>\$607,688</u>		<u>\$607,688</u>				<u>\$607,688</u>
Total Restricted Deposits					<u>\$86,397,436</u>	<u>\$86,397,436</u>		<u>\$87,631,796</u>				<u>\$87,631,796</u>
Total Cash, Investments, and Restricted Deposits as of January 31, 2019					<u>\$233,721,269</u>	<u>\$232,351,973</u>		<u>\$233,808,378</u>				<u>\$234,257,312</u>

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

January Purchases

No.	Date	Transaction	Investment Security	Type	Par Amount Purchased	Investment Yield to Maturity
1	01/08/19	Buy	Toyota Motor Credit Note	MTN	\$200,000	3.08%
2	01/09/19	Buy	US Treasury Note	UST	2,525,000	2.52%
3	01/11/19	Buy	Fannie Mae Note	GSE	795,000	2.65%
4	01/24/19	Buy	Bank of NY Mellon Corp	MTN	1,375,000	3.27%
5	01/24/19	Buy	Federal Home Loan Bank	GSE	1,865,000	2.63%
6	01/24/19	Buy	US Treasury Note	UST	2,000,000	2.58%
7	01/24/19	Buy	US Treasury Note	UST	1,900,000	2.59%
8	01/24/19	Buy	Federal Home Loan Bank	GSE	1,895,000	2.32%
9	01/31/19	Buy	US Treasury Note	UST	985,000	2.56%
10	01/31/19	Buy	Federal Home Loan Bank	GSE	870,000	2.72%
					<u>\$ 14,410,000</u>	

January Investment Maturities, Calls & Sales

No.	Date	Transaction	Investment Security	Type	Par Amount Matured/Sold	Investment Yield to Maturity
1	01/08/19	Sell	Federal Home Loan Bank	GSE	\$200,000	2.13%
2	01/09/19	Sell	Federal Farm Credit Banks	GSE	1,000,000	1.52%
3	01/09/19	Sell	Freddie Mac	GSE	1,500,000	1.15%
4	01/11/19	Sell	US Treasury Note	UST	805,000	2.46%
5	01/31/19	Sell	Federal Home Loan Bank	GSE	1,895,000	2.32%
Total Maturities, Calls & Sales					<u>\$ 5,400,000</u>	

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
January 31, 2019

Directed Investment Category

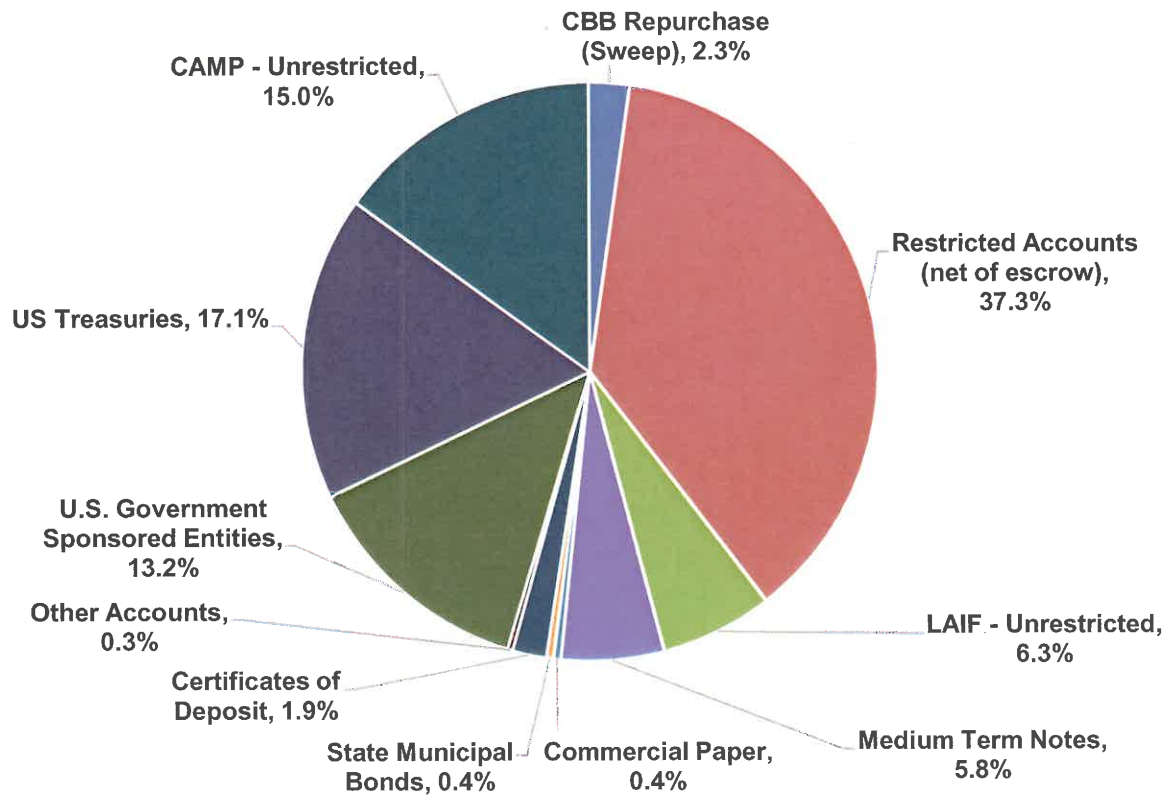
	Amount Invested	Yield
CBB Repurchase (Sweep)	\$5,350,189	1.100%
LAIF - Unrestricted	\$14,694,161	2.355%
CAMP - Unrestricted	\$34,874,833	2.620%
Brokered Certificates of Deposit	\$4,349,634	2.943%
Medium Term Notes	\$13,457,410	2.944%
Municipal Bonds	\$999,258	1.753%
Commercial Paper	\$1,003,935	3.070%
US Treasury Notes	\$39,849,660	2.664%
U.S. Government Sponsored Entities	\$30,837,852	2.380%
Total Investment Portfolio	\$145,416,932	
Investment Portfolio Rate of Return		2.535%

Restricted/Transitory/Other Accounts

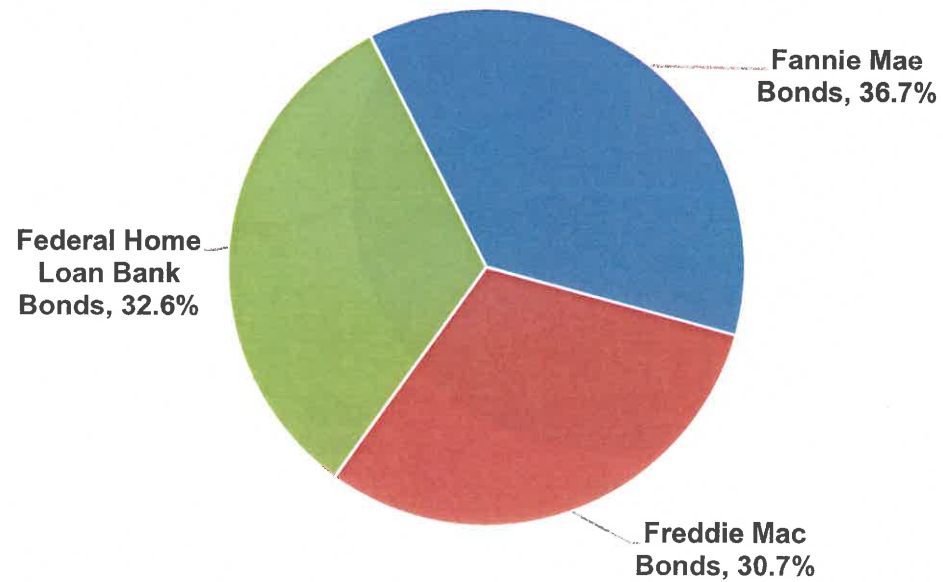
	Amount Invested	Yield
CCRA Deposits Held by Member Agencies	\$51,296,296	N/A
CalPERS OPEB (CERBT) Account	14,234,360	N/A
CAMP Restricted Water Connection Reserve	12,439,085	2.620%
LAIF Restricted Insurance Reserve	6,106,308	2.355%
US Bank - 2008B Debt Service Accounts	2,585,895	1.830%
US Bank - 2010A Debt Service Accounts	361,250	0.300%
US Bank - 2017A Debt Service Accounts	914	0.300%
US Bank - Pre-Investment Money Market Account	323,373	1.920%
Citizens Business Bank - Demand Account	403,815	N/A
Citizens Business Bank - Workers' Compensation Account	30,212	N/A
Other Accounts*	2,250	N/A
Escrow Account	607,688	N/A
Total Restricted/Transitory/Other Accounts	\$88,391,446	
Average Yield of Other Accounts		2.403%
Total Agency Directed Deposits	\$233,808,378	

*Petty Cash

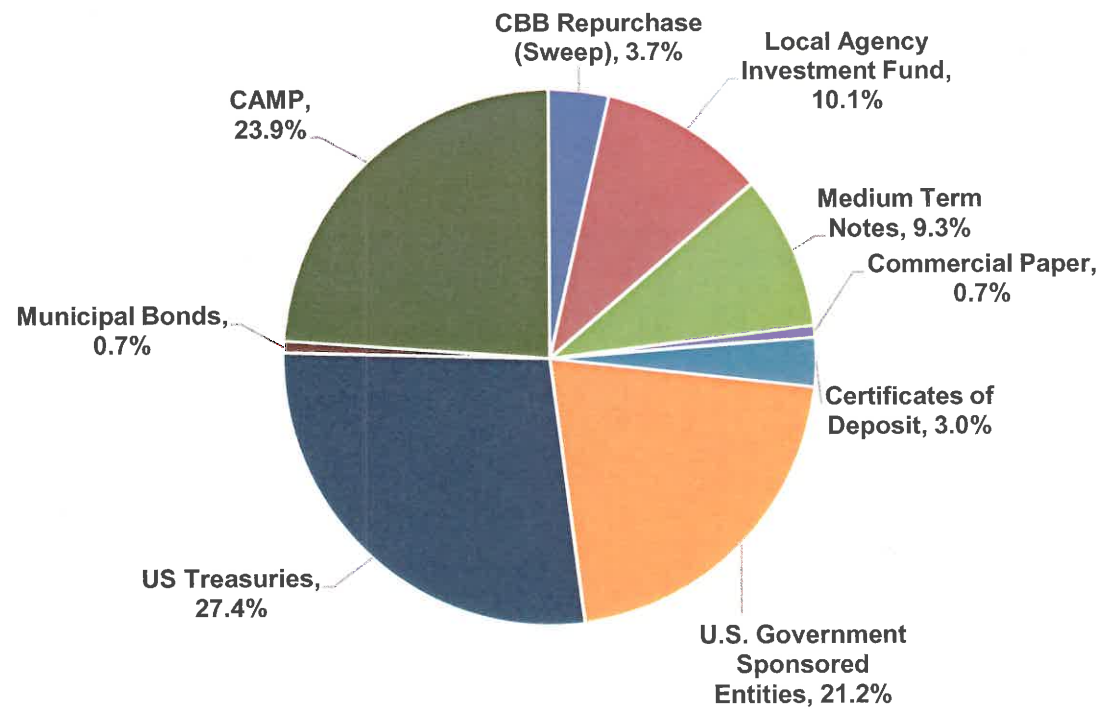
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
 For the Month Ended January 31, 2019
 Agency Investment Portfolio (Net of Escrow Accounts)
\$233,200,690



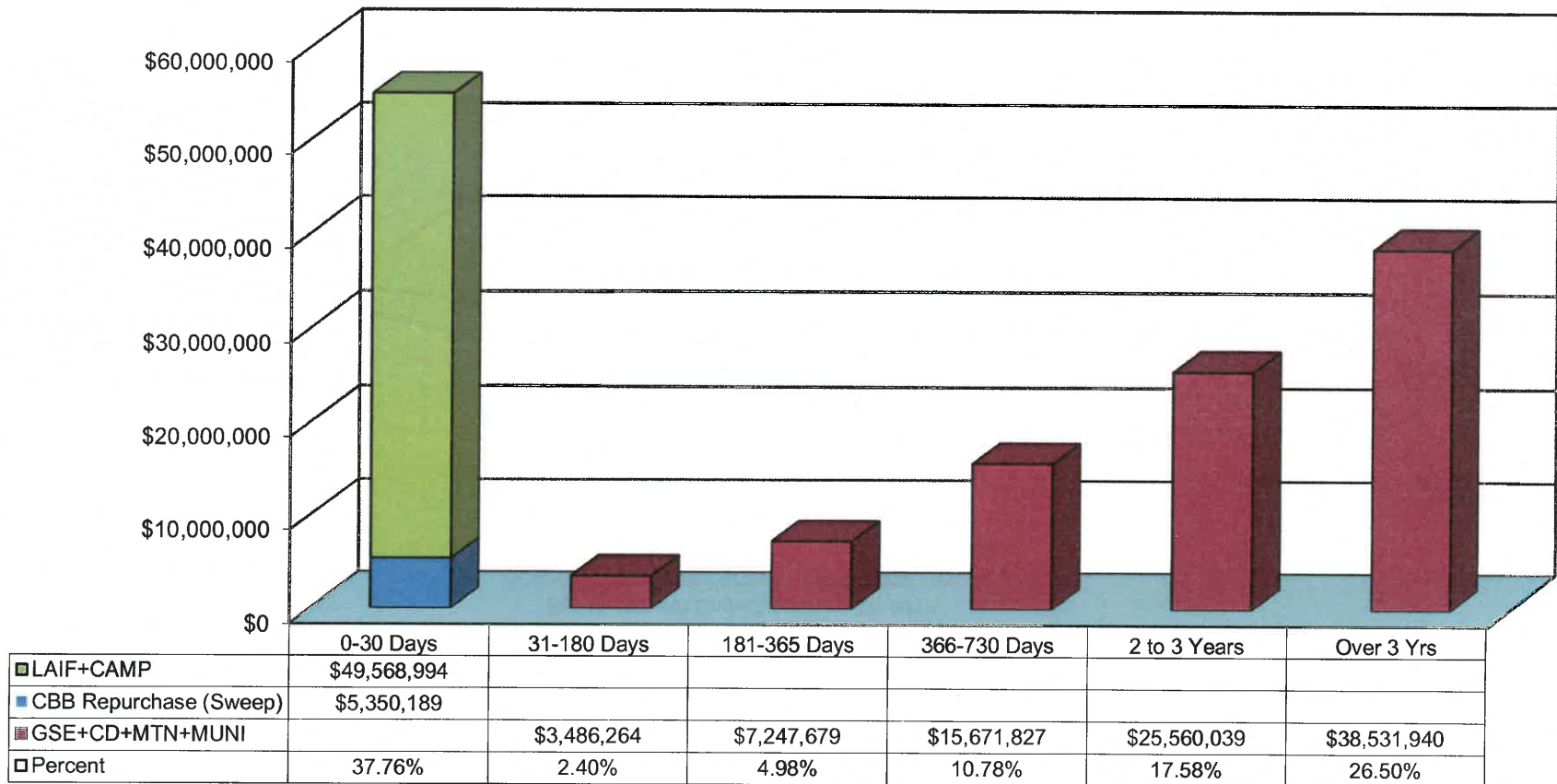
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2019
U.S. Government Sponsored Entities Portfolio
\$30,837,852



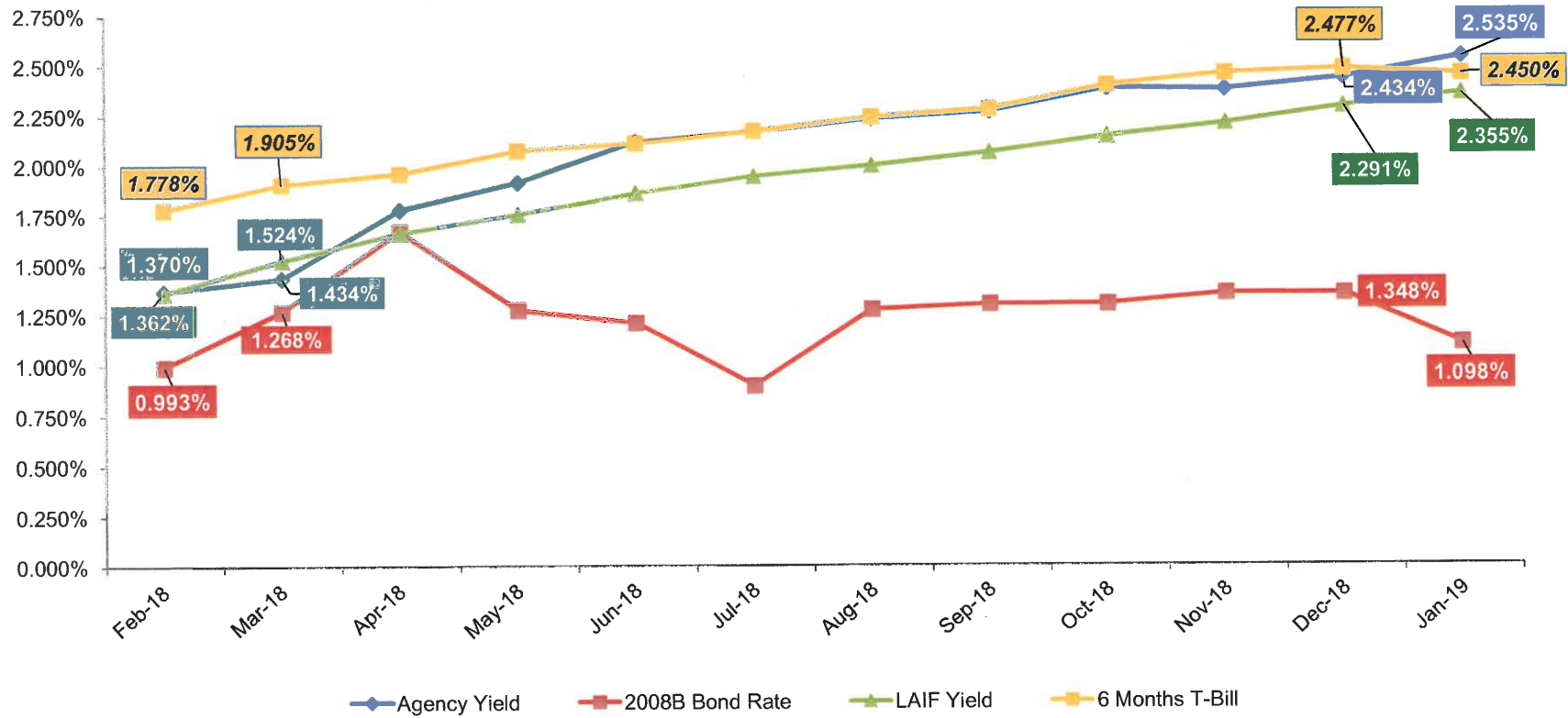
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2019
Unrestricted Agency Investment Portfolio
\$145,416,932



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2019
Agency Investment Portfolio Maturity Distribution (Unrestricted)
\$145,416,932



**Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended January 31, 2019
Agency Investment Portfolio Yield Comparison**



**INFORMATION
ITEM**

4J



Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager 

Committee: Finance & Administration

03/13/19

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

Subject: Fiscal Year 2018/19 Second Quarter Budget Variance, Performance Goal Updates, and Budget Transfers

Executive Summary:

The Budget Variance report presents the Agency's financial performance through the second quarter ended December 31, 2018 and various related analyses are provided in the attachments.

The Agency's total revenue and other funding sources were \$114.4 million, or 81.5 percent of the year to date budget of \$140.4 million. Unfavorable variance is due to lower than anticipated grants and loan receipts which are dependent upon capital project expenditures.

The Agency's total expenses and uses of funds were \$110.7 million, or 78.1 percent of the \$141.7 million year to date budget. Timing of capital project execution and certain professional service primarily accounts for the positive variance.

The net change of the total revenues and other funding sources over the total expenses and other uses of funds for this quarter is an increase of \$3.7 million.

Staff's Recommendation:

The Fiscal Year (FY) 2018/19 second quarter budget variance, performance goals updates, and budget transfers is an informational item for the Board of Directors to receive and file.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The net change of the total revenues and other funding sources over the total expenses and other uses of funds is an increase of \$3.7 million for the quarter ended December 31, 2018.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

None

Environmental Determination:

Not Applicable

Business Goal:

The quarterly budget variance report is consistent with the Agency's business goal of fiscal responsibility to demonstrate the Agency has appropriately funded operational, maintenance, and capital costs.

Attachments:

Attachment 1 - Background

Exhibit A- Q2 Budget Variance Summary Report

Exhibit A- Q2 Budget Variance Detail Report

Exhibit B- Business Goals and Objectives Report by Initiatives

Exhibit C-1 Summary of Annual Budget Transfers in the second quarter

Exhibit C-2 Summary of the GM Contingency account activity

Exhibit D- Project Budget transfers for capital & non-capital projects

Attachment 2 - PowerPoint

Background

Subject: Fiscal Year 2018/19 Second Quarter Budget Variance, Performance Goals Updates, and Budget Transfers

The Budget Variance report presents the Agency's financial performance through the second quarter ending December 31, 2018, includes the following highlights:

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency's total revenue and other funding sources were \$114.4 million, or 81.5 percent of the year to date budget of \$140.4 million for the quarter ended December 31, 2018 (Exhibit A detail). The following section highlights key variances:

- **Recycled Water Sales** – Total recycled water direct sales were \$5.5 million for 11,468 acre feet (AF) and groundwater recharge sales were \$3.5 million for 6,115 acre feet (AF), for a combined total of \$9.0 million and 17,583 AF. Total deliveries of 36,700 AF (23,000 AF Direct and 13,700 AF Recharge) were budgeted for the fiscal year. Deliveries year to date are just under 50 percent of budget. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability. Current wet winter conditions may impact future deliveries due to less demand for recycled water and reduced recharged deliveries to the groundwater basins.
- **MWD Imported Water Sales** – Total Metropolitan Water District (MWD) pass-through imported water revenue was \$27.5 million or 127.9 percent of year to date budget for total deliveries of 39,657 AF compared to the annual budgeted quantity of 50,000 AF. The high demand was mainly due to some member agencies shift to imported water use and away from local supplies due to water quality issues.
- **Cost Reimbursement from JPA** – Total cost reimbursements were \$3.0 million, or 100.2 percent of the year to date budget. Actuals include reimbursements of \$1.9 million from the Inland Empire Regional Composting Authority (IERCA) and \$0.5 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included is \$0.6 million for the operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for recycled water recharge costs.
- **Property Taxes** – Tax receipts at the end of the second quarter were \$18.9 million or 79.3 percent of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor were \$18.8 million and “pass-through” incremental taxes (formerly redevelopment incremental taxes) received were \$0.1 million. Property tax receipts are budgeted based on valuation projected by the county, increased home sales, and anticipated adjustments in property tax distribution due to the dissolution of the redevelopment agencies.

- **Connection Fees** – Total connection fees of \$10.6 million or 64.5 percent of the year to date budget, includes \$7.7 million for new regional system connections (equivalent dwelling unit, EDU), and \$2.9 million for new water connections (meter equivalent unit, MEU). The number of new connections reported through the end of second quarter were 1,173 EDUs compared to the annual budget of 4,000 EDUs and 941 MEUs compared to the 4,000 budgeted MEUs.
- **Grants & Loans** – Total grant and loan receipts were \$0.9 million, or 4.2 percent of the year to date budget. Included is \$23 thousand of grant receipts for the groundwater recharge conjunctive use project for stormwater capture and \$0.2 million of grant receipts and \$0.7 million of State Revolving Fund (SRF) loan for the regional water quality laboratory. Loan proceeds budgeted in the Recharge Water and Regional Wastewater Operations and Maintenance programs are anticipated in the remainder of the fiscal year. Grants and loan receipts are primarily reimbursable in nature and as such are dependent upon related capital project expenditures.
- **Project Reimbursements and Other Revenues** – Total other revenues and project reimbursements were \$1.8 million, or 144.1 percent of the \$0.6 million of the year to date budget. Actual receipts include \$0.6 million from Chino Basin Watermaster (CBWM) for their share of the 2008B Variable Rate Bond debt service and fixed project costs, \$0.6 million in lease revenues, \$0.4 million gain on investments, and \$0.2 million on project reimbursements.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses and uses of funds were \$110.7 million, or 78.1 percent of the \$141.7 million year to date budget, including the budget amendment for open encumbrances carried forward from the prior fiscal year and approved by the Board on September 19, 2018.

In accordance with Agency Policy A-81 (Fiscal Year Carry Forward Encumbrances and Related Budget), carry forward encumbrances, commitments and related budget not expended by December 31st are subject to cancellation unless approved by Executive Management. At the end of December 31, 2018, unspent carry forward was \$11.8 million of which \$6.6 million was extended and \$5.2 million was returned as shown in Table 1.

Table 1: FY 2017/18 Carry Forward Status

	Capital & Special Projects	O&M	Total
Carried Forward-September 2018	\$14,243,204	\$2,223,534	\$16,466,738
Remaining Carry Forward subject to Reversal	\$10,322,407	\$1,490,034	\$11,812,441
Carry Forward Requested for Extension	\$5,603,545	\$1,013,795	\$6,617,341
Encumbrance Returned – January 2019	\$4,718,862	\$476,239	\$5,195,100

Other key expense variance highlights for the quarter ending December 31, 2018 include;

Administrative Expenses

- **Professional Fees & Services** – Total expenses were \$3.3 million, or 56.7 percent of the year to date budget. The positive variance can be attributed to the timing of contracts and services that are anticipated in future quarters, such rehabilitation of clarifiers and aeration basins; repairs and calibration of critical compliance equipment and treatment process; and contractor and consultant support for project management and administrative services.
- **O&M (Non-capital) Projects** – O&M and reimbursable project costs were \$4.7 million or 29.0 percent of their combined year to date budget. The favorable balance is mainly due to lower spending for water and drought related projects such as the Santa Ana River Conservation & Conjunctive Use Program (SARCCUP), CBWM Pomona Extensometer, Collection System Asset Management and Agency-Wide Aeration Panel Replacement projects.

Operating Expenses

- **Biosolids Recycling** – Total biosolids expenses were \$1.8 million or 76.2 percent of the year to date budget. Biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. Year to date tonnage of the agency's biosolids generated from all its water recycling facilities shipped to IERCA was 32,784 tons with a blended rate of \$56.00 per ton.
- **Utilities** – Total utilities expenses were \$4.6 million of the \$4.6 million year to date budget. This category includes the purchase of electricity from Southern California Edison (SCE), natural gas, and renewable energy generated on site from solar and wind. Through the second quarter, the average rate for imported electricity ranged between \$0.11/kWh and \$0.1265/kWh compared to the budgeted rate of \$0.125/kWh.
- **MWD Water Purchases** – Total Metropolitan Water District of Southern California (MWD) pass-through imported water purchases was \$27.5 million or 127.9 percent of year to date budget for total deliveries of 39,657 AF compared to the annual quantity of 50,000 AF. The shift by some member agencies to imported water use from local supplies due to water quality issues accounts for the higher deliveries.

Non-Operating Expenses

- **Capital Projects** – Total capital project expenditures through the end of the second quarter were \$22.1 million or 50.1 percent of the year to date amended budget of \$44.2 million which includes \$4.4 million of capital budget carried forward (*net of return*) from FY 2017/18. The lower than anticipated expenditures are primarily due to contractor delays, design recommendation reviews, extended request for proposals and related contract award delays. Capital project costs related to the Regional Wastewater program through the second quarter were \$18.6 million, or 36 percent of the \$52.3 million annual program

budget. Recycled water capital projects accounted for \$1.9 million, or 12 percent of the \$16.2 million annual program budget.

A detailed explanation of significant revenue and expenses are included in the attached Exhibit A.

FUND BALANCES AND RESERVES

The net change of the total revenues and other funding sources over the total expenses and other uses of funds for this quarter is an increase of \$3.7 million.

Table 1 provides an overview of the fiscal year budget variance in revenues, expenses, and fund balance.

**Table 1: Fiscal Year and Year to Date (YTD)
Revenues, Expenses, and Fund Balance (\$Millions)
Quarter Ending December 31, 2018**

Operating	FY 2018/19 Amended Budget	Budget YTD	Actual YTD	% Budget Used YTD
Operating Revenue	\$154.1	\$77.1	\$82.1	106.5%
Operating Expense	(\$172.0)	(\$86.0)	(\$75.7)	88.0%
Net Operating Increase/(Decrease)	(\$17.9)	(\$8.9)	\$6.4	
Non- Operating				
Non-Operating Revenue	\$126.6	\$63.3	\$32.3	51.0%
Non-Operating Expense	(\$111.4)	(\$55.7)	(\$35.0)	62.9%
Net Non-Operating Incr./(Decrease)	\$15.2	\$7.6	(\$2.7)	
Total Sources of Funds	\$280.7	\$140.4	\$114.4	81.5%
Total Uses of Funds	(\$283.4)	(\$141.7)	(\$110.7)	78.1%
Total Net Increase/(Decrease)	(\$2.7)	(\$1.3)	\$3.7	

GOALS AND OBJECTIVES

Exhibit B provides information on division and related department goals and objectives and the status of each through the end of the fourth quarter. The goals and objective indicators are used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Staff use the performance indicators to track productivity and to justify current resource allocations, re-allocation and requests for additional staff.

BUDGET TRANSFERS AND AMENDMENTS

Intra-fund O&M budget transfers for the second quarter accounted for \$0.2 million as detailed in Exhibit C-1.

Intra-fund Capital and O&M projects budget transfers accounted for approximately \$2.6 million as listed in Exhibit D.

The *General Manager (GM) Contingency Account* adopted budget of \$300,000 in the Administrative Services Fund, utilized \$163,000 in the second quarter to support unplanned but necessary expenses as listed in Exhibit C-2.

The budget variance analysis report is consistent with the Agency's business goal of fiscal responsibility: to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

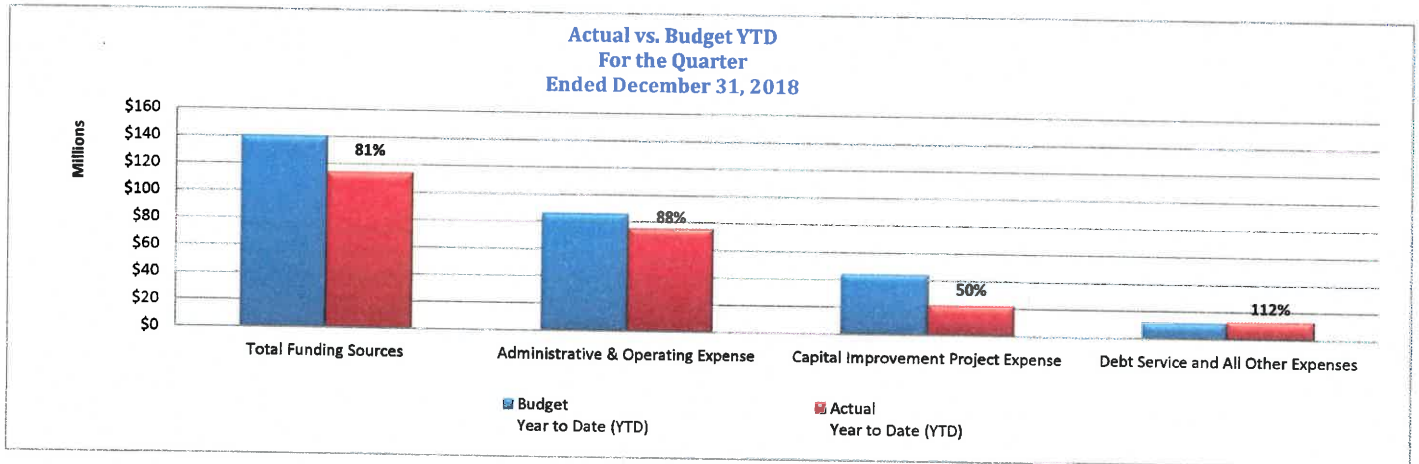
IMPACT ON BUDGET

The net change of the total revenues and other funding sources over the total expenses and other uses of funds for this quarter is an increase of \$3.7 million.

I. Actual vs. Budget Summary:

Quarter Ended December 31, 2018

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Revenues	\$154,107,576	\$77,053,789	\$82,100,221	\$5,046,432	106.5%
Non-Operating (Other Sources of Fund)	126,618,589	63,309,296	32,284,377	(31,024,919)	51.0%
TOTAL FUNDING SOURCES	280,726,165	140,363,085	114,384,598	(25,978,487)	81.5%
Administrative & Operating Expense	(172,055,169)	(86,027,585)	(75,671,732)	10,355,853	88.0%
Capital Improvement Project Expense	(88,322,587)	(44,161,294)	(22,122,452)	22,038,842	50.1%
Debt Service and All Other Expenses	(23,066,807)	(11,533,404)	(12,894,169)	(1,360,765)	111.8%
TOTAL USES OF FUNDS	(283,444,563)	(141,722,283)	(110,688,353)	31,033,930	78.1%
Surplus/(Deficit)	(\$2,718,398)	(\$1,359,198)	\$3,696,245	\$5,055,443	



2. Actual Revenue vs. Budget:

Quarter Ended December 31, 2018

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Revenues:					
User Charges	\$84,243,779	\$42,121,890	\$41,992,563	(\$129,327)	99.7%
Recycled Water Sales	18,188,000	9,094,000	9,017,937	(\$76,063)	99.2%
MWD Water Sales	42,996,000	21,498,000	27,494,895	\$5,996,895	127.9%
Cost Reimbursement	6,083,947	3,041,974	3,047,742	\$5,768	100.2%
Interest	2,595,850	1,297,925	547,084	(\$750,841)	42.2%
OPERATING REVENUES	154,107,576	77,053,789	82,100,221	5,046,432	106.5%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$47,887,800	\$23,943,900	\$18,985,644	(\$4,958,256)	79.3%
Connection Fees	32,911,999	16,456,000	10,614,918	(\$5,841,082)	64.5%
Grants & Loans	43,367,567	21,683,784	917,661	(\$20,766,123)	4.2%
Other Revenue	2,451,224	1,225,612	1,766,154	\$540,542	144.1%
NON-OPERATING REVENUES	126,618,590	63,309,296	32,284,377	(31,024,919)	51.0%
Total Revenues	\$280,726,166	\$140,363,085	\$114,384,598	(\$25,978,487)	81.5%

- User Charges, 99.7%** User charges were \$41.9 million, or 99.7 percent of the year to date budget. The category includes \$33.5 million monthly sewer charges based on equivalent dwelling units (EDU), \$5.3 million non-reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system, and \$3.1 million of monthly meter equivalent unit charges (MEU) imposed on all potable water connections, and Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charges to meet our Readiness-to-Serve obligation to Metropolitan Water District (MWD).
- Property Tax/ AdValorem, 79.3%** Tax receipts at the end of the quarter were \$18.9 million or 79.3% of the amended budget. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor were \$18.8 million and "pass through" incremental Redevelopment Agencies (RDA) taxes were \$0.1 million. Property tax receipts are budgeted based on valuation projected by the county, increased home sales, and anticipated adjustments in property tax distribution due to the dissolution of the redevelopment agencies.
- Recycled Water Sales, 99.2%** Recycled water direct sales were \$5.5 million for 11,468 acre feet (AF) and groundwater recharge sales were \$3.5 million for 6,115 acre feet (AF), for a combined total of \$9.0 million or 17,583 AF. Total deliveries of 36,700 AF (23,000 AF Direct and 13,700 AF Recharge) were budgeted for the fiscal year. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability. Current wet winter condition may impact future deliveries due to less demand for recycled water and reduced recharged deliveries to the groundwater basins.
- Interest Income, 42.2%** Interest income is \$0.5 million or 42.2 percent of the year to date budget. The Agency earns interest income by investing funds not immediately required for daily operations. The Agency's average portfolio yield as of December 2018 was 2.434% and continues to increase as a result of rising market rates and more active management of the Agency's investment portfolio. Budgeted interest rate assumption at 1.5% is now below the actual yield but the basis was calculated based on the Agency's overall fund balance which is higher than the agency's portfolio.
- MWD Water Sales, 127.9%** Total Metropolitan Water District of Southern California (MWD) pass-through imported water revenue was \$27.5 million or 127.9 percent of year to date budget. Imported water deliveries at 39,657 AF compared to the annual budgeted quantity of 50,000 AF. The high demand was mainly due to some member agencies shift to imported water away from local supplies due to water quality issues.

Connection Fees, 64.5% Total connection fee receipts of \$10.6 million or 64.5 percent of the year to date budget. Receipts include \$7.7 million for new regional system connections (EDU), and \$2.9 million for new water connections (MEU). The number of new EDU connections reported through the second quarter were 1,173 EDUs compared to the annual budget of 4,000 EDUs and the total new water connections were 941 MEUs compared to the 4,000 budgeted MEU.

Grants and Loans, 4.2% Grant and loan receipts were \$0.9 million, or 4.2 percent of the year to date budget. Included is \$0.2 million of grant receipts and \$0.7 million of State Revolving Fund (SRF) loan for the regional water quality laboratory. Loan proceeds budgeted in the Recharge Water and Regional Wastewater Operations and Maintenance programs are anticipated in the remainder of the fiscal year. Grants and loan receipts are primarily reimbursable in nature and as such are dependent upon related capital project expenditures. The annual grants budget of \$14.8 million includes, \$6.7 million for Northeast/Southern project Recycled Water fund, \$5.4 million for the new water quality laboratory Regional Wastewater Operations and Maintenance fund and \$2.1 million for Santa Ana River Conservation & Conjunctive Use Program (SARCCUP) project Water fund. Grant receipts consist of reimbursements from federal and state programs may contain pass-through funding for other agencies. State Revolving Fund (SRF) loan proceeds annual budget of \$28.6 million includes \$9.0 million for Recharge Master Plan Update in the Recharge Water Fund, \$7.9 million for Northeast/Southern project Recycle Water Fund, \$7.7 million for the RP-5 Solids Treatment and Liquid Expansion projects Regional Wastewater Capital fund, and \$4.0 million for the new water quality laboratory Regional Wastewater Operations and Maintenance fund.

Cost Reimbursements JPA, 100.2% Total cost reimbursements were \$3.0 million, or 100.2 percent of the year to date budget. Actuals include reimbursements of \$1.9 million from the Inland Empire Regional Composting Authority (IERCA) and \$0.5 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included \$0.6 million for the operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for the recycled water recharge costs. Annual total cost reimbursement budget of \$6.1 million includes: \$3.9 million from IERCA, \$1.2 million from CDA, and \$1.0 million from CBWM.

Other Revenues, 144.1% Total other revenues and project reimbursements were \$1.8 million, or 144.1 percent of the year to date budget. Actual receipts include \$0.6 million from Chino Basin Waster Master(CBWM) for their share of the 2008B Rate Variable bond debt service and fixed project costs, \$0.6 million in lease revenues, \$0.4 million gain on investments, and 0.2 million on project reimbursements.

3. Actual Operating and Capital Expense vs. Budget:

Quarter Ended December 31, 2018

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Expenses:					
Employment	\$45,937,460	\$22,968,730	\$21,987,296	\$981,434	95.7%
Admin & Operating	83,121,710	41,560,854	26,189,541	\$15,371,313	63.0%
MWD Water Purchases	42,996,000	21,498,000	27,494,895	(\$5,996,895)	127.9%
OPERATING EXPENSES	\$172,055,170	\$86,027,584	\$75,671,732	\$10,355,852	88.0%
Non-Operating Expenses:					
Capital	88,322,587	44,161,294	22,122,452	\$22,038,842	50.1%
Debt Service and All Other Expenses	23,066,806	11,533,405	12,894,169	(\$1,360,764)	111.8%
NON-OPERATING EXPENSES	\$111,389,393	\$55,694,699	\$35,016,621	\$20,678,078	62.9%
Total Expenses	\$283,444,563	\$141,722,283	\$110,688,353	\$31,033,930	78.1%

Employment Expenses
net of allocation to
projects

Employment, 95.7%

Employment expenses were \$21.9 million or 95.7 percent of the year to date budget. At the end of the second quarter, total filled regular positions were 268 compared to the 290 authorized positions and 13 limited term positions (FTEs). Recruitment of key positions as part of the Agency's succession planning effort is expected to lower the vacancy factor going forward. The budget includes \$7.3 million payment toward the agency employee retirement unfunded liabilities which have been paid during the first quarter.

Administrative &
Operating Expenses

Office and Administrative, 46.2%

Office and administrative for the fiscal year was \$0.6 million, the favorable variance was in part due to the inclusion of \$137 thousand for the GM contingency budget which represents 6 percent of the overall category budget. This contingency serves as a funding source to for unexpected operating expenses. Also contributing to the positive variance are lower advertising, timing of election, and department training expense. A portion of the department training budget is reserved for specific conferences and events that will occur in the future quarters of the fiscal year.

Professional Fees & Services, 56.7%

Total expenses were \$3.3 million, or 56.7 percent of the year to date budget. The positive variance can be attributed to the timing of contracts and services that are anticipated in future quarters, such as rehabilitation of clarifiers and aeration basins; repairs and calibration of critical compliance equipment and treatment process; and contractor and consultant support for project management and administrative services.

Materials & Supplies/Leases/Contribution, 80%

Expenses through the end of second quarter were \$1.4 million or 80.0 percent of the year to date budget. The favorable variance was primarily due to staff's effort to monitor operational equipment usage to ensure maximum use from supplies, replacement parts, and consumables used by treatment plants. As a result, operations-related repairs required fewer corrective tasks than were budgeted.

Biosolids Recycling, 76.2%

Biosolids expenses were \$1.8 million or 76.2 percent of the year to date budget. Biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. Year to date tonnage of the agency's biosolids generated from all its water recycling facilities shipped to IERCA was 32,784 tons with a blended rate of \$56.00 per ton.

Chemicals, 96.1%

Chemical expenses were \$2.3 million, or 96.1 percent of the year to date budget. Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high quality recycled water. Operations maintained the grit and screening removal equipments to achieve waste dryness at 50 percent or more. During wet weather condition, it is hard to achieve the desired 50 percent waste dryness therefore consumption of this category may exceed 75 percent in the next quarter.

Administrative & Operating Expenses continued	<p>Operating Fees, 102.4% Spending in this category was \$6.9 million, or 102.4 percent of the year to date budget. The majority of the expense is Non-reclaimable wastewater system (NRWS) "pass-through" fees from Sanitation District of Los Angeles County (SDLAC) and Santa Ana Watershed Project Authority (SAWPA). The category also includes \$1.4 million of readiness-to-serve (RTS) obligation pass-through to MWD, budgeted at \$2.9 million.</p> <p>MWD Water Purchases, 127.9% Total Metropolitan Water District of Southern California (MWD) pass-through imported water revenue was \$27.5 million or 127.9 percent of year to date budget. Imported water deliveries at 39,657 AF compared to the annual budgeted quantity of 50,000 AF. The high demand was mainly due to some member agencies shift to imported water away from local supplies due to water quality issues.</p> <p>Utilities, 100.6% Total utilities expenses were \$4.6 million of the \$2.3 million year to date budget. This category includes the purchase of electricity from Southern California Edison (SCE) or the grid, natural gas, and purchase of renewable energy generated on site from solar and wind. The unfavorable variance are due to higher than budgeted electricity expenses. Through the second quarter, the average rate for imported electricity ranged between \$0.11/kWh - \$0.12/kWh compared to budgeted rate of \$0.125/kWh..</p> <p>O&M and Reimbursable Projects, 30.3% and 4.9% The combined O&M and reimbursable project costs were \$4.7 million or 29.0 percent of their combined year to date budget. The favorable balance is mainly due to lower spending for water and drought related projects such as the Santa Ana River Conservation & Conjunctive Use Program (SARCCUP), CBWM Pomona Extensometer, Collection System Asset Management and Agency-Wide Aeration Panel Replacement projects.</p>
Financial Expenses	<p>Financial Expense, 110.6% Total financial expenses were \$12.6 million through the end of the second quarter. Actual costs included \$9.7 million paid towards principal for the 2010A Revenue Bond, 2017A Revenue Bond, and State Revolving Fund (SRF) notes. Total interest payments were \$2.8 million and \$0.1 million for financial administration fees.</p>
Other Expenses	<p>Other Expenses, 192.3% Total other expenses were \$0.3 million or 192.3 percent of the year to date budget and in-line with the annual budget. This category included an annual contributions-in-aid to the Santa Ana Watershed Project Authority for \$0.3 million that was paid in the first quarter.</p>
Capital Expenses	<p>Capital Costs, 50.1% Total capital project expenditures year to date were \$22.2 million or 50.1 percent of the year to date budget of \$44.2 million. Favorable variance in capital spending is largely driven by changes in the project scope and schedule, construction bid results, regulatory issues and external resources associated with such undertaking. The amended annual budget is \$88.3 million which includes \$5.2 million of capital budget carried forward from FY 2017/18. The lower than anticipated expenditures are primarily due to contractor delays, design recommendation reviews, and extended request for proposals and related contract award delays. Capital project costs related to the regional wastewater program through the second quarter were \$18.6 million, or 36 percent of the \$52.3 million annual program budget. Recycled water capital projects accounted for \$1.9 million, or 12 percent of the \$16.2 million annual program budget.</p>

Summary of major capital and non-capital project expenses and status as of December 31, 2018

Capital Projects		Annual Budget	Actual YTD	% of Budget Used YTD
EN14042	RP-1 1158 RWPS Upgrade The construction contract was awarded in November 2018. Staff have projected to spend \$2.5M by the end of the fiscal year which is within the FY budget.	3,000,000	189,346	6.3%
EN14019	RP-1 Headworks Gate Replacement Staff have projected to spend \$5.9M through the end of the fiscal year. The primary reason for the variance is due to additional bypass pumping needed during construction to mitigate leaking gates at the headworks. The project will be completed in May 2019.	3,450,000	2,683,833	77.8%
EN13001	San Sevaïne Basin Improvements Additional scope was added for the construction of the SCE electrical conduit and other items which were not accounted for in the current fiscal year budget but the project is still within the total project budget.	547,574	809,889	147.9%
EN15012	RP-1 East Primary Effluent Conveyance Improven Phase 2 of the project was added. This increased the amount of spending for the fiscal year. Staff have projected to spend \$5.3M by the end of the fiscal year.	4,500,000	3,070,592	68.2%

O&M & Reimbursable Projects		Annual Budget	Actual YTD	% of Budget Used YTD
PA17006	Agency-Wide Aeration Panel Replacements The project scope involves the replacement of aeration panels at RP-1, RP-4, RP-5, and CCWRF. The aeration panel replacement will improve oxygen transfer efficiency and operational effectiveness of the wastewater treatment process. The RP-5 Aeration Panel construction contract was awarded in December 2017 and is estimated to be completed in the fiscal year.	1,859,760	1,820,992	97.9%
RW19002	CBWM Pomona Extensometer IEUA has an agreement to perform contract administration services. This work is currently ongoing	1,463,581	322	0.0%
WR16024	Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) The Santa Ana River Conservation & Conjunctive Use Program (SARCCUP) project is ongoing with multiple agencies sharing the cost. Once the lead agency invoices for the costs, funds need to be available to fulfill our obligation.	6,490,882	176,577	2.7%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2018/19
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended December 31, 2018

	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget Used YTD
<u>OPERATING REVENUES</u>					
User Charges	\$84,243,779	\$42,121,890	\$41,992,563	(\$129,326)	99.7%
Recycled Water	18,188,000	9,094,000	9,017,937	(76,063)	99.2%
MWD Water Sales	42,996,000	21,498,000	27,494,895	5,996,895	127.9%
Cost Reimbursement from JPA	6,083,947	3,041,974	3,047,742	5,768	100.2%
Interest Revenue	2,595,850	1,297,925	547,084	(750,841)	42.2%
TOTAL OPERATING REVENUES	\$154,107,576	\$77,053,789	\$82,100,221	\$5,046,433	106.5%
<u>NON-OPERATING REVENUES</u>					
Property Tax	\$47,887,800	\$23,943,900	\$18,985,644	(\$4,958,256)	79.3%
Connection Fees	32,911,999	16,456,000	10,614,918	(5,841,082)	64.5%
Grants	14,781,667	7,390,834	152,532	(7,238,301)	2.1%
SRF Loan Proceeds	28,585,900	14,292,950	765,129	(13,527,821)	5.4%
Project Reimbursements	1,522,918	761,459	940,754	179,295	123.5%
Other Revenue	928,305	464,153	825,400	361,248	177.8%
TOTAL NON OPERATING REVENUES	\$126,618,589	\$63,309,296	\$32,284,377	(\$31,024,917)	51.0%
TOTAL REVENUES	\$280,726,166	\$140,363,085	\$114,384,598	(\$25,978,484)	81.5%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$22,137,889	\$11,068,945	\$13,918,987	(\$2,850,043)	125.7%
Benefits	23,799,571	11,899,786	8,068,309	3,831,478	67.8%
TOTAL EMPLOYMENT EXPENSES	\$45,937,460	\$22,968,730	\$21,987,296	\$981,435	95.7%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$2,598,366	\$1,299,183	\$600,643	\$698,541	46.2%
Insurance Expenses	874,300	437,150	702,534	(265,384)	160.7%
Professional Fees & Services	11,537,767	5,768,883	3,271,243	2,497,640	56.7%
O&M Projects	30,325,412	15,162,706	4,592,019	10,570,687	30.3%
Reimbursable Projects	2,366,192	1,183,096	115,536	1,067,560	9.8%
TOTAL ADMINISTRATIVE EXPENSES	\$47,702,035	\$23,851,018	\$9,281,975	\$14,569,044	38.9%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2018/19
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended December 31, 2018

	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget Used YTD
OPERATING EXPENSES					
Material & Supplies/Leases	\$3,530,976	\$1,765,488	\$1,413,259	\$352,229	80.0%
Biosolids Recycling	4,636,789	2,318,394	1,767,757	550,638	76.2%
Chemicals	4,708,940	2,354,470	2,262,710	91,760	96.1%
MWD Water Purchases	42,996,000	21,498,000	27,494,895	(5,996,895)	127.9%
Operating Fees/RTS Fees/Exp. Alloc.	13,395,045	6,697,522	6,861,458	(163,935)	102.4%
Utilities	9,147,925	4,573,962	4,602,382	(28,420)	100.6%
TOTAL OPERATING EXPENSES	\$78,415,675	\$39,207,836	\$44,402,461	(\$5,194,623)	113.2%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$172,055,169	\$86,027,585	\$75,671,732	\$10,355,856	88.0%
<u>NON-OPERATING EXPENSES</u>					
CAPITAL OUTLAY	\$88,322,587	\$44,161,294	\$22,122,452	\$22,038,841	50.1%
FINANCIAL EXPENSES					
Principal, Interest and Financial Expenditures	22,741,648	11,370,824	12,581,541	(1,210,717)	110.6%
OTHER NON OPERATING EXPENSES	325,159	162,580	312,628	(150,049)	192.3%
TOTAL NON-OPERATING EXPENSES	\$111,389,394	\$55,694,698	\$35,016,621	\$20,678,075	62.9%
TOTAL EXPENSES	\$283,444,563	\$141,722,283	\$110,688,353	\$31,033,931	78.1%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$2,718,398)	(\$1,359,198)	\$3,696,245	\$5,055,443	

Totals may not add up due to rounding

Business Goals Status Updates – FY 2018/19 2nd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
AGENCY MANAGEMENT			Staff participates in the professional development courses from SkillSoft and attend seminars. Department Manager participates as a learning group leader for CM Program. Two staff members enrolled in the CM Program. Executive Assistants continue to cross train.		

Business Goals Status Updates – FY 2018/19 2nd Quarter

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
EXTERNAL AFFAIRS		<p>The Grants Department has provided support for two major projects that are part of this initiative by strategically pursuing state and/or federal funding:</p> <p>Chino Basin Program: Title XVI grant applications have been submitted to the USBR for the Pomona-IEUA-MVWD and JCSD-IEUA Intertie Projects, which are components of the Chino Basin Program. State Revolving Fund (SRF) loan applications were also submitted to provide supplemental funding for each of the two projects.</p> <p>RP-5 Expansion: Applications have been submitted to both federal (Water Infrastructure and Innovation Act - WIFIA) and state (SRF) funding agencies to support the \$325M cost of this project.</p>	<p>Records Management (RM) Staff continues to conduct new hire training. A total of 11 new hires were trained in RM best practices for 2nd quarter. RM staff continues Laserfiche training of Agency employees. RM staff conducted records training for new RM staff member onboarded in December. RM staff continues training in best practices in records management procedures by attending the ARMA conference and through webinars and lunchtime ARMA chapter meetings. RM Supervisor attending training in RM best practices through Records Management University Free Online RMA Webcourse. RM staff continues Laserfiche certifications. Total of 4 for 2nd quarter.</p>		<p>Records Management (RM) Staff collaborated with BIS on the GIS-Laserfiche upgrade with review of documents, metadata and testing. Records Management staff began working on the SAP attachments interface with Laserfiche. Meetings are held weekly. Approximately 30 attachments will need to be mapped for Laserfiche implementation. The Grants Department has collaborated with the Business Information Systems (BIS) Department to modify and enhance the SAP grant module to improve the grant invoice and compliance processes. The two departments are also working together to integrate a new grants management database software, eCivis, into SAP to facilitate data exchange that will improve workflow and increase efficiencies.</p>

Business Goals Status Updates – FY 2018/19 2nd Quarter

Exhibit B

INITIATIVES	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
DIVISION					
FINANCE AND ADMINISTRATION		Supporting the Chino Basin Project (CBP) on financial analysis; funding sources, financing options, impact on reserves. A rate study on connection fees, monthly service fees is underway. It will evaluate the current rate structure and develop rates that will support cost of services for the pertinent programs and the study also includes the assessment of the impact of the CBP.	49 employees applied and were accepted into the Career Management Program Taking Charge. A committee of unit representatives choose 24 participants for the first session beginning in December and 25 for the second session in June. Agency management choose 4 management employees as group learning leaders and 2 alternates. In November, the 24 participants and their supervisors attended a orientation workshop and learning leaders and alternates received training on their roles and how to facilitate success for their learning groups. In December, participants attended 2 full day workshop developing their goals for the program. Supervisors attended training on how to best mentor and support their direct	During the 2 nd Qtr of the Fiscal Year the Agency completed several facility security assessments in cooperation with the provided consultant from the Department of Homeland Security. The security assessments were completed through an Urban Area Security Initiative (UASI) grant program that allows local agencies that provide critical infrastructure. The assessments when finalized by the consultant, will include a report of recommendations for increased security measures, as well as identify positive measures currently utilized by the Agency. Additional facilities will be completed during the third quarter of the fiscal year. As part of our disaster planning, Active Shooter	BIS researched and decided to implement the new training site using Microsoft Stream platform in conjunction with Microsoft SharePoint. Both of these tools are included with the Agency's Microsoft Office 365 subscriptions, hence there is no additional cost to the Agency. Secondly, the platform enables several features that does not exist with the current training site: ease of content management by training team, free-text search capability, view count, content grouping into logical curriculum and personalization content by users. BIS team also created training contents as training videos, in addition to printed materials. These videos comprise of screen recordings along with narrations. For some videos, animations are incorporated to explain key concepts. The new

Business Goals Status Updates – FY 2018/19 2nd Quarter

Exhibit B

<p>FINANCE AND ADMINISTRATION</p>			<p>reports involved in the program.</p>	<p>training was held in the 2nd Quarter for all Agency staff. Disaster drill training will continue through 2019 to ensure staff are prepared for various situations. Final testing is in process on a cell phone application (In Case of Crisis) that will allow staff to access all Agency emergency information at any given time on their phones with or without cell service. Each facility is now fully equipped to act as the Incident Command Center if needed. Disaster supply inventories will be checked again during this fiscal year to ensure adequate quantities.</p>	<p>training site is scheduled to be launched in early Q3.</p> <p>BIS also deployed new web-based interface for SAP called Personas, which enables developers to customize labels, add pop-up notes, simplify screens and link external sites to a single home screen. The pilot project is being tested by project managers in the Engineering and Construction Management. The department-wide deployment is planned for early Q3 as well.</p> <p>BIS completed the configuration for SAP Grant module to have greater integration to the financial modules for deeper integration. The new enhancements allow for more streamlined grant accounting process with the goal of eliminating the need to use spreadsheets for reconciliation. The design also considered the</p>
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Business Goals Status Updates – FY 2018/19 2nd Quarter

Exhibit B

<p>FINANCE AND ADMINISTRATION</p>					<p>possibility of integrating to other grant-related system (e.g., third-party grant administration system).</p> <p>BIS team worked closely with Records Management group to transition the Laserfiche support consultants from AMI to CPS. The change was necessary to provide greater support for enhancing Laserfiche functionality post implementation (i.e., after data conversion is completed).</p>
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Business Goals Status Updates – FY 2018/19 2nd Quarter

INITIATIVES	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
<p>DIVISION ENGINEERING</p>		<p>Two major capital projects are the focus of this initiative; 1) Chino Basin Project (CBP) and 2) Regional Plant No. 5 (RP-5) Expansion Project (RP-5 Project). In July 2018, the California Water Commission unanimously approved \$206.9 million in Prop 1 grant funding for the CBP. The CBP involves the construction of an advanced water treatment facility and distribution system to treat and store up to 15,000 acre-feet per year (AFY) of recycled water. In partnership with our member agencies and Metropolitan Water District, this water will be exchanged in blocks of up to 50,000 AFY towards ecosystem benefits north of the Delta for 25 years during dry years. Board workshops were held in October and November to provide higher level benefits of the CBP. The IEUA Board unanimously supported establishing a</p>			

Business Goals Status Updates – FY 2018/19 2nd Quarter

Exhibit B

<p>ENGINEERING</p>		<p>project budget to initiate the technical studies. In December, the 1st CBP workgroup meeting was held. The CBP workgroup includes stakeholders within the basin and is intended to collaborate in the development of the project components, funding assistance for local projects and performance requirements. The RP-5 Project promotes State planning priorities by utilizing existing infrastructure located at 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 RP-5 to comply with the waste discharge requirements. The project has a total estimated cost of \$325,000,000 and is expected to be completed by December 2025.</p>			
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Business Goals Status Updates – FY 2018/19 2nd Quarter

INITIATIVES	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
DIVISION OPERATIONS	A steering Committee was scheduled to meet in January 2019 with the consultant. In the process of interviewing staff to determine gap analysis and develop a report.			Implemented the Department of Homeland Security's recommendations.	

Inland Empire Utilities Agency

Inter-Departmental / Division O&M Transfers FY 2018/19

Budget Transfer

Sender Fund	Fund Name	Date	O&M Transfer From	Category	Amount Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	Qtr
10200	Administrative Services	11/28/2018	512170	O&M Supplies	\$5,000	545370	Water	\$5,000	Transfers necessary to cover costs that were not budgeted.	2
10200	Administrative Services	11/28/2018	512170	O&M Supplies	\$1,800	511220	Disposal Services	\$1,800	Transfers necessary to cover costs that were not budgeted.	2
10200	Administrative Services	11/28/2018	512170	O&M Supplies	\$2,000	511220	Travel - Mileage	\$2,000	Transfers necessary to cover costs that were not budgeted.	2
10200	Administrative Services	11/28/2018	512170	O&M Supplies	\$5,000	512410	Fuel	\$5,000	Transfer requested to cover the costs of fuel that was not budgeted when the budget was split between the Warehouse and Facilities Management for FY 2018/19.	2
10200	Administrative Services	11/28/2018	521010	Contract Labor	\$40,000	512410	Fuel	\$40,000	Transfer requested to cover the costs of fuel that was not budgeted when the budget was split between the Warehouse and Facilities Management for FY 2018/19.	2
10200	Administrative Services	11/28/2018	512660	Equip-Tools	\$5,000	512410	Fuel	\$5,000	Transfer requested to cover the costs of fuel that was not budgeted when the budget was split between the Warehouse and Facilities Management for FY 2018/19.	2
10200	Administrative Services	11/28/2018	511120	E'ee Training-Dept	\$50,000	512410	Fuel	\$50,000	Transfer requested to cover the costs of fuel that was not budgeted when the budget was split between the Warehouse and Facilities Management for FY 2018/19.	2
10600	Recycled Water	11/28/2018	512170	O&M Supplies	\$30,000	521010	Contract Labor	\$30,000	Transfers necessary to cover costs that were not budgeted.	2
10600	Recycled Water	11/28/2018	512170	O&M Supplies	\$10,000	521050	Contract Materials	\$10,000	Transfers necessary to cover costs that were not budgeted.	2
10600	Recycled Water	11/28/2018	512170	O&M Supplies	\$4,700	545370	Water	\$4,700	Transfers necessary to cover costs that were not budgeted.	2
10800	Regional Wastewater O&M	11/28/2018	512170	O&M Supplies	\$20,000	512110	Supplies - General	\$20,000	Funds were not budgeted into the correct GL accounts	2
10800	Regional Wastewater O&M	11/28/2018	512170	O&M Supplies	\$4,000	512660	Equip-Tools	\$4,000	Funds were not budgeted into the correct GL accounts	2
10800	Regional Wastewater O&M	11/28/2018	530039	Iron Sponge	\$12,000	530013	Anthracite	\$12,000	Transfer to cover the costs of a Fish and Wildlife permit that is relatively new to the program.	2
10300	Recharge Water	12/18/2018	545110	Utilities	\$3,973	519310	Operating Fees	\$3,973	Anthracite was not budgeted but must complete in this fiscal year.	2
10200	Administrative Services	12/10/2018	512170	O&M Supplies	\$7,875	520980	Professional Fees	\$7,875	Transfer to pay for professional services programming costs for a Laserfiche Training Session Portal requested by Operations and Maintenance	2
Total O&M Transfer Out					\$201,348	Total O&M Transfer In		\$201,348		

Inland Empire Utilities Agency
FY 2018/19 General Manager Contingency Account Activity
Budget Transfer

Date	From Proj/Category Title	Sender Amount	Receiver Fund	Receiver FA	Receiver CC	Receiver CE	To Proj/Category Title	Transfer Amount	Balance	Justification
Beginning Balance, July 1, 2018									\$300,000	
9/27/2018	GM Contingency	\$50,000	10200	100000	139100	520950	Prof Svcs - Train Consultants	\$50,000		Career management program
Balance, September 30, 2018									\$50,000	\$250,000
11/1/2018	GM Contingency	\$38,000	10200	100000	118100	520980	Prof Svcs - Other	\$38,000		To cover fixed-cost SAP support service contract.
12/27/2018	GM Contingency	\$75,000	10200	100000	118100	520980	Prof Svcs - Other	\$75,000		Consultant letter agreement with interim general manager
Balance, December 31, 2018									\$163,000	\$137,000

Inland Empire Utilities Agency

Changes in Total Project Budget: Inter-Departmental Division/Capital & O&M Transfers FY 2018/19

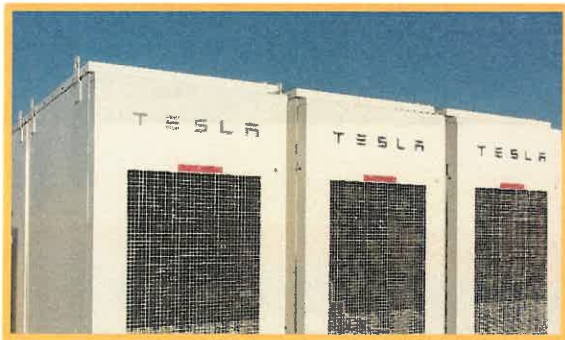
Budget Transfer

Fund	Transfer Date	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changed in Current FY	Amt. of Transfer In/(Out)	New TP Budget	Annual Project Budget	Annual Proj Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10200	11/12/2018	IS19009	Business Network Inv	195,000	0	-\$15,000	180,000	195,000	(15,000)	180,000	IS19008	Transfer due to Manager of Lab requesting additional PCs for staff due to the new building configuration and staff having their own office space.
		IS19008	Business Network Infrastructure	21,000	0	\$15,000	36,000	21,000	15,000	36,000	IS19009	
10200	11/14/2018	EN18055	Headquarters Roofing	1,242,855	23,592	-\$50,000	1,216,447	104,000	(50,000)	486,932	EN19038	HR staff requested a new emergency doorway be installed in case of imminent danger.
		EN19038	HR Exit Dppr	-	0	\$50,000	50,000	-	50,000	50,000	EN18055	
10200	11/14/2018	EN16012	CIPO Enhancements	153,000		-\$25,000	128,000	-	(25,000)	127,000	EN19038	HR staff requested a new emergency doorway be installed in case of imminent danger.
		EN19038		-	50,000	\$25,000	75,000	50,000	25,000	75,000	EN16012	
Subtotal Administrative Services Fund				\$1,611,855			\$1,685,447	\$370,000		\$954,932		
10500	10/9/2018	EN18023	NRWS Philadelphia Pump Station Pump 3 Improvements	250,000		-\$95,000	155,000	100,000	(95,000)	5,000	EN19027	Transfer is needed for the manhole relining project scope that has been transferred to the pipeline relining project to combine similar scope of work being performed in the same location into one project.
		EN19027	NRW Pipeline Relining	2,300,000		\$95,000	2,395,000	800,000	95,000	895,000	EN18023	
Subtotal Non-Reclaimable Water Fund				\$2,550,000			\$2,550,000	\$900,000		\$900,000		
10800	10/2/2018	EN18025	RP-1 Security Systems Rehabilitation	5,200,000		-\$500,000	4,700,000	500,000	(500,000)	388,010	EN19037	Transfer to repair building roof leaks, repair skylights, and put in fall protection.
		EN19037	RP-1 PRB & MCC Bldg.	-		\$500,000	500,000	-	500,000	500,000	EN18025	
10800	11/28/2018	EN19009	RP-1 Energy Recovery	5,000,000	(100,000)	-\$155,000	4,745,000	500,000	(155,000)	345,000	EN19040	Transfer needed for safety railings at RP-1 requested by Operations.
		EN19040	RP-1 Aeration Basin	-		\$155,000	155,000	-	155,000	400,000	EN19009	
10800	11/28/2018	EN15008	Water Quality Lab	24,645,000		-\$900,000	23,745,000	2,500,000	(900,000)	1,600,000	EN17042	Transfer needed for the Dig. 6 construction phase of the project.
		EN17042	Digester 6 & 7 Roof	3,868,387		\$900,000	4,768,387	1,350,000	900,000	2,520,649	EN15008	
10800	11/28/2018	EN19009	RP-1 Energy Recovery	5,000,000	(155,000)	-\$100,000	4,745,000	500,000	(100,000)	245,000	EN17042	Transfer needed for the Dig. 6 construction phase of the project.
		EN17042	Digester 6 & 7 Roof	3,868,387	900,000	\$100,000	4,868,387	1,350,000	100,000	2,620,649	EN19009	
Subtotal Regional Wastewater Operations & Maintenance (RO) Fund				\$47,581,774			\$48,226,774	\$6,700,000		\$8,619,308		
10900	10/9/2018	EN19026	CCWRF 12KV Switchgear	2,360,000		-\$2,500	2,357,500	820,000	(2,500)	817,500	EN17063	Transfer needed for the final change order due to the contractor.
		EN17063	RP-4 Anoxic Splitter	150,000		\$2,500	152,500	-	2,500	2,500	EN19026	
10900	10/25/2018	EN16011	Whispering Lakes Pump Station	5,000,000		-\$95,000	4,905,000	500,000	(95,000)	405,000	IS18018	Open PO was carried forward, but the non-encumbered funds to cover 2018/19 invoices was
		IS18018	SCADA Cybersecurity STEM	50,000		\$95,000	145,000	-	95,000	125,075	EN16011	
Subtotal Regional Wastewater Capital (RC) Fund				\$58,960,161			\$60,510,161	\$9,370,000		\$12,464,957		
Total Sender Amount							\$0					
				Capital Total Project Budget				Annual Capital Budget				
				Adopted		Amended	Adopted		Amended			
				\$110,703,790		\$112,972,382	\$17,340,000		\$22,939,197			

Fund	Transfer Date	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changed in Current FY	Amt. of Transfer In/(Out)	New TP Budget	Annual Project Budget	New Annual Project Budget	Project Transferred To/(From)	Justification
10200	10/2/2018	FM19001	Agency-Wide Roofing	250,000		-\$70,000	180,000	250,000	(70,000)	EN19036	Transfer to repair parking stalls that have caused tripping hazards.
		EN19036	HQ Paving Safety Improvement	-		\$70,000	70,000	-	70,000	70,000	
10200	10/18/2018	IS19001	BizNet Cybersecurity	75,000		-\$62,000	13,000	75,000	(62,000)	IS18002	Open PO was carried forward, but the non-encumbered funds to cover 2018/19 invoices was
		IS18002	BizNet Cybersecurity Risk Assess	125,000		\$62,000	187,000	-	62,000	125,245	
Subtotal Administrative Services Fund				\$450,000			\$263,000	\$325,000		\$388,245	
10300	11/8/2018	555010	Interest Expense	-	0	\$0	-	-	-	0	Transfer is to process payment to ESA for professional services.
		RW15001	Long Tern Basin Wide	161,000		\$700	161,700	-	700	700	
Subtotal Recharge Water Fund				\$650,000			\$533,000	\$400,000		\$596,490	
10500	10/3/2018	EN19016	NRW Emergency Projects FY 18/19	100,000		-\$20,000	80,000	100,000	(20,000)	EN18016	Transfer needed to pay out the final emergency projects finished in FY 17/18.
		EN18016	NRWS Emergency O&M Projects	100,000		\$20,000	120,000	-	20,000	53,000	
Subtotal Recharge Water Fund				\$1,361,000			\$1,037,700	\$825,000		\$1,065,434	
10600	11/7/2018	EN19051	RW Hydraulic Model	150,000		-\$50,000	100,000	150,000	(50,000)	EN19039	Transfer required to complete the joint IEUA-ICSD Regional Water Recycled Program Interconnection
		EN19039	RW Cost Benefit Analysis	-		\$50,000	50,000	-	50,000	50,000	
Subtotal Recycled Water Fund				\$2,361,000			\$1,870,700	\$1,475,000		\$1,894,924	
10800	10/2/2018	EN17040	RP-1 Aeration Panel Replacement	3,226,268		-\$420,000	2,806,268	500,000	(420,000)	PA17006	Transfer to finish the RP-4 and RP-5 phases of the Agency-wide Aeration Panel Projects
		PA17006	Agency Wide Aeration Panel	8,240,000		\$420,000	8,660,000	1,200,000	420,000	1,859,760	
Subtotal Regional Wastewater Operations & Maintenance (RO) Fund				\$7,098,268			\$5,864,668	\$2,950,000		\$3,190,359	
				Capital Total Project Budget				Annual Capital Budget			
				Adopted		Amended		Adopted		Amended	
				\$11,920,268		\$9,569,068		\$5,975,000		\$7,135,452	
				Total Transfers		\$2,560,200					

FY 2018/19 Budget Variance Report

2nd Quarter Ended December 31, 2018



FY 2018/19 2nd Quarter Ending December 31, 2018

(\$ Millions)

	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Total Sources of Funds	\$280.7	\$140.4	\$114.4	81.5%
Total Uses of Funds	283.4	141.7	110.7	78.1%
Net Increase/(Decrease)	(\$2.7)	(\$1.3)	\$3.7	

*YTD – Year to Date

Highlights

- Total Sources of Funds were below the YTD budget by ~19%
- Total Uses of Funds were below YTD budget by ~22%
- Net increase of \$3.7 million to fund balance

FY 2018/19 2nd Quarter Ending December 31, 2018

(\$ Millions)

Sources of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Operating Revenue				
User Charges	\$84.3	\$42.1	\$42.0	99.7%
Recycled Water Sales	18.2	9.1	9.0	99.2%
MWD Imported Water Sales	43.0	21.5	27.5	127.9%
Other Operating Revenues*	8.6	4.4	3.6	84.0%
Total Operating Revenues	\$154.1	\$77.1	\$82.1	106.5%

Highlights

- MWD imported water sales is higher due to a shift from local supplies by some member agencies.

*Other Operating Revenue includes contract cost reimbursements and interest revenue

FY 2018/19 2nd Quarter Ending December 31, 2018

(\$ Millions)

Sources of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Non-Operating Revenue				
Property Tax	\$47.9	\$23.9	\$18.9	79.3%
Connection Fees	32.9	16.5	10.6	64.5%
Grants & Loans	43.4	21.7	1.0	4.2%
Other Non-Operating Revenues*	2.4	1.2	1.8	144.1%
Total Non-Operating Revenues	\$126.6	\$63.3	\$32.3	51.0%
Total Operating Revenues	154.1	77.1	82.1	106.5%
Total Sources of Funds	\$280.7	\$140.4	\$114.4	81.5%

Highlights

- New connections reported YTD:
 - * 1,173 Equivalent Dwelling Units
 - * 941 Meter Equivalent Units
- Grants and loan receipts are primarily reimbursable and are dependent upon related capital project expenditures.
- Total other revenues include prepayment from CBWM for their share of debt service and fixed project costs

*Other Non-Operating revenues includes project reimbursements, lease revenue, and realized gain on investments



FY 2018/19 2ND Quarter Ending December 31, 2018

(\$ Millions)

Uses of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Operating Expense				
Employment Expense (net of allocation to projects)	\$45.9	\$22.9	\$22.0	95.7%
Professional Fees & Services	11.6	5.8	3.3	56.7%
Utilities	9.1	4.6	4.6	100.6%
MWD Water Purchases	43.0	21.5	27.5	127.9%
O&M and Reimb. Project Exp.	32.7	16.3	4.7	28.8%
Other Operating Expenses*	29.7	14.9	13.6	91.5%
Total Operating Expense	\$172.0	\$86.0	\$75.7	88.0%

* Other operating expense includes operating fees, chemicals, biosolids recycling, materials & supplies and office & administrative expenses

Highlights

- Professional fees & services below YTD budget due to contract award timing and deferral of services
- O&M Projects under budget due to timing of repair and maintenance related projects

FY 2018/19 2nd Quarter Ending December 31, 2018

(\$ Millions)

Uses of Funds	Amended Budget	Budget YTD*	Actual YTD*	% Budget Used YTD
Non-Operating Expense				
Capital Projects	\$88.3	\$44.2	\$22.1	50.1%
Financial Expense	22.7	11.4	12.6	110.6%
Other Non-Operating Expense*	0.4	0.1	0.3	192.3%
Total Non-Operating Expense	\$111.4	\$55.7	\$35.0	62.9%
Total Operating Expense	172.0	86.0	75.7	88.0%
Total Uses of Funds	\$283.4	\$141.7	\$110.7	78.1%

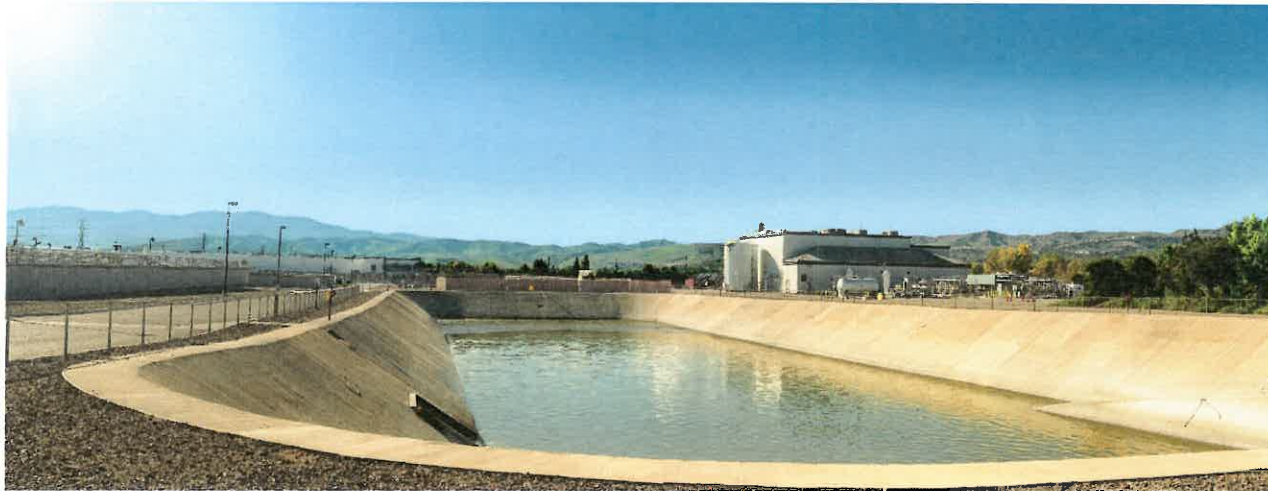
Highlights

- Total capital project expenditures below budget due to contract award delays and design recommendation.
- Financial expense higher than YTD budget due to timing of debt service payments.

*Other Non-Operating Expense includes SAWPA member contributions and other miscellaneous expense



Questions



The Budget Variance Analysis report is consistent with the Agency's business goal of fiscal responsibility to ensure actual revenues and expenditures are consistent with those approved by the Board of Directors.

**INFORMATION
ITEM**

4K



Date: March 20, 2019

To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager 

Committee: Community & Legislative Affairs

03/13/19

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

Subject: Public Outreach and Communication

Executive Summary:

- March 18 – 24, Fix a Leak Week
- March 18, IEUA Hosted Association of San Bernardino County Special Districts Dinner, Panda Inn: 3223 E. Centrelake Drive, Ontario, 91761, 6:00 p.m. – 8:30 p.m.
- March 20, “Water is Life” Poster Contest Judging, HQB Event Room, 11:00 a.m. – 2:00 p.m.
- March 22, World Water Day

IEUA staff facilitated a Project W.E.T. and Garden in Every School® Workshop on February 26. Over 25 educators attended the workshop where they learned ways to incorporate water education in the classroom and received their certification for Project W.E.T. activities. This workshop was also mandatory for schools interested in applying for school year 19/20 garden grant.

Staff's Recommendation:

This is an informational item for the Board of Directors to receive and file.

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

N/A

Environmental Determination:

Statutory Exemption

N/A

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.

Attachments:

Attachment 1 - Background

Background

Subject: Public Outreach and Communication

March

- March 18 – 24, Fix a Leak Week
- March 18, IEUA Hosted Association of San Bernardino County Special Districts Dinner, Panda Inn: 3223 E. Centrelake Drive, Ontario, 91761, 6:00 p.m. – 8:30 p.m.
- March 20, “Water is Life” Poster Contest Judging, HQB Event Room, 11:00 a.m. – 2:00 p.m.
- March 22, World Water Day

April

- April 3, IEUA Blood Drive, HQB Event Room, 8:00 a.m. – 1:00 p.m.
- April 12, Santa Ana River Watermaster: 50 Years of Collaboration (Luncheon and Program), Fieldhouse Terrace at Silverlakes Sports Complex: 5555 Hamner Avenue, Norco, 92860, 11:30 a.m. – 1:30 p.m.
- April 17, IEUA Annual Earth Day Event – Student Day, IEUA, 9:00 a.m. – 2:00 p.m.
- April 18, IEUA Annual Earth Day Event – Community Day, IEUA, 4:00 p.m. – 7:00 p.m.

May

- Water Awareness Month
- May 2, Heritage Recycled Water Groundbreaking Event (IEUA/CVWD/City of Fontana), Location TBD, 10:00 a.m. – 11:30 a.m.
- May 4, FUSD’s STEM Day (IEUA to partner and host a booth and breakout session), Citrus High School: 10760 Cypress Ave. Fontana, 92337, 9:00 a.m. – 1:00 p.m.
- May 5-11, International Compost Awareness Week
- May 11, IEUA Compost Giveaway, HQA Parking Lot, 8:00 a.m. – 12:00 p.m.
- May 17-19, MWD Solar Cup Competition, Lake Skinner, 37701 Warren Rd, Winchester, 92596

Media and Outreach

- The FY 17/18 Annual Report has been distributed to partnering agencies and is available to view on the Agency’s website.
- An ad ran in the *Chino Champion’s* Chino Connection Spring/Summer on March 2.
- An ad ran in the *Chino Champion’s* Spring Home and Garden section on March 9.
- The *Kick the Habit* digital banner ad continues to run in the *Fontana Herald News*.
- February: 33 posts were published to the IEUA Facebook page, 24 posts were published to IEUA’s Instagram and 26 tweets were sent on the @IEUAWater Twitter handle.
 - The top three Facebook posts, based on reach and engagement, in the month of February were:
 - 2/27: DC Legislative Luncheon – Emceed by Vice President Jasmin A. Hall
 - 2/11: Paul Hofer Elected as Chair of IERCF (Press Release)

- 2/23: Engineering Week: Mike Dias (Video)
- The top three tweets, based on reach and engagement, in the month of February were:
 - 2/13: 31 Gallons to Produce Roses
 - 2/7: Director Steve Elie at Chino Neighborhood House
 - 2/14: Job Opportunity
- The top three Instagram posts, based on reach and engagement, in the month of February were:
 - 2/26: Project W.E.T and Garden in Every School® Workshop
 - 2/27: DC Legislative Luncheon – Emceed by Vice President Jasmin A. Hall
 - 2/19: Traveling art show
- For the month of February, there were 31,270 searches for a park in IEUA's area on Yelp, where Chino Creek Wetlands and Education Park was viewed 6,152 times.

Education and Outreach Updates

- Staff is currently scheduling Water Discovery Field Trips for school year 18/19. To date, 95 schools have made reservations for the current school year.
- Staff is scheduling schools for student Earth Day on April 17. To date, 16 different schools and 1,318 students are scheduled to attend.
- Staff has reached out to schools for the *Water is Life* Poster Contest. Deadline for this school year is March 14, 2019. Judging will take place on March 20.
- IEUA staff facilitated a Project W.E.T. and Garden in Every School® Workshop on February 26. Over 25 educators attended the workshop where they learned ways to incorporate water education in the classroom and received their certification for Project W.E.T. activities. This workshop was also mandatory for schools interested in applying for school year 19/20 garden grant.
- Fix a Leak Week is recognized during the week of March 18. IEUA staff will be incorporating messages into the Water Discovery field trip activities over the recognized week. Each student will also receive a student-friendly leak detection and conservation kit to take home and share with their family.
- Staff is managing the WEWAC Digital Art and Media Contest. Students in middle school and high school submitted 11 digital art pieces and two PSA videos that focus on using water wisely. Winners will be notified Monday, April 1. First through third place winners in both categories will receive a cash prize.

**INFORMATION
ITEM**

4L

MEMORANDUM

To: Kathy Besser

From: Letitia White, Jean Denton, Drew Tatum, Shavenor Winters

Date: March 1, 2019

Re: February Monthly Legislative Update

Congress Funds Government, Border Emergency Declared

After weeks of formal negotiations between the House and Senate via a Conference Committee, on Wednesday, February 13 Congress introduced a 1,159-page bill to fund a quarter of the federal government for the remainder of fiscal year 2019 and prevent another partial government shutdown.

The legislation wrapped together seven FY19 appropriations bills that were previously funded by a continuing resolution (CR) that was set to expire February 15, 2019. Those bills include: Agriculture, Commerce-Justice-Science, Homeland Security, Interior-Environment, State-Foreign Operations, and Transportation-Housing and Urban Development. Those agencies experienced a lapse in appropriations in December through the enactment of three-week continuing resolution in January over disagreements on funding for President Donald Trump's proposed border wall.

The measure passed the Senate late on Thursday, February 14 by a vote of 83-16. The House followed suit late into the night passing the legislation by a vote of 300 to 128. Despite uncertainty and frustration over lack of increased funding for border barriers, the President signed the legislation.

The Agriculture appropriations bill was funded at \$23 billion in discretionary funding, which is \$32 million more than in fiscal 2018; Commerce-Justice-Science was funded at \$71.5 billion in discretionary funding, \$1.6 billion more than fiscal 2018; Financial Services was \$23.4 billion in discretionary funding, equal to the fiscal 2018 level. Homeland Security, where the border wall funding was included, totaled \$49.4 billion in discretionary funding, \$1.7 billion more than fiscal 2018. The Interior-Environment appropriation bill included \$35.6 billion in discretionary funding, \$300 million more than fiscal 2018; State and Foreign Operations was funded at \$54.2 billion in discretionary funding, including \$8 billion in Overseas Contingency Operations, which are funds that are not subject to spending caps. Overall, that's \$200 million more than in fiscal 2018. Finally, Transportation-Housing and Urban Development was funded at \$71.1 billion in discretionary funding, \$1 billion more than fiscal year 2018.

The funding deal includes \$1.375 billion for physical barriers along the U.S.-Mexico border — below the \$5.7 billion requested by President Donald Trump.

The new funding level was sold to the President as a “down payment” on his proposed border wall in what will be a multi-year effort by many Republican lawmakers. The money will allow for roughly 55 miles of fencing in the Rio Grande Valley sector: 11 miles of levee pedestrian fencing and 44 miles of primary pedestrian fencing.

The measure places restrictions on where and what kind of fencing can be built, limiting it to types of barriers already in use.

It also prohibits using fiscal 2019 or previous years' funding for constructing pedestrian fencing in the Santa Ana Refuge, La Lomita Historical Park, Bentsen-Rio State Park, National Butterfly Center, the Vista del Mar and other points east in Texas.

The legislation includes \$100 million for technology associated with the barriers, plus \$564 million in non-invasive vehicle scanning technology at ports of entry.

The legislation also aims to reduce the number of detention beds from the current level of 49,060 to last year’s amount of 40,520, but Republicans argue that the administration will have the ability to move as much as \$750 million of funds around from DHS operations to increase the number of beds, a move Democrats say would test legal boundaries and pull funds from other national security priorities.

As a reminder, below is a chart that quickly highlights key agencies that are now fully funded as a result of President Trump signing the seven-bill spending package.

Spending Bill	Covered Agencies	
Agriculture-FDA	<ul style="list-style-type: none"> • FDA • Agriculture Department • Agricultural Marketing Service • Agricultural Research Service 	<ul style="list-style-type: none"> • Animal and Plant Health Inspection Service • Farm Service Agency • Food Safety and Inspection Service • Commodity Futures Trading Commission
Commerce-Justice-Science	<ul style="list-style-type: none"> • Commerce Department • Census Bureau • National Oceanic and Atmospheric Administration • Patent and Trademark Office 	<ul style="list-style-type: none"> • Justice Department • FBI • Drug Enforcement Administration • Bureau of Alcohol, Tobacco, Firearms & Explosives • NASA
Financial Services-General Government	<ul style="list-style-type: none"> • Treasury Department • Internal Revenue Service • Executive Office of the President • Federal judiciary • Federal Communications Commission 	<ul style="list-style-type: none"> • General Services Administration • Federal Trade Commission • Office of Personnel Management • Small Business Administration • Securities and Exchange Commission • U.S. Postal Service
Homeland Security	<ul style="list-style-type: none"> • Homeland Security Department • Customs and Border Protection • Coast Guard 	<ul style="list-style-type: none"> • Federal Emergency Management Agency • Transportation Security Administration • U.S. Immigration and Customs Enforcement
Interior-Environment	<ul style="list-style-type: none"> • Environmental Protection Agency • Interior Department • Bureau of Indian Affairs • Bureau of Land Management • National Park Service 	<ul style="list-style-type: none"> • U.S. Fish and Wildlife Service • U.S. Geological Survey • U.S. Forest Service • Indian Health Service • Smithsonian Institution
State-Foreign Operations	<ul style="list-style-type: none"> • State Department • Democracy Fund • Millennium Challenge Corporation 	<ul style="list-style-type: none"> • Peace Corps • U.S. Agency for Global Media • U.S. Agency for International Development
Transportation-HUD	<ul style="list-style-type: none"> • Transportation Department • Federal Aviation Administration • Federal Highway Administration • Federal Railroad Administration 	<ul style="list-style-type: none"> • Federal Transit Administration • Maritime Administration • Housing and Urban Development Department

Following the signing of the legislation, the President signed a National Emergency Declaration and announced his plans to allocate nearly \$8 billion for construction of a border wall. In order to fund the wall, he will need to reprogram some \$3.5 billion in military construction funds. Defense officials have indicated that dollars meant for defense construction projects will be put in next year's defense budget to "replenish" funds diverted because of the National Emergency declaration.

President Trump, in announcing the declaration, said it was due to "an invasion of drugs, invasion of gangs, invasion of people." He pointed to unspent funds in fiscal years 2018 and 2019 Pentagon budgets as justification for taking the funds.

President Trump is using authorities from the National Emergencies Act (Public Law 94-412), which was passed by Congress in 1976. The law allows the House and Senate to terminate a declared emergency by passing a joint resolution using expedited procedures that prevent a filibuster and require a simple majority for passage.

A resolution must be reported out by the committee of jurisdiction within 15 calendar days and brought up for a floor vote within three days after it's reported. If one chamber passes the resolution, the other is required to take it up under the same expedited timeline.

With the House passing the resolution on Tuesday, February 26 by a vote of 245-182, the Senate will be forced to take up the measure. Majority Leader Mitch McConnell (R-KY) has said that the Senate will take it up before its scheduled March recess. There may be enough Republican Senators who join Democrats and send the resolution to the President, however President Trump has already said that he would veto the measure.

Each chamber would need a two-thirds majority to override the President. That threshold would be difficult to achieve even in the House, which Democrats control 235-197. In the original vote passing the resolution, only 13 Republicans joined Democrats in favor of terminating the declaration. By law, Congress is required to meet every six months to consider voting on a joint resolution to end a national emergency, though lawmakers have never met to consider such a vote.

With the House under Democratic control, lawmakers may choose to push the issue again later this year unless other action is taken by the White House or the courts—where challenges have already been filed by multiple states.

So far, no criteria for targeting projects has been announced. The military is rumored to be considering taking money from quality of life projects, such as changes and improvements to administrative offices, and from recapitalization programs. While the Pentagon remains busy consulting with lawmakers on its plans to pay for President Trump's border wall, but at least one pot of money appears to be off limits: military housing funds.

The declaration faces challenges on many fronts.

A group of Senate Democrats have introduced legislation that would prevent President Trump from using disaster relief funds to finance a wall along the southern border.

The Protecting Disaster Relief Funds Act would block the Administration from taking funds allocated to the Department of Homeland Security, the Department of Housing and Urban Development or the Army Corps of Engineers for disaster relief and using that money to construct physical barriers along the U.S.-Mexico border.

Following the declaration, several states have joined together to sue the President. As of Monday, February 19 the states included: California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, and Virginia.

The suit, filed in U.S. District Court in San Francisco, argues that President Trump does not have the power to divert funds for constructing a border wall because Congress controls spending.

The states' lawsuit is likely to stall the emergency declaration and kick off protracted legal battles that could land before the Supreme Court. The case may not be resolved before 2020, bringing the border wall issue to the forefront of the 2020 election season.

Green New Deal in Senate

Senate Majority Leader Sen. McConnell could now bring up the Green New Deal resolution (S. J. Res. 8) to the Senate floor at any time as the chamber has been increasingly discussing the measure.

As you will recall, Representative Alexandria Ocasio-Cortez (D-NY) and Senator Ed Markey (D-MA) released a sweeping package of environmental measures earlier this month that has pitted progressives in the House Democratic caucus against moderates over how far to go in pursuit of resetting the climate change debate.

Among its provisions the plan calls for:

- A dramatic expansion of renewable energy, and energy and water efficiency upgrades for all existing U.S. buildings;
- Steps to secure clean air and water, climate resiliency, healthy food, access to nature, and a sustainable environment for future generations;
- An overhaul of the country's transportation system to eliminate pollution and emissions from the sector "as much as technologically feasible," with a nod to investment in zero-emission vehicles, public transit, and high-speed rail; and,
- Steps to lessen the effects of climate change, build a smart grid, clean up hazardous waste sites and restore threatened lands.

The plan has already gathered 60 co-sponsors in the House and has prompted strong opposition from Republicans and industry leaders who say it's technologically impossible and will cost tens of trillions of dollars.

While it has received a tepid response from House Speaker Nancy Pelosi, the proposal has little chance of gaining support in the Republican-controlled Senate, let alone be signed into law by President Donald Trump, and has revealed some rifts within the environmental movement. Given the lack of bipartisan support on the measure, critics of Leader McConnell's decision say he is only entertaining the bill in order to drive wedges between Democrats over their technoeconomic and energy policies.

In California, Senator Dianne Feinstein (D-CA) unveiled an outline for a less ambitious alternative to the Green New Deal after a tape was released showing her rejecting a push by children for her support of the plan as introduced by Markey and Ocasio-Cortez. "You come in here and say: 'It has to be my way or the highway. I don't respond to that,'" Feinstein said in remarks captured on video in her San Francisco office that were criticized on social media.

Feinstein has since backtracked on the proposal, saying she would be introducing a plan at a later date that "has to do with the science". The draft Feinstein walked back called for the elimination of greenhouse gas emissions by 2050, 20 years later than the original plan. The draft also called for achieving those reductions through a price on carbon.

Congresses Passes Lands Package

The Senate passed a combined conservation and public lands package Tuesday, February 12 that would revive the expired Land and Water Conservation Fund, created by Congress in the 1960s to fund land acquisition for parks using revenues from federal leases on offshore oil and gas drilling on the Outer Continental Shelf, and prevent the kind of funding lapses that have put efforts to add to wildlife refuges, national parks, and local biking and hiking trails on hold.

Senate passage brings to a close a nearly two-year effort to reauthorize the Land and Water Conservation Fund, which authorizes \$900 million a year—though Congress has in recent years appropriated only half that amount—to add parcels to Great Smoky Mountains National Park, wildlife refuges, and local hiking and biking trails.

This legislative vehicle that contains a number of California-specific provisions, including the compromise desert protection legislation, the California Desert Protection and Recreation Act of 2019, introduced by Senator Dianne Feinstein (D-CA) and Congressman Paul Cook (R-CA) and the Santa Ana River Wash Plan Land Exchange Act introduced by Representatives Cook and Aguilar (D-CA) in the House and Senator Feinstein in the Senate.

The Senate passed the measure (S. 47) by a vote of 92-8. The measure was then taken up by the House and passed by a vote of 363-62. The bill is now waiting to be signed by the President.

Pot Banking Gets Its First-Ever Congressional Hearing

The House's panel on Consumer Protection and Financial Institutions Subcommittee held the first-ever Congressional hearing on banking the cannabis industry this month with a focus on how marijuana-related companies could get increased access to financial services.

Continued regulatory uncertainty has left many banks skittish about serving the industry. Since pot remains illegal at the federal level, banks engaging a marijuana-related business must conduct substantial due diligence under the Bank Secrecy Act and anti-money laundering regulations. Failure to properly vet legal-marijuana businesses can also put an institution's federal deposit insurance at risk. The lack of services has forced dispensaries and others to make payroll and tax payments in cash, causing state officials to fret over public safety issues.

The subcommittee's chairman, Rep. Gregory Meeks (D-NY) wants to help the burgeoning cannabis industry move its green into the mainstream banking system.

A growing topic in Congress, this year several pieces of legislation have been introduced.

Rep. Earl Blumenauer (D-OR) has introduced a bill (H.R. 420) that would decriminalize marijuana, establish a federal marijuana permitting system, curb certain advertising practices, allow the FDA to regulate it.

Rep. Steve Cohen (D-TN) has introduced a bill (H.R. 127) that would defer to state marijuana laws, expand marijuana research, and authorize VA health providers to recommend best practices in states where marijuana is legal.

Rep. Lou Correa (D-CA) has introduced a bill (H.R. 493) that would prohibit the Justice Department from prosecuting individuals using marijuana in states where it is legalized. The bill has bipartisan cosponsors.

In the Senate, Senators Cory Booker (D-NJ), Kamala Harris (D-CA), Elizabeth Warren (D-MA), Ron Wyden (D-OR), Kirsten Gillibrand (D-NY), Bernie Sanders (I-VT), and Jeff Merkley (D-OR) reintroduced legislation on Thursday, February 28 that would end a federal prohibition on marijuana. In addition to making it legal at the federal level, the legislation would automatically expunge records of people who've served federal time for marijuana use and possession.

Supreme Court to Consider Federal Water Rules Case

The Supreme Court agreed this month to hear a major dispute with potentially far-reaching implications for how the federal government protects waterways from pollution.

The case, County of Maui v. Hawaii Wildlife Fund, challenges an appeals court's ruling that pollution discharged into groundwater that later flows into a navigable waterway can constitute a violation of the Clean Water Act.

Congress traditionally leaves regulation of navigable waterways up to the executive branch, while groundwater is regulated only by states. But the 9th U.S. Circuit Court of Appeals last year upheld the Environmental Protection Agency's (EPA) finding that pollution discharged from Maui County municipal wastewater wells into groundwater, which later went into the Pacific Ocean, violated the federal law.

The controversy is separate from the ongoing debate over the EPA's Waters of the United States rule, which determines the waterways that are subject to federal regulation. The Trump administration is currently working to greatly restrict which waterways, like wetlands and tributaries, are within federal jurisdiction.

In asking the high court to hear the case last year, attorneys for Maui County called the 9th Circuit ruling a "radical expansion" of the Clean Water Act.

They said millions of water pollution sources, including municipal water treatment plants and others, would be subject to strict new rules about where they could put waste and how to treat it. A coalition of Hawaii environmental groups asked the Supreme Court to let the 9th Circuit ruling stand, subjecting the groundwater to tightened standards.

Supreme Court Limits Power of States and Localities to Impose Fines, Seize Property

The Supreme Court unanimously ruled on Wednesday, February 20 that the Constitution's prohibition on excessive fines applies to state and local governments, limiting their abilities to impose financial penalties and seize property.

The decision delighted critics of civil asset forfeiture, who welcomed the ruling as a new weapon in their war against what has been labeled "policing for profit" — the practice of seizing cash, cars and other property from those convicted, or even suspected, of committing a crime.

Justice Ruth Bader Ginsburg, on her second day back on the bench after undergoing cancer surgery in December, announced the court's decision, saying the Eighth Amendment's excessive-fines clause protects against government retribution at all levels.

"For good reason, the protection against excessive fines has been a constant shield throughout Anglo-American history: Exorbitant tolls undermine other constitutional liberties," Ginsburg wrote. "Excessive fines can be used, for example, to retaliate against or chill the speech of political enemies.... Even absent a political motive, fines may be employed in a measure out of accord with the penal goals of retribution and deterrence."

The case at the court involved Tyson Timbs of Marion, Indiana, whose \$42,000 Land Rover SUV was seized after his 2015 arrest for selling a couple hundred dollars' worth of heroin. Timbs has sued to get it back, and while the decision did not dictate that outcome, it gave him a new day in court.

The Constitution's Bill of Rights protects against actions of the federal government. But the Supreme Court over time has applied its provisions to state and local governments under the due-process clause of the 14th Amendment. In 2010, for instance, the court held that the Second Amendment applied to state and local government laws on gun control.

The Eighth Amendment states: "Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted." Two of those commands — regarding

bail and cruel and unusual punishments — have been deemed to apply to state and local governments. But until now, the ban on excessive fines had not.

The Supreme Court's opinion does not take a position on whether Indiana's seizure of the Land Rover was excessive. It holds only that the Indiana Supreme Court was wrong to say that the Eighth Amendment did not apply.

California Grants Threatened

The Trump administration said this month that it will cancel more than \$900 million in federal grants earmarked for an ambitious California high-speed rail project, escalating a feud between the White House and the state over several of the president's policies

California Governor Gavin Newsom, who took office in January, said that the rail project as planned "would cost too much and take too long," and he would instead finish roughly 120 miles of track already under construction in the state's Central Valley. The Transportation Department responded in a statement that it was exploring legal options to recoup \$2.5 billion in federal funds already granted to the project by the Federal Railroad Administration.

"This is clear political retribution by President Trump, and we won't sit idly by," Governor Newsom said in a statement. "This is California's money, and we are going to fight for it."

The President has criticized California's high-speed rail project, in the works for more than a decade, as wasteful and called for the state to return federal funding in several Tweets since Newsom's announcement.

President Trump has previously said he may limit disaster recovery funds used to respond to wildfires in California over the state's management of forest areas, though there is no indication that funds have been withheld.

Administration Takes Steps into State Permits Debate

Army Corps of Engineers Chief R.D. James late last year, directed his agency to write new guidance limiting the time states have to review permits for projects that would dredge or fill in wetlands and streams.

Section 401 of the Clean Water Act gives states up to a year to review such projects unless the federal permitting agency sets a different timeline. If states don't approve or deny a project within that timeline, they waive their authority.

The Army Corps is the federal permitting agency for projects that dredge or fill in wetlands and streams. States also have the authority to block water pollution permits issued by EPA and pipeline approvals issued by the Federal Energy Regulatory Commission.

James argues Army Corps regulations already require states to make their decisions within 60 days of receiving an application, "it has been standard practice" for Army Corps districts to give states an entire year to review permits.

His memo directs the Army Corps to write guidance solidifying the 60-day timeline and emphasizing that the clock begins when a state receives an application, not when a state decides an application is complete. While the Clean Water Act itself is vague about when the clock starts, states and agencies have both previously interpreted it to mean the countdown begins once a state deems a permit is complete.

The memo is the first concrete example of an expected Trump administration push across agencies to limit state's Clean Water Act authority under Section 401. The Trump administration has already received strong pushback from state groups.

This month, the Western Governors' Association wrote to the President asking him to tell federal agencies "to reject any changes to agency rules, guidance or policy that may diminish, impair or subordinate states' well-established sovereign and statutory authorities to protect water quality within their boundaries."

EPA also has been looking into the issue for some time. Water Chief David Ross told the Environmental Council of the States' annual meeting last fall that the agency is considering changing policies for how much time states have to make their certification decisions.

Vacancies Continue, Grow in the Trump Administration Even as Nominees Confirmed

Two years after taking office, President Donald Trump has vast swaths of the federal government where officials either have not been nominated or confirmed. Additionally, there are many top positions where the administration has someone serving in an acting capacity. Currently, in cabinet level positions, President Trump has an acting chief of staff, defense secretary, Office of Management and Budget director and Environmental Protection Agency administrator.

President Trump has been relying on personnel moves to keep some positions filled, which could result in legal challenges to the administration's actions that could be tied up in the courts for years. If the courts find that some of those appointments are questionable, actions taken by those officials could be overruled.

The lack of permanent leaders has started to alarm top congressional Republicans who are calling for key posts to be filled. "It's a lot. It's way too many," Sen. James Lankford (R-OK) said of the acting positions in Cabinet agencies. "You want to have confirmed individuals there because they have a lot more authority to be able to make decisions and implement policy when you have a confirmed person in that spot."

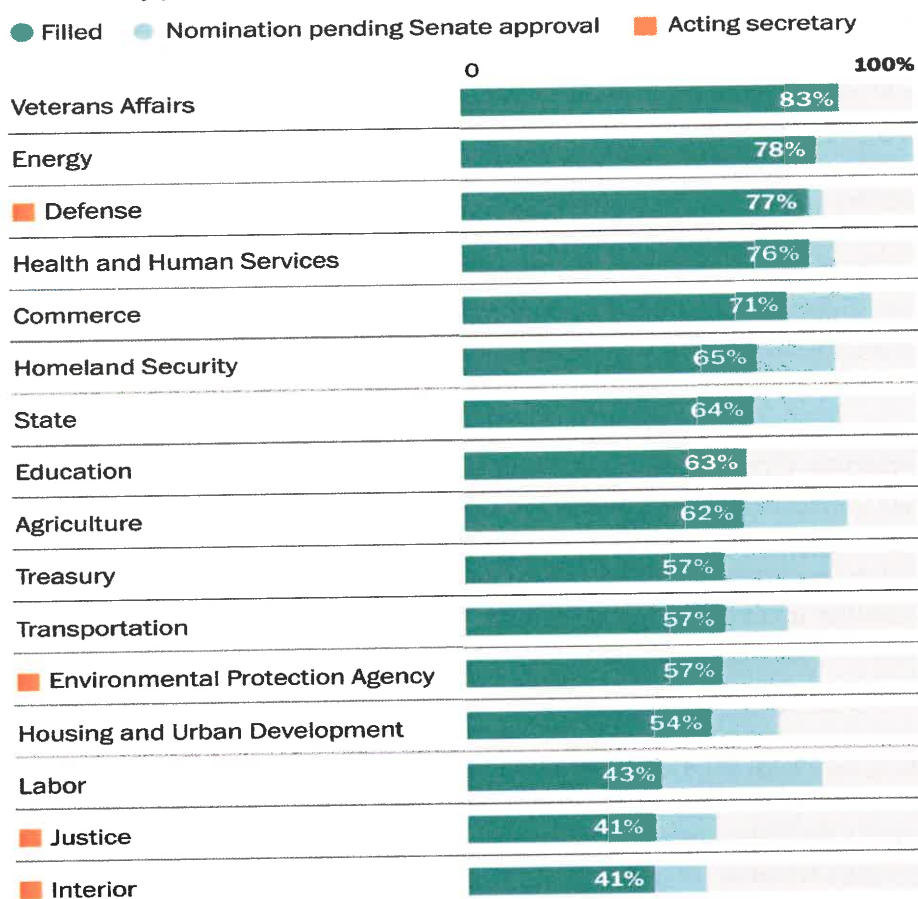
The Trump administration has lagged behind its predecessors in filling top posts throughout the government. The Partnership for Public Service, which has tracked nominations as far back as 30 years, estimates that only 54 percent of Trump's civilian executive-branch nominations have

been confirmed, compared with 77 percent under President Barack Obama at the same point in his administration.

Republicans have largely blamed Senate Democrats for slowing down the consideration of executive-branch nominees. But according to an analysis by the Partnership for Public Service and The Washington Post, the White House has not bothered to nominate people for 150 out of 705 Senate-confirmed positions. As was mentioned above, the Senate is considering changing its rules to allow for expedited consideration of certain officials, which they say will help with the backlog where officials have been nominated.

Large federal departments lack permanent leadership

Share of key positions filled, by department or agency as of Jan. 28



Three departments are facing a particularly high number of vacancies: Only 41 percent of the Interior and Justice departments' Senate-confirmed posts are filled, and just 43 percent of such positions have been filled at the Labor Department. The chart below shows the current percentage of key positions (as defined by the Partnership for Public Service) that have been filled, where a nominee is pending, or where no individual has been nominated to fill the post. The Departments of Justice and the Interior lead the agencies where vacancies are the highest and where individuals have not been nominated to take the position.

This month the Senate confirmed William Barr as U.S. attorney general. The confirmation vote of 54-45 on Thursday, February 14 gave the 68-year-old attorney a second stint in the job that he previously held in the 1990s under President George H.W. Bush.

While that will make him a major figure on issues from immigration to antitrust policy, one of Barr's first decisions will be whether to recuse himself from overseeing Mueller's politically explosive probe into Russian interference in the 2016 election.

In his confirmation hearing last month he did not commit to recusing himself, saying he'd seek the advice of career ethics officials, but noted that the final recusal decision was up to the individual per the Department's guidelines. Democrats expressed concern about Barr's acknowledgment that he's had "general conversations" with Vice President Mike Pence regarding the investigation. They also cited a memo Barr sent to the Justice Department regarding a possible obstruction of justice investigation into President Trump's firing of former FBI Director James Comey.

At the Department of Homeland Security, Federal Emergency Management Agency (FEMA) Administrator Brock Long announced earlier this month that he is resigning to spend additional time with his family in North Carolina. Long's tenure was marked by ethics probes—where he had to reimburse the administration for the inappropriate use of a vehicle—and scrutiny of his agency's handling of a deadly hurricane in Puerto Rico.

The Trump administration's top air and climate adviser at the EPA for the past two years is resigning, according to a February 7 resignation letter sent to the White House.

Mandy Gunasekara said in her resignation letter to President Donald Trump that she planned to launch a new organization to support "the many energy, regulatory and economic successes" of their energy and environmental agenda, which is likely to come under intense scrutiny by emboldened Democrats who won control of the House last November.

Budget Deficit

The U.S. budget deficit widened to \$319 billion in the first three months of the government's fiscal year as spending increased and revenue was little changed, according to the Treasury Department.

The shortfall grew by 42 percent between the October to December period, compared with the same three months the previous year, according to the latest Treasury monthly budget report released this month. Receipts climbed by 0.2 percent to \$771.2 billion, while spending was up 9.6 percent to \$1.1 trillion.

The federal debt has ticked past \$22 trillion, a record that comes despite continued economic growth, but neither political party appears to be making a priority of debt reduction.

Larry Kudlow, the Director of President Trump's National Economic Council, stated that the president was "concerned" about the rise of the debt, and that the administration would propose

some reductions in federal spending in its next budget. The rise of the debt also poses a more immediate problem. The total is expected to reach a statutory limit known as the “debt ceiling” later this year, requiring what could be a contentious congressional vote to raise the ceiling.

INFORMATION
ITEM

4M



March 1, 2019

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso
Maddie Munson

RE: February Report

Overview:

California's water supply picture has dramatically changed over the last few weeks with several storms. The statewide snowpack is over 150 percent of normal and almost all major reservoirs are at or above historic levels for this time of year. State Water Project Allocations were recently increased to just a paltry 35 percent despite the significant precipitation and snowpack levels.

The water community has also been closely watching potential regulatory changes with the operation of the Central Valley Project and the State Water Project as the Bureau of Reclamation made the first step in a lengthy update of Endangered Species Act regulations for the projects. The changes could bring increased operational flexibility but will face challenges from the environmental community.

In his inaugural State of the State address Governor Newsom proved yet again that his style couldn't be more different than former Governor Jerry Brown. The dynamic Governor outlined the most ambitious agenda since World War II including significant detail on priorities and key personnel who would help him implement his vision. The most significant change comes from the Governor replacing Felicia Marcus with Joaquin Esquivel as the chair of the State Water Resources Control Board, and Laurel Firestone, an environmental justice advocate, taking Felicia's seat on the Board. The departure of Marcus leaves a significant vacuum on the Board as Firestone has nowhere near the depth of knowledge or experience with the wide range of issues that come before the Board.

Members have introduced over 2,500 bills for the first year of the 2019-2020 legislative session. It is clear that it will be a very busy year for water. Clean, safe and affordable drinking water is the hot-topic right out of the gate with a trailer bill proposal from the Governor, a joint alternative proposal from the Association of California Water Agencies and the California Municipal Utilities Association, and a complementary proposal from Eastern Municipal Water District. Senator Bob Hertzberg (D-Van Nuys) has revived his old "ocean discharge" bill and is proposing to eliminate 95 percent of ocean discharge from POTWs by 2040. Protecting property tax passthrough payments will again be a priority issue in 2019, as well as ensuring special district reserves are protected and not capped. Proposals to reduce emissions from special district vehicle and truck fleets are expected and energy will again be a hot topic with major proposals including a centralized electricity procurement entity and ongoing wildfire concerns. Finally, there is already at least one attempt to disrupt WaterFix through burdensome procedural delays, and more are expected.

Inland Empire Utilities Agency Status Report – February 2019

Water Supply Conditions

February is typically the wettest month of the year in California, and this year has definitely not deviated from that pattern. A barrage of storms coming from an atmospheric river have pushed state snowpack and precipitation levels well over annual averages. While the rain and snow are certainly welcomed, the relentless storms are now causing flooding, landslides and road closures up and down the state.

The State Water Project allocation was increased to 35 percent, which still seems remarkably low giving the abundant levels of snow and reservoir storage.

% of April 1 Average / % of Normal for This Date



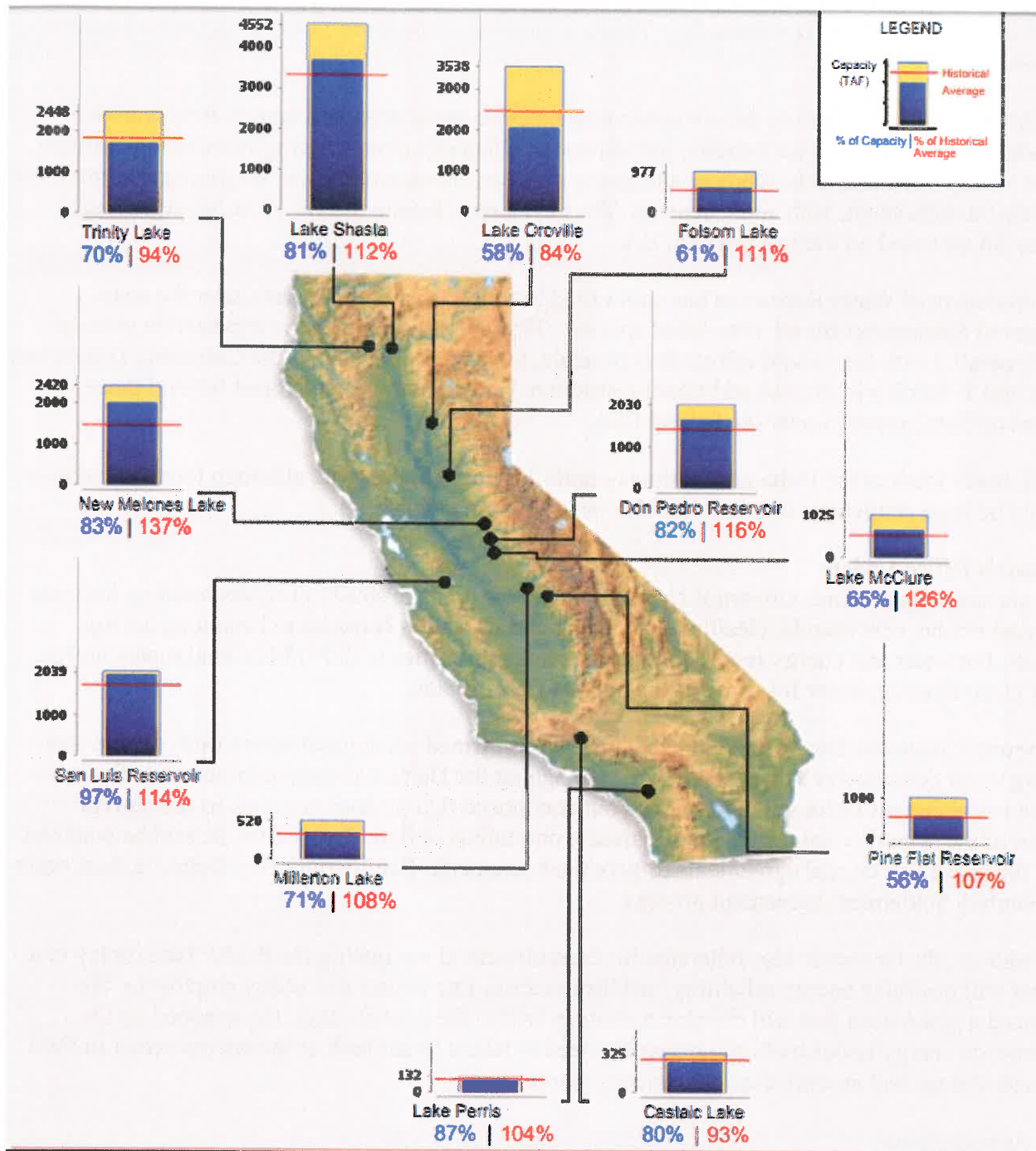
NORTH	
Data as of February 27, 2019	
Number of Stations Reporting	30
Average snow water equivalent (Inches)	37.3
Percent of April 1 Average (%)	130
Percent of normal for this date (%)	147

CENTRAL	
Data as of February 27, 2019	
Number of Stations Reporting	44
Average snow water equivalent (Inches)	39.0
Percent of April 1 Average (%)	133
Percent of normal for this date (%)	154

SOUTH	
Data as of February 27, 2019	
Number of Stations Reporting	28
Average snow water equivalent (Inches)	31.0
Percent of April 1 Average (%)	123
Percent of normal for this date (%)	146

STATE	
Data as of February 27, 2019	
Number of Stations Reporting	102
Average snow water equivalent (Inches)	36.3
Percent of April 1 Average (%)	130
Percent of normal for this date (%)	151

Statewide Average: 130% / 151%



Bureau of Reclamation Issues New Biological Assessments for CVP & SWP Operations

The U.S. Bureau issued a new biological assessment (BA) on January 31, 2019. This is the first official step in complying with the federal Endangered Species Act to implement new pumping rules for the Central Valley Project and State Water Project. Reclamation issued the BA following the President’s October 2018 memorandum, which directed the Fisheries Agencies to complete new Biological Opinions (BiOps) for Delta operations by the middle of 2019.

The new BiOps come a decade after the existing operation rules. Despite the substantial environmental requirements in the existing BiOps, Delta smelt and winter-run Chinook salmon have continued to

decline. Over the last ten years there has been significant development of new scientific insights as to the behavior of the estuary and the many stressors facing native endangered fish.

Based on the proposed action, Reclamation anticipates an average water supply benefit over current operations of 500,000 acre-feet annually. This is a function of the more flexible operational criteria described above.

In the BA's analysis comparing the environmental baseline to the proposed action, Reclamation concludes that there will be net benefits for winter-run Chinook salmon, spring-run Chinook salmon, Central Valley steelhead, coho salmon, and green sturgeon. Reclamation also concludes that there will be effects on delta smelt, with some benefits. The next step is for the federal Fisheries Agencies to issue its BiOps based on the just released BA.

The Department of Water Resources has committed to follow a similar process under the state Endangered Species Act for all state-listed species. This permitting process is expected to proceed roughly parallel with the federal effort. It is possible, but uncertain, whether the California Department of Fish and Wildlife will impose additional restrictions on the State Water Project beyond those imposed on both projects under the federal ESA.

Overall, users south of the Delta are cautiously optimistic of the new BAs, although there will almost certainly be legal challenges to more flexible operational rules for Delta.

Governor's Office Update

About six weeks into office, Governor Newsom continues to make steady progress building his team and laying out his new agenda. Healthcare, housing and education continue to be among his top priorities, but water and energy issues continue to remain priorities with PG&E's bankruptcy and a lack of clean drinking water for some of the poorest Californians.

In Newsom's inaugural State of the State address, he confirmed his commitment to solving the clean drinking water deficiencies as well as the issues plaguing the Delta. Newsom committed to finding a solution to the current Delta reliability issues but announced that he does not support the current iteration of the WaterFix and instead will pursue a one-tunnel option. Before that, he said he wants to "cross the finish line on real agreements to save the Sacramento-San Joaquin Bay Delta," a clear nod to the Voluntary Settlement Agreement process.

In the address, the Governor also reiterated his commitment to navigating the PG&E bankruptcy in a way that will prioritize energy reliability, wildfire victims, rate payers and utility employees. He announced a strike team that will develop a strategy within the next 60 days. He wrapped up his comments on energy issues by highlighting the need to take a larger look at the energy sector in light of climate change and an ever-changing energy market.

Water Appointments

During a budget press conference his first week on the job, Newsom hinted that there would be changes at the State Water Resources Control Board. The new Governor confirmed those changes during his first State of the State address, announcing the Joaquin Esquivel would be the new chair of the board. Esquivel was a Brown appointee, but the departure of the prior chair, Felicia Marcus, left an opening on the board. Newsom appointed Laurel Firestone to fill the open seat.

Firestone is known in the water community for her efforts with the Center for Race, Poverty and the Environment and the Community Water Center. Most recently, CWC has been heavily engaged in securing funding to address the lack of clean drinking water in portions of California. Firestone, is expected to be extremely tough on water quality issues.

Energy Appointments

Newsom also announced new leadership for the California Energy Commission. As anticipated by many, David Hoschild was designated as chair of the California Energy Commission. Hoschild has been a member of the CEC since 2013 and took over the chair role from Dr. Robert Weisenmiller. The Governor also designated Janea Scott as the Vice Chair of the Commission.

Legislative Update

The February 22 bill introduction deadline has left us with about 1800 Assembly bills and close to 800 Senate bills. While many are in “spot bill” format, it is clear that this will be a significant year for water legislation.

Clean, Safe and Affordable Drinking Water:

As expected, there are a significant number of bills aimed at ensuring all Californian’s have access to clean, safe and affordable drinking water. As noted above, the Governor made it very clear that this is a top priority for him this year. While the Democrats have a significant super majority in the Assembly, there is a lot of buzz around the Capitol that there are a number of Democrats that are uncomfortable with voting for a tax. The recall of Senator Josh Newman remains fresh in the minds of those members who are in very close districts. Many will be wary to cast a vote for a tax, so some of the alternative proposals discussed below will have the opportunity to be a significant part of the discussion.

Administration’s Budget Trailer Bill: The Governor has released language for a budget trailer bill that closely mirrors the language from 2018’s SB 623 (Monning) that would institute a \$.95 per month fee on residential water users and impose other fees on agricultural operations. ACWA and many water agencies strongly oppose this proposal as well as the use of a budget trailer bill to accomplish the fee.

SB 669 (Caballero): Safe Drinking Water Trust: Sponsored by ACWA and the California Municipal Utilities Association (CMUA), SB 669 would use a one-time infusion of general fund cash to establish a trust which revenue would be transferred to the Safe and Affordable Drinking Water Fund for administration by the State Water Resources Control Board.

ACA 3 (Mathis, E. Garcia): Minimum Funding Guarantee for Water: This Constitutional Amendment would require two percent of state revenues to be set aside for water. The named uses are not just for clean drinking water, but for all types of water conveyance, cleanup, recycling, groundwater cleanup, storage and others. As a Constitutional Amendment it requires a two-thirds vote.

Other Bills: There are a number of other bills that have been introduced, mostly spot bills, that WCA will include in reports if they get substantive language and start moving forward. Senator Monning’s vehicle is SB 200, which only currently establishes the trust account at the state board, but does not include any fees that were in SB 623.

SB 414 (Caballero): Small System Water Authority Act of 2019: SB 414 is Eastern Municipal Water District’s re-introduction of AB 2050 (Caballero) from 2018. The bill addresses the drinking water issue from a different angle than the funding bills do. SB 414 looks at how to manage districts with failing water systems and establish a new category of public water agency by way of merging formerly non-compliant drinking water systems in order to sustainably provide the technical, managerial, and financial capabilities necessary to ensure the consistent delivery of safe drinking water. In 2018 the bill made it all the way to the Governor’s desk before getting vetoed.

Ocean Discharge:

Senator Bob Hertzberg (D-Los Angeles) has introduced SB 322 which seeks to eliminate 95 percent of ocean discharges by 2040. This bill is similar to a “gut-and-amend” the Senator attempted in 2017, SB 163, which ultimately failed. As in inland agency, IEUA isn’t directly targeted in this legislation. However, there are significant concerns because the bill has no considerations for brine. SAWPA is responsible for six percent of Orange County Sanitation District’s discharges currently and is planning to increase that to 25-30 percent in coming years. With brine being a byproduct of recycling water, the bill is at odds with itself. WCA staff have met with the Senator’s staff and they are aware of the issue and claim they will work with stakeholders to address it. They did make it very clear they intentionally introduced this bill early to allow for a long stakeholder process.

The Senator and the sponsor of the bill, the Natural Resources Defense Council (NRDC), do have a little more regulatory backing on their side this year. As reported late last year, the State Water Resources Control Board updated its Recycled Water Policy which includes language to promote POTWs to reuse as much water as possible. While the goal is aspirational and not a mandate, it helps to further the Senator’s argument that eliminating ocean discharge is of significant importance to the state.

Recycled Water:

AB 292 (Quirk): AB 292 builds on previous legislation, AB 574 (Quirk, 2017) which IEUA supported, and recent work by the SWRCB to remove the terms “direct potable reuse” and “indirect potable reuse”, in order to align the terms with how the water agencies are using recycled water. AB 574 (Quirk) created four distinct types of potable reuse projects – “Indirect Potable Reuse for Groundwater Recharge”, “Reservoir Water Augmentation”, and Direct Potable Reuse, which includes two subcategories, “Raw Water Augmentation” and “Treated Drinking Water Augmentation.” With the more precise definitions added by AB 574, the terms “indirect” and “direct” only add to confusion about potable reuse and proposed projects. The term “Direct Potable Reuse” also implies that purified recycled water is going directly into the drinking water supply, which is not the case with Raw Water Augmentation projects. For example, opponents of a groundwater recharge project in the Central Coast incorrectly labeled the project “Direct Potable Reuse” and the confusion in the statute made this difficult to correct. This bill is sponsored by WateReuse California.

AB 1180 (Friedman): AB 1180 will require the SWRCB to update the state’s non-potable recycled water regulations by 2023. These regulations have not been revised since 2000. An update to these regulations, incorporating the knowledge and lessons learned from nearly two decades of non-potable water recycling, will help the state to achieve its ambitious goals for recycled water use. The bill also promotes recycled water use for dual plumbed building and for commercial, industrial and institutional (CII) uses by requiring the Water Board, through its update of Title 17 backflow regulations, to include the use of a change over device, such as a swivel ell. This bill is also sponsored by WateReuse.

State Water Project:

SB 204 (Dodg): SB 204 would seek to insert additional transparency and the sharing of information regarding future State Water Project Contract Amendments. If successful, this bill would significantly delay action on WaterFix and would be detrimental to any future SWP contract amendments. MWD and the State Water Contractors are seeking amendments to limit the timelines set in the bill so there isn’t an open-ended window in which the contracts could be delayed.

Wastewater Treatment:

AB 1672 (Bloom) is a spot bill intending to address flushable wipes. While the language isn't yet available for this bill, this will be an important bill for the POTW community, as flushable wipes have been a significant issue for POTWs. WCA will work with CASA and others on this legislation.

There are two other wastewater treatment-related spot bills worth noting. AB 129 (Bloom) relates to microfibers and AB 223 (Stone) relates to microplastics. It will be important to watch these bills to see if they attempt to make POTWs the "catch point" for these micro-wastes.

Energy/Emissions

There aren't any specific energy bills to highlight at this moment. WCA is closely following a number of big issues and will report on how they might affect IEUA. The big energy topics of the year include:

- Western Regional Grid
- Statewide central electric procurement entity
- Changes to the Renewable Portfolio Standard
- Wildfire impacts on energy rates and de-energization
- Restrictions on emissions from light, medium and heavy-duty trucks/public agency fleets

WCA will keep staff and the Board apprised as these issues as they emerge throughout the session.

Special District Issues:

Accessory Dwelling Units (ADU): With a significant focus on affordable housing in the state, there are a number of bills to make it easier for ADUs to be permitted and built in the state. It is unclear which bill is going to emerge as *the* ADU bill of the year, but WCA is monitoring all of them with an eye on how they might treat "connection fees." This is a top priority issue for the statewide water organizations as several bills from last year attempted to waive all the connection fees for ADUs. Water agencies were able to bring significant attention to the issues that would create under Proposition 218 and will continue to advocate for water/sewer connection fees to be excluded from any exemptions.

Redevelopment 2.0: There are a few members who have started the process to reintroduce Redevelopment Agencies (RDA) back in to California. The Governor has said clearly that he is not interested in RDA 2.0, but that won't likely stop its proponents. As always, WCA will work with Christina Valencia, staff and the California Special Districts Association on any RDA 2.0 attempts that try to take away special district passthrough revenue.

WCA will work with staff and the legislative committee in the coming weeks to identify the priority bills for the agency.

**INFORMATION
ITEM**

4N



CALIFORNIA STRATEGIES, LLC

Date: February 28, 2019
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: February Activity Report

1. This month John Withers and Jim Brulte held the monthly meeting on February 04 with the senior staff of the agency to discuss various Agency activities.
2. Interim General Manager Kirby Brill
 - Updated the IGM's work program during the transition period
 - Worked on a special project for the IGM related to the Chino Basin Program
3. Chino Basin Program
 - John Withers and Jim Brulte participated in the strategic planning workshop with IEUA senior staff and consultants
 - Activities included developing an aspirational vision for the project as well as identifying associated project risks and potential mitigation measures. Focused on the legal, political, regulatory, financial and other associated risks with the program
 - John Withers participated in a follow up meeting on 2/28 that included follow up items as well as messaging strategies for the member agencies
 - Four-year project
 - \$6.3 mil in budget (PDR) vote to support by IEUA BOD
 - Benefits-Accelerates delivery of the projects
 - Need MOUs from participating agencies
 - MET briefing
 - Check in with IEUA BOD Feb '19
 - Pursuing federal funding (Title 16-Section 4007)
 - Agreements in place by 2020
4. John Withers attended the Urban Water Institute Conference to meet with various stakeholders and gather information to better assist the IGM and senior staff.

**INFORMATION
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Bill Number (linked to the legislation on Congress.gov)	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
H.J.Res.31	Rep. Lucille Roybal-Allard (D-CA)	Consolidated Appropriations Act, 2019 (Conference Reports for the Agriculture, Commerce-Justice-Science, Financial Services-General Government, Interior-Environment, State-Foreign Operations, and Transportation-HUD Appropriations bills).	The House and Senate came to an agreement on a Conference Report for the 7 remaining FY19 appropriations bills after holding an official conference on the FY19 Homeland Security Appropriations bill. The Homeland Security section contained approximately \$1.3 billion for border fencing in the Rio Grande Valley of Texas and a slight reduction in funding for ICE detention beds. The other 6 appropriations bills contained conference reports similar to those that had been previously released.	The bill was introduced on January 22nd and was passed by both the Senate and the House before being signed into law on February 15th. This bill's enactment finalized full year funding for all federal agencies for fiscal year 2019 through September 30, 2019.
S.47	Sen. Lisa Murkowski (R-AK)	Natural Resources Management Act	This bill sets forth provisions regarding various programs, projects, activities, and studies for the management and conservation of natural resources on federal lands. Specifically, the bill addresses: Land conveyances, exchanges, acquisitions, withdrawals, and transfers; national parks, monuments, memorials, wilderness areas, other conservation and recreation areas; and federal reclamation projects. For California, the legislation included the Santa Ana River Wash Plan Land Exchange Act and the California Desert Protection and Recreation Act of 2019, which was a compromise between individual bills introduced by Senator Dianne Feinstein and Congressman Paul Cook in previous Congresses.	Introduced in the Senate on January 8th. The legislation passed the Senate by a vote 92 - 8 on February 12th. The measure was then taken up by the House and passed by a vote of 363-62. The bill is now waiting to be signed by the President.
S.67/ H.R. 376	Sen. Dianne Feinstein (D-CA)/ Rep. Paul Cook (R-CA-08)	California Desert Protection and Recreation Act of 2019	This bill would provide for conservation, enhanced recreation opportunities, and development of renewable energy in the California Desert Conservation Area.	Introduced in the Senate on January 9th. Included as a provision in S.47, the National Resources Management Act, which Congress passed in February, therefore the stand alone bill will not move.
H.R. 268	Rep. Nita Lowey (D- NY)	Supplemental Appropriations Act, 2019	This bill provides \$12.1 billion in FY2019 supplemental appropriations to several federal departments and agencies for expenses related to the consequences of recent wildfires, hurricanes, volcanos, earthquakes, typhoons, and other natural disasters. The funding provided by this bill is designated as emergency spending, which is exempt from discretionary spending limits and other budget enforcement rules.	Passed the House on January 16th; awaits Senate action
S.572	Sen. David Perdue (R-GA)	Additional Supplemental Appropriations for Disaster Relief, 2019	This bill provides \$13.6 billion in FY2019 supplemental appropriations to several federal departments and agencies for expenses related to the consequences of recent wildfires, hurricanes, volcanos, earthquakes, typhoons, and other natural disasters. The funding provided by this bill is designated as emergency spending, which is exempt from discretionary spending limits and other budget enforcement rules. This bill was crafted as a compromise between the Senate and the White House to resolve issues related to disaster aid to Puerto Rico.	Introduced in the Senate on February 26. This is expected to be the supplemental appropriations package that moves in the House and Senate.

S. 146	Sen. John Hoeven (R-ND)	Move America Act of 2019	A bill to amend the Internal Revenue Code of 1986 to provide for Move America bonds and Move America credits, which provide tools to finance additional transportation, water, and information infrastructure capital investments through an approach that provides assistance for financing of infrastructure to all States, rural and urban.	Introduced in the Senate on January 16th
H.R.1162	Rep. Grace Napolitano (D-CA)	Water Recycling Investment and Improvement Act	This legislation would create a competitive grant program for the funding of water recycling and reuse projects by raising the authorization cap for the Title XVI program from \$50 million to \$500 million. The legislation would also raise the authorization cap from \$20 million to \$30 million for the Reclamation Wastewater and Groundwater Study and Facilities Act.	Introduced in the House on February 13.
S. 40	Sen. John Barrasso (R-WY)	Bureau of Reclamation Transparency Act	The bill would require the require the Secretary of the Interior to submit to Congress a report on the efforts of the Bureau of Reclamation to manage its infrastructure assets; which would include facilities, buildings, structures, project features, power production equipment, recreation facilities, or quarters.	Introduced in the Senate on January 8th. Included as a provision in S.47, the National Resources Management Act, which Congress passed in February, therefore the stand alone bill will not move.
S. 308/ H.R. 1067	Sen. Dianne Feinstein (D-CA)/ Pete Aguilar (C-CA-31)	Santa Ana Wash Plan Land Exchange Act	The bill would direct the Secretary of the Interior to convey certain Federal lands in San Bernardino County, California, to the San Bernardino Valley Water Conservation District, and to accept in return certain non-Federal lands, and for other purposes.	Introduced in the Senate on January 31st and was referred to the Senate Committee on Energy and Natural Resources. Introduced in the House on February 7th and was referred to the House Committee on Natural Resources. Included as a provision in S.47, the National Resources Management Act, which Congress passed in February, therefore the stand alone bill will not move.
H.R.579	Rep. Scott Tipton (R-CO-3)	Water Rights Protection Act of 2019	This bill would prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretaries of the Interior and Agriculture, and for other purposes.	Introduced in the House on January 15th
H. R. 855	Rep. Scott Peters (D-CA-52)	STRONG (Strengthening the Resiliency of our Nation on the Ground Act) Act	The bill would work to minimize the economic and social costs resulting from losses of life, property, well-being, business activity, and economic growth associated with extreme weather events by ensuring that the United States is more resilient to the impacts of extreme weather events in the short- and long-term, and for other purposes.	Introduced in the House and referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management on February 7th.
S. 361/HR 807	Sen. Cory Gardner (R-CO)/ Rep. Ken Buck (R-CO-04)	Water and Agriculture Tax Reform Act of 2019	The measure would work to amend the Internal Revenue Code of 1986 to facilitate water leasing and water transfers to promote conservation and efficiency.	Introduced on February 6th and referred to the Senate Committee on Finance.
H.R. 420	Rep. Earl Blumenauer (D-OR)	Regulate Marijuana Like Alcohol Act	The bill would decriminalize marijuana and sets up a legal framework to regulate marijuana.	Introduced in the House on January 8th.

S.420 /H.R. 1120	Sen. Ron Wyden (D-OR)/ Rep. Earl Blumenauer (D- OR-3)	Marijuana Revenue and Regulation Act	A bill to amend the Internal Revenue Code of 1986 to provide for the taxation and regulation of marijuana products, and for other purposes.	The bill was introduced in the Senate on February 14th and was referred to the Committee on Finance. Introduced in the House on February 14th and was referred to the Committees on Judiciary, Energy and Commerce, Natural Resources and Agriculture.
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INFORMATION
ITEM

4P

State Legislation

Bill Number	Sponsor	Title and/or Summary	Summary/Status	IEUA Position
SB 204	Dodd	State Water Project: Contracts	Would require the Department of Water Resources to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of project-wide significance with substantially similar terms intended to be offered to all contractors, or that would permanently transfer a contractual water amount between contractors.	
SB 414	Caballero Eastern MWD/ CMUA	Small System Water Authority Act of 2019	Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.	
SB 332	Hertzberg NRDC	Ocean Discharge	Would declare, except in compliance with the bill's provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility's annual flow as compared to the average annual wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as well as the	

			affiliated water suppliers, to a civil penalty of \$2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.	
SB 669	Caballero ACWA/CMUA	Safe Drinking Water Trust	Would establish the Safe 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 state board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards, as specified.	

- [AB 11](#)** **(Chiu D) Community Redevelopment Law of 2019.**
Introduced: 12/3/2018
Status: 1/17/2019-Referred to Coms. on H. & C.D. and L. GOV.
Summary: Current law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies. This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined.
- [AB 56](#)** **(Garcia, Eduardo D) Statewide central electricity procurement entity.**
Introduced: 12/3/2018
Status: 1/17/2019-Referred to Coms. on U. & E. and NAT. RES.
Summary: Current law requires the Public Utilities Commission (PUC) and the State Energy Resources Conservation and Development Commission (Energy Commission) to undertake various actions in furtherance of meeting the state's clean energy and pollution reduction objectives. This bill would require the PUC and the Energy Commission to provide to the Legislature, by March 31, 2020, a joint assessment, as specified, of options for establishing a central statewide entity to procure electricity for all end-use retail customers in the state.
- [AB 129](#)** **(Bloom D) Waste management: plastic microfiber.**
Introduced: 12/4/2018
Status: 1/7/2019-Read first time.
Summary: Would declare the intent of the Legislature to, among other things, enact legislation to recognize the emerging threat that microfibers pose to the environment and water quality and would make related findings and declarations.
- [AB 134](#)** **(Bloom D) Safe, clean, affordable, and accessible drinking water.**
Introduced: 12/5/2018
Status: 1/7/2019-Read first time.
Summary: Would state findings and declarations relating to the intent of the Legislature to adopt policies to ensure that every Californian has the right to safe, clean, affordable, and accessible drinking water.
- [AB 217](#)** **(Garcia, Eduardo D) Safe and Affordable Drinking Water Fund.**
Introduced: 1/16/2019
Status: 2/4/2019-Referred to Com. on E.S. & T.M.
Summary: Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure.
- [AB 223](#)** **(Stone, Mark D) California Safe Drinking Water Act: microplastics.**
Introduced: 1/16/2019
Status: 2/25/2019-In committee: Set, first hearing. Hearing canceled at the request of author.
Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law requires the state board, on or before July 1, 2020, to adopt a definition of microplastics in drinking water and, on or before July 1, 2021, to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results. This bill would require the state board, to the extent possible, and where feasible and cost effective, to work with the State Department of Public Health in complying with those requirements.
- [AB 231](#)** **(Mathis R) California Environmental Quality Act: exemption: recycled water.**
Introduced: 1/17/2019
Status: 2/7/2019-Referred to Com. on NAT. RES.
Summary: Would exempt from CEQA a project to construct or expand a recycled water pipeline for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor if the project meets specified criteria. Because a lead agency would be required to determine if a project qualifies for this exemption, this bill would impose a state-mandated local program. The bill would also exempt from CEQA the development and approval of building standards by state agencies for recycled water systems.
- [AB 292](#)** **(Quirk D) Recycled water: raw water and groundwater augmentation.**
Introduced: 1/28/2019

Status: 2/7/2019-Referred to Coms. on E.S. & T.M. and W., P., & W.

Calendar: 3/12/2019 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Summary: Current law requires the State Water Resources Control Board, on or before December 31, 2023, to adopt uniform water recycling criteria for direct potable reuse through raw water augmentation, as specified. This bill would eliminate the definition of "direct potable reuse" and instead would substitute the term "groundwater augmentation" for "indirect potable reuse for groundwater recharge" in these definitions. The bill would require, on or before December 31, 2023, the state board to adopt uniform water recycling criteria for raw water augmentation.

AB 305 (Nazarian D) Public capital facilities: water quality: rate reduction bonds.

Introduced: 1/29/2019

Status: 2/11/2019-Referred to Com. on L. GOV.

Summary: Current law authorizes certain joint powers authorities, upon application by a local agency that owns and operates a publicly owned utility, as defined, to issue rate reduction bonds to finance utility projects, as defined, subject to certain requirements. Under current law, these rate reduction bonds are secured by a pledge of utility project property, and the joint powers authority issuing the bonds may impose on, and collect from, customers of the publicly owned utility a utility project charge to finance the bonds, as provided. Existing law requires the California Pollution Control Financing Authority, among other things, to review each issuance of rate reduction bonds issued under these provisions and to submit an annual report to the Legislature containing specified information on its activities under these provisions for the preceding year. This bill would extend indefinitely (1) the authorization for a joint powers authority to issue rate reduction bonds under the above-described provisions and (2) the requirement that the California Pollution Control Financing Authority submit an annual report to the Legislature.

AB 336 (Mathis R) Sustainable groundwater management.

Introduced: 1/31/2019

Status: 2/1/2019-From printer. May be heard in committee March 3.

Summary: The Sustainable Groundwater Management Act authorizes the State Water Resources Control Board to designate a basin as a probationary basin if the board makes a certain determination and authorizes the board to adopt an interim plan for a probationary basin, as specified. The act authorizes the board to order a person that extracts or uses water from a basin that is subject to a certain investigation or proceeding by the board to prepare and submit to the board any technical or monitoring program reports related to that person's or entity's extraction or use of water as the board may specify. This bill would make nonsubstantive changes in a definition used in the act.

AB 382 (Mathis R) Integrated regional water management plans: grant funding: upper watershed health.

Introduced: 2/5/2019

Status: 2/15/2019-Referred to Com. on W., P., & W.

Calendar: 3/12/2019 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Summary: Current law provides that an integrated regional water management plan is eligible for funding allocated specifically for implementation of integrated regional water management. Current law requires certain state agencies to include in any set of criteria used to select projects and programs for funding, a criterion that provides a preference for regional projects or programs. This bill would require the department to include in any criteria used to select a project or program for grant funding authorized on or after January 1, 2020 a criterion that provides a preference for a regional water management group undertaking a project improving upper watershed health upstream and outside of the defined geographical area covered by the group's plan.

AB 402 (Quirk D) State Water Resources Control Board: local primacy delegation: funding stabilization program.

Introduced: 2/6/2019

Status: 2/15/2019-Referred to Com. on E.S. & T.M.

Calendar: 3/12/2019 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The act requires the state board to provide the local primacy agency, to the extent funds are available from the Safe Drinking Water Account, with an annual drinking water surveillance program grant to cover the costs of conducting inspection, monitoring, surveillance, and water quality evaluation activities specified in the local primacy agreement. The act requires the state board to adopt a schedule of fees and requires a public water system under the jurisdiction of a local primacy agency to pay these fees to the local primacy agency in lieu of the state board. This bill would include enforcement costs as costs covered by an annual drinking water surveillance program grant.

AB 405 (Rubio, Blanca D) Sales and use taxes: exemption: water treatment.

Introduced: 2/7/2019

Status: 2/15/2019-Referred to Com. on REV. & TAX.

Calendar: 3/11/2019 2:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION, BURKE, Chair

Summary: Would exempt from Sales and Use Tax the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, chemicals used to treat water, recycled water, or wastewater regardless of whether those chemicals or other agents become a component part thereof and regardless of whether the treatment takes place before or after the delivery to consumers.

AB 432 **(Quirk D) Released waste: certification of local officers.**

Introduced: 2/7/2019

Status: 2/15/2019-Referred to Com. on E.S. & T.M.

Calendar: 3/12/2019 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Summary: Current law authorizes a party responsible for the release of waste requiring remedial action to request a local officer, as defined, to supervise the remedial action. Current law authorizes the local officer to enter into a remedial action agreement with the responsible party to supervise the remedial action, as specified, and governs the duties of the local officer and the terms of the agreement. Current law establishes the State Water Resources Control Board to exercise certain powers relating to water rights, water quality, and safe and reliable drinking water. Current law also establishes the Department of Toxic Substances Control to enforce hazardous waste control laws. This bill would require the board, in cooperation with the department, to develop and implement a certification program for local officers who enter into remedial action agreements.

AB 441 **(Eggman D) Water: underground storage.**

Introduced: 2/11/2019

Status: 2/21/2019-Referred to Com. on W., P., & W.

Calendar: 3/26/2019 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Summary: Under current law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for the beneficial use to be served. Current law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would revise the above declaration to additionally provide that certain uses of stored water while underground constitute beneficial use.

AB 464 **(Garcia, Cristina D) California Global Warming Solutions Act of 2006.**

Introduced: 2/11/2019

Status: 2/21/2019-Referred to Com. on NAT. RES.

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act defines specified terms, including, among others, district to mean an air pollution control or an air quality management district until January 1, 2031. This bill would indefinitely define district to mean an air pollution control or an air quality management district.

AB 490 **(Salas D) California Environmental Quality Act.**

Introduced: 2/12/2019

Status: 2/13/2019-From printer. May be heard in committee March 15.

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. This bill would make nonsubstantive changes to the provision naming CEQA.

AB 508 **(Chu D) Drinking water: administrator: consolidation and extension of service.**

Introduced: 2/13/2019

Status: 2/14/2019-From printer. May be heard in committee March 16.

Summary: The California Safe Drinking Water Act authorizes the State Water Resources Control Board to contract with, or provide a grant to, an administrator to provide administrative, technical, operational, or managerial services, or any combination of those services, to a designated water system to assist with the provision of an adequate supply of affordable, safe drinking water. The act also authorizes the state board to order a designated water system to accept those services from an administrator appointed by the state board for full oversight of construction or development projects related to a consolidation or extension of service. This bill would make nonsubstantive changes in those provisions.

- AB 533** (Holden D) **Income taxes: exclusion: water conservation or efficiency programs: water runoff management improvement program.**
Introduced: 2/13/2019
Status: 2/21/2019-Referred to Com. on REV. & TAX.
Calendar: 3/18/2019 2:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION, BURKE, Chair
Summary: The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income. This bill would provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for any water conservation or efficiency program or water runoff management improvement program, as provided.
- AB 579** (Daly D) **Development fees.**
Introduced: 2/14/2019
Status: 2/15/2019-From printer. May be heard in committee March 17.
Summary: The Mitigation Fee Act, among other things, prohibits a fee or exaction imposed as a condition of approval of a proposed development or development project from exceeding the estimated reasonable cost of providing the service or facility for which the fee or exaction is imposed. The act defines various terms for these purposes. This bill would make nonsubstantive changes to the definitions under the act.
- AB 586** (Diep R) **California Environmental Quality Act: environmental impact reports: policy.**
Introduced: 2/14/2019
Status: 2/15/2019-From printer. May be heard in committee March 17.
Summary: CEQA requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA makes various legislative findings and declarations relating to the policy that shall apply to the use of environmental impact reports prepared under CEQA. This bill would make nonsubstantive changes to the findings and declarations
- AB 606** (Diep R) **Local government zoning ordinances.**
Introduced: 2/14/2019
Status: 2/15/2019-From printer. May be heard in committee March 17.
Summary: Current law requires a local agency, as defined, to comply with all applicable building and zoning ordinances of the county or city in which the agency's territory is situated. Current law excepts location or construction of certain utility facilities from these requirements, including facilities for the storage or treatment of water and for the production or generation of electrical energy, as specified. This bill would make a nonsubstantive change to these provisions.
- AB 636** (Gray D) **State Water Resources Control Board: water quality objectives.**
Introduced: 2/15/2019
Status: 2/19/2019-From printer. May be heard in committee March 21.
Summary: Would prohibit the State Water Resources Control Board from implementing water quality objectives for which the state board makes a certain finding relating to environmental quality until it has submitted the water quality objectives and a statement of that finding to the appropriate policy committees of the Legislature and each committee has held a hearing on these matters.
- AB 637** (Gray D) **State Water Resources Control Board: regional water quality control boards: severely disadvantaged communities: drinking water supplies.**
Introduced: 2/15/2019
Status: 2/25/2019-Referred to Com. on E.S. & T.M.
Summary: Would prohibit the State Water Resources Control Board or a regional board from adopting or implementing any policy or plan that results in a direct or indirect reduction to the drinking water supplies that serve a severely disadvantaged community, as defined.
- AB 638** (Gray D) **Department of Water Resources: water storage capacity.**
Introduced: 2/15/2019
Status: 2/25/2019-Referred to Com. on W., P., & W.
Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. This bill would require the department, on or before January 1, 2021, with updates every 2 years thereafter, to identify the statewide water storage capacity, the adverse impacts to the capacity from the effects of climate change, and the mitigation strategies for anticipated adverse impacts.

- [AB 658](#) (Arambula D) Water rights: water management.**
Introduced: 2/15/2019
Status: 2/25/2019-Referred to Com. on W., P., & W.
Summary: Would authorize a groundwater sustainability agency or local agency to apply for, and the State Water Resources Control Board to issue, a conditional temporary permit for diversion of surface water to underground storage for beneficial use that advances the sustainability goal of a groundwater basin, as specified.
- [AB 661](#) (McCarty D) Best available control technology: lowest achievable emission rate requirements.**
Introduced: 2/15/2019
Status: 2/19/2019-From printer. May be heard in committee March 21.
Summary: Current law requires an air district to review whether the best available control technology or lowest achievable emission rate requirements have been achieved and whether the requirements should be required for the source category or source if the owner or operator demonstrates that specified conditions are true. Current law requires an air district after conducting that review to revise the best available control technology or lowest achievable emission rate requirements to a level achievable by that source if the air district determines that those requirements are not achievable by a source. This bill would make technical, nonsubstantive changes to that provision.
- [AB 722](#) (Bigelow R) Integrated regional water management plans.**
Introduced: 2/19/2019
Status: 2/20/2019-From printer. May be heard in committee March 22.
Summary: Current law, the Integrated Regional Water Management Planning Act, finds and declares the intent of the Legislature to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies. This bill would make a nonsubstantive change in these findings and declarations.
- [AB 727](#) (Flora R) Dams and reservoirs: inspections and reporting.**
Introduced: 2/19/2019
Status: 2/20/2019-From printer. May be heard in committee March 22.
Summary: Current law requires the Department of Water Resources to provide on its internet website the dam safety inspection and reevaluation protocols, notice of the division's intent to update the protocols, a schedule for the update, and any updates to the protocols. Current law requires the department to report to the Governor and the Legislature on amendments developed pursuant to these provisions and to notify dam owners and the Legislature of the division's intent to update dam safety inspection and reevaluation protocols prior to amending the protocols. This bill would make nonsubstantive changes in these provisions.
- [AB 756](#) (Garcia, Cristina D) Public water systems: perfluorooctanoic acid and perfluorooctane sulfonate.**
Introduced: 2/19/2019
Status: 2/28/2019-Referred to Com. on E.S. & T.M.
Summary: Would require a public water system to monitor for perfluorooctanoic acid and perfluorooctane sulfonate.
- [AB 782](#) (Berman D) California Environmental Quality Act: exemption: public agencies: property transfers.**
Introduced: 2/19/2019
Status: 2/28/2019-Referred to Com. on NAT. RES.
Summary: Would exempt from CEQA the acquisition, sale, or other transfer of property by a public agency for certain purposes, or the funding of that acquisition, sale, or other transfer by a public agency, if the public agency conditions those transactions on compliance with CEQA before making physical changes to the transferred property.
- [AB 841](#) (Ting D) Drinking water: contaminants: perfluoroalkyl and polyfluoroalkyl substances.**
Introduced: 2/20/2019
Status: 2/21/2019-From printer. May be heard in committee March 23.
Summary: Would require the Office of Environmental Health Hazard Assessment to adopt and complete a work plan within prescribed timeframes to assess which substances in the class of perfluoroalkyl and polyfluoroalkyl substances should be tested as a risk to human health. The bill would require the office, as part of those assessments, to determine which of the substances are appropriate candidates for notification levels to be adopted by the State Water Resources Control Board.
- [AB 881](#) (Bloom D) Accessory dwelling units.**
Introduced: 2/20/2019
Status: 2/21/2019-From printer. May be heard in committee March 23.
Summary: The Planning and Zoning Law provides for the creation of accessory dwelling units by local

ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Current law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on criteria that includes, but is not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. This bill would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

AB 933 (Petrie-Norris D) Ecosystem resilience: watershed protection: watershed coordinators.

Introduced: 2/20/2019

Status: 2/21/2019-From printer. May be heard in committee March 23.

Summary: Would authorize the Department of Conservation, to the extent funds are available, to establish and administer the Ecosystem Resilience Program to fund watershed coordinator positions, and other necessary costs, throughout the state for the purpose of achieving specified goals, including the goal of developing and implementing watershed improvement plans aligned with multiple statewide and regional objectives across distinct bioregions. The bill would authorize the department to develop performance measures and accountability controls to track progress and outcomes.

AB 948 (Kalra D) Flood control or watershed protection projects: recreation and fish and wildlife enhancement.

Introduced: 2/20/2019

Status: 2/21/2019-From printer. May be heard in committee March 23.

Summary: Current law, where payment is specifically authorized by the Legislature, requires the state to pay 50% of the nonfederal capital costs of the recreation and fish and wildlife enhancement features of a project where recreation and fish and wildlife enhancement features are contained in a flood control or watershed protection project, as specified. Current law recites various legislative findings and declarations relating to providing for the preservation and enhancement of the state's fish and wildlife resources and recreational opportunities in connection with flood control and watershed protection projects. This bill would make nonsubstantive changes to the findings and declarations.

AB 955 (Gipson D) Water quality.

Introduced: 2/21/2019

Status: 2/22/2019-From printer. May be heard in committee March 24.

Summary: The Porter-Cologne Water Quality Control Act establishes a statewide program for the control of the quality of all the waters in the state and makes related legislative findings and declarations. This bill would make nonsubstantive changes to the legislative findings and declarations.

AB 1021 (Frazier D) Groundwater recharge facilities financing.

Introduced: 2/21/2019

Status: 2/22/2019-From printer. May be heard in committee March 24.

Summary: The Groundwater Recharge Facilities Financing Act authorizes the Department of Water Resources to make loans to local agencies to aid in the conduct of projects for artificial groundwater recharge, as prescribed. This bill would make a nonsubstantive change in the legislative findings and declarations of the act.

AB 1093 (Rubio, Blanca D) Municipal separate storm sewer systems: financial capability analysis.

Introduced: 2/21/2019

Status: 2/22/2019-From printer. May be heard in committee March 24.

Summary: Would require the State Water Resources Control Board, by July 1, 2020, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions.

AB 1149 (Fong R) California Environmental Quality Act.

Introduced: 2/21/2019

Status: 2/22/2019-From printer. May be heard in committee March 24.

Summary: CEQA requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would make nonsubstantive changes to the provision naming CEQA.

AB 1180 (Friedman D) Water: recycled water.

Introduced: 2/21/2019

Status: 2/22/2019-From printer. May be heard in committee March 24.

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law requires, on or before January 1, 2020, the state board to adopt standards for backflow protection and cross-connection control through the adoption of a policy handbook, as specified. This bill would require that handbook to include provisions for the use of a swivel or changeover device to supply

potable water to a dual-plumbed system during an interruption in recycled water service.

- [AB 1204](#) (Rubio, Blanca D) Public water systems: primary drinking water standards: implementation date.**
Introduced: 2/21/2019
Status: 2/22/2019-From printer. May be heard in committee March 24.
Summary: Would require the adoption or amendment of a primary drinking water standard for a contaminant in drinking water not regulated by a federal primary drinking water standard or that is more stringent than a federal primary drinking water standard to take effect 3 years after the date on which the state board adopts or amends the primary drinking water standard. The bill would authorize the state board to delay the effective date of the primary drinking water standard adoption or amendment by no more than 2 additional years as necessary for capital improvements to comply with a maximum contaminant level or treatment technique.
- [AB 1220](#) (Garcia, Cristina D) Metropolitan water districts.**
Introduced: 2/21/2019
Status: 2/22/2019-From printer. May be heard in committee March 24.
Summary: Would authorize each member public agency to designate and appoint additional representatives pursuant to the greater of that allowed under either the assessed valuation calculation or, on and after January 1, 2021, for each full 5% of the population within the entire district that is within the member public agency. The bill would require a district to conduct the analysis of additional directors using the Department of Finance population data and any other pertinent population data and would require the number of population-based directors authorized to remain fixed until it is recalculated, every 10 years in the year immediately following each United States census.
- [AB 1323](#) (Stone, Mark D) Public utilities: information: confidentiality.**
Introduced: 2/22/2019
Status: 2/25/2019-Read first time.
Summary: The Public Utilities Act prohibits the commission or an officer or employee of the commission from disclosing any information furnished to the commission by a public utility, a subsidiary, an affiliate, or a corporation holding a controlling interest in a public utility, unless the information is specifically required to be open to public inspection under the act, except on order of the commission or a commissioner in the course of a hearing or proceeding. This bill would instead require the information to be open to public inspection unless federal or state law or an order of the commission based on a specified finding requires the information to be closed to inspection, or the withholding of that information is ordered by the commission, a commissioner, or an administrative law judge in the course of a hearing or proceeding.
- [AB 1347](#) (Boerner Horvath D) Electricity: renewable energy and zero-carbon resources: state and local government buildings.**
Introduced: 2/22/2019
Status: 2/25/2019-Read first time.
Summary: Current law establishes the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of all retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045. This bill would establish the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of all retail sales of electricity to state and local government buildings by December 31, 2030, and to all California end-use customers by December 31, 2045.
- [AB 1381](#) (Salas D) Safe Drinking Water Plan.**
Introduced: 2/22/2019
Status: 2/25/2019-Read first time.
Summary: Current law, known as the California Safe Drinking Water Act, requires the State Water Resources Control Board to maintain a drinking water program and carry out various duties, responsibilities, and functions relating to drinking water, including submission to the Legislature, every 5 years, of a comprehensive Safe Drinking Water Plan for California. This bill would make nonsubstantive changes to the provision requiring submission of a Safe Drinking Water Plan.
- [AB 1414](#) (Friedman D) Urban retail water suppliers: reporting.**
Introduced: 2/22/2019
Status: 2/25/2019-Read first time.
Summary: Would require each urban retail water supplier on or before January 1 of each year until January 1, 2024, to submit a completed and validated water loss audit report as prescribed by the Department of Water Resources. The bill would require on or before January 1, 2024, and on or before January 1 of each year thereafter, each urban retail water supplier to submit a completed and validated water loss audit report for the previous calendar year or previous fiscal year as part of an existing report relating to its urban water use.

AB 1415 (Friedman D) Department of Water Resources: reporting requirements: civil penalties.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Current law establishes the CalConserve Water Use Efficiency Revolving Fund and makes the moneys in the fund available to the Department of Water Resources, upon appropriation by the Legislature, for the purpose of water conservation and water use efficiency projects. This bill would require the department to impose a civil penalty on any person or entity who fails to file with the department a specified report or plan by the deadline required for that particular report or plan, as provided.

AB 1432 (Dahle R) Urban water use objectives: indoor residential water use.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Current law, until January 1, 2025, establishes 55 gallons per capita daily as the standard for indoor residential water use, beginning January 1, 2025, establishes the greater of 52.5 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use, and beginning January 1, 2030, establishes the greater of 50 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use. This bill would make a nonsubstantive change to those provisions.

AB 1439 (Melendez R) State policy for water quality control.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Under current law, the Porter-Cologne Water Quality Control Act, the state policy for water quality control is required to consist of water quality principles and guidelines for long-range resource planning, water quality objectives, and other principles and guidelines deemed essential by the State Water Resources Control Board for water quality control. This bill would make nonsubstantive changes to that provision.

AB 1588 (Gloria D) Drinking water and wastewater operator certification programs.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Would require for purposes of water treatment operator certification experience a treatment plant using advanced water treatment processes, as defined, that treats water of wastewater origin for purposes of water reuse to be considered to provide certain equivalent experience to working at a water treatment plant. The bill would require for purposes of water distribution operator certification experience operation of a recycled water distribution system to be considered to provide equivalent experience to operating a potable distribution system.

AB 1640 (Boerner Horvath D) Local government finance: budget reserves.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Would require a local government by September 1, 2020, and annually thereafter, to submit a written report to the State Controller's office on how it plans to spend any of its budget reserves, as defined, on specified priorities over a 5-year fiscal period, including, among others, mental and behavioral health services and affordable housing. The bill would provide this reporting requirement only applies to a local government if the local government's budget reserve in the immediately preceding fiscal year was in excess of 30 percent of the total expenditures of the local government in that fiscal year.

AB 1653 (Frazier D) Sacramento-San Joaquin Delta.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Current law makes legislative findings and declarations relating to the Sacramento-San Joaquin Delta and its invaluable and unique resources of major statewide significance. This bill would make nonsubstantive changes to those findings and declarations.

AB 1672 (Bloom D) Product labeling: flushable products.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Current law regulates the labeling requirements on various consumer products. This bill would express the intent of the Legislature to enact legislation to prohibit the sale or advertisement of any nonwoven disposable product labeled as "flushable" or "sewer and septic safe" if that product fails to meet specified performance standards.

AB 1673 (Salas D) California Environmental Quality Act.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would make nonsubstantive changes to the provision naming the act.

[AB 1694](#) (O'Donnell D) Water supply improvements.

Introduced: 2/22/2019

Status: 2/25/2019-Read first time.

Summary: Under current law, various state and local agencies engage in water resource planning. This bill would state the intent of the Legislature to enact legislation relating to water supply improvements.

[ACA 3](#) (Mathis R) Water: minimum funding guarantee.

Introduced: 1/16/2019

Status: 1/17/2019-From printer. May be heard in committee February 16.

Summary: Would additionally require, commencing with the 2021–22 fiscal year, not less than 2% of specified state revenues to be set apart for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014; water supply, delivery, and quality projects administered by the department, and water quality projects administered by the state board, as provided.

[SB 1](#) (Atkins D) California Environmental, Public Health, and Workers Defense Act of 2019.

Introduced: 12/3/2018

Status: 2/12/2019-Set for hearing March 20.

Calendar: 3/20/2019 Upon adjournment of Natural Resources and Water Committee - Room 3191 SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

Summary: Current state law regulates the discharge of air pollutants into the atmosphere. The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species, and generally prohibits the taking of those species. This bill would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified.

[SB 13](#) (Wieckowski D) Accessory dwelling units.

Introduced: 12/3/2018

Status: 1/16/2019-Referred to Com. on RLS.

Summary: Would express the intent of the Legislature to enact legislation that would reduce impact fees and other existing barriers for homeowners seeking to create accessory dwelling units for the purpose of creating additional residential housing within their neighborhoods.

[SB 15](#) (Portantino D) Redevelopment.

Introduced: 12/3/2018

Status: 1/16/2019-Referred to Com. on RLS.

Summary: The Community Redevelopment Law authorized the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Current law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined, to wind down the affairs of the dissolved redevelopment agencies. This bill would state the intent of the Legislature to enact legislation relating to redevelopment.

[SB 45](#) (Allen D) Wildfire, Drought, and Flood Protection Bond Act of 2020.

Introduced: 12/3/2018

Status: 2/20/2019-Set for hearing March 12.

Calendar: 3/12/2019 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, STERN, Chair

Summary: Would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.

[SB 134](#) (Hertzberg D) Water conservation: water loss performance standards: enforcement.

Introduced: 1/15/2019

Status: 1/24/2019-Referred to Com. on N.R. & W.

Summary: Current law authorizes the State Water Resources Control Board to issue information orders, written notices, and conservation orders to an urban retail water supplier that does not meet its urban water use objective, and existing law authorizes the board to impose civil liability for a violation of an order or regulation issued pursuant to these provisions, as specified. Current law requires the board, no earlier than January 1, 2019, and no later than July 1, 2020, to adopt rules requiring urban retail water suppliers to meet performance standards for the volume of water losses. This bill would prohibit the board from imposing liability for a violation of the performance standards for the volume of water losses except as part of the enforcement of an urban water use objective.

SB 200 **(Monning D) Safe and Affordable Drinking Water Fund.**

Introduced: 1/31/2019

Status: 2/13/2019-Referred to Coms. on EQ. and N.R. & W.

Summary: Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the State Water Resources Control Board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure.

SB 204 **(Dodd D) State Water Project: contracts.**

Introduced: 2/4/2019

Status: 2/26/2019-Set for hearing March 12.

Calendar: 3/12/2019 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, STERN, Chair

Summary: Would require the Department of Water Resources to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of projectwide significance with substantially similar terms intended to be offered to all contractors, or that would permanently transfer a contractual water amount between contractors.

SB 226 **(Nielsen R) Watershed restoration: grant program.**

Introduced: 2/7/2019

Status: 2/21/2019-Referred to Com. on N.R. & W.

Summary: Current law authorizes the Natural Resources Agency and the California Environmental Protection Agency to jointly develop and submit to the Legislature a plan for forest and water restoration investments for the drainages that supply specified reservoirs. This bill would require the agency to develop and implement a watershed restoration grant program, as provided, for purposes of awarding grants to private property land owners to assist them with watershed restoration on watersheds that have been affected by wildfire, as specified. The bill would require the agency to provide technical resources to the private property land owners seeking assistance with watershed restoration, as provided.

SB 241 **(Moorlach R) Public agencies: joint powers authorities: contracts.**

Introduced: 2/11/2019

Status: 2/21/2019-Referred to Coms. on GOV. & F. and L., P.E. & R.

Summary: Would require the governing body of each member agency of an agency established pursuant to a joint powers agreement to approve and ratify each memorandum of understanding negotiated between the joint powers agency and its employees. This bill would further require each member agency to a joint powers agreement to approve and ratify each contract for municipal services or functions, as defined, negotiated between the joint powers agency and the entity providing the services or functions.

SB 288 **(Wiener D) Electricity: self-generation and storage.**

Introduced: 2/13/2019

Status: 2/21/2019-Referred to Com. on E., U. & C.

Summary: Would, by January 1, 2021, require the PUC and the governing board of each local publicly owned electric utility to, among other things, create one or more tariffs that offer fair compensation for customer-sited energy storage systems that export electricity to the electrical grid and to consider one or more tariffs for customer-sited energy storage and renewable energy systems to support grid reliability and community resiliency in the event of emergencies or grid outages.

SB 295 **(McGuire D) Public utility districts: ordinances.**

Introduced: 2/14/2019

Status: 2/28/2019-Referred to Com. on GOV. & F.

Summary: The Public Utility District Act provides for the election of a board of directors to govern each district and authorizes a board to act only by ordinance, resolution, or motion. The act prohibits an ordinance passed by the board from taking effect less than 30 days after its passage, requires the clerk of the district to post copies of the ordinance at 3 public places in the district, and, if there is a

newspaper of general circulation printed and published in the district, requires the ordinance to be published in the newspaper, as specified. This bill would prohibit an ordinance passed by the board from taking effect less than 45 days, instead of 30 days, after its passage and would make conforming changes.

- [SB 307](#) (Roth D) Water conveyance: use of facility with unused capacity.**
Introduced: 2/15/2019
Status: 2/28/2019-Referred to Com. on N.R. & W.
Summary: Current law prohibits the state or a regional or local public agency from denying a bona fide transferor of water from using a water conveyance facility that has unused capacity for the period of time for which that capacity is available, if fair compensation is paid for that use and other requirements are met. This bill would, notwithstanding that provision, prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.
- [SB 332](#) (Hertzberg D) Wastewater treatment: recycled water.**
Introduced: 2/19/2019
Status: 2/28/2019-Referred to Coms. on EQ. and JUD.
Summary: Would declare, except in compliance with the bill's provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility's annual flow as compared to the average annual wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as well as the affiliated water suppliers, to a civil penalty of \$2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.
- [SB 335](#) (Hurtado D) Provision of sewer service: onsite sewage treatment system: opt out.**
Introduced: 2/19/2019
Status: 2/28/2019-Referred to Coms. on EQ. and GOV. & F.
Summary: The Porter-Cologne Water Quality Control Act authorizes the property owner of an affected residence to opt out of an order for the provision of sewer service for a maximum of 5 years for the residence from the date of the issuance of the order by demonstrating to a regional board that the residence is served by an onsite sewage treatment system that is not inadequate and was installed no more than 10 years prior to the issuance of the order. This bill would authorize the property owner of an affected residence to opt out of such an order for a maximum of 5 years if the adequate onsite sewage treatment system was installed no more than 5 years prior to the issuance of the order.
- [SB 414](#) (Caballero D) Small System Water Authority Act of 2019.**
Introduced: 2/20/2019
Status: 2/28/2019-Referred to Coms. on GOV. & F. and EQ.
Summary: Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.
- [SB 454](#) (Caballero D) State Water Resources Control Board: Administrative Hearing Office: fees.**
Introduced: 2/21/2019
Status: 2/22/2019-From printer. May be acted upon on or after March 24.
Summary: This bill would authorize the office to be supported in full or in part by fees assessed against parties that participate in a hearing conducted by the office and would prohibit the fees from being in an amount more than necessary to cover the reasonable costs of the burden imposed on the office by the individual fee payor. The bill would require the fees collected to be deposited into the fund.
- [SB 474](#) (Stern D) Department of Water Resources: appropriations of water.**
Introduced: 2/21/2019
Status: 2/22/2019-From printer. May be acted upon on or after March 24.
Summary: Under existing law, the Department of Water Resources is required to make and file with the State Water Resources Control Board applications for the appropriation of any water that, in the department's judgment, is or may be required in the development and completion of all or part of a

general or coordinated plan for the development, utilization, or conservation of the water resources of the state. Existing law gives those applications priority, as of the date of filing the application, over any subsequent application and exempts certain water rights diligence provisions from generally applying to the applications. This bill would eliminate the exemption from the application of the diligence provisions as of January 1, 2021.

SB 547 (Borgeas R) California Water Commission: members.

Introduced: 2/22/2019

Status: 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Summary: Current law establishes the California Water Commission, consisting of 9 members who are appointed to 4-year terms by the Governor, in the Department of Water Resources. Current law requires 7 of the members to be selected on the basis of their general educational and business qualifications and their knowledge of, interest in, and experience with problems relating to water. This bill would make nonsubstantive changes in these provisions.

SB 668 (Rubio D) Fire hydrants: water suppliers: regulations.

Introduced: 2/22/2019

Status: 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Summary: Current law requires the State Fire Marshal to establish a statewide uniform color coding of fire hydrants that relates to flow testing. Each agency that maintains fire hydrants is required to comply with these requirements as part of its ongoing maintenance program. This bill would require the State Water Resources Control Board, by December 1, 2021, to develop and adopt regulations for reporting and inspections regarding public water suppliers. The bill would require that the regulations adopted by the board ensure water suppliers' compliance with local standards for fire safety.

SB 669 (Caballero D) Water quality: Safe Drinking Water Fund.

Introduced: 2/22/2019

Status: 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Summary: Would establish the Safe 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 state board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards, as specified.

SB 690 (Hueso D) California regional water quality control boards: membership: disqualifying financial interest.

Introduced: 2/22/2019

Status: 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Summary: The State Water Resources Control Board and the 9 California regional water quality control boards prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. Current law requires regional boards to consist of 7 members appointed by the Governor and prohibits a member of a regional board from participating in specified board actions in which the member has a disqualifying financial interest within the meaning of the Political Reform Act of 1974. This bill would make a nonsubstantive change within these provisions

SB 693 (Borgeas R) State Water Resources Control Board: Administrative Hearings Office.

Introduced: 2/22/2019

Status: 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Summary: Current law, operative July 1, 2019, creates within the State Water Resources Control Board an Administrative Hearings Office composed of attorneys qualified to act as hearing officers in adjudicative proceedings involving water rights matters. Current law prescribes procedures for hearings presided over by the office, including the adoption of a final order by the office for certain matters imposing administrative civil liability, and the preparation of a proposed order to be submitted for final review by the board for all other matters presided over by the office. This bill would make nonsubstantive changes in these provisions.

SB 699 (Hill D) Director of Water Resources.

Introduced: 2/22/2019

Status: 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Summary: Current law establishes in the Natural Resources Agency the Department of Water Resources, which is under the control of the Director of Water Resources. Current law provides for the appointment of the director by the Governor, subject to confirmation by the Senate. Current law requires the director to organize the department as necessary and authorizes the director to create divisions, subdivisions, and branch offices, as prescribed. This bill would make nonsubstantive changes relating to the powers of the director.

SB 762 (Jones R) Groundwater storage: beneficial use.

Introduced: 2/22/2019

Status: 2/25/2019-From printer. May be acted upon on or after March 27. Read first time.

Summary: Current law specifies that the storing of water underground, including the diversion of streams and the flowing of water on lands necessary to the accomplishment of that storage, constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would make a nonsubstantive change in those provisions.

Total Measures: 80

Total Tracking Forms: 80

**INFORMATION
ITEM**

4Q

Date: March 20, 2019

To: The Honorable Board of Directors
Committee: Audit

From: Teresa Velarde, Manager of Internal Audit

03/11/19

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Internal Audit Department Quarterly Status Report for March 2019

Executive Summary:

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit Department Status Report includes a summary of significant internal and external audit activities for the reporting period.

During this quarter, Internal Audit (IA) staff worked primarily on the Water Connection Fee audit, performed a follow-up review for one recommendation from the Southern California Edison Utility Payments Follow-Up audit and one recommendation for the Accounts Receivable Follow-Up audit - Watermaster. Additionally, IA worked on audit projects that are in progress and on-going/required items such as the budget process tasks, and completed training as required by the IA Department's Charter, among other duties.

IA continues to assist with any requests for audit work, review of Agency policies and procedures and recommendations for internal controls as well as work on routine audit projects as specified in the Annual Audit Plan. The attached report provides information and highlights of the audit projects.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 20, 2018, the Board of Directors approved the Fiscal Year 2018/19 Annual Audit Plan. The plan was in accordance with auditing standards and the Charter requirements.

On December 19, 2018, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Department Charters.

Environmental Determination:

Not Applicable

Business Goal:

The Status Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing IA's progress in providing independent evaluations and audit services of Agency financial and operational activities and making recommendations for improvement, to promote a strong ethical and internal control environment, safeguarding assets and fiscal health, providing recommendations to improve efficiencies and to assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Internal Audit Department Status Report for March 2019

Internal Audit Department Status Report for March 2019

Projects Completed This Period

Project: **Water Connection Fees Audit**

Scope:

To purpose of the audit is to:

- Ensure adequate internal controls are in place
- Determine compliance with the Agency's Ordinance and Resolution
- Evaluate the collection and recognition of revenue
- Determine whether there are procedures to reconcile fees collected
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

Status: **Complete**

The Planning and Environmental Resources Department (Planning) has responsibility for processing water connection fee transactions and the Finance and Accounting Department (FAD) has responsibility for ensuring the transactions are recorded in the Agency's financial records. In December 2018, IA provided an interim audit report where we prefaced and discussed the preliminary observations and recommendations. This report is now in final form and the audit report provides recommendations for consideration.

- Streamlining the two systems currently used to track and process transactions to a single-entry process in SAP to eliminate duplication of data entry and the need for continuous reconciliations.
- Update the Agency's Ordinance and Resolution to ensure practices are updated, provide flexibility in payments for developers and address other items noted since the inception of the program as well as update and document Departmental policies and procedures.
- Pursue collection of fees due as permitted under the Board-approved Ordinance.

Detailed observations and recommendations are included in the audit report, presented separately.

Project: **Southern California Edison (SCE) Utility Payments Follow-Up Audit**

Scope:

IA completed a follow-up audit to determine the status of one remaining recommendation provided in the SCE Utility Payments Follow-Up audit, dated August 29, 2013.

Status: **Complete**

The one outstanding recommendation has been fully implemented. The recommendation was related to a SCE charge of approximately \$900/year for the street lighting that is technically the responsibility of the City of Chino, and not IEUA.

The Agency has paid for this expense since the initial construction of the current Headquarters location. During the original audit in 2013, Agency staff had already initiated discussions and was working to transfer the utility account and related expense to the City of Chino. IA reported on this item to assist staff in moving forward on the change. Effective, May 1, 2018, the City of Chino became responsible for the street lighting expense. As of August 1, 2018, the SCE account has now been closed and IA validated that IEUA is no longer billed for these lighting services. This change will generate a savings of approximately \$900/year. Since the item was reported by IA, the Agency incurred and paid approximately \$4,000 for this expense. Since the account is under the responsibility of the City of Chino, this too eliminates any perception that IEUA is subsidizing costs for another organization. A final report is presented under separate cover.

Internal Audit Department Status Report for March 2019

Project: **Accounts Receivable Follow-Up - Watermaster Agreement**

Scope: To evaluate whether the Agency bills and receives payment according to the requirements set forth in the Chino Basin Recharge Master Plan Agreement (O&M agreement).

Status: **Complete**

IA evaluated the status of the one remaining recommendation for the Agency to bill and receive payment for the reimbursement of the Operations & Maintenance costs (O&M) from Watermaster "in advance" of each quarter. In the original August 2011 audit, IA noted that billing was completed by IEUA's FAD staff **after** the quarter and payments were received on average between 17 days and 60 days **after** the start of the quarter for FY 2008 to 2010. Billing and collecting payment after the quarter begins is not in agreement with the contract requirements. FAD responded that efforts and controls would be implemented to ensure compliance with the agreement. IA performed a follow up review in 2015 and noted billing continues to be on or after the start of the quarter with payment received from 28 to 52 days **after** the start of the quarter for FY 2011 to 2015.

In the 2019 follow-up review, IA evaluated the three fiscal years from FY2017 to FY2019 (including the FY currently in progress) and noted that payments were received from Watermaster from 4 days early and up to 80 days late and on average (for each FY) from 7 days to 25 days **after** the start of the quarter. Over the three years evaluated 8 of 11 payments were received **after** the start of the quarter and the overall average was 16 days after the start of the quarter. FAD has made improvements in billing Watermaster "in advance" of the quarter. however, IA identified instances where billing and payment continues to be on or after the start of the quarter. This does not comply with the terms of the agreement. IA is currently working with FAD to determine whether there are circumstances that prevent billing and collecting prior to the quarter, or if there are additional controls that can be incorporated to ensure billing and receipt of payment prior to the start of the quarter. As a result, additional time is required to address the original recommendation. Therefore, IA has restated the recommendation as a 2019 Recommendation. IA will continue to monitor this as scheduled through the Board-approved Annual Audit Plan or until FAD provides a response and accepts any potential risk. A final report is submitted under separate cover.

Project: **Report on Outstanding Recommendations as of March 2019**

Scope:

The Internal Audit Department Charter requires IA to follow-up on the status of outstanding recommendations to determine if corrective actions have been implemented. The follow-up reviews are scheduled through the Board-approved Annual Audit Plan. Executive Management supports the implementation efforts of the recommendations previously provided and/or the development of alternative controls to address the original risks identified.

Status: **Complete** - Status of outstanding recommendations as of March 2019.

The table below provides the number of recommendations outstanding as of this Status Report. Additional details about each of the outstanding recommendations is submitted with the Annual Audit Plan in June each year. This summary provides an update on the status of follow up audits and the related outstanding recommendations. It includes new recommendations provided during this fiscal year as well as considers any recommendations cleared during the year. Follow up reviews are part of the on-going monitoring activities IA performs according to the requirements of the IAD Charter. A follow up review is typically scheduled between 12 – 18 months from the date of the original audit, to allow time for full implementation. If a recommendation is deemed not to be implemented, the recommendation remains outstanding or alternate controls to mitigate any risks are evaluated to determine if the risk has been addressed and the recommendation is no longer applicable. A follow up review is also scheduled sooner, if requested by the Audit Committee or Executive Management. The audited business units are encouraged to submit additional information for IA review if they determine the recommendation has been satisfied.

Internal Audit Department Status Report for March 2019

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA*	Planned Follow-Up
Payroll Audit	August 24, 2010	1	Annually
Intercompany Receivables - Watermaster	August 30, 2011	1	FY 2019
SCE Utility Payments	August 28, 2013	1	FY 2019
Accounts Payable Follow-Up	August 29, 2013	9	FY 2019
Vehicle Security Procedures	March 3, 2014	2	FY 2020
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2020
Master Trade Contracts	September 1, 2016	6	FY 2020
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY 2020
Audit of Master Services Contracts	December 5, 2016	3	FY 2020
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2020
Water Use Efficiency Programs Audit	June 5, 2017	6	FY 2020
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY 2020
Payroll Operations Audit	August 30, 2017	6	FY 2020
Procurement Card Audit	March 1, 2018	7	FY 2021
Wire Transfers Audit	March 1, 2018	5	FY 2021
Garden in Every School	May 31, 2018	7	FY 2022
Warehouse Annual Physical Inventory – IA Inventory Observation Report	August 22, 2018	4	FY 2022
Inter-fund Transactions Audit	August 30, 2018	3	FY 2022
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	November 29, 2018	3	FY 2022
Total Outstanding Audit Recommendations		80	
Recommendations related to the Regional Contract Review (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these items until the renegotiation has been finalized)			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

**Table above does not include the status of and/or any new recommendations resulting from the projects completed during this quarter (as noted in this Status Report). The status of those recommendations will be added to this table once all items have been received by the Audit Committee and the Board of Directors.*

Project: Budget Process for Internal Audit Department

Scope: To prepare the Internal Audit Department's budget for Fiscal Years 2019/20 and 2020/21.

Status: Complete

As required by Fiscal Ordinance #102, the Agency adopts a biennial budget, which is a strategic and financial plan that estimates the revenues and expenses to be incurred by the Agency during the next two consecutive fiscal years. The biennial budget is comprised of all the Agency's individual department budgets and projects and presented as one comprehensive budget to be adopted by the Board of Directors.

This year, Sapna Nangia, Senior Internal Audit, took a hands-on role to learn the Internal Audit Department's budget process, attended all information and training sessions and had one-on-one training with the Manager to complete all the required forms and budget documents. This was done 1) as part of goals independently set through her Career Management program, to learn and be more aware of Agency programs and processes and 2) to serve as a back up to the Manager for this process.

As part of the biennial budget preparation process, IA attended several meetings and trainings provided by the Finance and Accounting Department (FAD). The budget is to be completed as required by the guidelines set forth during the budget preparation process as approved by the GM. To complete the IA department's budget, the following reports were completed:

- **Projected costs:** Using SAP, Sapna worked closely with the manager to estimate department controllable expenses, i.e. supplies, training, subscriptions & publications, memberships, and

Internal Audit Department Status Report for March 2019

professional fees, audit fees & other services for the next two fiscal years. Amounts were established for FY 2019/20 and 2020/21 and additional estimates were forecast and projected for the next 10 years (FY 2022 to 2032).

- List of Training/Conference Requests, Subscriptions & Memberships, and Professional Fees & Services: An itemized list was submitted for all planned/proposed expenses related to trainings, conferences, seminars, subscriptions & publications, memberships, and professional services that are expected to be spent during the next 2 fiscal years. The list submitted contained conference/seminar names, the name of the professional association and estimated costs for each to justify the anticipated/planned expense.
- Quarterly Budget Variance: This is a reporting tool that serves as a “Check-in” point and shows the funds that have been expended to-date at each quarter in the fiscal year in comparison to the budget. Throughout the fiscal year, each Agency department must review their budgeted amounts and compare them to the actual amounts that have been incurred (Budget Vs. Actual). Differences were identified, and justifications were noted where necessary.
- Labor Distribution Report: Completed a forecast of staff’s hours to allocate to the various funds and projects. For example, to project the number of hours that will be used by staff for training and/or Safety Tailgate meetings and other programs and projects.

Preparation of the department's budget is a complex process, but it is beneficial for staff to understand the resources that have been committed and ensure the alignment of the department's goals and objectives to the Agency's Top Initiatives, Business Goals and Objectives. IA completed and submitted the above reports to FAD by the required deadlines and answered pertinent questions as adjustments were made as necessary.

Project: Internal Audit Department - Required Continuous Professional Education & Training

Scope:

According to the Internal Audit Department Board-approved Charter and the *International Standards for the Professional Practice of Internal Auditing (Red Book Standards)* Internal Auditors must regularly and continuously work to enhance their knowledge, skills, and other competencies through continuing professional education. During this quarter, staff attended two training meetings and a local seminar.

Status: Complete

One Senior Internal Auditor attended two trainings offered through the Government Finance Officers Association (GFOA), a recognized professional association that represents public finance officials throughout the United States and Canada. GFOA's mission is to advance excellence in state and local government financial management.

Advanced Governmental Accounting

This was a 2-day training that covered governmental accounting and financial reporting. The topics covered included: capital assets, debt, investments and derivatives, pensions and other postemployment benefits, grants, risk-financing, compensated absences, lease accounting, government pronouncements (i.e., No. 84 - *Fiduciary activities*, No. 86 - *Certain Debt Extinguishment issues*, etc.), and other related topics.

Accounting Academy: An Intensive Introduction to Governmental Accounting, Auditing, and Financial Reporting

This was a 3-day training. The objectives included: generally accepted accounting principles (GAAP) for state and local governments, unique factors that led to specialized accounting and financial reporting for state and local governments, fund accounting, government-wide financial reporting, measurement focus and basis of accounting, categorization and measurement of transactions and events, component units, budgetary reporting, and elements of a comprehensive annual financial report (CAFR).

Internal Audit Department Status Report for March 2019

The two trainings combined provided a total of 40 continuing professional education hours for this IA staff member. Because the Senior Auditor is a Certified Government Audit Professional, 20 hours of training are required each year.

Institute of Internal Auditors San Gabriel Valley Chapter seminar: A Study on Corruption

All IA staff members attended a 1-hour seminar that discussed the causes and warning signs of corruption based on research and findings from the Association of Certified Fraud Examiners (ACFE) 2018 biennial global study on occupational fraud and abuse.

Projects in Process

Project: Assisting with the audit and revision of IEUA's Sewer System Management Plan (SSMP)

Scope:

Assist the Operations Division in completing the State-required 2-year audit and submit for Board approval the revised 5-year SSMP. The SSMP is a state-required plan for any wastewater agency with at least 100 miles of wastewater infrastructure. The plan contains 13 required elements that must be readily available to provide training and serve as a manual/guide to the Agency's employees in the event of a Sewer overflow.

Status: In Progress

IA was asked to assist in the project to review, revise and update the Agency's 5-year SSMP that must be Board approved and submitted to the State. The review includes an audit to determine if goals and the elements within each of the 13 areas were satisfied and met. Additionally, the review is required to revise and update the SSMP to ensure it is a "living document". IA assisted with evaluating the document, conducted interviews, researched information from other SSMPs and guides and provided recommendations, changes and edits to the current version. This document is planned for completion by April 2019. The next steps are finalizing the information and providing a workshop to the Board before requesting full approval.

Project: Fuel Card Program Audit (Voyager)

Scope:

To evaluate the internal controls over the Voyager Fuel Card program to ensure safeguards are in place to protect the Agency from loss, theft, and misuse and to evaluate whether the program meets the requirements of the Agency's policies. In addition, to determine whether the program meets the Agency's business goals and identify opportunities to improve the effectiveness and efficiency of operations.

Status: In Progress

IA met with key representatives from the Operations & Maintenance Department (North), in late January 2019 to kick-off the Voyager Fuel Card audit. At this initial meeting, IA obtained an understanding of the Voyager Fuel Card program and processes, along with receipt of the Internal Control Questionnaire (ICQ) completed by the department. The ICQ provides IA with information about how the Voyager Fuel Card program is currently administered and the control procedures employed and provides a starting point for auditors to develop audit procedures.

IA obtained access to the US Bank Fleet Commander® Online system, an online portal that provides fuel and maintenance data management, access to account information, monthly statements, and customized reporting. Fieldwork will be on-going and includes plans to perform various types of financial analysis on the fuel card data, and review of supporting documentation.

Additionally, IA plans to meet with representatives of the Accounting department to gain an understanding of the review and payment process for the Voyager Fuel Card program. IA will continue to work closely with the Fuel Card administrator and other Agency departments throughout the audit process. Any items requiring attention will be discussed with the departments before finalizing the audit tests.

The Voyager Fuel Card Audit was proposed for completion in March; however, due to staff scheduling, priorities with the goals/objectives and budget preparation processes and other follow-up audit projects, this

Internal Audit Department Status Report for March 2019

review has been delayed and is now anticipated to be completed by June 2019. Additional delays were caused due to meeting scheduling conflicts and having audit access to the system for view and report access.

Project: **Accounts Payable Follow-up audit**

Scope:

IA is completing a follow-up evaluation to determine the status of 7 of the 9 outstanding recommendations from the Accounts Payable Audit Report completed on August 29, 2013. FAD is responsible for the implementation of these recommendations. The 2 recommendations that have been deferred pertain to Agency policies that are not the responsibility of FAD.

Status: **In Progress**

IA is currently in the initial planning and investigation phases of this project. IA has met with FAD staff to discuss the current status of the recommendations and obtained documentation of FAD desk policies. IA has also obtained information from BIS about SAP roles and responsibilities. IA will perform additional follow-up procedures to verify whether the recommendations have been implemented and/or alternative controls have been established to address the original risks that were identified.

Planned/Future/Additional Projects

Project: **Recycled Water Program Revenue Audit**

Scope:

Recycled water revenue in FY 2016/17 was almost \$16.4 million. An audit of this area would determine the internal controls over revenue recognition and identify any additional revenue due the Agency. The Finance and Accounting and the Planning departments will be the primary contact departments. This was a request by the Audit Committee to move this audit up in priority. After the conclusion of the Voyager Audit and the Accounts Payable Audit, IA will focus on this review. Anticipated for completion by September 2019.

Project: **Annual Audit Plan**

Scope: The Board approved Charter requires that IA submit for review and approval an Annual Audit Plan of proposed and plan audit projects for the year. IA will request input and ideas for future audit projects from the Audit Committee, the External Auditor, the Audit Committee Advisor, the General Manager, Executive Management, Department Managers and General Counsel. IA also relies on professional audit trends to determine audit areas. IA also completes a general risk assessment about Agency risk areas to propose audit projects. A complete Annual Audit Plan is submitted for Audit Committee and Board of Directors approval in June each year along with a detailed report of all outstanding audit recommendations that require IA follow up review and evaluation.

Project: **Management Requests**

Scope: Assist Agency Management with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures, and/or provide review and feedback on new policies or procedures. These services are provided according to the IA Charter, the Annual Audit Plan, and best practices. The management request projects are short-term projects, typically lasting no more than 60 – 75 hours each where IA determines it has the necessary staff, skills and resources to provide the requested assistance without having to delay/defer scheduled audits and priority projects. The scope of each review is agreed upon between the department manager requesting the evaluation, review, analysis or assistance, the Manager of IA and when deemed appropriate by Executive Management.

During this quarter, IA was working on the following "Management Requests":

- Continue to assist with requests related to the findings and recommendations from the Regional Contract Review.

Internal Audit Department Status Report for March 2019

- Continued to assist with policy language interpretation.
- Participated in Safety Committee and IT Security Committee

Project: Special Projects

Scope:

Perform special reviews and projects including analyzing transactions, evaluating documents and policies, verifying information, assisting with interpretation of Agency Policies or other required procedures, and providing recommendations and feedback on results of the analysis, engaging necessary assistance if and/or when necessary, reporting to the General Manager and the Audit Committee. These services are provided according to the IA and Audit Committee Charters, the Annual Audit Plan, and/or best practices.

Special Projects can be short or long-term projects, typically requiring more than 80 hours of staff time and requiring setting aside or delaying work on scheduled audit projects. The scope of the review is not generally known, and the work must be handled with the highest degree of confidentiality and care, as with all audit projects. Special Projects are usually considered highly confidential.

Internal Audit Department Staffing

The Internal Audit Department is staffed as follows:

- 1 Full-time Manager of Internal Audit
- 2 Full-time Senior Internal Auditors

Internal Audit Staff Professional Development Activities:

As required by the *International Standards for the Professional Practice of Internal Auditing*, and the IA Charter, auditors should continue to enhance their knowledge, skills, and other competencies through continuing professional development. During the past quarter, IA staff has continued to stay abreast of industry developments through attending seminars, review of industry periodicals and participation in free IIA sponsored, on-line webinars.

The Internal Audit Manager is a member of the governing board of the Inland Empire Chapter of the Institute of Internal Auditors (IIA). The governing board sets direction for the chapter.

Two IA members are preparing for the 3-part Certified Internal Auditor (CIA) examination and certification. The CIA is the only globally-recognized certification for internal audit professionals and is the highest certification that can be attained by an internal auditor.

In December 2018, One Senior Internal Auditor passed the third part of the Certified Internal Auditor (CIA) examination and has been awarded the CIA certification.

The Manager of IA has a Master's degree in Public Administration and has obtained the Certification in Control Self-Assessment® (CCSA®). The CCSA® certification program is designed for auditors that have knowledge of CCSA fundamentals, processes and other topics such as risk, controls, and business objectives. The Manager of IA and One Senior Auditor are Certified Government Audit Professionals (CGAP®). The CGAP® certification program is designed for auditors working in the public sector and demonstrates government knowledge and expertise. One Senior Auditor is a Certified Public Accountant (CPA) and Certified Internal Auditor (CIA).

Future Audit Committee Meetings:

- Monday, June 10, 2019 – Regularly Scheduled Audit Committee Meeting
 - Monday, September 9, 2019 – Regularly Scheduled Audit Committee Meeting
 - Monday, December 9, 2019 – Regularly Scheduled Audit Committee Meeting
-

**INFORMATION
ITEM**

4R

Date: March 20, 2019

To: The Honorable Board of Directors

From: Teresa Velarde, Manager of Internal Audit

Committee: Audit

03/11/19

Manager Contact: Teresa Velarde,  Manager of Internal Audit

Subject: The Audit Function

Executive Summary:

The Agency's Internal Audit Department (IAD) and the Audit Committee were established by Board action on April 21, 2004 as a response to increased responsibilities for financial reporting and audit compliance requirements for various regulatory agencies. The Audit Function is composed of the Audit Committee, the IAD, the External Financial Auditors and the Audit Committee Advisor. Its purpose is to assist Agency management in achieving organizational goals and objectives and assist the Board in fulfilling their oversight responsibilities for financial reporting, internal controls, and compliance with regulatory requirements. Annually, the Board approves the IAD Charter and the Annual Audit Plan which document the authority and responsibilities of the IAD, as well as any amendments to proposed audit plans/projects and all audit reports and updates. The current structure of the Audit Function follows best practices and guidelines promoted by nationally recognized professional associations and auditing standards. The IAD seeks to promote a strong internal control and ethical environment, add value and improve the Agency's operations, safeguard assets, and improve efficiencies through independent and objective audits and recommendations. The attached report and reference material provides information about the purpose of the Audit Function and tools to use in evaluating the Audit Function components.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On December 19, 2018, the Board of Directors reconfirmed the approved Audit Committee and Internal Audit Department Charters.

On June 20, 2018, the Board of Directors approved the Fiscal Year 2018/19 Annual Audit Plan. The plan was in accordance with auditing standards and the Charter requirements.

On March 15, 2017, the Board received and filed the report on IEUA's Internal Audit Function.

Environmental Determination:

Not Applicable

Business Goal:

This report describing the IEUA Audit Function is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles, authority and responsibilities of the Audit Committee of the Board of Directors, the Internal Audit Department, the External Financial Auditors and the Audit Committee Financial Advisor and their responsibilities assisting the Agency in achieving its goals.

Attachments:

Attachment 1 - The Audit Function - Report

Attachment 2 - Reference Material (link) - <https://ieua.sharefile.com/d-se154bd1bc314befa>

Attachment 3 - Powerpoint



The Audit Function

This report describing the IEUA Audit Function is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles, authority and responsibilities of the Audit Committee of the Board of Directors, the Internal Audit Department, the External Financial Auditors and the Audit Committee Financial Advisor and their responsibilities assisting the Agency in achieving its goals.

**Prepared by:
Internal Audit Department
March 11, 2019**



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DATE: March 11, 2019
TO: Honorable Board of Directors
Kirby Brill
Interim General Manager

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: The Audit Function

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) and the Audit Committee were established by Board action on April 21, 2004. The Audit Function was established as a response to increased responsibilities for financial reporting and audit compliance requirements of various regulatory agencies, specifically related to the financial growth of the Agency associated with the issuance of bonds and receipt of increasing grant funding, along with the administration of rebate programs and the active roles and projects with various joint powers and member agencies. As documented in the March 17, 2004 Board Letter, the Audit Function was the staff recommendation to provide greater Board oversight of External Auditor activities, to perform internal audits and prepare/submit audit reports, to adopt Government Finance Officers Association (GFOA) and Institute of Internal Auditors (IIA) guidance and comply with California legislation modifying audit reporting. Additionally, to ensure the Agency maintains the highest standards of fiscal integrity and accountability, provide a system of sound checks and balances, and ensure a truly independent view of Agency operations.

For purposes of this report, "the Audit Function" refers to: the Internal Audit Department, the External Auditors, the Audit Committee Financial Expert and the Audit Committee. The purpose of the Audit Function is to assist the Agency in achieving its goals and objectives. The Internal Audit Department is charged with the responsibility to ensure the oversight obligations of the Audit Function are met. The Internal Audit Department seeks to add value and improve the organization's operations through independent, objective audits, reviews and evaluations and recommendations provided. Internal Auditors must adhere to a strict Code of Conduct, professional standards and principles and follow a systematic, disciplined approach in performing internal audits, evaluating operations and make recommendations.

The current structure of the Agency's Internal Audit Department follows best practices and guidelines as recommended by the nationally recognized professional associations

Water Smart - Thinking in Terms of Tomorrow

Paul Hofer
President

Jasmin A. Hall
Vice President

Kati Parker
Secretary/Treasurer

Michael E. Camacho
Director

Steven J. Elie
Director

Kirby Brill
Interim General Manager

that provide guidance and standards for the functions of Accounting and Auditing, including: Government Finance Officers Association (GFOA), the Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA). Consistent with those best practices, the Internal Audit Department reports functionally to the Board through the Audit Committee to establish independence and objectivity and as a means to minimize or eliminate any pressures from management or eliminate any perception of not being independent. Also, consistent with best practices, the Internal Audit Department reports administratively to the General Manager for planning and coordinating audit projects, establishing the department's budget and staffing needs and other administrative items. The purpose, authority and responsibilities of the Internal Audit Department are documented in the Board-approved Charter.

The purpose of the Internal Audit Department is summarized as:

- Assists the Agency achieve its goals
- Evaluates risks
- Assesses the reliability of internal controls
- Provides recommendations for improving operations and compliance
- Promotes a strong ethical culture
- Reviews processes and procedures
- Provides on-going monitoring and follow-up reviews
- Provides recommendations to safeguard assets
- Raises potential red flags to appropriate Agency management and the Board
- Communicates results to management, the Audit Committee and the Board
- Serves as the "eyes and ears" of the Board of Directors

The IEUA Audit Committee is composed of two members of the Board and an outside member that serves as the Financial Expert and Advisor to the Audit Committee, as prescribed by best practices. GFOA, AICPA and the IIA recommend the Audit Committee meet at minimum quarterly and discuss audit matters with Executive Management, the Internal Auditor, the Financial Advisor and the External Auditors and report to the Board any significant issues that warrant attention. IEUA has followed this prescribed model since 2004 and is continuously praised by outside organizations for following the most independent model prescribed.

This report provides additional detail and information about the Audit Function including:

- Background and historical information
- Internal Audit Department
- Audit Committee
- Audit Committee Financial Advisor
- External Financial Auditor
- Types of Audits performed by IA
- The Annual Audit Plan
- Best Practices for the Audit Function as recommended by:
 - Government Finance Officers Association (GFOA)

- Institute of Internal Auditors (IIA)
- American Institute of Certified Public Accountants (AICPA)
- Additional Reference Material

IEUA has adopted best practices in structuring and establishing an effective Audit Function. The report that follows provides details about the Audit Function at IEUA with greater discussion focused on the Internal Audit Department.

The documents attached are additional reference material and relevant information gathered from best practice guidance related to the Audit Function, including the following:

- AICPA Audit Committee Toolkit
 - A toolkit for evaluating the various resources of the Audit Committee
- The Charters: Audit Committee and Internal Audit Department Charters
- 2004 Board Letter regarding the establishment of the Audit Function
- The IIA's Guidance on the Audit Committee
- GFOAs best practice guidance/information
- AICPA's best practice guidance/information
- Association of Certified Fraud Examiner's (ACFE) Report to the Nations on Occupational Fraud and Abuse

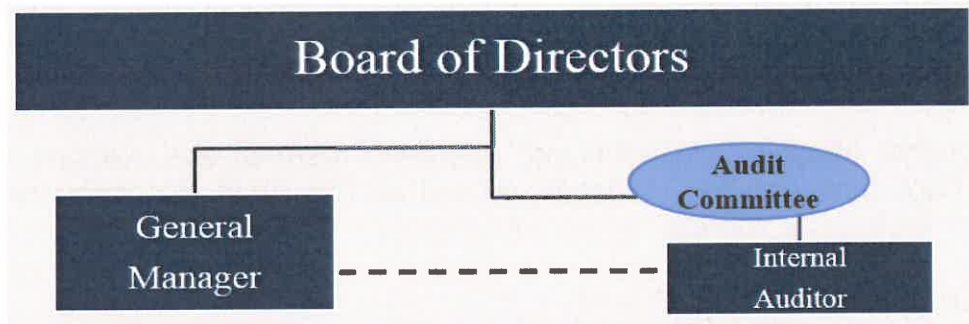
The Internal Audit Department appreciates the opportunity to provide this comprehensive report on the Audit Function of IEUA and request direction, feedback and/or changes for the fulfillment of audit responsibilities and future Audit Committee Meetings. The Manager of Internal Audit is available to provide additional information or answer any questions.

This report describing the IEUA Audit Function is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles, authority and responsibilities of the Audit Committee of the Board of Directors, the Internal Audit Department, the External Financial Auditors and the Audit Committee Financial Advisor and their responsibilities assisting the Agency in achieving its goals.

TV:ps:sn

The Audit Function

This diagram illustrates the reporting lines of the Internal Auditor.



Background

IEUA's Internal Audit Department was established by the Agency's Board of Directors on April 21, 2004. The Board of Directors asked Agency staff to conduct research and provide recommendations on the best structure for the Internal Audit Department and the Audit Committee. Based on the research completed and recommendations by staff, the Board approved the "best practices" model suggested by the Government Finance Officers Association (GFOA), the Institute of Internal Auditors (IIA), and the Agency's General Counsel. This has remained the model since its establishment:

- An Audit Committee composed of three committee members, two members of the Board of Directors and an Audit Committee Member, with no voting rights, to serve as the Financial Expert with experience in conducting financial audits, as suggested by best practices.
- The position of Internal Auditor reporting functionally to the Board through the Audit Committee and reporting administratively to the General Manager.

The Board report presented in 2004, documents that this structure was recommended and established:

"to address this increase in responsibility" (from increased auditing requirements and reporting of expenditures for special districts by the California Legislature), "to ensure administrative and financial accountability to standards required by federal and state regulatory agencies and bondholders, to better define staff's administrative responsibilities, and to provide the Board with a consistent means of monitoring the Agency's financial responsibilities".

GFOA recommends that every government consider the feasibility of establishing a formal internal audit function (GFOA recommended practice, 1997). Further, GFOA recommends the internal audit function be established formally by charter. IEUA has adopted best practices and has established the Internal Audit Department by Board-approved Charter.

The Internal Audit Department is currently staffed with one full-time Manager of Internal Audit and two full-time Senior Internal Auditors. As required by the Board-approved Charter, the Manager of Internal Audit, reports functionally to the Board through the Audit Committee, and administratively to the General Manager. This independent reporting line establishes the Internal Audit Department as a separate, independent entity to assist management in achieving organizational goals and to assist the Board in fulfilling its oversight responsibilities. This reporting line supports IA and ensures that audit work is performed objectively and independently.

The Role of the Internal Audit Department

Mission Statement

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments and recommendations to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve its goals and objectives, improve operations, and instill confidence among its employees and the citizens it serves by providing independent, objective assurance and consulting services and provide management and the Board of Directors with recommendations to:

- *Promote and strengthen a sound control environment.*
- *Improve Agency risk management, control and governance.*
- *Promote the Agency's vision and mission through a high degree of professionalism.*
- *Establish adequate policies and procedures and to comply with them.*
- *Encourage efficient use of Agency resources.*
- *Protect and safeguard Agency assets.*
- *Mitigate risks related to fraud, waste and abuse.*
- *Hold staff accountable for the resolution of audit recommendations.*

Internal Audit Department Charter

The purpose, authority and responsibilities of the Internal Audit Department are documented in the Board-approved Charter. The Internal Audit Department Charter states that the purpose of the Internal Audit Department is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for financial reporting, internal controls and compliance with legal and regulatory requirements applicable to Agency operations and to provide objective assurance about Agency operations. Those responsibilities are fulfilled through the various planned audit projects, discussions with Executive Management, the External Financial Auditor and the Audit Committee Financial Expert, as well as discussions with the Audit Committee. The Charter is provided for Audit Committee and Board review and/or discussion each year. The Internal Audit Department evaluates changes in best practices and suggestions by the External Financial Advisor and the External Auditor in making changes/edits to the Charters. The Charters are posted on the Internal Audit Department webpage on the Agency's intranet website.

Annual Audit Plan

The Annual Audit Plan is a flexible plan of audit projects proposed for the succeeding year. The proposed audit projects are selected based on risks considered, requests by management and inquiries of the Agency's management, External Auditors, the Audit Committee Advisor, general counsel and others. The plan is intended to provide information about the proposed scope of work for each project. The plan is meant to address risk areas and to evaluate and contribute to improving effectiveness of operations. The Annual Audit Plan is submitted for Audit Committee review and discussion Board approval in June. The current Annual Audit Plan in effect, can be found under Board-approved documents and located on the Internal Audit Department webpage on the Agency's intranet website.

Types of Audits

The Internal Audit Department performs operational audits of the various business units of the Agency. An operational audit is designed to evaluate an activity's effectiveness and efficiency of operations. IA's operational audits also incorporate elements of program, financial and compliance audits to evaluate financial transactions and overall compliance of the activity with specific requirements. Prior to finalizing an audit, discussions take place between IA and the auditee about the audit results and resulting audit findings and recommendations. Then, the auditee has opportunities to provide resolutions, responses or additional information prior to IA finalizing the audit report. Results of audits are documented in a formal audit report and discussed during Audit Committee meetings. Auditees can provide a written response and include corrective action plans. Any resulting open/outstanding audit recommendations are followed-up as scheduled through the Annual Audit Plan until full implementation is achieved or alternate controls are incorporated.

IA has completed audits in multiple areas of the Agency, including:

- Warehouse Operations
- Human Resources
- Finance & Accounting
- Inter-company Receivables
- Construction Management
- Contracts and Procurement
- Laboratory
- Environmental Compliance
- Pre-Treatment and Source Control
- Integrated Systems Services
- Vehicle Operational Audits
- Energy/Utility Bills
- Regional Contract Audits of the 7 contracting agencies

- Water Connection Fee
- Miscellaneous projects and special requests

All audit reports are discussed during the regular Audit Committee Meetings and can be accessed through the Agency Information Management (AIM), the Agency's intranet site, also available on the Internal Audit Department webpage on AIM, through the Board Reports on the main IEUA webpage or available upon request from the Manager of IA.

Standards

In performing audit work, internal auditors abide by the Code of Ethics and the *Standards* as promulgated by the Institute of Internal Auditors (IIA) as documented in the International Professional Practice Framework (IPPF) or "Red Book."

BEST PRACTICES RECOMMENDATIONS FOR INTERNAL AUDIT STRUCTURE

Government Finance Officers Association (GFOA)

- *"Every government should consider the feasibility of establishing a formal internal audit function because such a function can play an important role in helping management to maintain a comprehensive framework of internal controls. As a rule, a formal internal audit function is particularly valuable for those activities involving a high degree of risk (e.g., complex accounting systems, contracts with outside parties, a rapidly changing environment). If it is not feasible to establish a separate internal audit function, a government is encouraged to consider either 1) assigning internal audit responsibilities to its regular employees or 2) obtaining the services of an accounting firm (other than the independent auditor) for this purpose;*
- *The internal audit function should be established formally by charter, enabling resolution, or other appropriate legal means;*
- *It is recommended that internal auditors of state and local governments conduct their work in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accounting Office's publication Government Auditing Standards, including those applicable to the independence of internal auditors;*
- *At a minimum, the head of the internal audit function should possess a college degree and appropriate relevant experience. It also is highly desirable that the head of the internal audit function hold some appropriate form of professional certification (e.g., certified internal auditor, certified public accountant, certified information systems auditor) ; and*

- *All reports of internal auditors, as well as the annual internal audit work plan, should be made available to the government’s audit committee or its equivalent.”*

American Institute of Certified Public Accountants (AICPA)

“First and foremost, the internal audit department will understand that its responsibilities are primarily to the audit committee. A strong internal audit function may also include audit committee oversight of the internal audit group’s budget approval process and its policies regarding hiring, evaluation, training, and termination of internal audit staff. Terminating or transferring high level internal audit personnel will be ultimately determined by the audit committee.

Executive sessions with the head of the internal audit function at every audit committee meeting provide the audit committee a unique opportunity to engage in candid discussions with him or her about the possible risk of management override of internal control and any indications of improper conduct by senior management.

The audit committee, by understanding and assisting in developing the internal auditors’ annual audit plan, will influence the internal auditors’ agenda by directing the plan’s emphasis to areas of particular interest to the audit committee. These areas might include fraud risks—particularly matters that surfaced during the brainstorming session—and controls over judgments and estimates and key information processes. A properly directed internal audit staff can serve as the “eyes and ears” of the audit committee.”

The Institute of Internal Auditors (IIA)

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Reporting to executive management and having direct access to the audit committee well positions the internal audit activity within an organization. Internal audit independence is furthered by periodic private meetings between the audit committee and the CAE, during which time sensitive issues are discussed without management’s presence.”

The Audit Committee

The IEUA Audit Committee structure follows recommended best practices and professional standards. The April, 2004 Board report included the following structural

recommendation about the creation of an Audit Committee as a separate committee of the Board of Directors:

“An Audit Committee of the Board of Directors be established to oversee the audit and grants’ responsibilities of the current Chief Financial Officer position. The Committee would be responsible to meet at least quarterly with the Agency’s Internal Auditor and Agency staff, for overseeing the acquisition of the Agency’s outside Auditor, developing the scope of work for the annual audit, approving the annual audit work plan, directing special internal audits, reviewing and approving the internal auditing work plans, evaluating the performance of the internal audit activities, and providing policy direction to the Agency’s Audit and Grants Department. The Audit Committee would meet at least quarterly with the Internal Auditor to review work plans, audit activities and the draft/final audit reports. The Audit Committee would submit all audit management reports to the Board for review and policy direction, as appropriate.”

This recommendation was developed based upon research performed by IEUA staff. IEUA staff discussed the structure of the Audit Committee and Internal Audit Department with the “Agency’s bond counsel, investment banker, the External Auditor, The Agency’s General Counsel, and the Metropolitan Water District’s Chief Financial Officer who suggested the proposed reorganization was in the best interests of the Agency.”

The Audit Committee meets quarterly and is comprised of three members: two Board Members and one External Financial Expert. The Manager of IA is responsible for preparing all agenda items for the Audit Committee meetings.

Audit Committee Charter

The Audit Committee Charter documents the purpose, composition, authority and responsibility of the Audit Committee. The Charter is reviewed and discussed annually and any changes must be approved by the Board. The Charter follows best practice recommendations by GFOA, IIA and AICPA. The Charter also states that the Audit Committee shall delegate fulfilling those responsibilities to the Internal Audit Department. Those responsibilities are fulfilled through various evaluations and discussions with Executive Management, the Internal Auditor, the External Auditor and the Audit Committee Financial Advisor.

BEST PRACTICES RECOMMENDATIONS FOR AUDIT COMMITTEE STRUCTURE

Government Finance Officers Association

- *“The governing body of every state and local government should establish an audit committee or its equivalent.*
- *The audit committee should be . . . made directly responsible for the appointment, compensation, retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services.*

- *All members of the audit committee should be members of the governing body.*
- *It is the responsibility of the audit committee to provide independent review and oversight of a government's financial reporting processes, internal controls and independent auditors.*
- *The audit committee should have access to the reports of internal auditors, as well as access to annual internal audit work plans."*

American Institute of Certified Public Accountants

"Government entities are faced with ongoing challenges related to the governance of their organization, risks associated with achieving their organization's objectives, and compliance with revised and emerging laws and regulations. Responsibilities are ultimately identified by the governing body and assigned to various governing committees, including the audit committee . . .

The audit committee assists the governing body in its oversight of

- *integrity of the organization's financial statements;*
- *internal control including internal control over financial reporting;*
- *independent auditor's qualifications, independence, and performance;*
- *internal audit function's qualifications, independence, and performance;*
- *the organization's risk management and overall governance process; and*
- *the organization's ethics and compliance program, which includes legal and regulatory requirements."*

The Institute of Internal Auditors

"The cornerstones of effective governance are the board of directors, executive management, the internal auditors, and the external auditors. No single committee of the board is more focused on or better in tune with governance than the audit committee.

What is the audit committee's role in governance? In a nutshell, the audit committee should provide oversight of financial reporting, risk management, internal control, compliance, ethics, management, internal auditors, and the external auditors.

Some detailed audit committee responsibilities include:

- *Ensuring that financial statements are understandable, transparent, and reliable.*
- *Ensuring the risk management process is comprehensive and ongoing, rather than partial and periodic.*
- *Helping achieve an organization-wide commitment to strong and effective internal controls, emanating from the tone at the top.*
- *Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.*

- *Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the organization is a party.*
- *Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.*
- *Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.*
- *Reviewing internal audit plans, reports, and significant findings.*
- *Establishing a direct reporting relationship with the external auditors."*

Role of the Audit Committee Advisor/Financial Expert

The April, 2004 recommendation that established the Audit Committee and the Internal Audit Department did not discuss the role of an external financial expert in providing counsel and advice to the Audit Committee. The Audit Committee Advisor/Financial Expert serves as a resource to the Audit Committee, the Internal Audit Department and Executive Management. The Financial Advisor serves as a checks and balance for the Internal Audit Department for the Audit Committee and serves as an interpreter for the Audit Committee. Professional best practices provide the following:

BEST PRACTICES RECOMMENDATIONS FOR AUDIT COMMITTEE FINANCIAL EXPERT

Government Finance Officers Association

"The audit committee also should have access to the services of at least one financial expert, either a committee member or an outside party engaged by the committee for this purpose. Such a financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal accounting controls; and 5) an understanding of audit committee functions"

American Institute of Certified Public Accountants

"If no individual member of the audit committee possesses the attributes required for financial expertise, and the committee members collectively do not possess such attributes, two options might be considered:

- *Engage a financial professional to provide financial expertise as a consultant to the audit committee. Such an individual must otherwise be independent with respect to*

the entity (that is, must have no other financial arrangements with the government entity).

- *Pursue a training program for audit committee members to develop the financial expertise. Such training can include participation in professional development classes or programs offered by the AICPA, associations, or the specific sector in which the government entity participates, or in-house training programs led by members of the government entity's financial management team."*

The Institute of Internal Auditors

"The audit committee charter should define membership requirements, include a provision for a financial expert, allow for yearly reviews and changes . . . "

IEUA has contracted with Travis C. Hickey, CPA consultant with Rogers, Anderson, Malody, and Scott, LLP to be the Audit Committee Advisor. Over the past nine years, Mr. Hickey has been a valuable resource to the Audit Committee and the Internal Audit Department by providing consulting and advisory services, along with professional audit advice and information.

Role of the External Financial Auditor

State law and the Agency's Fiscal Ordinance requires that an independent certified public accountant audit the Financial Statements of the Agency. The purpose of a financial audit is to demonstrate that the Agency's financial statements were 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). Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Agency. The role of the External Auditors is also to evaluate the adequacy and accuracy of the accounts, test internal controls and complete the audit in accordance with generally accepted auditing standards. The auditors are only providing an opinion as to the representations provided by the Agency. The purpose of the annual financial audit is to receive an independent audit opinion as to the fairness of the financial statements. The opinion is relied upon by readers of the financial statements such as lenders, rating agencies and other stakeholders. The scope of the audit and the materiality threshold set for the audit testing and procedures are determined based on the auditor's risk assessment, professional guidelines and their professional judgment. The audit is not meant to detect fraud. The External Financial Auditors must be licensed as Certified Public Accountants in the State of California and follow a rigorous set of guidelines established by the American Institute of Certified Public Accountants for the performance of financial audits. The Agency currently has a contract with Lance, Soll & Lunghard, LLP, located in Brea, CA for financial auditing and single audit services.

Charters

The professional standards describe two separate charters that provide guidance to the Internal Audit function. One is the Internal Audit Department's charter that defines the activity's purpose and the other is the Audit Committee's charter which provides information about the Committee's governance responsibilities, goals and purpose. IEUA follows best practices and has adopted both Charters for the IAD and the Audit Committee.

Internal Audit Department Charter

The IPPF Standards states that "the internal audit activity must be formally defined in an internal audit charter, consistent with the "Mission of Internal Audit and the mandatory elements of the Framework". The IPPF Standards clarify this responsibility by stating:

"The internal audit charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organization, reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board."

BEST PRACTICES RECOMMENDATIONS FOR INTERNAL AUDIT CHARTER

Government Finance Officers Association

"The internal audit function should be established formally by charter, enabling resolution, or other appropriate legal means."

American Institute of Certified Public Accountants

The AICPA also recommends that one aspect of the audit committee's oversight responsibilities for Internal Audit includes: *"Approve the internal audit department charter."*

Audit Committee Charter

BEST PRACTICES RECOMMENDATIONS FOR AUDIT COMMITTEE CHARTER

Government Finance Officers Association

"The audit committee should be formally established by charter, enabling resolution or other appropriate legal means and . . . the written documentation establishing the audit committee should proscribe the scope of the committee's responsibilities, as well as its structure, processes, and membership requirements. The audit committee should itself periodically review such documentation, no less than once every five years, to assess its continued adequacy."

American Institute of Certified Public Accountants

“Specific responsibilities assigned to an audit committee are set forth in an audit committee charter . . . that is approved by the governing body. An audit committee charter should address the audit committee process, procedures, and responsibilities. Audit committee responsibilities can vary by government entity due to factors such as size of the entity, the type of entity, and the complexity of the government entity’s service or business model.”

American Institute of Certified Public Accountants

“The audit committee’s charter is its blueprint for operations. Highly customized to best meet the needs of an organization’s industry, mission, and culture, the charter should clearly delineate audit committee processes, procedures, and responsibilities that have been sanctioned by the entire board.”

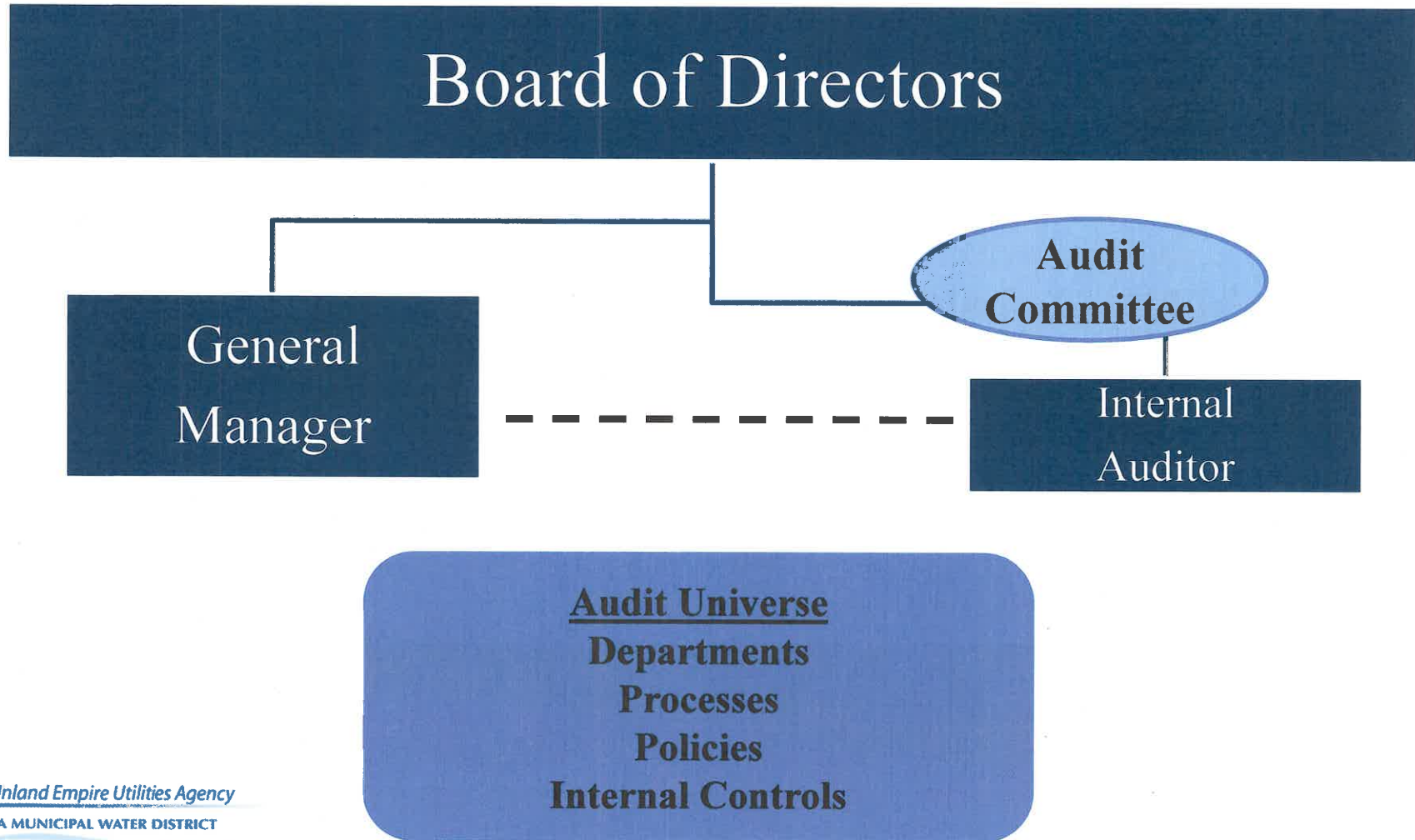
The document goes on to provide specific recommendations for what to include in an Audit Committee Charter and provides a sample document for reference.

The Internal Audit Department appreciates the opportunity to provide this comprehensive report on the Audit Function of IEUA.

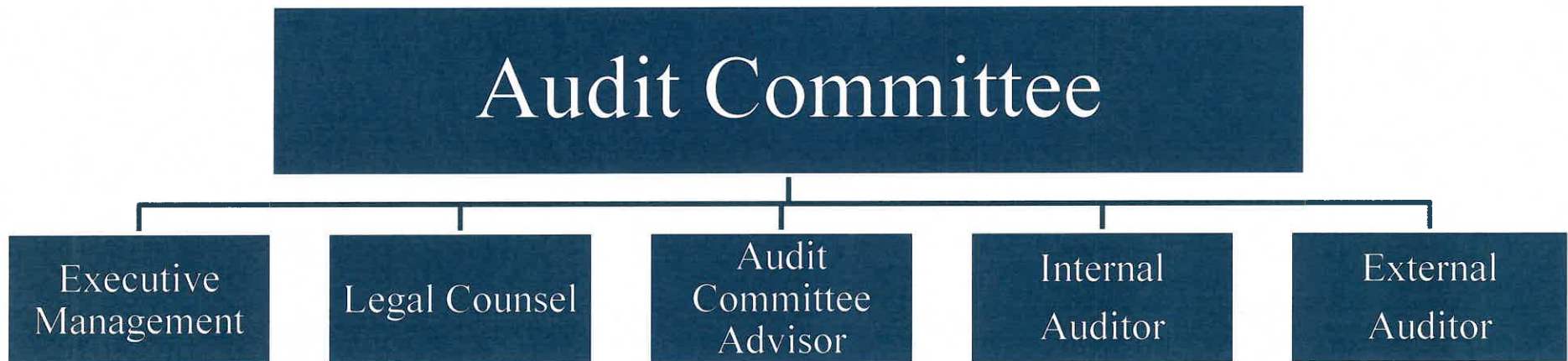
The Audit Function at Inland Empire Utilities Agency



The Audit Function & The Reporting Line for the Internal Auditor



The Audit Function & Audit Committee Resources



- Guidance over audit activities
 - GFOA: Government Finance Officers Association
 - IIA: Institute of Internal Auditors
 - AICPA: American Institute of Certified Public Accountants

Auditor Contracts & Fees

YEAR	2016	2017	2018	2019
Audit Committee Advisor	\$6,190	\$6,190	\$6,190	\$6,190
External Financial Auditor	\$37,100	\$37,750	\$38,430	\$39,680
Total	\$43,290	\$43,940	\$44,620	\$45,870

Charter Requirements



The Role of the Internal Audit Department

- Serve as the “Eyes and ears” of the Board
- Objective and independent evaluations and reviews
- Assist the Agency in achieving its goals and objectives
- Assess internal controls
- Provide assurance on processes and procedures
- Promote strong ethical culture
- On-going monitoring and compliance
- Assist in safeguarding assets
- Raise any potential red flags
- Make recommendations to improve operations
- Follow up on prior recommendations
- Communicate results & provide Audit Reports

Types of Audits Performed by Internal Audit



Annual Audit Plan

- Long Range Audit Planning – Additional Audit Areas
 - Payroll & Time System
 - Accounts Payable – Review of Credit Cards & P-cards
 - Construction Contracts – award through final payment
 - Recycled Water Program
 - Accounts Payable - Duplicate Payments/Late Payments
 - Inter-Fund Transfers and Reserve Requirements
 - Capital Projects
 - Asset Management
 - Operations

Internal Audit Department Responsibilities:

- Operational Audits
- Make recommendations to improve operations
- Follow-ups Reviews
- Agency Policy reviews
- Special Requests
- Quality Control Review of CAFR, Disclosures and GFOA recommendations
- Ethics Point
- Annual Audit Plan
- RFP for External Financial Audit Services
- Charters & Standard Operating Procedures
- Continuous Professional Development
- IAD Website on AIM



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT



Provide direction for Audit Responsibilities and future Audit Committee Meetings

This workshop is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles and responsibilities of the Internal Audit Department and providing an overview of the components which make up the Audit Function.

INFORMATION
ITEM

4S

Date: March 20, 2019

To: The Honorable Board of Directors

From: Teresa Velarde, Manager of Internal Audit

Committee: Audit

03/11/19

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Southern California Edison Utility Payments Follow-Up Audit

Executive Summary:

The Internal Audit Department Charter, requires Internal Audit (IA) follow-up on outstanding recommendations to determine if corrective actions have been taken. The follow-up reviews are scheduled through the Board-approved Annual Audit Plan and Executive Management supports the implementation efforts of the recommendations.

IA performed a follow-up review of one outstanding recommendation from the Southern California Edison (SCE) Utility Payments Audit completed in 2013. The follow-up review found that Agency staff worked and finalized with the City of Chino (City) and SCE to transfer the utility account for street lighting services located in front of the Headquarters Buildings. The responsibility for the billing shifted from IEUA to the City because it is the City's expense. As of April 30, 2018, the City of Chino took the responsibility for the account. IA verified that IEUA is no longer billed for the street lighting services. Since the audit finding was noted in 2013, the Agency paid approximately \$4,000 for the street light. The Agency had been paying the account since Headquarters was built. The change provides the Agency a savings of approximately \$900/year.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 20, 2018, the Board approved the IA Annual Audit Plan. The SCE Utility Payments Follow-Up audit was scheduled in the Annual Audit Plan.

On December 20, 2017, the Board received and filed the first SCE Utility Payments Follow-Up Audit Report.

On November 20, 2013, the Board received and filed the original SCE Utility Payment Audit Report.

Environmental Determination:

Not Applicable

Business Goal:


The SCE Utilities Payment Follow-up Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing independent evaluations and audit services of Agency activities and making recommendations to foster a strong ethical and internal control environment, provide efficiencies, safeguard assets and assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - SCE Utility Payments Follow-Up Audit Report



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www.ieua.org

DATE: February 22, 2019
TO: Kirby Brill
Interim General Manager

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Southern California Edison Utility Payments Follow-Up Audit

Audit Authority

The Internal Audit (IA) Department's Charter and the Fiscal Year 2018/19 Annual Audit Plan require that IA follow-up on the status of audit recommendations to determine if corrective actions were taken. This follow-up review was performed under the authority provided by the Inland Empire Utilities Agency (IEUA or Agency) Board of Directors. IA completed a follow-up review of the one remaining outstanding recommendation related to the Southern California Edison Utility Payments Audit.

Audit Objective

The original SCE Utility Payments Audit report was issued in August 2013 and provided a total of four recommendations. In November 2017, a follow-up review found that one recommendation remained in progress as detailed below. The purpose of this follow-up review was to evaluate the implementation status for the one outstanding recommendation, which has now been implemented. The recommendation required Agency staff to work with the City of Chino and Southern California Edison to transfer the financial responsibility for a utility account from IEUA to the City of Chino because it belonged to the city. IA did not expand the scope of the review to evaluate additional areas, further reviews will be scheduled through the Board-approved Annual Audit Plan. The attached provides details of our review.

Acknowledgements

IA would like to extend our appreciation to the Planning & Environmental Resources and Finance and Accounting Department staff for their cooperation and assistance during this follow-up review.

Discussions with Management

IA provided the results of this follow-up review to respective managers and staff for their review and comments prior to finalizing this report.

Water Smart - Thinking in Terms of Tomorrow

Paul Hofer
President

Jasmin A. Hall
Vice President

Kati Parker
Secretary/Treasurer

Michael E. Camacho
Director

Steven J. Elie
Director

Kirby Brill
Interim General Manager

Background

Southern California Edison (SCE) provides electricity services to the Agency to power and operate its buildings, facilities, and treatment plants. As of February 2019, the Agency has approximately 46 accounts with SCE. For Fiscal Year 2018, the Agency paid \$5.8 million to SCE for expenses related to electricity.

2013 Original Recommendation #1:

IA recommends that the Planning & Environmental Compliance and the Maintenance departments work with the City of Chino and SCE to resolve the billing issue related to the street lights in front of IEUA's HQ-A building as the street lights have been identified as the financial responsibility of the City of Chino.

Status: Implemented

The 2013 original audit identified that SCE billed IEUA for the electricity used to power the street lights located in front of the Agency's Headquarter Buildings. Staff noted the financial responsibility for these services belongs to the City of Chino, not IEUA. However, the expenses have been billed to and paid by IEUA since the completion of the current headquarters building. During the original audit, Planning & Environmental Resources (Planning) staff had initiated discussions to transfer the utility account to the City of Chino. Planning staff wanted to pursue the item until completely resolved. IA's role was to follow up and provide a report.

IEUA was billed for the street lights under SCE Service Account # 3-026-1435-32, and the average monthly expense was approximately \$72 per month or \$865 for FY 2017/18. Since the time of our original audit in 2013, the expense added up to over \$4,000.

As of August 1, 2018, the SCE Service Account # 3-026-1435-32 has been closed and IEUA is no longer billed for these electricity services. On December 10, 2018, the Agency received a refund check from SCE in the amount of \$222.31 for the billing period, April 30th to August 1st, 2018. Therefore, making the account the responsibility of Chino, effective April 30th, 2018.

Having the SCE account transferred to the City of Chino provides an annual savings of approximately \$900 per year to the Agency. The amount paid for the street lighting services is minimal when compared to the total annual costs incurred for electricity services; however, it is important that IEUA pay only for its direct electricity expenses and not subsidize any expenses.

No further work is required, and IA considers this recommendation to be implemented.

The SCE Utilities Payment Follow-up Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that the recommendations foster a strong control environment and assist management in achieving organizational goals and objectives.

**INFORMATION
ITEM**

4T

Date: March 20, 2019

To: The Honorable Board of Directors
Committee: Audit

From: Teresa Velarde, Manager of Internal Audit
03/11/19

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Accounts Receivable Follow-Up Audit - Watermaster Agreement

Executive Summary:

The Internal Audit Department Charter, requires Internal Audit (IA) follow-up on outstanding recommendations to determine if corrective actions have been taken. IA performed a follow-up a review of one outstanding recommendation from the Accounts Receivable Audit for the Chino Basin Watermaster completed in 2011. The current agreement requires IEUA to be paid "quarterly, in advance..." for reimbursable O&M costs. The original recommendation was provided because the Agency's practice for billing and collecting payment from Watermaster was done after the beginning of the quarter not in advance as documented in the agreement. Finance and Accounting staff had stated they would implement processes to ensure the contract language was followed. A 2015 follow-up review found that there was improvement but additional time was necessary for full implementation. The 2019 follow-up review found that improvements were made, and still found instances where the quarterly billing and payment are completed after the start of the quarter. FAD stated they will process billings before the end of the quarter for two of the four quarters because current accounting practices require that two of the four billings be completed after the start of the quarter. IA will close-out this recommendation because improvements have been made and the risk of billing after appears low. The attached report provides details of the follow-up review and FAD's response.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 20, 2018, the Board approved the IA Annual Audit Plan. The Accounts Receivable Follow-Up Audit - Watermaster Agreement was scheduled in the Annual Audit Plan.

On September 16, 2015, the Board received and filed the first Intercompany Accounts Receivables Follow-Up Review, which included Chino Basin Watermaster.

On September 21, 2011 the Board received and filed the original Accounts Receivable Audit for the Chino Basin Watermaster.

Environmental Determination:

Not Applicable

Business Goal:

The Accounts Receivable Follow-Up Audit for Watermaster is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing independent evaluations and audit services of Agency activities and making recommendations to foster a strong ethical and internal control environment, provide efficiencies, safeguard assets and assist management in achieving organizational goals.


Attachments:

Attachment 1 - Accounts Receivable Follow-Up Audit - Watermaster Agreement Report



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DATE: February 26, 2019
TO: Kirby Brill
Interim General Manager

FROM: 
Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Accounts Receivable Follow-Up Audit – Watermaster Agreement

Audit Authority

The Internal Audit (IA) Department's Charter requires that IA follow-up on the status of audit recommendations to determine if corrective actions were taken. This follow-up review was performed under the authority provided by the Inland Empire Utilities Agency (IEUA or Agency) Board of Directors and the Fiscal Year 2018/19 Annual Audit Plan. IA completed a follow-up review of one remaining recommendation related to the Accounts Receivable Audit for the Chino Basin Watermaster report, dated August 30, 2011.

Audit Objective and Scope

The purpose of this follow-up review was to evaluate whether the original recommendation has been implemented. IA determined the recommendation is now closed. IA did not expand the scope of the review to evaluate additional areas, further reviews will be scheduled through the Board-approved Annual Audit Plan. The attached report provides details of our review.

Acknowledgements

IA would like to extend our appreciation to the Finance and Accounting Department (FAD) staff for their cooperation and assistance during this follow-up review.

Discussions with Management

IA provided the results of this follow-up review to FAD for their review and comments prior to finalizing this report.

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Director

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Interim General Manager

Background

The Agency has two recurring receivables from Chino Basin Watermaster (Watermaster), one is for Operations and Maintenance (O&M) costs, while the other is for Debt Service related to the issuance of bonds. This follow-up recommendation is related to the receivable associated with the O&M costs.

The Chino Basin Recharge Master Plan Agreement (O&M agreement) is a 30-year contract that defines the terms and conditions for reimbursement of the O&M costs to IEUA (agreement will expire on December 31, 2032). According to the O&M agreement, Watermaster is required to pay IEUA quarterly, in advance, the estimated amount of the total budget that is expected to be expended during the quarter. Thus, IEUA will receive four quarterly payments from Watermaster for reimbursable O&M costs during the fiscal year (FY).

The original 2011 Accounts Receivable Audit report provided six recommendations to tighten controls and improve billing and receivable functions. After a 2015 follow-up review one recommendation remained outstanding and it is associated with the quarterly billing and payment from Watermaster.

This report provides a status on the outstanding recommendation.

Original 2011 Recommendation #1:

Fiscal Management Department should establish procedures to prepare and submit invoices to Watermaster prior to the beginning of the quarter to allow payment by Watermaster before the quarter begins.

Status: Recommendation Closed

During the 2011 original audit, IA identified that the payments made by Watermaster to IEUA were not timely according to the O&M agreement. The agreement states:

“Quarterly, in advance, Watermaster will pay to IEUA the portion, as shown by the Consolidated Budget, of the estimated amount needed to fund the portion of the total budget to be expended during the quarter.”

The original observation noted that IEUA was not billing “in advance” of the quarter, therefore, Watermaster was not able to remit payment “in advance” as required by the agreement. IA noted payments were received between 11-113 days *after* the start of the quarter with an average per fiscal year of between 17 and 60 days after the start of the quarter for the 3 years from FY 2008 to 2010.

The O&M agreement does not provide any guidelines and/or procedures on invoicing but stipulates that Watermaster should pay IEUA “in advance”. To submit payment, Watermaster relies on the invoices prepared by IEUA. In all instances Watermaster paid within the Agency’s net terms of 15 days. The original recommendation was provided

because the Agency's practice for billing and receipt of payment from Watermaster was not "in advance" of the corresponding quarter. IA determined that not billing and receiving payment "in advance" does not comply with the requirements of the O&M agreement and therefore, may present a potential risk to the Agency for non-compliance with the agreement language.

For this 2019 follow-up evaluation, IA evaluated the billing and receipt of payment from Watermaster for reimbursable O&M costs during the three fiscal years FY 2016/17 through the most current payment (quarter 3 of FY 2018/19). The review identified that improvements have been made in billing Watermaster "in advance" of the quarter. However, IA identified instances where billing and receipt of payment continues to be *after* the start of the quarter. Watermaster payments were received between 4 days in advance to 80 days after the start of the quarter, with an overall average of 16 days after the start of the quarter and a "per fiscal year average" of 7 to 25 days *after* the start of the quarter. Of the 11 payments evaluated, 2 were received "in advance of the quarter".

The analysis shows this is an improvement over prior reviews performed by IA. In comparison to more recent years, the attachment (**Attachment 1**) shows that billings were ranging from 11 to 113 days after the start of the quarter (and "a per fiscal year average" range between 17 days and 60 days after the start of the quarter) for 2008 to 2010.

For the current fiscal year, FY 2018/19, IA noted significant improvements. For Quarter 1 FAD completed the billing only one day after the beginning of the quarter. For Quarter 2, Finance and Accounting completed the billing 4 days in advance of the quarter but since the net payment terms are 15 days, the payment was received after the quarter. Lastly, for Quarter 3, both the billing and payment were both completed in advance of the quarter. At the time of our review, Quarter 4 was not yet due.

FAD has made improvements and is now billing sooner and in some cases in advance of the quarter. IA recommends FAD continue to work to implement additional controls and processes to ensure payments are received in advance of the quarter. Based on these improvements and analysis in FY 2018/19, it appears that FAD can implement processes to bill and collect in advance as required by the agreement.

Response by Finance and Accounting:

Finance and Accounting agreed to implement processes to ensure the billing for two of the four quarters (3rd and 4th quarters) is completed two weeks before the end of the previous quarter to allow Watermaster time to make the payment within IEUA's payment terms of 15 days; therefore, in those quarters the payment would be received "in advance" of the quarter.

Additionally, Finance and Accounting stated that they are not able to process the billing and receive payment "in advance" of the quarter for the 1st quarter because accounting staff require an adopted budget from the Board of Directors to determine the basis for the

quarterly billing amounts. Also, Finance and Accounting stated that they are not able to process the billing and receive payment “in advance” of the quarter for the 2nd quarter because they must complete a reconciliation of the prior fiscal year’s billings and apply any credits for prior year overbillings in comparison to actual results.

FAD is aware of options discussed with Internal Audit to address the potential risk exposure of what may appear to be non-compliance with the agreement when the billing and receiving of payment is not “in advance” of the quarter. One option is for FAD to take the lead to amend the language and the requirement of the agreement to provide flexibility in the time frame of billing and payments so that it agrees with the Agency’s current billing practice. Another option is for FAD to seek legal guidance/interpretation and clarification on the current language of the agreement to compare and evaluate the current practice of the Agency’s billings, to ensure there is no risk exposure with the current billing methodology or with billing after the quarter. FAD indicated that they will not pursue either option because seeking legal guidance or amending the agreement may be costly and not necessary.

As noted in this report, FAD has made positive efforts to implement and minimize the number of days the Agency bills and collects after the quarter and FAD stated they will continue to ensure billings are timely during two of the four quarters. IA will close-out this recommendation unless the Audit Committee provides guidance for further review and evaluation. As required by the Charter and professional auditing standards, IA has communicated the potential risk of non-compliance with the O&M agreement for instances when the billing and payment are not completed “in advance” of the quarter. IA determines that the risk is low to the Agency. IA acknowledges FAD’s response above, indicating FAD’s acceptance of potential risk of non-compliance and that the potential risk lies within the Agency’s risk tolerance for this specific agreement. Based on the results of this review and the two prior reviews (2011, 2015) all received and filed by the Audit Committee and the Board of Directors, IA has complied with its reporting requirements.

The Accounts Receivable Follow-Up Audit – Watermaster Agreement is consistent with the Agency’s Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that the recommendations foster a strong control environment and assist management in achieving organizational goals and objectives.

Attachment 1: IA's review of the O&M Billing and Receipt of Payment from Chino Basin Watermaster

Observation	Fiscal Year	Quarter	Months	Invoice Amount	First day of the Quarter (1)	Invoice Date (2)	Number of Days between First day of the Quarter and Invoice Date (1) - (2)	Invoice Due Date (3)	Date Payment Received (4)	Number of Days Payment received after the 1st day of the Quarter (1) - (4)	Average Number of Days Payment received after the 1st day of the Quarter
Original Audit	2007/08	1Q	July 1 - Sept 30	\$190,000.00	7/1/2007	7/2/2007	1	7/17/2007	7/30/2007	29	17
		2Q	Oct 1 - Dec 31	\$190,000.00	10/1/2007	10/1/2007	0	10/16/2007	10/12/2007	11	
		3Q	Jan 1 - March 31	\$190,000.00	1/1/2008	1/2/2008	1	1/17/2008	1/16/2008	15	
		4Q	April 1 - June 30	\$190,000.00	4/1/2008	4/1/2008	0	4/16/2008	4/14/2008	13	
	2008/09	1Q	July 1 - Sept 30	\$159,441.73	7/1/2008	7/30/2008	29	7/30/2008	8/12/2008	41	60
		2Q	Oct 1 - Dec 31	\$140,388.41	10/1/2008	12/22/2008	82	12/22/2008	1/14/2009	103	
		3Q	Jan 1 - March 31	\$149,915.07	1/1/2009	3/2/2009	60	3/2/2009	3/11/2009	70	
		4Q	April 1 - June 30	\$149,915.07	4/1/2009	4/8/2009	7	4/8/2009	4/28/2009	27	
	2009/10	1Q	July 1 - Sept 30	\$161,886.25	7/1/2009	8/5/2009	35	8/5/2009	8/28/2009	57	33
		2Q	Oct 1 - Dec 31	\$166,828.59	10/1/2009	10/1/2009	0	10/16/2009	10/19/2009	18	
		3Q	Jan 1 - March 31	\$161,886.25	1/1/2010	1/7/2010	6	1/22/2010	2/1/2010	30	
		4Q	April 1 - June 30	\$161,886.25	4/1/2010	4/1/2010	0	4/16/2010	4/26/2010	25	
Continuous Follow-up review	2010/11	1Q	July 1 - Sept 30	\$171,158.01	7/1/2010	7/13/2010	12	7/28/2010	8/2/2010	31	31
		2Q	Oct 1 - Dec 31	\$173,527.31	10/1/2010	10/20/2010	19	11/4/2010	11/1/2010	30	
		3Q	Jan 1 - March 31	\$171,158.01	1/1/2011	1/13/2011	12	1/28/2011	2/2/2011	31	
		4Q	April 1 - June 30	\$171,158.01	4/1/2011	4/4/2011	3	4/19/2011	N/A	N/A	
	2011/12	1Q	July 1 - Sept 30	\$180,656.82	7/1/2011	7/28/2011	27	8/12/2011	8/16/2011	45	28
		2Q	Oct 1 - Dec 31	\$180,656.82	10/1/2011	10/10/2011	9	10/25/2011	10/24/2011	23	
		3Q	Jan 1 - March 31	\$177,576.69	1/1/2012	1/18/2012	17	2/2/2012	N/A	N/A	
		4Q	April 1 - June 30	\$180,656.82	4/1/2012	4/2/2012	1	4/17/2012	4/17/2012	16	
	2012/13	1Q	July 1 - Sept 30	\$208,488.25	7/1/2012	7/22/2012	21	8/6/2012	7/30/2012	29	48
		2Q	Oct 1 - Dec 31	\$208,488.25	10/1/2012	10/15/2012	14	10/30/2012	10/29/2012	28	
		3Q	Jan 1 - March 31	\$131,623.60	1/1/2013	4/10/2013	99	4/25/2013	4/24/2013	113	
		4Q	April 1 - June 30	\$208,488.25	4/1/2013	4/10/2013	9	4/25/2013	4/24/2013	23	
	2013/14	1Q	July 1 - Sept 30	\$198,694.00	7/1/2013	8/21/2013	51	9/5/2013	9/5/2013	64	52
		2Q	Oct 1 - Dec 31	\$198,694.00	10/1/2013	10/28/2013	27	11/12/2013	11/8/2013	37	
		3Q	Jan 1 - March 31	\$198,694.00	1/1/2014	3/6/2014	64	3/21/2014	3/20/2014	79	
		4Q	April 1 - June 30	\$122,705.66	4/1/2014	4/14/2014	13	4/29/2014	4/29/2014	28	
2014/15	1Q	July 1 - Sept 30	\$185,423.12	7/1/2014	7/2/2014	1	7/17/2014	7/14/2014	13	40	
	2Q	Oct 1 - Dec 31	\$38,447.36	10/1/2014	10/27/2014	26	11/11/2014	1/21/2015	110		
	3Q	Jan 1 - March 31	\$185,423.12	1/1/2015	1/5/2015	4	1/20/2015	1/21/2015	20		
	4Q	April 1 - June 30	\$185,423.12	4/1/2015	4/1/2015	0	4/16/2015	4/16/2015	15		
2015/16	1Q	July 1 - Sept 30	\$197,976.87	7/1/2015	7/1/2015	0	7/16/2015	7/13/2015	12	5	
	2Q	Oct 1 - Dec 31	\$197,976.87	10/1/2015	9/9/2015	(22)	9/24/2015	9/25/2015	(6)		
	3Q	Jan 1 - March 31	\$(108,234.23)	1/1/2016	12/9/2015	(23)	12/24/2015	N/A	N/A		
	4Q	April 1 - June 30	\$197,976.87	4/1/2016	3/28/2016	(4)	4/12/2016	4/11/2016	10		

Accounts Receivable Follow-Up Audit – Watermaster Agreement
 February 26, 2019
 Page 6 of 6

Observation	Fiscal Year	Quarter	Months	Invoice Amount	First day of the Quarter (1)	Invoice Date (2)	Number of Days between First day of the Quarter and Invoice Date (1) - (2)	Invoice Due Date (3)	Date Payment Received (4)	Number of Days <i>Payment received after the 1st day of the Quarter</i> (1) - (4)	Average <i>Number of Days Payment received after the 1st day of the Quarter</i>
2019 Follow-up review	2016/17	1Q	July 1 - Sept 30	\$243,510.82	7/1/2016	7/11/2016	10	7/26/2016	7/25/2016	24	25
		2Q	Oct 1 - Dec 31	\$243,510.82	10/1/2016	9/19/2016	(12)	10/4/2016	9/30/2016	(1)	
		3Q	Jan 1 - March 31	\$217,185.73	1/1/2017	3/6/2017	64	3/21/2017	3/21/2017	80	
		4Q	April 1 - June 30	\$243,510.82	4/1/2017	3/15/2017	(17)	3/30/2017	3/29/2017	(2)	
	2017/18	1Q	July 1 - Sept 30	\$264,407.72	7/1/2017	7/6/2017	5	7/21/2017	7/17/2017	16	14
		2Q	Oct 1 - Dec 31	\$64,407.72	10/1/2017	9/17/2017	(14)	10/2/2017	10/2/2017	1	
		3Q	Jan 1 - March 31	\$71,090.89	1/1/2018	1/17/2018	16	2/1/2018	2/8/2018	37	
		4Q	April 1 - June 30	\$264,407.93	4/1/2018	3/15/2018	(17)	3/30/2018	4/2/2018	1	
	2018/19	1Q	July 1 - Sept 30	\$293,578.73	7/1/2018	7/2/2018	1	7/17/2018	7/16/2018	15	7
		2Q	Oct 1 - Dec 31	\$293,578.73	10/1/2018	9/27/2018	(4)	10/12/2018	10/11/2018	10	
		3Q	Jan 1 - March 31	\$2,068.38	1/1/2019	12/20/2018	(12)	1/4/2019	12/27/2018	(4)	
		4Q	April 1 - June 30								
Billing in Progress											

**INFORMATION
ITEM**

4U

Date: March 20, 2019

To: The Honorable Board of Directors

From: Teresa Velarde, Manager of Internal Audit

Committee: Audit

03/11/19

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Water Connection Fees Audit

Executive Summary:

Internal Audit completed an audit of water connection fees for the period from January 1, 2016 to June 30, 2018. The objectives were: evaluate internal controls; determine compliance with the Agency's policies and procedures; evaluate collection, recognition and reconciliation of revenue; and identify opportunities for improvements.

The audit found the Agency has effective controls in place over collecting fees and provides recommendations related to:

- Eliminate duplicate activities & systems to streamline processes and achieve single-entry SAP.
- Reconcile transactions to building permits/water meters issued by contracting agencies & water districts and also reconcile on a regular basis on the different internal databases.
- Provide revised wording for Agency's Ordinance & Resolution for adoption to clarify and update policies and provide flexibility in payments.
- Finalize department standard operating procedure to ensure it includes all tasks & duties.
- Work with all related parties to pursue all possible approaches, to ensure all water connection fees are collected, including any delinquent fees.

The attached report provides details of all observations and recommendations.

Staff's Recommendation:

This is an information item.

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

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 20, 2018, the Board approved the IA Annual Audit Plan. The Water Connection Fees Audit was scheduled in the Annual Audit Plan.

Environmental Determination:

Not Applicable

Business Goal:

IA's Water Connection Fees Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that IA's evaluations provide recommendations for efficiencies, improving and safeguarding the Agency's fiscal health, promoting a strong control environment and assisting Agency management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Water Connection Fees Audit Report
Attachment 2 - PowerPoint



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DATE: February 25, 2019
TO: Kirby Brill
Interim General Manager
Teresa V. Velarde
FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Water Connection Fees Audit – Audit Report

Audit Authority

The Inland Empire Utilities Agency Internal Audit Department (IA) has performed an audit of water connection fees. The audit was performed under the authority given by the Board of Directors, the Fiscal Year 2018/19 Annual Audit Plan and as requested by the Audit Committee. IA provided an Interim Audit Report at the December 10, 2018 Audit Committee meeting for review and discussion. The attached final report discusses IA's observations and recommendations.

Audit Scope:

The audit objectives were to:

- Ensure adequate internal controls are in place
- Determine compliance with the Agency's Ordinance and Resolution
- Evaluate the collection and recognition of revenue
- Determine whether there are procedures to reconcile fees collected
- Determine compliance with Agency policies and procedures
- Identify opportunities for improvements

Audit Results - Executive Summary

The Agency began collecting water connection fees on January 1, 2016. The transactions are processed by the Planning and Environmental Resources Department (Planning). Revenues are collected and recorded in the Agency's financial records by the Finance and Accounting Department (FAD). The audit found that the Agency has effective controls in place over collecting fees. It should be noted that the Agency relies on the "honor system" with local contracting agencies and water districts to ensure each cooperates and reports all new water connections. IA found opportunities for efficiencies:

Single-entry into SAP

The Agency currently relies on two systems to record and track water connection fee transactions. Agency staff should work to:

- Eliminate duplicate activities and systems to streamline processes using SAP.

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Interim General Manager

- Reconcile water connection fee information in the Agency records to the building permits and/or water meters that have been issued by the contracting agencies and water districts.
- Periodically reconcile connection fee transactions on the two different internal databases/systems to ensure differences are evaluated and corrected immediately.

Policy and Procedures

The Agency has been collecting water connection fees for three years and staff have identified opportunities to clarify and update policy language in the areas of payments and other; Planning staff should:

- Provide Executive Management and the Board suggestions and proposed updates to revise to the water connection fee Ordinance and Resolution
- Finalize the draft standard operating procedure and ensure it documents the tasks and procedures associated with the water connection fee processes.

Fee Collections

Since January 2016, the Agency has collected over \$14 million in water connection fee revenues through fiscal year 2017/2018. The revenue is based on the “honor system” because the Agency relies on contracting agencies’ and local water districts to inform their customers about paying the water connection fee directly to IEUA before their project is permitted and water meter is issued. IEUA relies on the cooperation of the agencies and districts to ensure collection.

- The Agency should pursue all possible approaches, including establishing written agreements to ensure all fees are collected.
- The Agency should pursue collection of delinquent water connection fees through various methods, including through tax liens as permitted under the Board-approved Ordinance.

The attached report provides complete details of the audit observations and recommendations specific to the items noted above.

Discussions with Management and Acknowledgements

Drafts of this audit report were provided to Planning and FAD on February 5, 2019 and February 13, 2019 for their review and comments prior to finalizing and their responses have been incorporated. Internal Audit would like to extend our appreciation to Planning, FAD and BIS for their cooperation and assistance during this review.

The Water Connection Fees Audit - Audit Report is consistent with the Agency’s Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA’s evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Water Connection Fees

Background:

The IEUA Board of Directors established the water connection fee as of January 1, 2016 by approving Agency Ordinance #103 (now revised as #104). The Ordinance requires that any residential or commercial real estate developer that wants to connect to a water service must pay a fee directly to IEUA based on the meter size of their water connection. In practice, IEUA must coordinate with local contracting agencies and water districts responsible for installing or issuing water meters so that IEUA is aware of each upcoming development and can collect the fee. The water connection fee process is considered to be “on the honor system”, because IEUA does not have independent information about new developments and must rely on the efforts of the contracting agencies and water districts to coordinate and verify that developers pay IEUA's fee before permits are issued or development begins. IEUA provides each developer with a receipt or other evidence of fee payment so that the local contracting agencies and water districts can issue building permits and/or water meters for the projects.

According to the 2018 CAFR (page XXXII):

A water connection fee was established to support capital investments intended to enhance and expand the regional water distribution system and groundwater recharge facilities. The water connection fee is applicable to all potable and recycled water connections and upgrades and is based on meter size . . .

Agency's Ordinance #104 – Establishing Water Connection Fees, page 11:

The water connection fees shall be established and collected by IEUA in order to proportionally recover the costs to create regional supplies that are available to meet the water demands of future development. Any customer requesting a new connection to a water distribution system within IEUA's service area, or requiring an additional connection as a result of any addition, improvement, or change in use of an existing connection to a water distribution system shall pay a water connection fee. An existing customer's request to modify an existing connection will be reviewed by IEUA's General Manager or his/her designee on a case by case basis to determine if the customer is subject to payment of the water connection fee. The connection fee may not be sold, traded, or conveyed in a manner to another site or customer. The connection does not convey or imply ownership in or of any facilities of IEUA's water system.

Customers subject to payment of the water connection fee shall pay 100% of the fee prior to issuance of the applicable permit to construct. Any plan changes may result in a revised connection fee payment. Assessment of the applicable connection fee will be based on the date that IEUA receives the final permit application and building plans. If full payment of all fees and charges is not received in accordance with the Resolution payment requirements, the new or additional water services will not be authorized.

And, page 12:

The connection fees have been developed in accordance with California Government Code §66013 and California Water Code §71616 and shall include, but not be limited to, components for:

- (A) The cost for the construction of capture, treatment, transmission, distribution, and injection facilities;
- (B) The cost incurred for the Water Conservation Program which includes Conservation and Drought Charges;
- (C) Providing a reasonable reserve for improvements, extensions, and enlargements for system reliability and associated debt service costs;
- (D) The cost to administer the program incurred by IEUA; and
- (E) Any other costs that are deemed appropriate and comply with governing laws.

The Board of Directors shall establish said connection fees by Resolution and shall adjust said fees from time to time by Resolution. Written notice of the proposed establishment of water rates or amendment of water rates shall be given to all local agencies not less than 15 days prior to the meeting at which such Resolution will be considered.

The Agency's Board also adopted Resolution No. 2015-5-6 which established a five-year rate structure based on the meter size of the water connection:

Meter: Size of Connection	Fiscal Year & Effective Date					
	2015/16	2016/17		2017/18	2018/19	2019/20
	1/1/2016	7/1/2016	1/1/2017	7/1/2017	7/1/2018	7/1/2019
5/8"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
3/4"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
1"	\$1,733	\$1,733	\$3,638	\$3,818	\$4,011	\$4,211
1.5"	\$3,465	\$3,465	\$7,275	\$7,635	\$8,020	\$8,420
2"	\$5,544	\$5,544	\$11,640	\$12,216	\$12,832	\$13,472
3"	\$12,128	\$12,128	\$25,463	\$26,723	\$28,071	\$29,471
4"	\$21,830	\$21,830	\$45,833	\$48,101	\$50,527	\$53,047
6"	\$48,510	\$48,510	\$101,850	\$106,890	\$112,280	\$117,880
8"	\$83,160	\$83,160	\$174,600	\$183,240	\$192,480	\$202,080
10"	\$103,950	\$103,950	\$218,250	\$229,050	\$240,600	\$252,600
12"	\$121,275	\$121,275	\$254,625	\$267,225	\$280,700	\$294,700

The fees were intended to “phase-in” and achieve full “cost of service”.

Revenues

According to the Agency’s CAFR and details in SAP, the water connection fee has resulted in the following revenues:

Water Connection Fees as Reported on the CAFR/SAP				
AGENCY	2015/16	2016/17	2017/18	TOTAL
City of Chino	\$245,379	\$1,054,707	\$2,026,433	\$3,326,519
City of Chino Hills	\$82,473	\$1,280,212	\$992,302	\$2,354,987
Cucamonga Valley Water District	\$60,992	\$341,861	\$1,156,304	\$1,559,157
Fontana Water Company	\$107,075	\$740,884	\$624,903	\$1,472,862
Monte Vista Water District	\$34,654	\$138,605	\$85,512	\$258,771
City of Ontario	\$302,496	\$1,291,148	\$2,652,342	\$4,245,986
City of Upland	\$163,941	\$567,518	\$351,482	\$1,082,941
Total Amounts	\$997,010	\$5,414,935	\$7,889,278	\$14,301,223

Water connection fee transactions are processed by Planning, including providing receipts to developers. The revenues are collected, deposited in the bank and recorded in the Agency’s accounting records by the Finance and Accounting Department (FAD).

Business Information Services (BIS) developed a Building Activity Tracking database for Planning to record fee collections information and provide pre-numbered receipts. The database also provides several automated, standardized reports that are available on the Agency’s internal website under the IEUA REPORTS tab in the “Building Activity Tracking” folder. These reports provide information about transactions with details and can be sorted in a variety of ways, such as by meter size, by developer name, by responsible agency, by fiscal year, as well as including a variety of search features for analysis. Planning also maintains electronic files to document the building plans, meter sizes, check copies and other information.

When the water connection fee was initially approved by the Board, Planning staff met with each of the entities that provide permits for water meters for new development to inform them of the upcoming fee and establish procedures to notify IEUA. The agencies that IEUA interacts with are those that are responsible for issuing or installing the water meter in their community and include both contracting agencies to the Regional Contract and local water districts that are independent of IEUA (other than for wholesale purchases of Metropolitan Water District water). Those that have participated in the fee collection process are:

CONTRACTING AGENCIES

City of Chino
City of Chino Hills
Cucamonga Valley Water District
City of Ontario
City of Upland

LOCAL WATER DISTRICTS

Fontana Water Company/San Gabriel Valley Water District
(FWC/SGVWD)
Monte Vista Water District (MVWD)

There are two additional water districts within IEUA's service area that are also responsible for collecting the water connection fee. These water districts are the San Antonio Water Company (SAWCO) which serves the county area north of Upland and the West Valley Water District which serves a portion of north Fontana. Since the inception of the water connection fee program, neither of these water districts have reported any new connections. West Valley Water District has advised IEUA regarding future development in their service area in north Fontana.

The contracting agencies and local water districts are not compensated for costs they incur to assist IEUA in collecting the water connection fee. According to Planning staff, the costs incurred by the contracting agencies and local water districts to provide information to IEUA about new water connections was not included as part of the initial rate study performed in 2015 that established the water connection fee. The Agency is currently undergoing a new rate study.

Fee collection process

The fee collection process has multiple steps:

- The local permitting entities that report connections to IEUA (FWC/SGVWD, MVWD, Cucamonga Valley Water District and the cities of Chino, Chino Hills, Ontario and Upland) inform IEUA's Planning department when a developer will be issued a new water meter. The notifications are sent by e-mail and include the developer's name, the development location, the size of the meter and copies of the relevant building plans.
- The Agency has established a fee counter in Building B of the Agency's headquarters where fees are paid. Developers are met at the fee counter by Planning staff when they arrive with the fee payment. The payment can also be mailed to the Agency.
- Planning staff compare the information that they have received from the contracting agencies/water districts to what the developer has provided, enter the information into the Building Activity Tracking database created by BIS and issue a prenumbered receipt to the developer.
- The developer uses the receipt to provide verification to the contracting agency/water district to obtain the water meter for installation.

- All cash receipts, both those received by mail and developer's check brought in to the fee counter are entered into a hand-written logbook maintained by the Agency's receptionist.
- Planning leaves the check with the logbook at the front desk and notifies FAD to pick it up for deposit.
- When Planning has processed the payment for a proposed water connection, Planning staff also notify FAD with a group e-mail and all the attachments Planning has received from the developer and/or contracting agency/water district.
- Accounts Receivable staff in FAD prepare an invoice in SAP to recognize revenue in the Agency's SAP records. This is prepared when they receive the information from Planning, generally after the cash has been delivered by the developer to the counter. In some instances (mostly related to the Fontana Water Company) FAD will prepare the billing based on information received from Planning without the Agency receiving payment. These are mostly instances, where the Agency is trying to collect fees after water meters have been installed.
- FAD staff collect the check from the receptionist for online bank deposit. One of the General Ledger Accountants prepares the deposit slip which is then approved by the department's Principal Accountant. Deposits are made as frequently as necessary.
- FAD's administrative staff then scans the deposit and transmits it electronically to the Agency's bank account. This enters the cash receipt into SAP and clears the receivable balance.
- Periodically, based on activity, FAD provides an SAP report to Planning staff listing all water connection fee activity. Planning staff compares the SAP report to their database information.
- Finally, FAD reconciles the bank account monthly to verify all deposit activity.

The fee collection process provides segregation of functions between Planning and FAD which is considered a best practice. The disadvantage of having this level of segregation of functions is the duplication of information stored multiple times (both electronically and physically) in different Agency systems. The supporting documentation and information associated with water connection fees includes:

- Copies of development plans, meter size information and local agency approvals
- Copies of the developer's check
- Copies of the prenumbered receipt
- Copies of the Agency invoice
- Copies of the bank deposit

- the receptionist's hand-written cash receipts log
- Copies of emails/correspondence
- Copies of letters and billing documents

Electronic and manual copies of some or all of these documents are stored multiple times and in multiple places in Agency records. These include:

- Planning department's internal electronic records
- E-mail and E-mail attachments to multiple recipients
- Accounts receivable scan log
- Accounts receivable invoicing attachment in SAP
- FAD department scan log – cash receipts function
- Cash receipts attachment in SAP
- Manual file cabinet in Accounts Receivable
- Bank deposit details and bank statement back-ups

Audit Approach:

IA performed the following audit techniques and procedures:

- Interviews of Planning staff, FAD staff and BIS staff
- Observations of various transactions separately with Planning and FAD staff
- A review of the Agency's Ordinance, Resolution and Planning's draft (SOP).
- An analysis of financial transactions
- Reconciliations between different recordkeeping databases and reports
- Review of supporting documents in SAP and manual and electronic files

Observations and Recommendations

Single-entry into SAP

Observation #1: Eliminate duplicate activities and systems to streamline processes

The Agency currently relies on and uses two separate systems to record, track and reconcile water connection fee transactions. Planning utilizes the BIS developed Building Activity Tracking database to record transactions and provide receipts to developers. FAD records billings, revenues and cash receipts in the Agency's SAP accounting system, which includes the same/duplicate information that Planning entered into the Building Activity Tracking database.

Although separate systems enhance segregation of duties, they have the disadvantage that information is entered and stored multiple times in Agency systems. It can also result in inconsistencies between the separate systems, requiring regular reconciliation processes.

SAP may provide the necessary controls to process water connection fees into only one system. Fully utilizing SAP can streamline business processes, record-keeping, data analysis and data storage. SAP provides features to assign “roles” and “authorizations or permissions” that can limit the types of access granted to different functions within an organization. SAP has the capability to run needed reports for analysis by different staff. The advantage would be a single database and reporting capabilities.

To improve efficiencies and move toward a paperless environment or at least a more efficient/streamlined process, SAP should be fully utilized to eliminate the need to store manual printed copies of documents (such as invoices and receipts), to reduce duplication of scanning/copying documents and any duplicate/redundant recordkeeping. Planning should be able to enter water connection fee data and print receipts directly through SAP and upload supporting documents. FAD should be able to enter and process the cash receipts and perform reconciliations. There may be a one-time implementation cost, but that should be compared to the long-term benefits for the Agency.

Recommendation #1:

Planning should take the lead to work with FAD and BIS to fully utilize SAP’s capabilities to streamline entering fee activity into only one system through a secure process. Planning should enter water connection fee transaction data and print receipts directly from SAP. FAD should enter and process the cash receipts and perform reconciliations. In addition, the system should be able to produce the necessary information reports for analysis.

Observation #2: Reconciliation between IEUA’s Planning Database and the contracting agencies/water districts’ building or water meter permit information

The audit noted there is a need to ensure all owed water connection fees are paid and reported to IEUA. The audit revealed there is a need to reconcile outside and additional information to ensure all connection fees are reported and paid according to the Ordinance requirements. This requires coordination with the agencies and water districts to share reports of water meters sold and new development in their areas.

Planning stated that there is generally adequate support from the contracting agencies to collect the fee. Planning staff have, however noted greater difficulty obtaining information from the local water districts (FWC/SGVWD and MVWD) and the two small water districts within IEUA’s service area; the San Antonio Water Company (SAWCO) and the West Valley Water District (WVWD).

Planning has mentioned the importance of preparing a reconciliation that would compare the Agency’s information about payments for water connection fees to the contracting agencies or water districts’ information about water meters issued by them. According to Planning, they have received enough information from the contracting agencies and local water districts and have completed the comparison for the first six months, from January 1, 2016 to June 30, 2016. Additional reconciliations are in progress. According to Planning, completing the reconciliations is dependent on available staff resources and

obtaining information from the contracting agencies and water districts. IA recommends these recommendations be completed periodically, preferably quarterly, but at a minimum every six months.

Recommendation #2

Planning should take the lead to continue to work with the contracting agencies and water districts to ensure the water connection fees information in the Agency's systems is reconciled to the building permits and/or water meters that have been issued by the contracting agencies and water districts (ideally quarterly, but at least semi-annually).

Planning response:

Planning stated that they requested regular annual water meter information and reports from the Agency's partners, both in preliminary discussions before the fee started and in the many meetings since then. Planning staff is doing the best they can, given this is a new program among the many other responsibilities of staff. Planning noted that collecting water connection fees and completing reconciliations has been a challenge, due to the lack of cooperation from some contracting agencies and local water districts and with the limited resources of the department and hope additional resources are shifted/provided for this program.

Observation #3: Reconciliation of Building Activity Tracking Database to SAP

If the Agency chooses to maintain two separate systems, or at least until a single SAP system approach can be implemented, FAD should prepare a regular reconciliation that compares the information logged by the Planning department in the Building Activity Tracking Database to the information entered into SAP by FAD.

As part of the audit, IA obtained "crystal" reports from the Building Activity Tracking database. IA also obtained reports generated from the Agency's SAP financial system. IA compared the transactions in both reports, and additionally compared these to the information recorded in the manual cash receipts journal maintained at the front desk by the receptionist who logs all checks received. IA noted differences that should be resolved with periodic reconciliations and communication among the three areas.

IA worked with Planning and FAD to identify the reasons for the differences noted between the various reports for water connection fees.

As a result of these audit steps, the reconciliation was recently completed by FAD for the 2 ½ years from January 1, 2016 to June 30, 2018 and FAD has committed to continuing to perform this reconciliation on a regular quarterly basis.

FAD and Planning evaluated the reconciling items and resolved them. The reconciliation found that the building activity tracking database is not generally updated for activity after the initial transactions are recorded resulting in most of the reconciling items. It also found a number of instances where a billing in one fiscal year was not corrected until a subsequent fiscal year and some instances of corrections that had yet to be made. The reconciliation found \$9,010 in additional corrections to be made in SAP for fiscal year

2015/16 errors. This is in addition to the \$26,723 for fiscal year 2016/17 errors already corrected in SAP in the 2018/19 fiscal year. A best practice is to prepare reconciliations on a timely basis so that corrections can be made in the same fiscal year as the initial transaction.

The amounts noted showing which fiscal year that they were billed and which fiscal year that they were corrected or credited were:

TOTAL AMOUNT	FISCAL YEAR BILLED	FISCAL YEAR OF CREDIT
\$4,365	2015/16	2016/17
\$160,765	2016/17	2017/18
\$26,723	2017/18	2018/19
\$9,010	2015/16	2018/19
\$200,863	TOTAL CORRECTIONS/CREDITS	

The credits and corrections are for a variety of reasons. These include billings for locations that are not in the Agency’s service area and refunds for overpayments such as downgrades in meter size, etc.

Recommendation #3:

If the Agency chooses to maintain two separate systems or until a single system can be implemented, FAD should take the lead to work with Planning to establish a process to ensure reconciliations are completed on a regular and timely basis between the information in the Agency’s Building Activity Tracking Database to information in the Agency’s SAP financial system. The reconciliations should be performed preferably at least quarterly and the departments should work together to resolve any items immediately.

FAD response:

FAD had already started considering how to reconcile SAP to the Building Activity Tracking Database information, beginning with the first quarter of the current fiscal year.

Policy and Procedures

Observation #4: There is a need to update the Ordinance and Resolution

Now that the Agency has been collecting water connection fees for three years, there are opportunities to clarify and update policy language:

The water connection fee is governed by Ordinance #104 adopted on June 15, 2016 and Resolution No. 2015-5-6 adopted on May 20, 2015 both approved by the Agency’s Board of Directors. Planning staff have suggestions and updates to the Ordinance and Resolution for Executive Management and the Board of Directors to consider. In particular, updated suggestions include:

- Flexibility with the timing of the fee payment: The Ordinance currently states in Division II, Part II-Water Rates, Section 202 that customers “shall pay 100% of the fee prior to issuance of the applicable permit to construct”. It is Planning’s position that because the scope of new construction can vary, development may occur in several phases or in individual units. This may result in changes to applicable permits, to planned sizes of water connections and/or changes to the timing of development and changes in fee amounts. Additional wording could provide flexibility for which connections fees are due at which times and allow for payment to be made in phases or at different stages of development.
- Additional wording to address refunds/credits: The Ordinance mentions in Division II, Part II-Water Rates, Section 202 that a “request to modify an existing connection will be reviewed by IEUA’s General Manager or his/her designee” but does not specifically mention refunds or under what circumstances refunds would be authorized. Currently, it is Planning’s practice to issue full refund to customers when they request a change. The Ordinance does not address administrative fees necessary to process the original payment or the refund or credit.

The current authorized rate structure expires June 30, 2020, the Agency is currently working with a consultant on a rate study that will evaluate current rates and other items and make recommendations for future rates.

Recommendation #4:

Based on their experience in collecting fees Planning staff should provide Executive Management and the Board their suggestions and proposed updates for revised wording to the water connection fee Ordinance and Resolution for their consideration.

Planning response:

Planning staff already has suggestions for changes to the Ordinance to ensure the objectives of the fees are met, including revisions for timing and calculation of water connection fees and opportunities for refunds. Prior to the completion of the internal audit, FAD staff developed an RFP and the Agency’s Board of Director’s approved a contract with an independent consultant to perform a rate study to use as a basis for establishing rates for future years to include in a revised Resolution.

Observation #5: There is a need to update and finalize the draft Standard Operating Procedures used by Planning

Planning has prepared a draft of a Standard Operating Procedure (SOP) that would provide guidance about the different activities involved in the water connection fees revenue collection process, but it has not been finalized. The draft SOP that IA reviewed included information about what information should be provided by contracting agencies and water districts and the specific steps in the revenue collection process, including the receipt given to the customer and the meter release form provided to the customer and the contracting agency or water district. The draft SOP also calls for Planning to request that contracting agencies and water districts to provide details of all water connections

they have processed on a quarterly spreadsheet so that IEUA can reconcile that information to what is included in IEUA's records.

Since Planning has been collecting connection fees since 2016, staff should use their experience to update, document and finalize the SOP. SOPs serve as a manual that can be applied during staff absences and changes or for back-up employees and as a tool for training and cross training.

Recommendation #5:

Planning staff should work to update and finalize their draft SOP to document various tasks and procedures associated with the water connection fee process, including the processes to work with FAD and the contracting agencies/water districts.

Planning response:

Planning indicated they are doing the best they can, given that this is a new program among the many other responsibilities of staff. Planning noted that completing the SOP has been a challenge with the limited resources of the department and hope additional resources are provided for this program. Planning plans to have an SOP completed in the next fiscal year.

Fee Collections

Observation #6: There is a need to work closer with the contracting agencies and local water districts to verify that all water connection fees are collected as required by the Board-approved Ordinance.

The water connection fee is an Agency revenue source where the Agency interacts directly with retail customers. To ensure that the Agency receives the water connection fees as required by the Ordinance, the Agency uses the "honor system" with contracting agencies and local water districts to inform customers about the need to pay the fee to IEUA before their project is permitted or their water meter issued. Planning staff has met several times with the contracting agencies and water districts and continues to hold regular "check-in meetings" to obtain the needed cooperation. Their efforts have resulted in cooperative relationships with the contracting agencies. However, some local water districts (in particular FWC/SGVWC, SAWCO and WVWD) have not been as responsive as IEUA's contracting agencies. IA found opportunities for improvements:

Planning stated that there is generally adequate support from the contracting agencies to collect the fee, but noted greater difficulty obtaining information from the local water districts. The water districts are regulated by the Public Utilities Commission and subject to different requirements than the contracting agencies. The water districts have informed Planning that they will not include the IEUA water connection fee as part of their own notifications. They have indicated they are willing to distribute IEUA's FAQ sheet (included as Attachment #1) as a separate document, but Planning is not sure this is being done consistently.

Planning staff stated that FWC/SGVWC has not been responsive to the Agency's information requests and has not consistently informed the Agency of new water connections in their service area. FWC/SGVWC has also been uncooperative/ non-responsive in the reconciliation process with the Agency. In addition, according to Planning, FWC/SGVWC staff have cancelled meetings and been generally unavailable for discussions about cooperation.

In addition, the two small water districts within IEUA's service area that have responsibility for water meters, the San Antonio Water Company (SAWCO) and the West Valley Water District (WVWD) have not been cooperative with IEUA for information about new water connections and neither of them have reported any new water connections in their communities since the inception of IEUA's water connection fee. SAWCO has stated that the fee is not their responsibility and has written IEUA to state that the fee does not apply to them and IEUA should work with San Bernardino County instead. WVWD has brushed off information requests about new development.

IA examined a sample of 30 individual water connection fee transactions to determine whether the transactions are adequately supported with the required documentation and accurately recorded. Audit testing included observing the original source documentation from the developer and the contracting agency, the copy of the check, the deposit information and tracing the cash receipt to the relevant bank statement. This evaluation noted that even when IEUA received information from water districts about new connections, in some cases the fees remained outstanding. IA also noted that the Agency's SAP system showed no revenues had been collected from SAWCO or WVWD

To mitigate the lack of responsiveness from FWC/SGVW and WVWD, Planning staff has suggested that the Agency should consider requesting assistance from the City of Fontana to ensure the water connection fee is collected prior to the issuance of the relevant building permit. The Agency's problems with SAWCO are currently insoluble.

Recommendation #6:

Planning should continue to work with the Agency's executive management to pursue all possible approaches, including establishing agreements or other methods to ensure water connection fees are collected as intended by the Board approved Ordinance.

Observation #7: Delinquent fees should be pursued using various methods, including liens.

The Board approved Ordinance #104 requires that any new development or change in meter size be subject to the water connection fee; in Division II, Part II-Water Rates, Section 204 states that "Charges fixed by IEUA shall be a lien on all the property benefitted thereby . . . and shall have the same force and effect as other liens for taxes and may be enforced by the same means as provided for the enforcement of liens for state and county taxes."

It is FAD's responsibility to ensure that all fees due to the Agency are pursued and every attempt is made at collection. As indicated by Planning staff, there are several obstacles that prevent ensuring that all new development in areas serviced by local water districts has been reported to IEUA and that those developers have paid their fees. This results in the Agency potentially not receiving all the fees to which the Agency is entitled. According to Planning staff this was an issue when the fee was first instituted. Planning staff believe that several water connections in the City of Fontana may have been permitted without paying fees.

There have been instances when IEUA staff has attempted to collect connection fees after the fact by invoicing the developer or the address of the project if the Agency determined that fees that were owed had not been paid. However, Planning staff noted that developers have ignored invoices and receivable balances have remained outstanding for extended periods of time. Additionally, the developer may have sold the property and the new property owner may be unaware of the fee and will dispute their responsibility for it.

FAD staff stated that they have developed a Request for Proposal to find a collection agency that would pursue these amounts on the Agency's behalf for a fee amounting to 5% to 10% of the outstanding balance. If these efforts are unsuccessful, FAD believes the last potential step would be to have a lien placed on the property.

Recommendation #7:

FAD should take the lead and work to pursue the collection of delinquent fees through various methods, including the lien process as provided under the Board approved Ordinance.

FAD and Planning response:

FAD notes that there have been no delinquencies in the current fiscal year. Both departments have discussed pursuing delinquent fees through property tax bills but have not actually implemented the right to pursue through liens. FAD commits to following-up with Planning on the next steps in pursuing delinquencies.

Other Matters for Consideration

In addition to the items noted above, IA made additional observations during the course of the audit. These observations were not subjected to the same level of audit testing as the information discussed above and, therefore, are presented only for consideration.

Consider the cost to local agencies and consider reimbursement for costs

Wastewater Capital Connection Fees are held by the contracting agencies as deposits on the Agency's behalf until called by the Agency for specific construction project needs. The Regional Contract specifies that any interest income earned on these deposits remains with the Contracting Agencies, indirectly providing a level of compensation to the contracting agencies for their work collecting the fees on the Agency's behalf.

The water connection fee was instituted beginning January 2016. The fee creates an additional responsibility for the contracting agencies and for the local water districts to coordinate and transmit information to the Agency's Planning department to ensure they have adequate information to calculate fee amounts and subsequently to verify with the developer that they have a receipt for payment to IEUA. There is no compensation to them for their additional efforts and the additional workload. According to Planning the initial rate study that established the fee structure did not consider costs incurred by the contracting agencies and water districts. To meet Proposition 218's mandate that fees cover the costs of service and not more or less, the Agency should consider whether the costs incurred by the Agency's partners should be included in the water connection fee rate calculations and/or consider that reimbursing contracting agencies and districts would provide greater cooperation to provide information.

Reconcile water connections and wastewater connections

Each month the contracting agencies submit the Building Activity Report (BAR) and provide information about all wastewater connections. The BAR details the amount collected, geographical location details and other information. IEUA tracks this information in the Agency's Geographic Information System (GIS). Wastewater connections are not necessary to begin construction and may be paid for at different points in the building process, as allowed per the Regional Contract.

The water connection fee on the other hand, is paid during the initial stage of construction. Therefore, there may be a time lag of months or in rare cases, even years between obtaining the water connection information and obtaining the wastewater connection information, making a reconciliation of the two, for the same property, difficult. But in most instances, both connections are necessary.

There are a variety of reasons why a water connection or a wastewater connection are not both included at a specific location. A wastewater connection may not be necessary because the water meters are intended for irrigation, landscaping, recycled water uses or other similar purposes. Also, some locations may have a water connection but no wastewater connection if the location still uses a septic system. Comparing the data about the locations of the two types of connections and logging and understanding these exceptions can provide a tool for determining where fees have not been paid and provide other useful information to the Agency.

This reconciliation would provide information about how complete IEUA's revenue collection has been and potentially any information that may be missing from local contracting agencies and water districts.

**ATTACHMENT #1:
 WATER CONNECTION FEE FACT SHEET**



**INLAND EMPIRE UTILITIES AGENCY
 WATER CONNECTION FEE FACT SHEET**

The Inland Empire Utilities Agency (IEUA) is a regional wastewater treatment agency and wholesale distributor of imported water and recycled water. The water connection fee is a one-time fee paid to IEUA for any new or upsized water meter connection to a water distribution system within the IEUA service areas. For inquiries regarding the fee, please call (909) 313-9604 or watermeterfee@ieua.org.

- What types of meters are subject to this one-time fee?**

 - Potable Water, Recycled Water, & Landscape
 - Temporary, fire & parallel service meters are not subject to the fee
- What if I change out the water meter to a different size?**

 - The fee is determined based on the difference between the original and upsized meter. There is no fee for downsizing a meter.
- How do I calculate the fee?**

 - Fees are determined by the size and number of water meters being installed for your particular project as provided in the table below.
- When do I pay the fee?**

 - Fees are paid at the time you pay your local water agency meter fees prior to meter installation
- How do I pay the fee?**

 - Paid to IEUA located at 6075 Kimball Avenue, Chino Monday-Thursday 8:00 am - 11:30 am and 1:30 pm to 5:00 pm or by mail to: P.O. Box 9020, Chino Hills, CA 91709 Attn: Water Connection Fee
- What types of payment are accepted?**

 - Personal check & Cashier's check only
 - If sending payment by mail, include site address and Tract/Parcel # along with information cited below
- What paperwork is required to pay the fee?**

 - Signed paperwork (receipt) from the City or local water agency
 - Stamped/approved plans showing location of meters

WATER METER CONNECTION FEE RATES - EFFECTIVE JULY 1, 2018

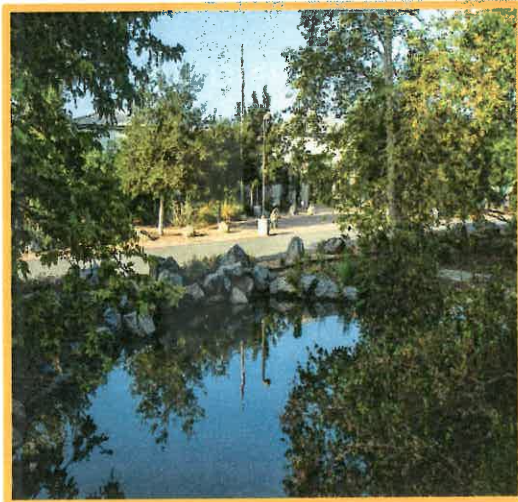
5/8" - 3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	12"
\$1,604	\$4,011	\$8,020	\$12,832	\$28,071	\$50,527	\$112,280	\$192,480	\$240,600	\$280,700

*Adopted future rates are available on the IEUA website at www.ieua.org

**ATTACHMENT #2:
 SUMMARY OF RECOMMENDATIONS**

#	DESCRIPTION
1	Planning should take the lead to work with FAD and BIS to fully utilize SAP's capabilities to streamline entering fee activity into only one system through a secure process. Planning should enter water connection fee transaction data and print receipts directly from SAP. FAD should enter and process the cash receipts and perform reconciliations. In addition, the system should be able to produce the necessary information reports for analysis.
2	Planning should take the lead to continue to work with the contracting agencies and water districts to ensure the water connection fees information in the Agency's systems is reconciled to the building permits and/or water meters that have been issued by the contracting agencies and water districts (ideally quarterly, but at least semi-annually).
3	If the Agency chooses to maintain two separate systems or until a single system can be implemented, FAD should take the lead to work with Planning to establish a process to ensure reconciliations are completed on a regular and timely basis between the information in the Agency's Building Activity Tracking Database to information in the Agency's SAP financial system. The reconciliations should be performed preferably at least quarterly and the departments should work together to resolve any items immediately.
4	Based on their experience in collecting fees Planning staff should provide Executive Management and the Board their suggestions and proposed updates for revised wording to the water connection fee Ordinance and Resolution for their consideration.
5	Planning staff should work to update and finalize their draft SOP to document various tasks and procedures associated with the water connection fee process, including the processes to work with FAD and the contracting agencies/water districts.
6	Planning should continue to work with the Agency's executive management to pursue all possible approaches, including establishing agreements or other methods to ensure water connection fees are collected as intended by the Board approved Ordinance.
7	FAD should take the lead and work to pursue the collection of delinquent fees through various methods, including the lien process as provided under the Board approved Ordinance.

Water Connection Fees Audit Final Report



Water Connection Fees Revenues

Water Connection Fees as Reported on the CAFR/SAP

AGENCY	2015/16	2016/17	2017/18	TOTAL
City of Chino	\$245,379	\$1,054,707	\$2,026,433	\$3,326,519
City of Chino Hills	\$82,473	\$1,280,212	\$992,302	\$2,354,987
Cucamonga Valley Water District	\$60,992	\$341,861	\$1,156,304	\$1,559,157
Fontana Water Company	\$107,075	\$740,884	\$624,903	\$1,472,862
Monte Vista Water District	\$34,654	\$138,605	\$85,512	\$258,771
City of Ontario	\$302,496	\$1,291,148	\$2,652,342	\$4,245,986
City of Upland	\$163,941	\$567,518	\$351,482	\$1,082,941
Total Amounts	\$997,010	\$5,414,935	\$7,889,278	\$14,301,223

Water Connection Fee Rates

Meter Size of Connection	Fiscal Year & Effective Date					
	2015/16	2016/17		2017/18	2018/19	2019/20
	1/1/2016	7/1/2016	1/1/2017	7/1/2017	7/1/2018	7/1/2019
5/8"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
3/4"	\$693	\$693	\$1,455	\$1,527	\$1,604	\$1,684
1"	\$1,733	\$1,733	\$3,638	\$3,818	\$4,011	\$4,211
1.5"	\$3,465	\$3,465	\$7,275	\$7,635	\$8,020	\$8,420
2"	\$5,544	\$5,544	\$11,640	\$12,216	\$12,832	\$13,472
3"	\$12,128	\$12,128	\$25,463	\$26,723	\$28,071	\$29,471
4"	\$21,830	\$21,830	\$45,833	\$48,101	\$50,527	\$53,047
6"	\$48,510	\$48,510	\$101,850	\$106,890	\$112,280	\$117,880
8"	\$83,160	\$83,160	\$174,600	\$183,240	\$192,480	\$202,080
10"	\$103,950	\$103,950	\$218,250	\$229,050	\$240,600	\$252,600
12"	\$121,275	\$121,275	\$254,625	\$267,225	\$280,700	\$294,700

RATES

The Agency's Board of Directors approved Resolution No. 2015-5-6. The resolution provided a five-year rate schedule for fees based on the meter size of the water connection. A new rate study is currently in progress.

Water Connection Fee Audit

MEMBER AGENCIES

- City of Chino
- City of Chino Hills
- Cucamonga Valley Water District
- City of Ontario
- City of Upland

LOCAL WATER DISTRICTS

Fontana Water Company
Monte Vista Water District

NOTE: There are also two small water districts within IEUA's service area that have responsibility for water meters. These are the San Antonio Water Company (SAWCO) which has responsibility for water meters in the county area north of Upland and the West Valley Water District (WVWD) which has responsibility for a small area within the IEUA service area in north Fontana.

RECOMMENDATIONS

Streamline Processes

- Separate databases/systems
- Single entry using SAP.
 - SAP and Building Activity Tracking Database
 - Agency records and information from contracting agencies and water districts

Policy and Procedures

Staff have already identified opportunities to clarify and update policy language.

- Flexibility in timing of payments
- Finalize the draft SOP

Fee Collections

Pursue all possible approaches for collecting fees

- Relationships and agreements
- Pursue collection of delinquent water connection fees through various methods, including through tax liens as permitted under the Board-approved Ordinance



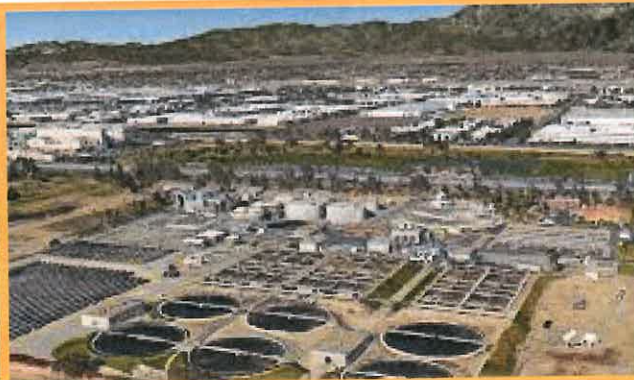
Questions & Discussion

The Water Connection Fees audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that the recommendations provided foster a strong control environment, safeguard assets, provide a safe work environment and assist management in achieving organizational goals and objectives.

**INFORMATION
ITEM**

4V

Asset Management Program Update

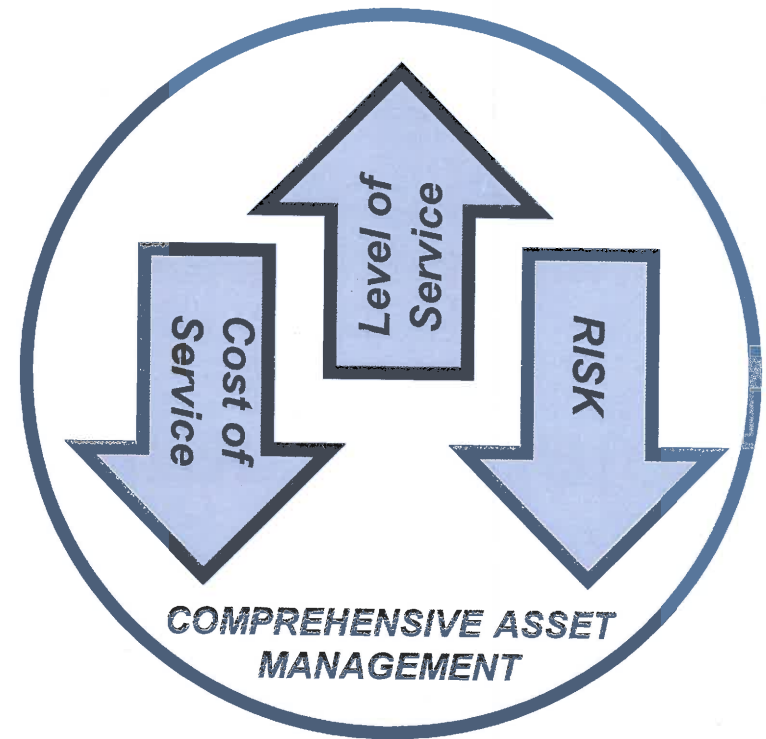


What is Asset Management (AM)?

Definition

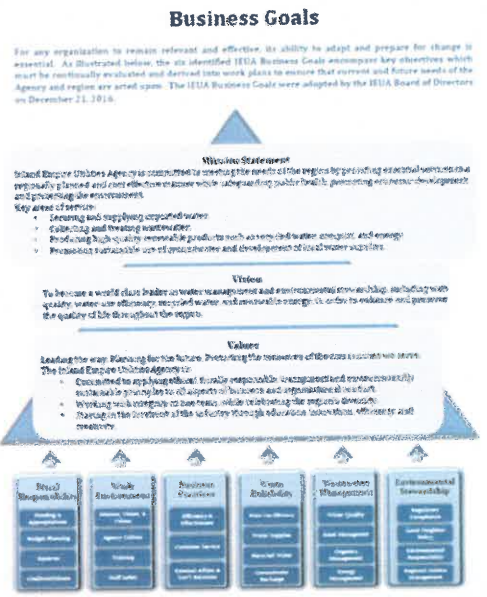
Asset Management is an integrated set of processes that minimize the lifecycle costs of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering established levels of service now and for the future.

*Doing the **right projects**, at the **right cost**, at the **right time**.*



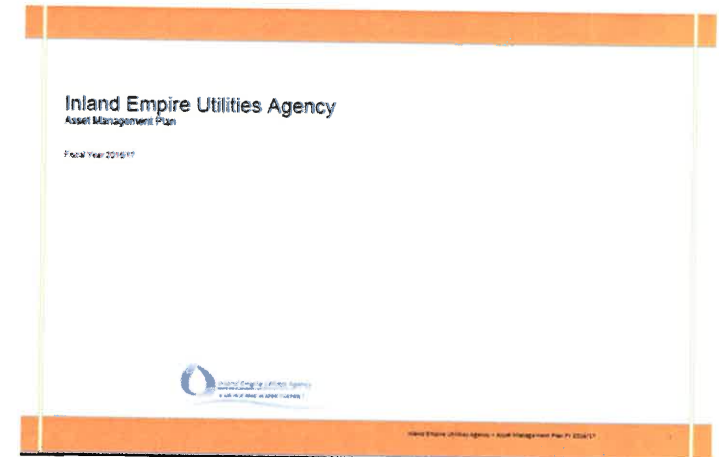
Effective Asset Management Consistent with its Business Goals

- Fund operations and capital investments by maintaining reasonable service rates and fees that fully support the costs of service. (Fiscal Responsibility)
- Plan for multi-year budgets and rate requirements in support of maintaining fiscal stability for IEUA and the member agencies. (Fiscal Responsibility)
- 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. (Business Practices)
- Ensure that Agency systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements. (Wastewater Management)



Agency Completed Asset Management Program Elements

- Asset Management Plan Completed in FY 2016/17
 - Inventory of assets
 - Preliminary condition assessments
 - Advanced monitoring of selected equipment
 - Preliminary standardization of select equipment
- Criticality Assessment (Risk)
 - San Bernardino Lift Station
- AM Gap Assessment and Road Map - Current



AM Road Map to Achieve Agency Business Goals

- Develop the AM policy (including vision, mission, goals & objectives) for Board endorsement
- Complete the AM maturity assessment, AM roadmap of improvement initiatives and implementation strategy
- Present the outcomes of above with initial resourcing needs for Board approval





QUESTIONS



THANK YOU

**AGENCY
REPRESENTATIVES'
REPORTS**

5A



SAWPA

SANTA ANA WATERSHED PROJECT AUTHORITY

31618 Sterling Avenue, Riverside, California 92503 • (951) 954-4220

REGULAR COMMISSION MEETING TUESDAY, MARCH 19, 2019 – 9:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (Ronald W. Sullivan, Chair)

2. ROLL CALL

3. PUBLIC COMMENTS

Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

4. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.

A. APPROVAL OF MEETING MINUTES: MARCH 5, 2019

Recommendation: Approve as posted.

B. TREASURER'S REPORT – FEBRUARY 2019

Recommendation: Approve as posted.

5. NEW BUSINESS

A. CONSULTANT SUPPORT | NETWORK COORDINATOR FOR THE CALIFORNIA IRWM ROUNDTABLE OF REGIONS (CM#2019.32)

Presenter: Ian Achimore

Recommendation: Approve execution of an Agreement for Services and Task Order No. SWWG373-01 with Sierra Water Workgroup, Inc., in an amount not to exceed \$84,454, to provide Network Coordinator consultant services for the California IRWM Roundtable of Regions.

B. POSITIONS ON STATE BILLS (CM#2019.33)

Presenter: Larry McKenney

Recommendation: Receive information and provide direction to staff.

C. **OWOW CONFERENCE | MARCH 29, 2019**

Presenter: Rich Haller

Recommendation: Receive an update on the March 29, 2019, Santa Ana River Watershed Conference, *Moving Forward Together: From Planning to Action Across the Watershed*.

D. **UPDATE ON DISCUSSIONS WITH ORANGE COUNTY STAKEHOLDERS**

Presenter: Rich Haller

Recommendation: Receive and file an informational report on discussions with Orange County Stakeholders.

6. **INFORMATIONAL REPORTS**

Recommendation: Receive for information.

A. **CASH TRANSACTIONS REPORT – JANUARY 2019**

Presenter: Karen Williams

B. **INTER-FUND BORROWING – JANUARY 2019 (CM#2019.30)**

Presenter: Karen Williams

C. **PERFORMANCE INDICATORS/FINANCIAL REPORTING – JANUARY 2019 (CM#2019.31)**

Presenter: Karen Williams

D. **GENERAL MANAGER REPORT**

E. **STATE LEGISLATIVE REPORT**

Presenter: Rich Haller

F. **SAWPA GENERAL MANAGERS MEETING NOTES**

- March 12, 2019

G. **CHAIR’S COMMENTS/REPORT**

H. **COMMISSIONERS’ COMMENTS**

I. **COMMISSIONERS’ REQUEST FOR FUTURE AGENDA ITEMS**

7. **CLOSED SESSION**

There were no Closed Session items anticipated at the time of the posting of this agenda.

8. **ADJOURNMENT**

Americans with Disabilities Act: If you require any special disability related accommodations to participate in this meeting, call (951) 354-4230 or email kberry@sawpa.org. 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff’s ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Wednesday, March 13, 2019, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2019 SAWPA Commission Meetings|Events|Important Dates

First and Third Tuesday of the Month

(NOTE: Unless otherwise noticed, all Commission Workshops/Meetings begin at **9:30 a.m.**, and are held at SAWPA.)

January		February	
1/1/19	Commission Workshop [cancelled]	2/5/19	Commission Workshop
1/15/19	Regular Commission Meeting	2/19/19	Regular Commission Meeting
March		April	
3/5/19	Commission Workshop	4/2/19	Commission Workshop
3/19/19	Regular Commission Meeting	4/16/19	Regular Commission Meeting
3/29/19	OWOW Conference 2019, Cal State Fullerton		
May		June	
5/7/19	Commission Workshop	6/4/19	Commission Workshop
5/7 – 5/10/19	ACWA Spring Conference, Monterey	6/18/19	Regular Commission Meeting
5/21/19	Regular Commission Meeting		
July		August	
7/2/19	Commission Workshop	8/6/19	Commission Workshop
7/16/19	Regular Commission Meeting	8/20/19	Regular Commission Meeting
September		October	
9/3/19	Commission Workshop	10/1/19	Commission Workshop
9/17/19	Regular Commission Meeting	10/15/19	Regular Commission Meeting
November		December	
11/5/19	Commission Workshop	12/3/19	Commission Workshop
11/19/19	Regular Commission Meeting	12/17/19	Regular Commission Meeting
		12/3 – 12/6/19	ACWA Fall Conference, San Diego

**AGENCY
REPRESENTATIVES'
REPORTS**

5B



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

REVISION NO. 1

Regular Board Meeting

March 12, 2019

12:00 p.m. – Boardroom

MWD Headquarters Building

• 700 N. Alameda Street

• Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Michelle Morrison, Environmental Specialist,
Environmental Planning
- (b) Pledge of Allegiance: "Girls Today Women Tomorrow"

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 February 12, 2019
(A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Induction of new Director Robert Apodaca from Central Basin
Municipal Water District
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath

- C. Induction of new Director Gail Goldberg from San Diego County Water Authority
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath

- D. Induction of new Director Frank Heldman from Central Basin Municipal Water District
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath

- E. Approve Commendatory Resolutions for Directors Phillip D. Hawkins and Leticia Vasquez Wilson representing Central Basin Municipal Water District; and Fern Steiner representing San Diego County Water Authority

- F. Presentation of Commendatory Resolution for Director Michele Martinez representing the City of Santa Ana

- G. Presentation of 5-year Service Pin to Director Steve Blois

- H. Report on Directors' events attended at Metropolitan expense for month of February

- I. Approve committee assignments

- J. Chairwoman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of activities for the month of February

- B. General Counsel's summary of activities for the month of February

- C. General Auditor's summary of activities for the month of February
- D. Interim Ethics Officer's summary of activities for the month of February

7. CONSENT CALENDAR ITEMS — ACTION

None

8. OTHER BOARD ITEMS — ACTION

- 8-1 Authorize participation in the Lower Basin Drought Contingency Plan on behalf of California; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (WP&S)
- 8-2 Express opposition, unless amended, to SB 1 (Atkins, D-San Diego; Portantino, D-La Canada Flintridge; and Stern, D-Agoura Hills): California Environmental, Public Health, and Workers Defense Act of 2019; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L)
- 8-3 Report on *Mary Padres v. Metropolitan Water District of Southern California*, Los Angeles Superior Court Case No. BC698748 and authorize an increase in the maximum amount payable under contract with Seyfarth Shaw LLP for legal services by \$150,000 to an amount not to exceed \$250,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C)
[Conference with legal counsel--existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

- 8-4** Authorize settlement of *The Metropolitan Water District of Southern California v. Desert Milling, Inc., John Frederick Benson, et al.*, LASC Case No. BC687102; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C)

[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

- Added** **8-5** Express support, if amended, to AB 1220 (C. Garcia, D-Bell Gardens): Metropolitan Water Districts; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L)
- Added** **8-6** Express support, if amended, to SB 62 (Dodd, D-Napa): Endangered Species: accidental take associated with routine and ongoing agricultural activities; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L)
- Added** **8-7** Express support to SB 669 (Caballero, D-Salinas): Water Quality: Safe Drinking Water Fund; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L)

9. BOARD INFORMATION ITEMS

- 9-1** Update on Conservation Program
- 9-2** Information on Exchange Agreements with Desert Water Agency and Coachella Valley Water District. (WP&S)
- 9-3** Information on potential credit to enhance in-lieu deliveries to cyclic storage under limited conditions. (WP&S)
- 9-4** Report on Safe and Affordable Drinking Water Initiatives. (C&L)

10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

NOTE: 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**

5C



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

**AGENCY
REPRESENTATIVES'
REPORTS**

5D

**CHINO BASIN WATERMASTER
WATERMASTER BOARD MEETING**

11:00 a.m. – February 28, 2019

WITH

Mr. Jeff Pierson – Chair

Mr. Darron Poulsen – 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

I. 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

Approve as presented:

1. Minutes of the Watermaster Board Meeting held January 24, 2019

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of December 2018
2. Watermaster VISA Check Detail for the month of December 2018
3. Combining Schedule for the Period July 1, 2018 through December 31, 2018
4. Treasurer's Report of Financial Affairs for the Period December 1, 2018 through December 31, 2018
5. Budget vs. Actual Report for the Period July 1, 2018 through December 31, 2018

II. BUSINESS ITEMS

NONE

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal from April 28, 2017 Order
2. MVWD Ex Parte Application
3. March 15, 2019 Hearing

B. ENGINEER REPORT

1. Pomona Extensometer Update
2. Results of Evaluation of the Chino Airport Remedial Action Plan
3. Ground-Level Monitoring Committee Scoping and Budgeting for Fiscal Year 2019/20
4. Prado Basin Habitat Sustainability Program Scoping and Budgeting for Fiscal Year 2019/20
5. SGMA Adjudicated Basin Annual Reporting

C. CFO REPORT

1. Fiscal Year 2018/19 Mid-Year Review

D. GM REPORT

1. OBMP Update
2. Ely 3 Basin Update
3. USACE Feasibility Study EIR/EIS
4. Watermaster Mechanics Workshop
5. ACWA Nomination for Excellence in Water Leadership Award (David Kimbrough)
6. Board Room Conference Call Capability
7. Other

IV. INFORMATION

1. Cash Disbursements for January 2019
2. Recharge Investigations and Projects Committee (RIPCom)
3. Ground-Level Monitoring Status Report (Semi-Annual)
4. Santa Ana River Watershed Status Report (Semi-Annual)

V. BOARD MEMBER COMMENTS

VI. OTHER BUSINESS

VII. 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.

1. Appeal of April 28, 2017 Order

VIII. FUTURE MEETINGS AT WATERMASTER

2/26/19	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee (GRCC)
2/28/19	Thu	9:00 a.m.	Ground-Level Monitoring Committee (GLMC)
2/28/19	Thu	11:00 a.m.	Watermaster Board

ADJOURNMENT

**AGENCY
REPRESENTATIVES'
REPORTS**

5E

**SPECIAL BOARD MEETING OF
THE BOARD OF DIRECTORS
CHINO BASIN DESALTER AUTHORITY**

**March 7, 2019
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

SWEARING-IN OF NEW BOARD MEMBER

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 FEBRUARY 7, 2019 SPECIAL BOARD MEETING**
- 2. CONTRACTS WITH BRENNTAG PACIFIC INC. FOR SUPPLY OF SODA ASH, SULFURIC ACID, MAGNESIUM CHLORIDE, AND POLYMERS**
Report by: Jose Garcia, CDA Principal Accountant

Staff Recommendation:

1. Approve four contracts with Brenntag Pacific Inc, for supply and delivery of soda ash, sulfuric acid, magnesium chloride, and polymers.
2. Authorize the Interim General Manager to finalize and execute the contracts.

3. CONSIDERATION OF APPROVAL OF EMPLOYMENT AGREEMENT WITH THOMAS O'NEILL

Report by: Allison Burns, CDA Deputy General Counsel

Staff Recommendation:

1. Approve the Employment Agreement with Thomas O'Neill effective April 15, 2019; and
2. Authorize the Board Chairman to execute the Employment Agreement with Thomas O'Neill with an effective date of April 15, 2019

4. SOUTH ARCHIBALD PLUME CLEANUP PROJECT: EASEMENT AGREEMENT WITH MARCHRIS CORPORATION FOR VOC PIPELINE

Report by: Cindy Miller, Phase 3 Program Manager

Staff Recommendation:

1. Authorize the Interim General Manager to execute an Easement Agreement with the Marchris Corporation, its successors and/or assigns for construction of a portion of the Raw Water VOC Pipeline along Remington Avenue ("Marchris Easement") in substantially the form attached hereto.
2. Authorize the Interim General Manager to negotiate and execute an irrevocable right of entry agreement and/or easement agreement with the City of Ontario for the City's construction of a waterline within the Marchris Easement.

5. RESOLUTION IN SUPPORT OF THE NOMINATION OF WESTERN MUNICIPAL WATER DISTRICT DIRECTOR S.R. AL LOPEZ TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

Report by: Tom O'Neill, CDA Interim General Manager

Staff Recommendation:

1. Consider adoption of Resolution 2019-02, concurring in the nomination of Western Municipal Water District Director S.R. Al Lopez to the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA JPIA") Executive Committee.

STAFF COMMENTS

- i. Deputy CDA General Counsel, Allison Burns
- ii. CDA CFO/Treasurer, Michael Chung
- iii. CDA Interim General Manager, Tom O'Neill

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).

- 6. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Property: APN 0218-231-13, 15, City of Ontario
CDA Negotiators: Tom O'Neill, Allison Burns
Negotiating parties: SC Ontario Development Company
Under negotiation: Price and terms of payment

- 7. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO
GOVERNMENT CODE SECTION 54956.9(D)(4)
(TWO POTENTIAL CASES)**

- 8. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT
CODE SECTION 54956.9(D)(2)
(ONE POTENTIAL CASE)**

- 9. **Pursuant to Government Code section 54957:
PUBLIC EMPLOYEE APPOINTMENT
Title: General Manager**

DIRECTOR COMMENTS

ADJOURNMENT – To the Regular Meeting on April 4, 2019

Any person with a disability who requires accommodations in order to participate in this meeting or for package materials in an alternative format should telephone Executive Assistant Casey Costa at (909) 218-3730, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation. Copies of records provided to Board Members which relate to any agenda item to be discussed in open session may be obtained from Chino Basin Desalter Authority at 2151 S. Haven Avenue, Suite 202, Ontario, CA 91761.

Declaration of Posting

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, March 4, 2019



Casey Costa, Executive Assistant

**GENERAL
MANAGER'S
REPORT**

Date: March 20, 2019

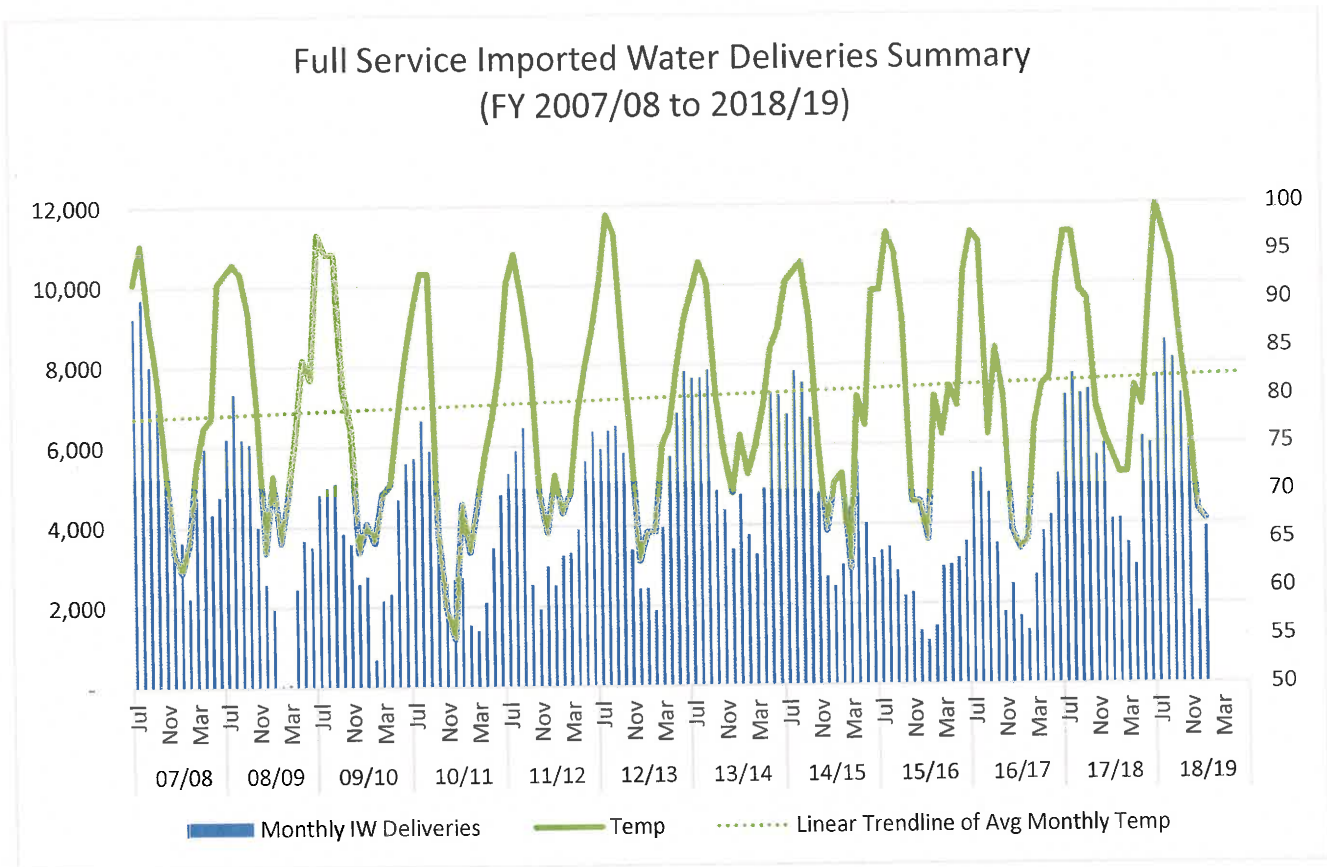
To: The Honorable Board of Directors

From: Kirby Brill, Interim General Manager *KB*

Subject: General Manager's Report Regarding Agency Activities

PLANNING & ENVIRONMENTAL RESOURCES

Imported Water



Reclamation System

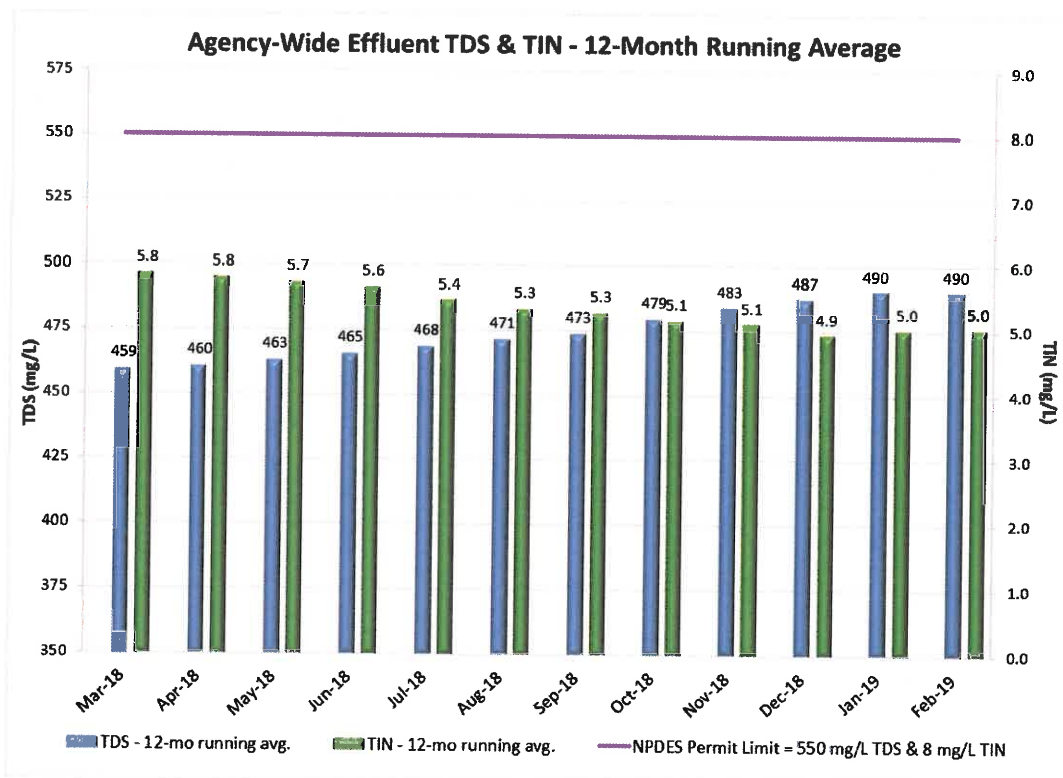
Regional Plants 1, 4, 5 and Carbon Canyon Water Recycling Facility met all the NPDES requirements and effluent/recycled water limitations during the month of February 2019.

1. The Agency-wide average sewer influent flow for the month of February 2019 was 52.2 million gallons per day (mgd) (preliminary value), which is a 2.0 mgd increase from the January 2019 total influent flow.

IEUA Regional Influent Flows

INFLUENT FLOW	RP-1	RP-4	RP-5	CCWRF	ALL FACILITIES
Daily Average (mgd)	24.8	9.8	9.5	8.2	52.2
Monthly Total (million gal.)	694	274	265	229	1461

- The discharge permit effluent limit for total dissolved solids (TDS) is 550 mg/L. The 12-month running average TDS value for February 2019 was 490 mg/L (preliminary value).
- The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for February 2019 was 5.0 mg/L (preliminary value).



Air Quality

There were no reportable incidents relating to air quality compliance during the month of February 2019. IEUA is awaiting notices from the SCAQMD Legal Department for the RP-1 violations received in December 2017. In February 2019, IEUA and SCAQMD Legal Department reached a settlement for the RP-5 Solids Handling Facility violations that were issued in December 2017.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY – UPDATE

Operational Comments – Facility throughput for February averaged approximately 83% of permitted capacity at an average of 409 tons per day of biosolids and 117 tons per day of amendments (based on the 28-day month-to-date). Biosolids volumes are slightly ahead of targets for the fiscal year.

Facility Biosolids Throughput

SOURCE	WET TONS MONTH	WET TONS YEAR TO DATE
Los Angeles County Sanitation District	5,670.19	12,248.00
Inland Empire Utilities Agency	4,873.49	5,721.82
Orange County Sanitation District	914.30	1,979.40
TOTAL	11,457.98	19,949.22

Compost Sales – Sales volumes were slightly decreased when compared to the same period last year due to increased rainfall. Inventory has decreased to 1,000 cubic yards. We project maintaining an inventory of approximately 2,500 yards through May to mitigate any interruptions with the installation of our new screen. Sales are expected to continue to match production through the spring and meet the demands of the landscape and agricultural market sectors.

Monthly Sales Summary

CUBIC YARD	\$/CUBIC YARD	TOTAL REVENUE
14,605.08	\$1.12	\$16,386.55

Fiscal Year-To-Date Sales Summary

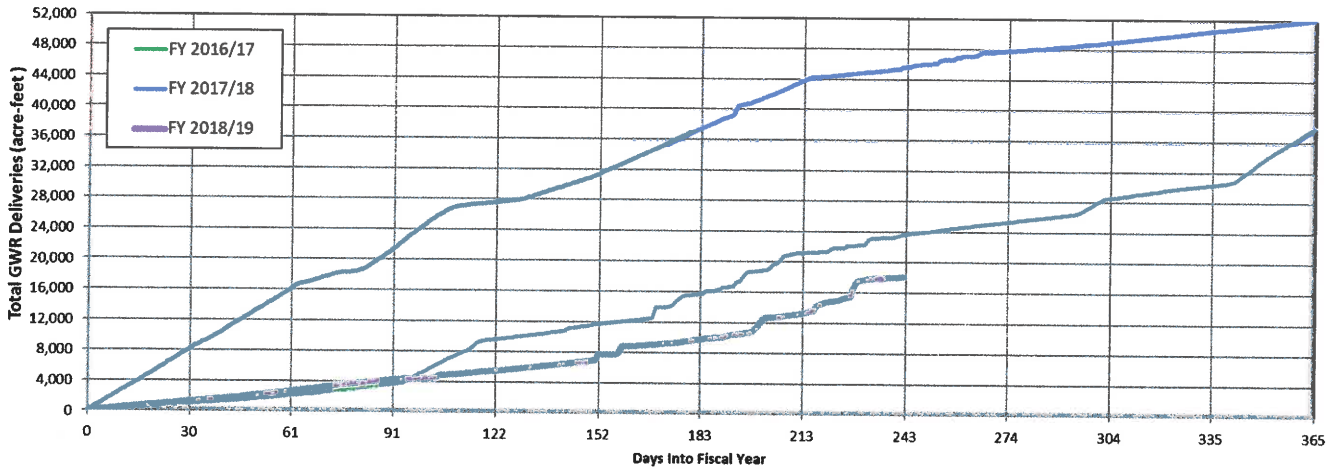
MONTH	TOTAL YARDS 2018/2019	TOTAL YARDS 2017/2018	TOTAL REVENUE 2018/2019	TOTAL REVENUE 2017/2018
July	14,910.11	21,518.61	\$24,972.01	\$31,737.00
August	15,194.50	19,226.62	\$28,866.84	\$37,071.78
September	17,728.97	16,170.64	\$24,979.50	\$35,038.33
October	19,523.68	25,631.94	\$28,489.44	\$34,569.24
November	22,037.03	24,481.44	\$28,310.45	\$30,053.63
December	17,885.11	16,420.31	\$21,300.70	\$30,053.63
January	18,469.01	18,881.17	\$16,332.32	\$31,911.26
February	14,605.08	17,041.52	\$16,386.55	\$30,291.21
March				
April				
May				
June				
TOTAL	140,353.49	159,372.25	\$189,637.81	\$260,726.08
AVERAGE	17,544.19	19,921.53	\$23,704.73	\$32,590.76

Groundwater Recharge – February 2019

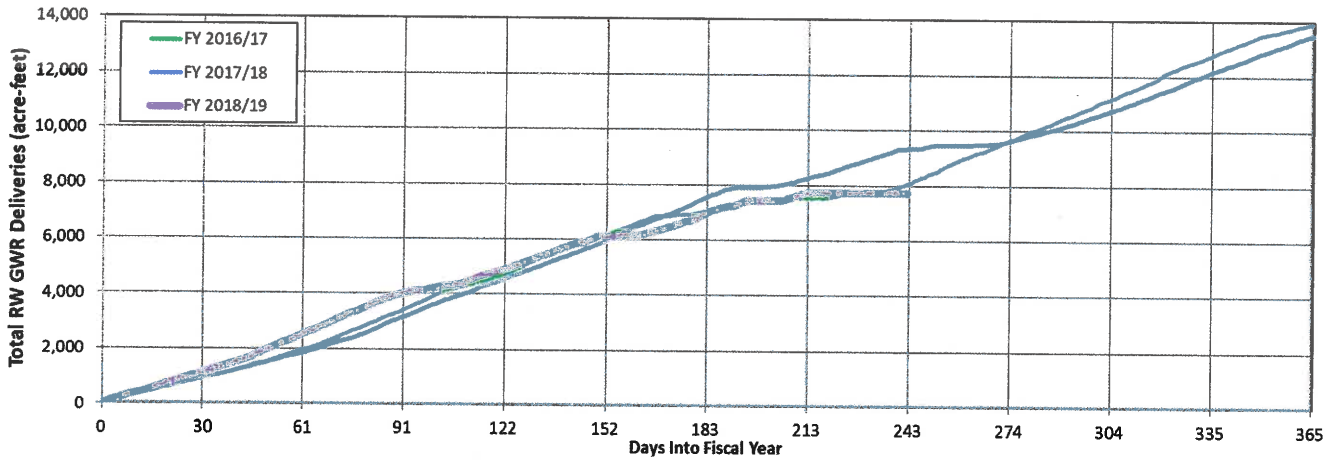
During February 2019, there was no recycled water delivered to groundwater recharge. Several rain events resulted in the diversion of approximately 3,800 acre-feet of local surface water. For supplemental water deliveries (imported and recycled), Chino Basin Watermaster will remove 1.5% for February evaporation losses. Considering evaporation, total recharge for the month was approximately 3,800 acre-feet.

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 February 2019

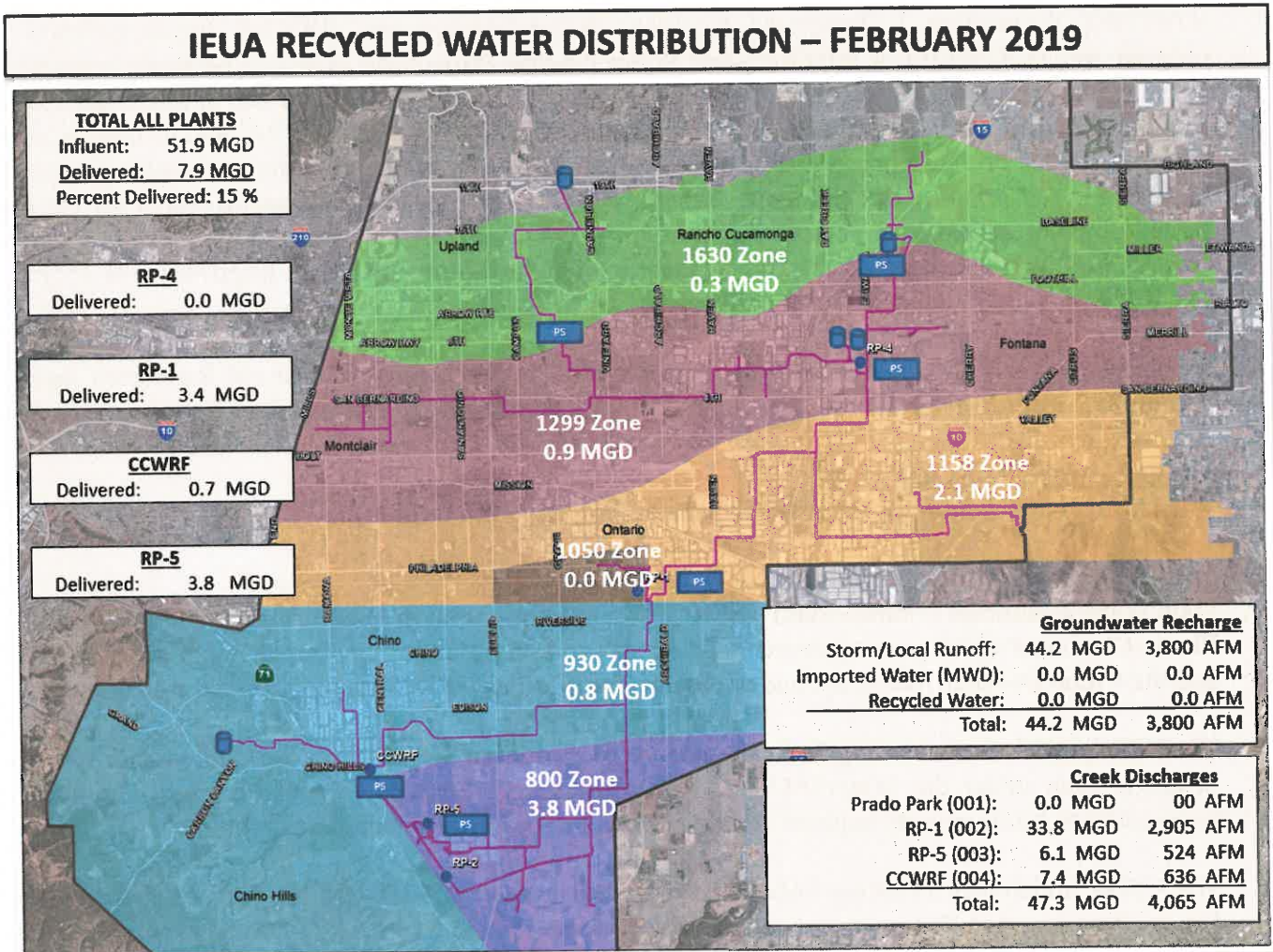


Recycled Water Delivered to Groundwater Recharge – through February 2019



RW Distribution – February 2019

During February 2019, 15% (7.9 MGD) of IEUA recycled water supply (51.9 MGD) was delivered into the distribution system for direct use customers only. During February, there was no recycled water delivered to groundwater recharge. Plant discharge to creeks feeding the Santa Ana River averaged 47.3 MGD.



GRANTS UPDATE

A. Grant/Loan Applications Submitted:

1. On January 30, IEUA submitted two applications for the SAWPA One Water One Watershed Program (OWOW), Proposition 1, Integrated Regional Water Management (IRWM) Implementation grant program for: 1) JCSD-IEUA Joint Recycled Water Pipeline Project and 2) Montclair Basin Improvements Project that is part of the Recharge Master Plan Update (RMPU). Each of the applications requested funding amounting to 50% of the eligible project costs. On February 21, SAWPA held its mandatory Let's Connect Workshop. The purpose was to see which projects submitted during the application process could be combined to improve effectiveness, increase benefits and maximize competitiveness for the region. Jesse Pompa presented an overview of IEUA's projects. Grants is now working with Monte Vista Water District (MVWD) on a possible joint application for the Montclair Basin Improvements Project and MVWD's Well 34 Wellhead Treatment Project.
2. On February 12, IEUA submitted a concept proposal to the California Natural Resources Agency to request \$1.1 million in funding for the Chino Creek Wetlands and Educational Park Improvements Project.

B. Grant/Loan Applications in Process:

1. WIFIA Loan application for the RP-5 Expansion Project (\$138 million).

C. Grant/Loan Agreement Negotiation:

1. State Water Resources Control Board (SWRCB) Prop 1 Groundwater Quality Grant (\$11.4M) for the TCE Plume Cleanup Project grant agreement and Memorandum of Understanding have been signed by IEUA and the Chino Desalter Authority, and we are waiting for the SWRCB to sign for full execution.
2. The USBR anticipates awarding Federal funds in the amount of \$400,000 for the Chino Basin Water Bank Strategic Plan under the WaterSMART: Water Marketing Strategy Grants Program. Grants staff is responding to informational requests from USBR to facilitate agreement distribution.
3. The USBR anticipates awarding Federal funds in the amount of \$750,000 for the Wineville and Jurupa Basins Pumping and Conveyance System Project under the WaterSMART: Drought Resiliency Project Grants Program. Grants has responded to all inquiries and is in the final review process.

D. Grant Reimbursements Processed and Reporting Activities:

1. SWRCB – Storm Water Management Facilities: Wineville, Jurupa, and RP-3 Basin Improvements Project Invoice #1 for **\$231,474**.
2. SWRCB – Storm Water Management Facilities: Wineville, Jurupa, and RP-3 Basin Improvements Project Invoice #2 for **\$162,130**.
3. SAWPA/DWR – Regional Residential Landscape Retrofit for **\$6,642**.
4. SWRCB SRF Loan – San Sevaine Basin Improvements Invoice #2 for **\$2,999,914**.
5. SWRCB SRF Loan – Regional Water Quality Laboratory Invoice #17 for **\$690,697**.
6. USBR – Groundwater Recharge Yield Enhancement Conjunctive Use Project for Stormwater Capture Invoice #4 for **\$13,900.68**.

7. Reports for the following projects were submitted to the following funding agencies:

Funding Agency	Project	Reporting Frequency
SAWPA/DWR	Lower Day Basin Improvements	Quarterly
SAWPA/DWR	San Sevaine Basin Improvements	Quarterly
SAWPA/DWR	Regional Residential Landscape Retrofit	Quarterly
SWRCB	Chino Basin Improvement and Groundwater Clean-Up	Quarterly
DPR	Water Discovery Field Trip and Busing Mini Grant	Semi-Annual
SWRCB	Southern Area	Annual
DWR	Conjunctive Use	Annual

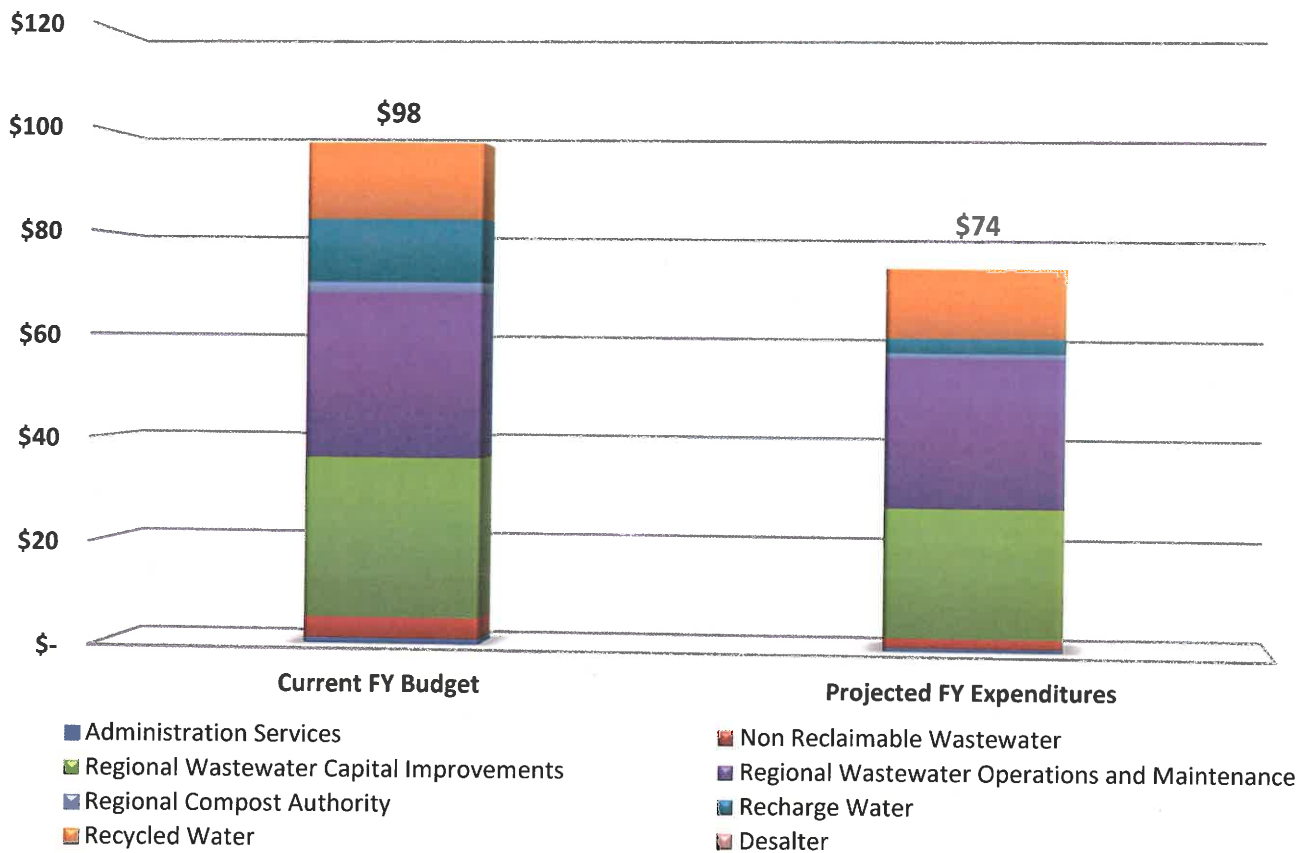
E. Other Department Activities:

1. Grants staff, with support from Business Information Services (BIS), has begun working with eCivis to implement a grants database management solution that is expected to improve efficiencies across the department. The system integration process is expected to last two to three months.
2. Grants staff attended a site visit from SWRCB for the Prop 1 Groundwater Quality Grant on Wednesday, February 20th. The site visit included viewing the Chino II Desalter, Well II-11 (located near the intersection of Archibald Ave. and Victoria St. in Ontario), and Well II-12 site (proposed to be located near the Cucamonga Creek Channel, south of Edison Avenue, in Ontario).

ENGINEERING CONSTRUCTION MANAGEMENT DEPARTMENT UPDATE

Engineering and Construction Management's current FY 2018/19 budget is \$97,783,882. As of February 28th, staff has projected to spend \$73,764,928 (~75%).

Engineering and Construction Management FY 2018/19 Budget Status Update



The accompanying attachments have detailed information for IEUA's capital improvement program.

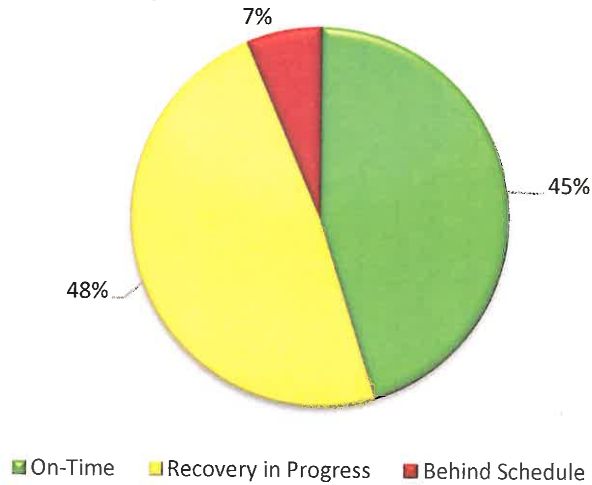
- Attachment A: Bid and Award Look Ahead Schedule
- Attachment B: Active Capital Improvement Project Status
- Attachment C: Emergency Projects

Attachment A
 Bid and Award Look Ahead Schedule

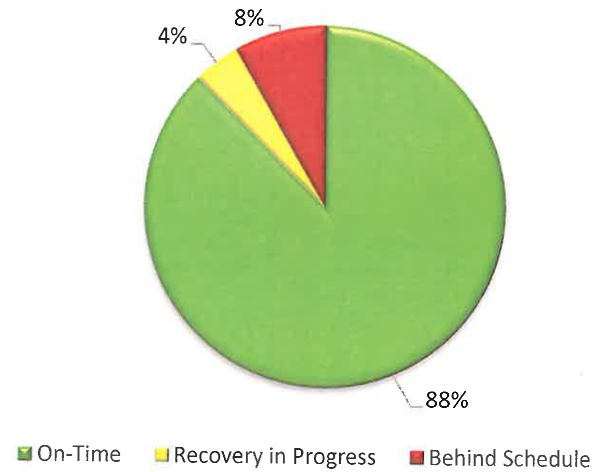
Bid and Award Look Ahead Schedule			
	Project Name	Projected Bid Opening Date	Projected Bid Award Date
	Apr-19		
1	EN19029.00 RP-4 Outfall Pipeline Air Relief/Blow-Off Replacements	6-Mar-19	17-Apr-19
	May-19		
2	EN11039.00 RP-1 Disinfection Pump Improvements	3-Apr-19	15-May-19
3	EN15012.01 RP-1 Plant No. 2 Effluent Conveyance Improvements	29-Mar-19	15-May-19
4	EN19010.00 RP-4 Influent Screen Replacement	3-Apr-19	15-May-19
	Jun-19		
5	RW15003.03 Montclair Basin Improvements	8-May-19	19-Jun-19
6	RW15003.06 Wineville/Jurupa/Force Main Improvements	8-May-19	19-Jun-19
7	RW15004.00 Lower Day Basin Improvements	8-May-19	19-Jun-19
8	EN17082.00 Mechanical Restoration and Upgrades	29-Apr-19	19-Jun-19
	Jul-19		
9	EN19021.00 San Bernardino Lift Station Facility Improvements	24-May-19	17-Jul-19
	Sep-19		
10	EN17041.00 Orchard Recycled Water Turnout Improvements	5-Aug-19	18-Sep-19
11	EN18006.00 RP-1 Flare Improvements	31-Jul-19	18-Sep-19
12	EN19014.00 NRWS Manhole Upgrades - 18/19	7-Aug-19	18-Sep-19
	Oct-19		
13	EN22002.00 NRW East End Flowmeter Replacement	4-Sep-19	16-Oct-19
	Nov-19		
14	EN17043.00 RP4 Primary Clarifier Rehab	19-Sep-19	20-Nov-19
15	EN17110.00 RP-4 Process Improvements	19-Sep-19	20-Nov-19
16	EN23002.00 Philadelphia Lift Station Force Main Improvements	9-Oct-19	20-Nov-19
	Jan-20		
17	EN19025.00 Montclair and San Bernardino Force Main Cleanout Vaults	4-Dec-19	15-Jan-20
	Mar-20		
18	EN19001.00 RP-5 Expansion to 30 mgd	5-Feb-20	18-Mar-20
19	EN19006.00 RP-5 Biosolids Facility	5-Feb-20	18-Mar-20
	Apr-20		
20	EN19027.00 NRW Pipeline Relining Along Cucamonga Creek	14-Apr-20	2-Jun-20

Attachment B
 Active Capital Improvement Project Status

Design Schedule Performance



Construction Schedule Performance



Agency-Wide							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
1	EN13016.05	SCADA Enterprise System - (Regional Water Recycling Plant No. 1) (Budget is shared among all subprojects for EN13016)	222,174	-	Recovery in Progress	Pre-Design	The project will be re-baselined when the consultant submits a revised project schedule.
2	EN13016.04	SCADA Enterprise System - (Regional Water Recycling Plant No. 5) (Budget is shared among all subprojects for EN13016)	4,035,953	-	On-Time	Project Acceptance	
3	EN13016.03	SCADA Enterprise System - (Regional Water Recycling Plant No. 4) (Budget is shared among all subprojects for EN13016)	2,030,737	-	On-Time	Construction	
4	EN17080	System Cathodic Protection Improvements	318,169	3,540,851	On-Time	Construction	
5	EN19032.01	Agency-Wide Railing and Threshold Improvements (Budget is shared among all subprojects for EN19032)	101,247	-	On-Time	Construction	
Totals			6,708,281	3,540,851			
Carbon Canyon Wastewater Regional Facility (CCWRF)							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
6	N/A		-	-			
Totals			-	-			

Chino Desalter Authority (CDA)							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
7	EN16021	TCE Plume Cleanup	12,756,726	17,294,171	Recovery in Progress	Design	There are currently issues concerning property acquisition that will affect the project timeline, but the deadlines established in the Cleanup and Abatement Order were extended by the Regional Board to accommodate the delays. The project will be baselined once the well property is acquired and accurate schedules can be determined.
Totals			12,756,726	17,294,171			
Collections							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
8	EN19014	NRWS Manhole Upgrade	1,608	200,000	On-Time	Project Evaluation	
9	EN19027	NRW Pipeline Relining Along Cucamonga Creek	12,338	2,395,000	Recovery in Progress	Project Evaluation	The addition of scope from another project on the indicated alignment has been added. The project schedule may be recovered as the project progresses into the design phase as staff will become more informed of the timeline from the design engineer to produce the deliverables.
10	EN19021	San Bernardino Lift Station Facility Improvements	355	600,000	On-Time	Consultant Contract	
11	EN19025	Montclair and San Bernardino Force Main Cleanout Vaults	73,236	1,250,000	Recovery in Progress	Pre-Design	This project is being designed concurrently with EN23002 and is delayed due to the proposed pipeline alignment discussions with the City of Ontario which took longer than anticipated on EN23002. Recovery is not possible. The project will need to be re-baselined further in the design phase to capture the delayed time in coordinating with the City of Ontario.
12	EN23002	Philadelphia Lift Station Force Main Improvements	253,883	6,000,000	Recovery in Progress	Pre-Design	This project is being designed concurrently with EN19025. The discussions and review of the proposed pipeline alignment with the City of Ontario took longer than anticipated. Recovery is not possible. The project will need to be re-baselined further in the design phase to capture the delayed time in coordinating with the City of Ontario.
13	EN22002	Non Reclaimable Wastewater East End Flowmeter Replacement	278,621	1,986,985	Recovery in Progress	Design	The location of the new meter vault was not decided until entering the project design. Coordination with Southern California Edison and Frontier for utility relocations was not planned in the original schedule. The project will be re-baselined once the contract is awarded.
14	EN19015	Collection System Upgrades 18/19	65,073	750,000	On-Time	Construction	
15	EN18057	NRW Manhole Cover Removal	15,855	170,000	On-Time	Project Acceptance	
Totals			700,969	13,351,985			

Groundwater Recharge							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
16	RW15003.06	Wineville/Jurupa/Force Main Improvements (Budget is shared among all subprojects for RW15003)	1,001,967	-	Recovery in Progress	Design	Staff is working with Army Corps of Engineers (USACE) to expedite their final review efforts. The Corps is requesting an additional 2 months to complete their review and approval process. Staff will continue to push for an earlier completion. The Project Stakeholders will be informed of the delay.
17	RW15004	Lower Day Basin Improvements (RMPU PID 12)	503,655	4,008,000	Recovery in Progress	Design	Staff is working with Army Corps of Engineers (USACE) to expedite their final review efforts. The Corps is requesting an additional 2 months to complete their review and approval process. Staff will continue to push for an earlier completion. The Project Stakeholders will be informed of the delay.
18	RW15003.03	Montclair Basin Improvements (Budget is shared among all subprojects for RW15003)	209,847	-	Recovery in Progress	Design	The delay is due to the prolonged permit review with Army Corps of Engineers (USACE). The Corps requested an additional final review which will extend the permit and design phases. Staff is working with the Corps to negotiate a reasonable turn-a-round to their permit review. Currently, they have been stating two weeks to eight months. If the Corps' review pushes beyond February, then the project schedule will have to move further out, and project status will be reported to the project stakeholders.
19	RW15003.02	Victoria Basin Improvements (Budget is shared among all subprojects for RW15003)	245,102	-	On-Time	Construction	
20	RW15003.05	RP-3 Basin Improvements (Budget is shared among all subprojects for RW15003)	357,894	-	On-Time	Construction	
21	EN13001	San Sevaine Basin Improvements	5,893,506	6,460,001	On-Time	Project Acceptance	
Totals			8,211,971	10,468,001			
Headquarters							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
22	EN19038	HR Exit Door	5,850	75,000	On-Time	Design	
23	EN19036	HQ Paving Safety Improvements	65,822	70,000	On-Time	Construction	
Totals			71,672	145,000			
IERCF							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
24	RA19002	IERCF Trommel Screen Improvements	394,178	1,600,000	On-Time	Design	
Totals			394,178	1,600,000			

Regional Water Recycling Plant No. 1 (RP-1)							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
25	EN18042	RP-1 Civil Restoration and Upgrades	147,228	810,000	Behind Schedule	Bid and Award	Recovery is not possible. Delays were caused by additional work discovered during design added to the project as well as stakeholder decision to delay bidding to allow FY 2018/19 and FY 2019/20 to be bid currently to save mobilization costs. The project will be re-baselined when the contractor's schedule is received.
26	EN19034	RP-1 Operations Building Paving Project	3,600	170,000	On-Time	Bid and Award	
27	EN15012.01	RP-1 Plant No. 2 Effluent Conveyance Improvements (Budget is shared among all subprojects for EN15012)	230,770	-	On-Time	Bid and Award	
28	EN11039	RP-1 Disinfection Pump Improvements	986,270	6,896,858	On-Time	Design	
29	EN17044	RP-1 12 kV Switchgear and Generator Control Upgrades	625,968	5,870,248	Recovery in Progress	Design	Due to delays in SCE information and network drawings from vendor, the project will be pushed out. A new baseline will be supplied when all the information is available.
30	EN17082	RP-1 Mechanical Restoration and Upgrades	672,898	7,945,844	Recovery in Progress	Design	The project re-baselined after the November 2018 contract amendment received Board approval. A construction contract will be awarded in June 2019 and is scheduled on the board tracker.
31	EN18006	RP-1 Flare Improvements	628,449	5,564,918	Recovery in Progress	Design	After completing the pre-design phase, major design activities were pushed out by more than 11 months for further internal evaluation, additional scope, and flare preselection in coordination with the RP-5 Expansion Project. The project will be re-baselined after receiving the bids.
32	EN24001	RP-1 Liquid Treatment Capacity Recovery	3,821,788	182,050,000	On-Time	Design	
33	EN24002	RP-1 Solids Treatment Expansion	1,105,001	48,050,000	On-Time	Design	
34	EN14019	RP-1 Headworks Primary and Secondary Upgrades	7,630,339	9,750,000	Recovery in Progress	Construction	Additional days were negotiated with the contractor as a non-compensable change order due to the procurement of the motor control center. The project has remained in budget and is set to complete in April 2019.
35	EN14042	1158 Recycled Water Pump Station Upgrades	1,035,642	7,900,000	On-Time	Construction	
36	EN15012	RP-1 Primary Effluent Conveyance Improvements (Budget is shared among all subprojects for EN15012)	4,869,853	6,692,610	On-Time	Construction	
37	EN17042	Digester 6 and 7 Roof Repairs	1,668,663	4,868,387	On-Time	Construction	
38	EN17045	RP-1 Filter Valve Replacement	61,960	890,000	On-Time	Construction	
39	EN18039	Agency-Wide Light Pole Replacements and Upgrades	203,427	342,210	On-Time	Construction	
40	EN19037	RP-1 PRB and MCC Building Roof and Skylight Replacement	230,409	500,000	On-Time	Construction	
41	EN13048	RP-1 Power System Upgrades	1,104,766	1,599,000	Behind Schedule	Project Acceptance	The lead time to manufacture the major electrical components was slightly longer than anticipated in the baseline schedule which caused a two-week delay to the scheduled project completion. In addition, the work had to be rescheduled to a weekend in order to avoid having on-site power generators while the nearby school is in session. This has caused an additional two-week delay. A non-compensable time extension was issued. The project is near completion as of this update. There is no current recovery.
Totals			25,027,030	289,900,075			

Regional Water Recycling Plant No. 2 (RP-2)							
No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
42	N/A		-	-			
Totals			-	-			

Regional Water Recycling Plant No. 4 (RP-4)

No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
43	EN19010	RP-4 Influent Screen Replacement	25,470	3,040,000	Behind Schedule	Project Evaluation	The evaluation of the screening technology is taking longer than expected. This project will be included in the coarse screen equipment preselection which includes RP-5 and CCWRF which is in process. Recovery is not possible. The project will need to be re-baselined to capture the duration of the equipment preselection activity.
44	EN17043	RP4 Primary Clarifier Rehab	339,516	7,681,542	On-Time	Design	
45	EN17110	RP-4 Process Improvements (Budget is shared among all subprojects for EN17110)	5,344,746	20,962,396	On-Time	Design	
46	EN19029	RP-4 Outfall Pipeline Air Relief/Blow-Off Replacements	89,679	665,000	On-Time	Bid and Award	
47	EN17110.01	RP-4 Trident Filters Rehabilitation and Replacement (Budget is shared among all subprojects for EN17110)	4,344,916	-	On-Time	Project Acceptance	
Totals			10,144,327	32,348,938			

Regional Water Recycling Plant No. 5 (RP-5)

No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
48	EN19001	RP-5 Expansion to 30 mgd	7,788,432	175,000,000	On-Time	Design	
49	EN19006	RP-5 Biosolids Facility	6,377,134	165,000,000	On-Time	Design	
50	EN14043	RP-5 Recycled Water Pipeline Bottleneck	574,833	3,137,169	On-Time	Construction	
51	PA17006.02	Agency-Wide Aeration (Budget is shared among all subprojects for PA17006)	3,289,746	-	Behind Schedule	Project Acceptance	The project has transitioned from construction to closeout. Recovery is not possible.
52	EN11031	RP-5 Flow Equalization and Effluent Monitoring	2,127,469	3,397,200	On-Time	Project Acceptance	
Totals			20,157,614	346,534,369			

Recycled Water

No.	Project ID	Project Title	Total Expenditures thru 2/28/2019 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
53	EN15002	1158 Reservoir Site Cleanup	39,444	1,215,000	Recovery in Progress	Project Evaluation	Based on the Facility Investigation Report, the area around the west 1158 Reservoir will require soil remediation. The project will be re-baselined when the scope of work is verified and confirmed by the Department of Toxic Substances Control.
54	EN17041	Orchard Recycled Water Turnout Improvements	110,509	430,910	Recovery in Progress	Design	The Army Corps of Engineers (USACE) reviewed the plans and specifications and has requested a resubmittal. This will require re-design work to address all the USACE's comments and requests. The project schedule will be re-baselined once the project is awarded and the contractor's schedule is received.
55	WR15021	Napa Lateral	1,154,070	7,247,717	Recovery in Progress	Design	The project delays are caused by the additional time needed to provide the double offset valves which have long lead items that must meet all SRF loan requirements. The project will be re-baselined after the final delivery date is established by the contractor and his vendor.
56	EN17049	Baseline RWPL Extension	542,204	6,702,000	On-Time	Construction	
57	RW19002	CBWM Pomona Extensometer Construction	539,571	1,463,581	On-Time	Construction	
Totals			2,385,797	17,059,208			
Overall Totals			86,558,565	732,242,598			

Attachment C

FY18/19 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 2/28/2019	Date of Award	Status
Agency Wide								
1	EN19019.07	W.A. Rasic Construction	21" VCP Pipeline Break - Airport Sewer Repair	Agencywide	TO-0007	41,200	54,070	11/15/2018 Complete
RP-1								
2	EN19019.02	W.A. Rasic Construction	RP-1 6 Inch Potable Water Leak	RP-1	TO-0001	8,900	11,981	8/23/2018 Complete
3	EN19017.01	W.A. Rasic Construction	RP-1 Utility Water Leak	RP-1	TO-0002	3,757	2,831	9/12/2018 Complete
4	EN19019.09	W.A. Rasic Construction	RP-1 UW Leak	RP-1	TO-0008	8,988	25,560	12/6/2018 Complete
5	EN19019.10	TBD	RP-1 Digester Gas Leak Repair	RP-1	TBD	200,000	0	2/28/2019 Active
RP-2								
6	EN19019.01	Genesis	RP-2 Dewatering of Decommissioned Structures	RP-2	TO-0001	12,325	17,187	8/7/2018 Complete
7	EN19019.04	Ferreira Construction	RP-2 Dewatering of Decommissioned Structures	RP-2	TO-0001	31,535	49,524	8/30/2018 Complete
8	EN19019.05	Ferreira Construction	RP-2 Dewatering of Decommissioned Structures	RP-2	TO-0003	500,000	492,817	8/30/2018 Complete
9	EN19017.02	Ferreira Construction	RP-2 Utility Water Leak	RP-2	TO-0004	3,900	6,001	9/27/2018 Complete
10	EN19019.06	W. A. Rasic Construction	RP-2 Screw Conveyor Liner Replacement	RP-2	TO-0005	4,488	12,840	10/31/2018 Complete
RP-5								
11	EN19019.03	W.A. Rasic Construction	RP-5 6" Fire Water Leak	RP-5	TO-0002	7,400	10,474	8/31/2018 Complete
GWR								
12	N/A	JCE Equipment Inc.,	Brooks Basin Infiltration Restoration	Brooks Basin Montclair	10300-161203-410000-521080	274,058	299,039	9/4/2018 Active
Recycled Water								
13	EN19017.03	W.A. Rasic Construction	RW Pipeline Leak on Pine Avenue	RW	TO-0003	34,600	49,104	10/5/2018 Complete
14	EN19017.04	Ferreira Construction	1630 East Pipeline Segment A Blow Off Leak	RW	TO-0005	28,879	24,442	10/24/2018 Complete
15	EN19017.05	W.A. Rasic Construction	RW Blow Off - Chino Ave. East of Ontario	RW	TO-0004	22,000	46,209	10/19/2018 Complete
NRWS								
16	EN19019.08	W.A. Rasic Construction	CM-005 Manhole Frame/Cover Replacement	NRWS	TO-0006	20,000	11,406	11/15/2018 Complete
Totals						1,202,030	1,113,485	

February 2019 Emergency Projects

Contractor	Task Order Description	Details of the Circumstances/Cause of Emergency	Scope of Repair	Location	Date of Call Out	Not-to-Exceed /Estimate
TBD	RP-1 Digester Gas Leak Repair	A gas leak was discovered at the common vault of the digester gas loop. Due to safety concerns, repairing the leak by isolating the gas lines and replacing several appurtenances is necessary.	The corroded ductile iron gas loop connection will be replaced with a new tee section and a spool to eliminate the leak. This will require an isolation of the digestors' gas loop and a planned bypass. Three isolation valves will also be replaced as part of the scope of work.	RP-1	2/28/2019	200,000
Total						200,000