



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

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

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

Kirby Brill, Interim General Manager
Chris Berch, Executive Manager of Engineering/AGM
Randy Lee, Executive Manager of Operations/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Jerry Burke, Deputy Manager of Engineering
Andy Campbell, Groundwater Recharge Coordinator/Hydrogeologist
Andrea Carruthers, Manager of External Affairs
Javier Chagoyen-Lazaro, Manager of Finance & Accounting
Warren Green, Manager of Contracts & Procurement
Elizabeth Hurst, Environmental Resources Planner II
Nolan King, Network Administrator
Laura Mantilla, Executive Assistant
Liza Munoz, Senior Engineer
Sylvie Lee, Manager of Planning & Environmental Resources
Cathleen Pieroni, Manager of Government Relations
Jesse Pompa, Deputy Manager of Grants
Kenneth Tam, Senior Associate Engineer
Justin Tao, Assistant Engineer
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Michael Arreguin, Burrtec Waste Industries, Inc.
Jean Cihigoyenette, JC Law Firm
Marty Cihigoyenette, JC Law Firm
Ron Craig, City of Chino Hills
Amanda Coker, City of Chino
Nicole deMoet, City of Montclair
Eduardo Espinoza, Cucamonga Valley Water District

Chuck Hays, City of Fontana
Courtney Jones, City of Ontario
Andrew Lozowski, Brown and Caldwell
Darron Poulsen, City of Pomona
Jennifer Thompson, Brown and Caldwell

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 10:00 a.m. and President Hofer led the Pledge of Allegiance to the flag. A quorum was present.

(Director Camacho entered the Board meeting room 10:05 a.m.)

President Hofer stated that members of the public may address the Board. Eight requests for public comment were made. Chuck Hays, Public Works Director with the City of Fontana addressed the Board. Mr. Hays expressed the City of Fontana's support of the Chino Basin Program (CBP). He thanked the Agency's staff for work done on the CBP and Director Hall for taking the time to explain the program. Mr. Hays looks forward to the outcome of the CBP.

Ron Craig, representing the City of Chino Hills stated he was in support of the CBP. Mr. Craig stated he has been in the water industry for 41 years and he knows the complexity of the application process. Mr. Craig thanked the Board and the staff for their hard work. He also thanked the Board for the regional contract negotiation and being a hub for projects in the region to come together.

Eduardo Espinoza, Director of Engineering from Cucamonga Valley Water District stated his appreciation of the Agency's staff and the collaboration on the CBP. Mr. Espinoza stated that CVWD is excited about the program and they are moving forward with the MOU. He stated that CVWD is familiar with the Brown and Caldwell team and are looking forward to working with them on the CBP.

Amanda Coker, Senior Engineer with the City of Chino, stated she appreciated the invitation and opportunity to be a part of the evaluation team for the CBP Preliminary Design Review (PDR). The City of Chino looks forward to being a proactive partner in the CBP Workgroup. Ms. Coker stated that at last night's City of Chino Council Meeting the MOU was approved. She thanked Director Elie for presenting the CBP to the City Council.

Courtney Jones, Senior Associate Engineer with the City of Ontario, expressed her appreciation of being invited to be part of the team. Ms. Jones stated that after a thorough review of all the proposals, she felt like Brown and Caldwell was the best choice. She stated the City of Ontario looks forward to the continued positive working relationships with the team and parties as they build a foundation for drought-proofing the region through the CBP.

Nicole deMoet, Environmental Manager with the City of Montclair, stated that the Agency has been a leader in partnering and securing numerous external funding opportunities to ensure programs are cost-effective for stakeholders and beneficial to the region. Ms. deMoet stated that the crafting and approach of the CBP has afforded the region the opportunity to receive one of the largest conjunctive use funding awards within the State. She stated the City of Montclair looks forward to working with the CBP Workgroup in developing programs that are broad-based and beneficial for all parties. Ms. deMoet informed the Board that the City of Montclair has already approved and adopted the MOU.

Darron Poulsen, Water Resources Director from the City of Pomona stated that although the City of Pomona is not a member agency, they are excited to be a part of the CBP. Mr. Poulsen stated

that the City of Pomona approved the MOU on March 18. He appreciates being included in the regional program.

Michael Arreguin, Vice President from Burrtec Waste Industries, Inc. representing Inland Bio Energy expressed his appreciation and thanked the staff for working closely with IBE.

President Hofer asked if there was any one else wishing to speak. No one else desired to do so. President Hofer thanked everyone for taking their time to attend and speak at the Board meeting. President Hofer stated that the staff has worked hard on the CBP and acknowledged staff on their accomplishments.

President Hofer asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

NEW EMPLOYEE INTRODUCTIONS

Executive Manager of Operations/AGM Randy Lee introduced:

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

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

CONSENT ITEMS

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

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

M2019-3-1

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the February 20, 2019 Board Meeting.
- B. The Board approved the total disbursements for the month of January 2019, in the amount of \$15,930,152.02.
- C. The Board adopted Resolution No. 2019-3-1, approving the update of the Agency's Investment Policy for Fiscal Year 2019/20.

RESOLUTION 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 (for full text, see Resolution Book)

D. The Board:

1. Approved 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. Authorized the Interim General Manager to execute the consulting engineering services contract amendment, subject to non-substantive changes.

Continued...

M2019-3-1, continued

E. The Board:

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

F. The Board:

1. Awarded 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. Authorized the Interim General Manager to execute the construction contract, subject to non-substantive changes.

ACTION ITEMS

CHINO BASIN PROGRAM (CBP) PRELIMINARY DESIGN REPORT CONSULTING ENGINEERING SERVICES

Manager of Planning & Environmental Resources Sylvie Lee stated the item was presented at both the Engineering, Operations & Water Resources Committee and the Finance & Administration Committee. Ms. Lee stated that the Preliminary Design Report scope will be a collaborative process to work with the all stakeholders that meet the CBP performance objectives and the long-term goals for each of the stakeholders.

Ms. Sylvie Lee stated nine proposals were received for the CBP Pre-Design Services. A committee selection staff including both IEUA and four IEUA member agencies shortlisted and subsequently interviewed six firms; the selection committee unanimously selected Brown & Caldwell as the best qualified team for CBP.

Ms. Sylvie Lee gave an overview of the Chino Basin Team. She stated to secure the final funding agreement, a final report including refined project scope, environmental determination and institutional agreements need to be submitted to the California Water Commission (CWC) by 2020.

Ms. Sylvie Lee reminded the Board that in November 2018, the IEUA Board established a planning budget of \$6.3M for the CBP, subsequent to the conditional funding award from the CWC in the amount of \$206.9M. She stated that this item is asking to increase the CBP Total Project Budget from \$6.3M to \$15M.

Director Elie thanked Ms. Sylvie Lee for the presentation and asked why Brown & Caldwell was unanimously chosen. Ms. Sylvie Lee stated it was a difficult decision to choose a firm but the main item that set Brown & Caldwell apart was the regional collaboration aspect, as well as their knowledge of the dynamics of the Basin.

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

M2019-3-2

MOVED, to:

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.

Director Elie and President Hofer congratulated the team on their great work and accomplishment. Executive Manager of Engineering/AGM Chris Berch expressed his appreciation of the member agencies, partners, and staff on the collaboration of the CBP. Mr. Berch acknowledged his gratitude to Ms. Sylvie Lee on her leadership throughout the process.

(Director Camacho left the Board meeting room 10:37 a.m.)

INFORMATION ITEMS

BOARD COMPENSATION

General Counsel Jean Cihigoyenette stated that at the last Board meeting there was discussion of amending the board compensation, which is addressed every year. Mr. Cihigoyenette stated that at the last meeting he was asked how much can be adjusted under the statute and he incorrectly stated 5% from the last designation. The correct answer is 5% per year and it can be compounded, which means there will be a total available of \$272.25 if the Board decided to take 5% for every year since the last designation in 2017. Mr. Cihigoyenette stated that due to the confusion, staff wanted to clear the record, in order for the Board to have the correct information to make their decision.

Mr. Cihigoyenette asked the Board if they would like to amend their decision of \$250. The Board agreed to maintain their decision to amend the compensation at \$250. Mr. Cihigoyenette stated that the agreed amount will be brought back to the Board in the form of an Ordinance for their approval and will be in effect the next fiscal year, beginning July 1, 2019.

(Director Camacho returned to the Board meeting room 10:40 a.m.)

PROPOSED TEN-YEAR CAPITAL IMPROVEMENT PLAN (TYCIP) FISCAL YEARS 2019/20-2028/29

Executive Manager of Finance & Administration/AGM Christina Valencia gave a brief background and update of the Agency's key factors of the TYCIP, details of the proposed TYCIP, and considerations for future TYCIP.

GRANTS DEPARTMENT SEMI-ANNUAL BOARD UPDATE

Deputy Manager of Grants Jesse Pompa gave an overview of the historic data of grant projects, submitted grant applications, SWRCB fundable list, and new tools that will improve efficiencies and the ability to identify new opportunities for the Grants Department.

Director Elie thanked Mr. Pompa for his presentation. He stated it's extraordinary how successful the Agency has been, and he believes it is a testament to staff. He congratulated staff on the good work and positive reputation at the SWRCB.

President Hofer asked what the allocation and number of SRF requests every year are. Mr. Pompa stated for this FY, SWRCB is anticipating \$100 billion to be allocated. Mr. Pompa will research and provide the number of requests for last year.

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: SCADA Enterprise System – (Regional Water Recycling Plant No. 1); Philadelphia Lift Station Force Main Improvements; RP-4 Outfall Pipeline Air Release Valve Replacement/Relocation; Napa Lateral; and IERCF Trommel Screen Improvements.

President Hofer asked why there was a change to the work on the panels. Mr. Burke stated originally staff had planned to do the work in-house but due to the ISS workload they amended the contract to have the contractors complete the work. President Hofer asked about the change order of 15% in the budget for the RP-4 Outfall Pipeline Air Release Valve Replacement/Relocation project. Mr. Burke stated that due to the requirements of the city the original scope was modified.

(Director Elie left the Board meeting room 11:07 a.m.)

GROUNDWATER RECHARGE UPDATE

Executive Manager of Operations/AGM Randy Lee provided an overview on Groundwater Recharge for the last year. He gave a brief breakdown of the different basin styles and how the flow is diverted.

(Director Elie returned to the Board meeting room 11:11 a.m.)

Mr. Lee stated that prior to a storm, San Bernardino Flood Control will ask the Agency not to recharge recycled water. Typically, the Agency will allow the water to percolate into the ground and not allow any more recycled water into the basin to maintain elevation.

(Director Hall left the Board meeting room 11:25 a.m.)

(Director Hall returned to the Board meeting room 11:29 a.m.)

Director Parker stated that the average rainfall was about 9,000 AF and asked what the average Recycled Water was at. Mr. Lee stated it is about 12,000-13,000 AF.

MWD UPDATE

Manager of Government Relations Cathleen Pieroni provided a water resource update stating that in the last month it went from a normal to a wet year. Ms. Pieroni stated that MWD unanimously approved the Colorado River Drought Contingency Plan. She reported that MWD is evaluating their emergency storage levels. The draft criteria recommendations were outage periods of 6 to 18 months, a 25 -35% retail demand cutback, and a 80 – 100% local supply production. Ms. Pieroni gave an update on the State Water Project voluntary agreement framework and the MWD financial management. She stated that MWD was trending lower than the budget amount. She also provided the MWD forecast on future topics in calendar year 2019.

CBWM UPDATE

Executive Manager of Engineering/AGM Chris Berch stated that there were no business items, only informational reports at the February 28 CBWM meeting. There was a closed session on the March 15 hearing. The OBMP update was presented and on March 21 there will be a Third Listening Session. Mr. Berch stated that the idea of a joint Board meeting with the Agency and CBWM was proposed. He stated that staff is working with CBWM to coordinate the joint meeting, tentatively scheduled for the end of April.

SAWPA UPDATE

Senior Associate Engineer Kenneth Tam gave an update on the OWOW program and the discussion with the Orange County stakeholders. Mr. Tam stated that a tentative compromise has been reached. The proposal will be presented to the Orange County Board on March 20 and the OWOW Steering Committee meeting on March 28. If approved by both the Orange County Board and the OWOW Steering Committee, the proposal will be brought to the April 16 SAWPA Commission meeting.

Mr. Tam stated that on March 29, the 2019 Santa Ana River Watershed Conference will be held at Cal State Fullerton.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

FISCAL YEAR 2018/19 SECOND QUARTER BUDGET VARIANCE, PERFORMANCE GOAL UPDATES, AND BUDGET TRANSFERS

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

STATE LEGISLATIVE TRACKING MATRIX

INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT FOR MARCH 2019

THE AUDIT FUNCTION

SOUTHERN CALIFORNIA EDISON UTILITY PAYMENTS FOLLOW-UP AUDIT

ACCOUNTS RECEIVABLE FOLLOW-UP AUDIT - WATERMASTER AGREEMENT

WATER CONNECTION FEES AUDIT

ASSET MANAGEMENT PROGRAM UPDATE

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Parker stated that 30% of the funding will be allocated to Orange County, 60% will be allocated to upstream counties, such as San Bernardino and Riverside and 10% will be allocated to regional watershed projects. Director Parker stated that the proposal is viewed positively from both parties.

MWD REPORT

Director Hall stated that Ms. Pieroni fully covered the MWD topics. She stated that she will be attending one-on-one classes with different managers and staff to receive an overview of all the different communities she is involved in and be informed about the MWD history.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker stated at the February 27 Committee meeting, the Regional Contract negotiation facilitators provided an update and stated they were ahead of schedule. Director Parker thanked the Agency's member agencies for their participation in the Regional Contract negotiation.

CHINO BASIN WATERMASTER REPORT

Director Elie stated that Mr. Berch covered most of the CBWM topics, but he wanted to add that he appreciated Interim General Manager Kirby Brill's recommendation to collaborate in a joint meeting. He also stated that at the March 15 hearing, the CBWM motion was approved.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Camacho stated that the contract was approved for the General Manager Tom O'Neil and there was a Resolution in support of the nomination of Western Municipal Water District Director Al Lopez to the Executive Committee of the Association of California Water Agency Joint Powers Insurance Authority.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

There was nothing to report.

GENERAL MANAGER'S REPORT

Interim General Manager Kirby Brill had nothing additional to report.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

Director Elie requested staff revisit the Board of Directors travel guidelines. He requested staff conduct a survey of other agencies and create an up-to-date standard.

Director Parker wanted to confirm that staff will be returning to the Board with the parking lot rock removal item. Mr. Lee stated it will be brought back in next month's meeting.

DIRECTORS' COMMENTS

President Hofer thanked staff for the hard work on the Chino Basin Program.

Director Camacho stated he attended the MWDOC Water Policy Forum on February 21, the TVMWD Leadership Breakfast on February 28, the State Legislation Reception for Water Agencies of Inland Empire & Orange County on March 5, the 2019 ACWA Legislative Symposium on March 6, presented a big check to Home Strong USA on March 14, and the ASBCSD Membership Meeting on March 18.

Director Parker stated she attended the ASBCSD Membership Meeting on March 18.

Director Hall stated she attended the 2019 CASA Washington DC Conference from February 25-27, the ACWA 2019 DC Conference from February 26-28, the State Legislation Reception for Water Agencies of Inland Empire & Orange County on March 5, the 2019 ACWA Legislative Symposium on March 6, and the WaterReuse California Annual Conference from March 17-19.

Director Elie stated he attended the Meeting/Tour with Ms. Gili Elkin, Senior Advisor to the Israeli Government on water & Ari Goldberg, CEO of Kando on March 1, the Chino Valley Chamber of Commerce's Salute to Public Safety Luncheon on March 14, taught three AP Environmental Science classes at Servite High School on March 15, and the ASBCSD Membership Meeting on March 18. He stated he provided an overview and presented on the Chino Basin Program at the city of Chino Hills Council Meeting on March 12 and city of Chino Council Meeting on March 19.

CLOSED SESSION

The Board went into Closed Session at 12:04 p.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010 (2) Spicer vs. W.A. Rasic Construction, Case No. CIVDS 1711812; B. 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: (1) General Manager (2) Designated Representatives: President Hofer and Director Parker.

The meeting resumed at 12:52 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 took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

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

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Case #1

The Board took no reportable action.

Pursuant to Government Code Section 54954.5 – Public Employment:

General Manager

Designated Representatives: President Hofer and Director Parker

The Board took no reportable action.

ACTION ITEM

DISCUSSION AND POSSIBLE APPROVAL OF A GENERAL MANAGER EMPLOYMENT CONTRACT

General Counsel Jean Cihigoyenetché stated that the Ad Hoc Committee of negotiators comprised of President Hofer and Director Parker were assigned to negotiate with Mr. Shivaji Deshmukh. The contract terms agreed upon the negotiating parties are subject to Board review and approval. The term of the contract is 5 years with a base salary of \$285,000 per year with cost of living adjustments. A merit review is available subject to Board approval of up to 10% per year. Also included in the contract is 160 hours of vacation per year, 80 hours of administrative leave per year, and a six-month severance package.

Upon motion by Director Parker, seconded by Director Hall, and carried (3-2):

M2019-3-3

MOVED, to approve the General Manager Employment Contract.

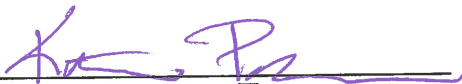
With the following roll call vote:

Ayes:	Hofer, Parker, Hall
Noes:	Elie, Camacho
Absent:	None
Abstain:	None

CHINO BASIN PROGRAM AD HOC COMMITTEE

President Hofer made an announcement of the Chino Basin Program Ad Hoc Committee. He stated the purpose of the Ad Hoc Committee is to provide policy-related leadership and aid staff with the development and execution of multiple stakeholder engagement strategies. The Ad Hoc Committee will be able to help identify strategies, connections and synergies which can be used to develop broad regional coalitions, statewide and national partnerships and help secure the Project Agreements required for the Prop 1 funding. The Ad Hoc Committee will also help guide the development of focused and relevant briefings to the IEUA Board (and constituent Boards and Councils) regarding the Chino Basin Program development. The Ad Hoc Committee may be needed until all Project Agreements are executed, which is expected to occur during late 2020 or early 2021. The Ad Hoc Committee members are Directors Elie and Parker.

With no further business, President Hofer adjourned the meeting at 12:59 p.m.


Kati Parker, Secretary/Treasurer

APPROVED: APRIL 17, 2019