



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

**WEDNESDAY, MAY 15, 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:

Shivaji Deshmukh, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Joshua Aguilar, Senior Engineer
Jerry Burke, Deputy Manager of Engineering
Pietro Cambiaso, Deputy Manager of Planning & Environmental Resources
Javier Chagoyen-Lazaro, Manager of Finance & Accounting
Andrea Carruthers, Manager of External Affairs
Tina Cheng, Budget Officer
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
John Scherck, Senior Project Manager
Travis Sprague, Senior Associate Engineer
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager
Jeff Ziegenbein, Manager of Regional Compost Operations

OTHERS PRESENT:

Shabhab Azizi, Lincus, Inc.
Marla Matime, Conservation Lands Foundation
Jean Cihigoyenette, JC Law Firm
Lauren Seymour, The Energy Coalition
Karen Williams, SAWPA

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 10:02 a.m. and led the Pledge of Allegiance to the flag. A quorum was present.

President Hofer stated that members of the public may address the Board.

Ms. Marla Matime from the Conservation Lands Foundation asked the Board of Directors and its member agencies to refrain from signing for Cadiz Water in order to protect California deserts.

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

PRESENTATION

Executive Manager of Engineering/AGM Chris Berch introduced Deputy Manager of Planning & Environmental Resources Pietro Cambiaso. Mr. Cambiaso presented some impacts of some decisions made regarding the Agency's Energy Efficiency Project in the last couple years and on the progress made, differential cost benefits, history of the project, and various completed projects. Mr. Cambiaso introduced Ms. Lauren Seymour from The Energy Coalition and Mr. Shabab Azizi from Lincus, Inc. Mr. Azizi stated he has been working with the Agency since 2015 to implement these projects and provide incentive for completion. He thanked the Agency for the opportunity and Pietro Cambiaso for working with them. Ms. Seymour thanked Pietro Cambiaso and Sarah Recinto for working with them and thanked the Board for their support.

Ms. Seymour and Mr. Azizi presented a check to the Board of Directors.

PUBLIC HEARING

General Counsel Jean Cihigoyenatche stated that the Board of Director's Compensation is brought to the Board annually. Each year the Board of Directors decides if they want to modify the compensation for the Board of Directors. Today for consideration is the adoption of the proposed Ordinance 107. He stated that the current Ordinance is Ordinance 105. The aspect of the Ordinance, which is being considered today for adoption, is the Board's compensation for attendance at compensable events such as Board meetings, Committee meetings, and other items delineated within the terms of the Ordinance. Under California law, the Board of Directors may increase their compensation by 5 percent every year from the most recent amendment. In this instance, the Board last acted on this Ordinance in 2017. Therefore, the Board of Directors have the authority and discretion to adjust the compensation by 5 percent for the year of 2018 and 5 percent for the year of 2019. This matter is discussed annually during the first quarter of each year for Board direction. The Board suggested to increase the Board compensation by \$2.50 to \$250.00 per days service, an increase of 1.01 percent. Since that time, there has been an additional suggestion to have it be adjusted to \$260.00 per days service. The remainder of the Ordinance will be remaining as is.

President Hofer opened the Public Hearing at 10:19 a.m., and receiving no comments, he closed the Public Hearing at 10:20 a.m.

Discussion ensued regarding the Board compensation amount.

Upon motion by Director Hall, seconded by Director Parker, and carried (4:1):

M2019-5-1

MOVED, to:

1. Receive public comments for the Board to adopt Ordinance No. 107, establishing compensation of \$260.00 and benefits, and authorizing reimbursement of expenses for the Board of Directors and their appointed representative to the Metropolitan Water District of Southern California Board of Directors, and outside Committee members; and
2. After closing the Public Hearing, by roll call vote, adopted Ordinance No. 107.

ORDINANCE 107

ORDINANCE OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING COMPENSATION/BENEFITS AND AUTHORIZING REIMBURSEMENT OF EXPENSES FOR THE BOARD OF DIRECTORS AND THEIR APPOINTED REPRESENTATIVES TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BOARD OF DIRECTORS AND OUTSIDE COMMITTEE MEMBERS (for full text, see Ordinance Book)

With the following roll call vote:

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

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 Camacho, seconded by Director Elie, and unanimously carried:

M2019-5-2

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the April 17, 2019 Board Meeting.
- B. The Board approved the total disbursements for the month of March 2019, in the amount of \$16,266,952.02.
- C. The Board adopted Resolution No. 2019-5-5, approving the updated Reserve Policy for FY 2019/20.

Continued...

M2019-5-2, continued

**RESOLUTION 2019-5-5
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE AGENCY RESERVE POLICY (for
full text, see Resolution Book)**

D. The Board:

1. Ratified the Santa Ana Watershed Project Authority (SAWPA) adopted budget for FYs 2019/20 and 2020/21, as submitted; and
2. Adopted Resolution No. 2019-5-3, approving the SAWPA general and specific project budgets for FYs 2019/20 and 2020/21.

**RESOLUTION 2019-5-3
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA
WATERSHED PROJECT AUTHORITY FOR FISCAL YEAR 2019/20
AND FISCAL YEAR 2020/21 (for full text, see Resolution Book)**

- E. The Board adopted Resolution No. 2019-5-4, approving the amendment to the Agency's Salary Schedule/Matrix for all groups.**

**RESOLUTION 2019-5-4
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING THE AMENDMENT TO THE
AGENCY'S SALARY SCHEDULE/MATRIX (for full text, see
Resolution Book)**

F. The Board:

1. Approved a consultant services contract amendment for the RW System Cathodic Protection Improvements; Project No. EN17080, to Corpro Companies Inc. for the not-to-exceed amount of \$67,450; and
2. Authorized the General Manager to execute the contract, amendment, subject to non-substantive changes.

G. The Board:

1. Approved Contract No. 4600002733 to Jeremy Harris Construction, Inc. for the Ely Basin Infiltration Restoration Services for a not-to-exceed amount of \$248,550;
2. Approved a budget amendment for FY 2018/19 Groundwater Recharge professional fees budget in the amount of \$248,550 to support the proposed cost of the Ely Basin cleaning; and

Continued...

M2019-5-2, continued

3. Authorized the General Manager to execute the contract.

H. The Board adopted Resolution No. 2019-5-2, nominating General Manager Shivaji Deshmukh as the Agency's representative to the five-member Santa Ana Watermaster Committee.

RESOLUTION 2019-5-2

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, NOMINATING AN AGENCY REPRESENTATIVE TO THE SANTA ANA RIVER WATERMASTER COMMITTEE IN THE MATTER OF ORANGE COUNTY V. CITY OF CHINO, ET AL. (for full text, see Resolution Book)

I. The Board:

1. Approved the amendment extending the term of the IEUA O&M agreement RAKB04001-002 with IERCA for an additional ten years;
2. Authorized the extension of the Agreement for two additional ten-year terms upon written agreement by the Authority's Project Manager and Agency's General Manager; and
3. Authorized the General Manager and Authority's Project Manager to execute the contract amendment.

Director Hall asked if the contracts in the Board package for the Board approval should be signed already. General Counsel Jean Cihigoyenatche responded that there is a written policy that contracts presented to the Board for approval are signed by the other party of the contract. Contracts will not be signed by our Agency until the Board approves for signature. That cannot always happen because of certain circumstance and timing of events, but staff strives to get the contracts signed by the other party, so the Board is sure that their approval is the final act that consummates the contract.

ACTION ITEMS

ADOPTION OF RESOLUTION NO. 2019-5-1, DECLARING ITS INTENT TO ADOPT THE FISCAL YEARS 2019/20 AND 2020/21 BUDGETS

Executive Manager of Finance & Administration/AGM Christina Valencia stated that this item is pursuant to the Regional Contract, requiring the Board of Directors to adopt a Resolution of intent to adopt the budget and set a date and time for a public hearing. Staff is recommending the June 19, 2019 Board meeting as the hearing date and time for the public hearing. Upon approval of the resolution, the Agency will distribute the Resolution of intent to adopt the budget to our contract member agencies pursuant to the Regional Contract.

Discussion ensued about the cost benefit analysis by the contracting agencies.

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

M2019-5-3

MOVED, to:

1. Adopt Resolution No. 2019-5-1, declaring its intent to adopt the Fiscal Years (FYs) 2019/20 and 2020/21 budgets for the Agency's Regional Wastewater, Recycled Water, Non-Reclaimable Waster, and Water Resources programs and fixing time and place of hearing thereon for Fiscal Year 2019/20; and

**RESOLUTION 2019-5-1
RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, DECLARING ITS INTENT TO ADOPT BUDGETS FOR THE REGIONAL SEWAGE, RECYCLED WATER, NON-RECLAIMABLE WASTEWATER, AND WATER RESOURCES PROGRAMS AND FIXING TIME AND PLACE OF HEARING THEREON (for full text, see Resolution Book)**

2. Set a hearing date, and direct staff to distribute the Resolution to the appropriate agencies in compliance with the Regional Sewage Service Contract.

JURUPA COMMUNITY SERVICES DISTRICT (JCSD) WATER RESOURCES MANAGEMENT PARTNERSHIP

Manager of Planning & Environmental Resources Sylvie Lee gave an update on the Chino Basin Program. With Jurupa Community Services District, there are 15 partner agencies that will be participating in the process. Ms. Lee described the Agency's goals for the next steps.

Discussion ensued regarding the specifics of the agreements and memorandum of understanding.

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

M2019-5-4

MOVED, to:

1. Endorse the IEUA and JCSD Water Resources Management Partnership; and
2. Authorize staff to continue discussions with JCSD using the Guiding Principles in the Partnership Document.

PROJECT CONTROLS MASTER SERVICE CONTRACT AWARDS

Acting Executive Manager of Engineering/AGM Shaun Stone gave an overview of the scope of service, consultant selection, and staff recommendations for the Project Controls Master Service Contract Awards.

Discussion ensued about the management of the dashboard.

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

M2019-5-5

MOVED, to:

1. Award a three-year master service contract, with the option for up to four, one-year time extensions to CAPO Projects Group and KRD Management for an aggregate not-to-exceed amount of \$1,250,000; and
2. Authorize the General Manager to execute the contracts, subject to non-substantive changes.

INFORMATION ITEMS

REVIEW OF PROPOSED BIENNIAL BUDGET FOR FISCAL YEAR 2019/20 AND 2020/21 FOR ADMINISTRATIVE SERVICES, NON-RECLAIMABLE WASTEWATER, AND WATER RESOURCES FUNDS

Manager of Finance & Accounting Javier Chagoyen-Lazaro gave an overview of the proposed biennial budget for the Agency's Administrative Services, Non-Reclaimable Wastewater, and Water Resources Funds.

Director Camacho left the meeting at 11:07 a.m.

Director Camacho returned to the meeting at 11:09 a.m.

CONSTRUCTION INDUSTRY TRENDS

Acting Executive Manager of Engineering/AGM Shaun Stone presented an overview of the current construction industry situation, social issues in construction, overall project cost trends, construction bid trends, average number of bids received, engineer's estimate data, what this information means for the Agency, and the actions the Agency is taking.

Discussion ensued regarding Agency policies that may limit bids and about potential competition from the private sector and federal projects.

MWD UPDATE

Manager of Government Relations Cathleen Pieroni provided an update on the Special Committee on the Bay Delta Meeting held on April 23. She gave an update on the potential emergency conditions in the existing Bay Delta conveyance system, water resources, and the pilot water conservation program in disadvantaged communities.

Discussion ensued regarding the pilot water conservation program in disadvantaged communities and the salinity in the Bay Delta in case of an earthquake.

CBWM UPDATE

Executive Manager of Engineering/AGM Chris Berch gave an update on the April 25 Board meeting. He stated that there were no business items at the meeting. He stated that Mr. Andy Malone from Wildermuth spoke about the maximum benefit annual report during his engineering report. CBWM General Manager Peter Kavounas also spoke about the Optimum Basin Management Program (OBMP) process. Mr Berch stated that the fourth meeting of a series of workshops is scheduled to go over the OBMP update. He reported that the draft storage management program is scheduled for the end of May and the OBMP report should be completed by the end of this year.

SAWPA UPDATE

Source Control/Environmental Resources Supervisor Craig Proctor stated that the May 7 Commission meeting was cancelled due to the ACWA Conference and the next Commission meeting is scheduled for May 21.

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

TREASURER'S REPORT OF FINANCIAL AFFAIRS

PUBLIC OUTREACH AND COMMUNICATION

STATE LEGISLATIVE REPORT AND MATRIX FROM WEST COAST ADVISORS

FEDERAL LEGISLATIVE REPORT AND MATRIX FROM INNOVATIVE FEDERAL STRATEGIES

CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT

FY 2019/20 ADOPTED BUDGET FOR THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Parker stated there was nothing to report.

MWD REPORT

Director Hall reported that for the pilot water conservation program in disadvantaged communities. She noted that 65 percent of the 120 applications did not go to the disadvantaged communities. IEUA had ten non disadvantaged communities and one disadvantaged community. MWD is reevaluating the process to make a better effort of outreach to disadvantaged communities.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Director Parker stated there was nothing additional to report.

CHINO BASIN WATERMASTER REPORT

Director Elie stated that after the CBWM Board meeting, the Executive Director of the Building Industry Association Baldy View Chapter Mr. Carlos Rodriguez and their Chair Phil Burum spoke about the relations between water and the building industry.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Camacho stated there was nothing to report.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

President Hofer stated that the IERCA Board meeting was routine in nature.

GENERAL MANAGER'S REPORT

General Manager Shivaji Deshmukh congratulated Executive Manager of Engineering/AGM Chis Berch on accepting a job as the General Manager of the Jurupa Community Services District. He stated that it is evident that Mr. Berch has had an impact on many of the successes at the Agency. Mr. Deshmukh congratulated Mr. Berch on behalf of staff and stated he looked forward to continue working with Mr. Berch. He stated that it was International Compost Awareness Week and the Agency had a Compost Giveaway on May 12. He stated that the MWD Solar Cup event is taking

place on May 17 through May 19 with three schools within the Agency's service area participating: Chino Hills High School, Los Osos High School, and Upland High School. Board members and staff members will be in attendance and the Agency social media site will be updated throughout the weekend. He stated that the third Rate Study Workshop will be taking place on May 30 and the Water Resources fund budget will be discussed at the Water Managers meeting on May 22. He stated that the Agency is also hosting the Santa Ana River Basin Section Conference today.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

Director Hall requested that the strategic plan of the Agency be brought to the Board. General Manager Shivaji Deshmukh stated that staff has been working on the strategic plan and it will be brought to the Board of Directors in the next few months.

DIRECTORS' COMMENTS

Director Camacho stated he attended the P3 Water Summit from April 23 through April 24, Village of Heritage Recycled Water Groundbreaking Event on May 2; and the 2019 ACWA Spring Conference from May 7 through May 10.

Director Parker stated she attended the Garden in Every School Dedication Ceremony at Hillside High School on April 19; EMWD Facilities Tour on April 29; Village of Heritage Recycled Water Groundbreaking Event on May 2; MWD Colorado River Aqueduct Tour hosted by the City of Anaheim & City of Pasadena from May 2 through May 5; IEUA Career Management Program's Community Day on May 8; and Solar Cup Shirt Distribution at Upland High School on May 13.

Director Hall stated she attended the IEUA's Student Earth Day on April 17; MWD VIP Reception with Senator Connie Leyva and Assemblymember Freddie Rodriguez on April 26; EMWD Facilities Tour on April 29; Fontana Days Parade on May 4; the 2019 Legacy of Service Award on May 6; and the 2019 ACWA Spring Conference from May 7 through May 9.

Director Hall stated that the Agency is entering into many partnerships with our member agencies and it is critical that the Board members spend the time to review the packages and information provided to create the best policies in the best interest of the Agency's residents and customers.

She also stated on June 6 there will be an outreach sponsored by MWD called Connect-2-MET at the Sheraton Hotel Conference Center in Pomona. This event will outreach to local contractors to familiarize them with the bidding process

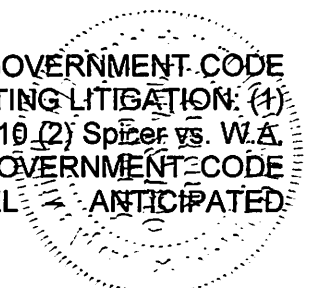
Director Elie stated he attended IEUA's Community Earth Day on April 18; the SCWC Quarterly Luncheon on April 26; the San Bernardino County Supervisor Curt Hagman's VIP Air Show Reception on May 3; and the 2019 ACWA Spring Conference from May 7 through May 9.

Director Elie stated that he was disappointed to not see any items on the agenda of the Board taking a position on issues such as the water tax and trust funds, which would allow the Board to enter into the conversation with other related water officials.

Director Hofer congratulated Executive Manager of Engineering/AGM Chris Berch on his new position.

CLOSED SESSION

The Board went into Closed Session at 12:06 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)4 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: One case



The meeting resumed at 12:52 p.m., and General Counsel Jean Cihigoyenette 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.

With no further business, President Hofer adjourned the meeting at 12:53 p.m.


Kati Parker, Secretary/Treasurer

APPROVED: JUNE 19, 2019

