



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

**WEDNESDAY, JUNE 19, 2019  
10:00 A.M.**

**DIRECTORS PRESENT:**

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

**DIRECTORS ABSENT:**

Paul Hofer, President

**STAFF PRESENT:**

Shivaji Deshmukh, General Manager  
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  
Javier Chagoyen-Lazaro, Manager of Finance & Accounting  
Warren Green, Manager of Contracts, Procurement & Risk Services  
Elizabeth Hurst, Environmental Resources Planner II  
Sylvie Lee, Manager of Planning & Environmental Resources  
Cathleen Pieroni, Manager of Government Relations  
Matthew Poeske, Construction Project Manager, P.E.  
Craig Proctor, Source Control/Environmental Resources Supervisor  
Ken Tam, Senior Associate Engineer  
Teresa Velarde, Manager of Internal Audit  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Estrella Arana  
Frances Arguello  
Mary Ann Arguello (sp?)  
Gary Charlton  
Jean Cihigoyenatche, JC Law Firm  
Moises Cisneros  
Nancy Cisneros  
Edgar Tellez Foster, CBWM  
Abram Gastelum (sp?)  
Angela Guzman  
Charles Hepperle  
Peter Kavounas, CBWM  
Yassi Kavezade

Loree Masonis  
John Monsen, NPCA  
Justin Nakano, CBWM  
Christy R. Perez  
Darren Perez  
Mary Ann Ruiz  
Nancy Rutherford  
Courtney Smith

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.

Vice President Hall called the meeting to order at 10:03 a.m. and Director Parker led the Pledge of Allegiance to the flag. A quorum was present.

Vice President Hall stated that members of the public may address the Board.

Ms. Courtney Smith stated that she is here to represent an activist organization, which has members within the Inland Empire. She asked IEUA to change their position to support SB 307.

Mr. John Monsen stated that he is a representative of the National Parks Conservation Association. He asked the Board to reconsider their position on SB 307. He stated that SB 307 does not constitute an additional environmental review but rather it replaces the national environmental policy act (NEPA) review that was eliminated by the current administration. The state is stepping in where the federal government is abdicating its NEPA responsibilities. He stated that the NEPA review would have been definitive for the project, not CEQA, given the scientific findings of agencies such as the United States Geological Survey, which refuted Cadiz Groundwater replenishment rates and other recent peer reviewed scientific results. He believes the March 28, 2019 letter focuses on the worst possible outcome rather than the likely outcome. He stated that the environmental groups that work to protect CEQA are also fully supportive of SB 307. He urged the Board of Directors to support SB 307.

Mr. Gary Charlton stated that he is a resident of Chino Hills and a customer of the Agency's district. He stated that SB 307 is supported by a broad coalition of desert business owners and residents, Native Americans, environmental groups, the LA Times, and a growing number of people like himself who enjoy desert landscapes. The Cadiz Water Project is an unsustainable mining operation in the desert that is going to harm desert wildlife and plants, drain and dry up springs in the desert, and he respectfully asked the Board of Directors to rescind their letter opposing SB 307.

Ms. Angela Guzman stated that she has lived in the Inland Empire her entire life and learned quickly that she lived in an environment that was scarce of water. She requested the Board to support SB 307 because it will reinforce protection and asked the Board to reevaluate the consequences with integrity. She respectfully asked the Board to rescind the letter opposing SB 307.

Mr. Charles Hepperle stated he agreed with the previous speakers and asked the Board to change their view of SB 307.

Ms. Nancy Rutherford stated that she is an Ontario resident and ratepayer. She stated she would like to protect the desert environment and protect ratepayers from the inevitable escalating costs of supporting the future of this type of water project. She asked the Board to support SB 307.

Mr. Moises Cisneros stated that he is a resident of San Bernardino and has been in economic development for most of his life. He stated that he grew up in the inner city away from the opportunity to enjoy and benefit from areas of wilderness in Southern California. Recently, he has been introduced to the beauty of the amazing desert wilderness that is in our backyard and this will be affected by the Cadiz project. He stated that he supports legislation and policies that allow for the protection of the fragile desert ecosystem. He stated that he was disheartened to learn that IEUA opposed SB 307. He asked the Board to reconsider their position and support SB 307.

Ms. Yassi Kavezade stated that she is an activist and a resident of the Inland region. She stated that other utilities agencies have taken positions to oppose Cadiz publicly. She encouraged the Board to look at local investments in infrastructure on water harvesting and solutions for local communities. She stated that life in the desert depends on the groundwater and that the desert serves in carbon sequestration, which is responsible for mitigating global climate change. She asked the Board to oppose the Cadiz Water Project and to support SB 307.

Ms. Stella Arana stated that she respectfully asked the Board to reject its letter opposing SB 307 and protect the desert ecosystem.

Mr. Abram Gastelum (sp?) stated that he is speaking as a trained researcher living in the Inland Empire. As a life-long resident of Southern California, he requested the Board support SB 307 and oppose the Cadiz Water Project. He stated that the destruction of ecosystems under the argument that selling resources, such as water in public lands, unnecessary intervention to ensure the future survival and dialogue of nature in civilization is false. This requires closer review of the real environmental impacts. He stated that it is an inadequate justification for the exploitation of water conservation efforts in the Mojave Desert. The Cadiz Water Project neglects to offer significant breadth of reports that conflict with its own corporate sponsored environmental impact report. He stated that as a researcher he is trained to acknowledge perspectives that counter his own methodology, analysis and conclusions. The lack of a comprehensive broader impact analysis that calls for more independent peer reviews should prompt a more responsible environmental review process by supporting SB 307. He stated that any project that aims to breach the public lands be met with a critical imperative to protect our homes natural livelihood.

Ms. Mary Ann Arguello stated that she is a customer and constituent from the city of Chino. She respectfully asked the Board to remove their opposition for SB 307 and support it.

Ms. Mary Ann Ruiz stated that she is, once again, asking the Board to rescind their letter opposing SB 307. She stated that this is their last chance to stop this desert-damaging project. She stated that the Board had previously stated at the prior meeting that they have not taken a position for or against Cadiz. She stated that this bill is specific to groundwater basin in the desert and does not have an impact to the CEQA process. She stated that she has been a local resident and ratepayer for 30 years. She added that she really appreciates the work that the ground basin has done and hopes that her water district will reevaluate this project that is unsustainable and unreliable.

Ms. Christy Perez stated that she is a resident of Chino, a local high school teacher, and a mother to a young child. She stated that environmental issues are important to her and asked the Board to support SB 307 and oppose the Cadiz Water Project.

Mr. Darren Perez stated that he is a resident of Chino and he respectfully asked the Board to rescind their letter opposing SB 307.

Vice President Hall thanked the public for taking the time to speak to the Board. Vice President Hall asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

## **PUBLIC HEARING**

Vice President Hall stated that this is the time and place to conduct a public hearing on the Agency's proposed biennial budget for Fiscal Years (FYs) 2019/20 and 2020/21 and the Ten-Year Capital Improvement Plan (TYCIP). She stated that she will be acting as the hearing officer during the proceedings.

Executive Manager of Finance & Administration/AGM Christina Valencia stated that this item is to allow the public the opportunity to submit comments on the Agency's proposed fiscal year 2019/20 and 2020/21 budgets and the Ten-Year Capital Improvement Plan (TYCIP). The hearing panel members today will include Vice President Hall, Secretary/Treasurer Parker, Director Elie, and Director Camacho. She stated that every year the Agency begins the preliminary view of the project in March 2019. In accordance with the Regional Sewerage Service Contract, the Agency also takes this item to the Regional Committees along with the proposed biennial budget for the Regional Wastewater and Recycled Water Programs. The last review that was provided to the Committees took place on May 30, 2019 and June 6, 2019. There was a unanimous approval and recommendations from both Committees for the Board to move forward with the approval of the biennial budget and the TYCIP with the condition that in the future any agreements with any third parties related to the Regional Contract will be brought forth to the Regional Committees for their review and recommendation. The Agency has committed to do so. In this budget in particular was the inclusion of third-party agreements with the city of Pomona and Jurupa Community Services District with the Recycled Water intertie agreements to bring in supplemental water into our service area. She gave an overview of all the documents provided to the Board of Directors. She stated that there are no changes to the adopted budgets, rates, and fees. The adopted rates and fees for the next fiscal year of 2019/20 is the last year of the multiyear rates that were adopted in 2015. For the second year of the budget, the Agency has adjusted rates by an inflationary amount, they will be adjusted if needed after the completion of the 2020 rate study that is currently underway. A key component of this is succession planning as staff continues to look out for that 30 percent of employees that are eligible to retire within the next five years. To do so, the Agency has reduced the vacancy factor and professional services and other contractual services costs to offset the higher cost of employment.

Ms. Valencia gave an overview of the TYCIP and the biennial budgets.

Discussion ensued regarding proposed future bond debt, projected growth in new connections, and factoring depreciation.

Vice President Hall opened the Public Hearing at 10:40 a.m., and receiving no comments, she closed the Public Hearing at 10:40 a.m.

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

**M2019-6-1**

MOVED, to:

1. Adopt Resolution No. 2019-6-10, approving the Agency's Biennial Budget for FYs 2019/20 and 2020/21 and FYs 2020-2029 TYCIP, including the inter-fund transfers, Agency-wide departmental goals and objectives; and

**RESOLUTION 2019-6-10  
RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO**

Continued...

**M2019-6-1, continued**

**COUNTY, CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR FISCAL YEARS 2019/2020 and 2020/2021 (for full text, see Resolution Book)**

2. Adopt Resolution Nos. 2019-6-1 through 2019-6-8 for the Non-Reclaimable Wastewater system rates and other service fees.

**RESOLUTION 2019-6-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2019/20 (for full text, see Resolution Book)**

**RESOLUTION 2019-6-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR (FY) 2019/20 (for full text, see Resolution Book)**

**RESOLUTION 2019-6-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR (FY) 2019/20 (for full text, see Resolution Book)**

3. Adopt Resolution Nos. 2019-6-1 through 2019-6-8 for the Non-Reclaimable Wastewater system rates and other service fees.

**RESOLUTION 2019-6-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR**

Continued...

**M2019-6-1, continued**

**INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2019/20 (for full text, see Resolution Book)**

**RESOLUTION 2019-6-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR (FY) 2019/20 (for full text, see Resolution Book)**

**RESOLUTION 2019-6-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR (FY) 2019/20 (for full text, see Resolution Book)**

**RESOLUTION 2019-6-4**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR (FY) 2019/20 (for full text, see Resolution Book)**

**RESOLUTION 2019-6-5**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY ANALYSES FOR FISCAL YEAR 2019/20 (for full text, see Resolution Book)**

**RESOLUTION 2019-6-6**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-**

Continued...

**M2019-6-1, continued**

**TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR (FY) 2019/20** (for full text, see Resolution Book)

**RESOLUTION 2019-6-7**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES** (for full text, see Resolution Book)

**RESOLUTION 2019-6-8**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2019/2020** (for full text, see Resolution Book)

**CONSENT ITEMS**

Vice President Hall asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. Director Elie stated that he would like to pull item 2A - the minutes from May 15, 2019 and June 5, 2019 for corrections. He also asked that item 2F – Regional Contract Facilitation Contract Amendment be pulled. General Manager Shivaji Deshmukh stated that staff requested clarification on item 2G – Project Agreement 24 for the Inland Empire Brine Line.

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

**M2019-6-2**

**MOVED**, to approve the Consent Calendar.

- A. *PULLED*
- B. The Board approved the total disbursements for the month of April 2019, in the amount of \$13,025,357.43.
- C. The Board adopted Resolution No. 2019-6-9, establishing the appropriations limit for Fiscal Year 2019/20.

**RESOLUTION 2019-6-9**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019/20** (for full text, see Resolution Book)

- D. The Board approved the Mutual Aid Agreement Amendment No. 2.
- E. The Board adopted a support position on:
  - 1. HR 1162 (Napolitano) – The Water Recycling Investment and Improvement Act;

Continued...

**M2019-6-2, continued**

2. HR 1764 (Garamendi) – To amend the Federal Water Pollution Control Act with respect to permitting terms; and
3. HR 2313 (Huffman) – Water Conservation Rebate Tax Parity Act.

F. *PULLED*

G. *PULLED*

H. The Board:

1. Awarded a five-year master services contract, with the option for up to two, one-year time extensions to Buckman Infrastructure Group for a not-to-exceed amount of \$500,000; and
2. Authorized the General Manager to execute the contract, subject to non-substantive changes.

I. The Board:

1. Approved the FY 2019/20 Annual Audit Plan; and
2. Directed the Manager of Internal Audit to implement the FY 2019/20 Annual Audit Plan.

J. The Board adopted the following positions:

1. Oppose for AB 756 (C.Garcia);
2. Support for AB 841 (Ting);
3. Support for AB 1588 (Gloria); and
4. Support if Amended for SB 667 (Hueso).

**ACTION ITEMS**

**MINUTES**

Director Elie stated that on the May 15, 2019 minutes, he asked staff to correct the vote for Ordinance No. 107 to reflect the 4 to 1 vote. On the June 5, 2019 minutes, he asked staff to correct the minutes to show that Director Hall was absent, and to include his comment regarding the Agency's non-position on the Cadiz Water Project at the end of the public comment section.



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

**M2019-6-3**

MOVED, to:

1. Approve the minutes from the May 1, 2019 Board Workshop Minutes, May 15, 2019 Board Meeting as amended and June 5, 2019 Board Workshop/Meeting as amended.

**REGIONAL CONTRACT FACILITATION CONTRACT AMENDMENT**

General Manager Shivaji Deshmukh stated that this item has gone through the Engineering, Operations, and Water Resources Committee as well as the Regional Sewerage Program Committees. This item is related to the Regional Contract Facilitation Contract with Kearns & West, which helps support the evaluation of the terms of the Regional Contract that is set to expire in 2022. Kearns & West has been supporting the Agency for the past few years.

Director Elie noted that he pulled this item because it should have gone through the Finance & Administration Committee. He stated that he would like the public to be informed of the progress made in this process and to ensure the agencies continue to work collaboratively to complete the contract. Discussion ensued regarding when items should be taken to the Finance & Administration Committee, the concerns from different member agencies, and the status of addressing these items.

Source Control/Environmental Resources Supervisor Craig Proctor stated these discussions have been going on for over a year with the facilitator. Twenty topics were identified in the Regional Contract that needed to be renegotiated. There are four meetings held per month, with a total of 23 negotiation sessions and well over 20 individual meetings to date. There are currently 11 scoping documents and 7 term sheets. Once a term sheet is created, that language can be used to update the contract. There are items that are taking longer than initially expected. He gave an update of the major issues in negotiating on recycled water.

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

**M2019-6-4**

MOVED, to:

1. Approve the budget amendment of \$393,831 for the Regional Contract Facilitation, Project No. PL19002;
2. Authorize the contract amendment for \$393,831 to Kearns & West for a not-to-exceed maximum of \$898,676; and
3. Authorize the General Manager to execute the contract amendment, subject to non-substantive changes.

**PROJECT AGREEMENT 24 FOR THE INLAND EMPIRE BRINE LINE**

General Manager Shivaji Deshmukh stated that staff is not only recommending the approval of the Project Agreement 24 for the Inland Empire Brine Line and asking the Board to authorize the General Manager to execute the Agreement, they are also asking the Board to designate Director Kati Parker as the representative.

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

**M2019-6-5**

MOVED, to:

1. Approve Project Agreement 24 for the Inland Empire Brine Line;
2. Designate Director Kati Parker as the representative on PA24; and
3. Authorize the General Manager to execute the Agreement.

**ADOPTION OF RESOLUTION NO. 2019-6-12, FOR IEUA SUPPORT OF THE UPDATE TO THE CHINO BASIN OPTIMUM BASIN MANAGEMENT PROGRAM**

General Manager Shivaji Deshmukh stated that this recommendation is a result from the June 5, 2019 Joint Ad Hoc Meeting between the Inland Empire Utilities Agency and the Chino Basin Watermaster (CBWM). At this meeting, all the planning efforts that IEUA and CBWM have been involved in was discussed. IEUA has been working in conjunction with CBWM on the Optimum Basin Management Program (OBMP) and the Integrated Resources Plan (IRP), which all feed into the concept of the Chino Basin Program (CBP). Mr. Deshmukh introduced CBWM's General Manager Peter Kavounas.

Mr. Kavounas stated that the OBMP update is critical for the management of the Basin and for larger planning processes of integrated resources, and important for the IRP. If the CBP were to move forward, the CBP will dovetail with the OBMP update. Mr. Kavounas gave some background, history, and the process in updating the OBMP. He stated that when the plan is finished it will need CEQA, and IEUA's Board of Directors will be asked to serve as the lead agency for the CEQA as they have done in the past. CEQA will be a driving factor for the IRP and CBP. The Board of Director's support for the OBMP update and its timely completion helps in the greater picture of regional water supplies.

Director Elie thanked Mr. Kavounas for taking the time to talk to the Board about this matter. He stated that city of Chino Mayor Ulloa and the officers from CBWM attended the June 5 Ad Hoc meeting. He stated that the completion of the OBMP is critical to comply with the court order and commitments and to assist in moving the CBP along. He stated that it's critical to continue the momentum of moving forward positively, solving problems quickly, raising the consciousness level of the elected officials and water managers, and continually updating them. The Board of Directors thanked Mr. Kavounas for taking the time to speak to the Board.

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

**M2019-6-6**

MOVED, to:

1. Adopt Resolution No. 2019-6-12, supporting the timely completion of the Optimum Basin Management Program update; and

**RESOLUTION 2019-6-12  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO**

Continued...

**M2019-6-6, continued**

**COUNTY, CALIFORNIA, SUPPORTING THE UPDATE TO THE CHINO BASIN OPTIMUM BASIN MANAGEMENT PROGRAM (for full text, see Resolution Book)**

2. Direct the General Manager to update the Board with its progress on a regular basis.

**APPROVAL TO PARTICIPATE IN A CITIBANK SETTLEMENT AGREEMENT**

Executive Manager of Finance & Administration/AGM Christina Valencia stated that the Agency was advised on May 10, 2019 by the State Attorney General that the Agency is eligible to participate in a settlement with Citibank and 42 attorneys general across the country. This matter was widely reported in 2012, where many banks were under investigation internationally for manipulation of interest rates. Ms. Valencia gave an overview and history of how the Agency can participate in this Citibank settlement agreement and the allegations made in this agreement. She stated that if the Agency chooses to participate, in order to receive the \$480,000, the Agency will have to release Citibank of any future liabilities associated with these agreements. The timeline to file is July 9, 2019. She stated that she has sent these documents over to the Agency's legal counsel for review.

General Counsel Jean Cihigoyenette stated that he investigated some pending lawsuits across the country and from his perspective, he supports the staff's recommendation to participate in the settlement agreement.

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

**M2019-6-7**

**MOVED, to:**

1. Approve the Agency's participation in a settlement agreement between 42 state attorney generals and Citibank; and
2. Authorize the General Manager to execute and submit the Election to Participate Release and Claim Form prior to July 9, 2019.

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) CALL FOR ELECTION FOR SEAT B, SOUTHERN NETWORK**

Vice President Hall stated that she placed this item on the agenda in order to get the Board of Directors' input to decide who the Board would like to represent the CSDA. She stated that she has relationships with two of the nominees and would like to gain a consensus with the Board.

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

**M2019-6-8**

**MOVED, to cast one vote for Ms. Kathleen J. Tieg on behalf of the Inland Empire Utilities Agency for CSDA's 2019 Board of Directors' election for Seat B, Southern Network.**

**ADOPT POSITIONS ON STATE LEGISLATION – ACTION**

Manager of Governmental Relations Cathleen Pieroni stated that the Community & Legislative Committee recommended that the SB 200, SB 414, ACA 1, SB 45, and SB 1 be brought before the full Board for their consideration. Ms. Pieroni gave an overview of the five bills.

Discussion ensued on positions from other cities on the bills and on the Agency’s timeline in taking positions on certain bills.

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

**M2019-6-9**

MOVED, to adopt the following positions:

1. Support for SB 200 (Monning);
2. Support for SB 414 (Caballero);
3. Support for ACA 1 (Aguiar-Curry); and
4. Oppose unless Amended for SB 1 (Atkins, Portantino, and Stern).

Upon motion by Director Parker, seconded by Director Hall with Director Elie and Director Camacho abstaining from voting, the motion failed (2:2):

**M2019-6-10**

MOVED, to adopt the following positions:

1. Support if Amended for SB 45 (Allen).

**INFORMATION ITEMS**

**BOARD OF DIRECTORS’ TRAVEL AND CONFERENCE EXPENSES**

Manager of Internal Audit Teresa Velarde stated that this item is in response to the request made on March 20, 2019. She presented information related to the Board of Directors travel and conference expenses, and proposed changes from Agency staff.

Director Elie thanked Ms. Velarde for the work put into this subject. He stated that he would like to see more guidelines and transparency in this matter. Director Parker stated that she had mentioned having a pre-approved list of conferences. Discussion ensued on how these guidelines can be enforced. Director Parker stated that she would like these guidelines in a policy and for there to be a pre-approved list of conferences. She stated that she would also like to have this matter added as an item in the Consent Calendar monthly, stating the conferences to be approved for the following month and for more transparency to report out how much money was spent each quarter or month. Director Elie asked for staff to draft a policy considering all circumstances.

**ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES**

Acting Executive Manager of Engineering/AGM Shaun Stone gave a PowerPoint presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: Agency-wide Railing and Threshold Improvements; HQ Paving Safety

Improvements; San Bernardino Lift Station Facility Improvements; RP-3 Basin Improvements; Wineville/Jurupa/Force Main Improvements; and ASCE Infrastructure Report Card.

*Director Camacho left the meeting at 11:45 a.m.*

*Director Camacho returned to the meeting at 11:48 a.m.*

**IMPACT OF DE-ENERGIZING POWER GRID TO AGENCY OPERATIONS**

Executive Manager of Operations/AGM Randy Lee stated that this item was requested by Vice President Hall at a previous Board meeting. Mr. Lee gave an overview of why the electrical providers are de-energizing power, how this will impact the Agency, the challenges the Agency faces, and the Agency's plans to overcome these challenges.

**MWD UPDATE**

This item was received and filed.

**CBWM UPDATE**

This item was received and filed.

**SAWPA UPDATE**

This item was received and filed.

**CHINO BASIN PROJECT UPDATE**

This item was received and filed.

**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**

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

**INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT FOR JUNE 2019**

**FY 2019/20 FINANCIAL AUDIT – COMMUNICATIONS REQUIRED BY SAS 114**

**REPORT OF OPEN AUDIT RECOMMENDATIONS**

**ACCOUNTS PAYABLE FOLLOW-UP AUDIT**

**PAYROLL FOLLOW-UP AUDIT: ETHICS RESOLUTION AND CONFIDENTIALITY AGREEMENT**

**VOYAGER FUEL CARD AUDIT**

**OPERATIONS DIVISION SEMI-ANNUAL UPDATE**

## **AGENCY REPRESENTATIVES' REPORTS**

### **SAWPA REPORT**

Director Parker stated that there were two SAWPA Commissioner Meetings in June 2019. The Commissioners approved the funding allocation projects for Prop 1 Round 1 Integrated Regional Water Management Grant.

### **MWD REPORT**

This item was received and filed.

### **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

This item was received and filed.

### **CHINO BASIN WATERMASTER REPORT**

This item was received and filed.

### **CHINO BASIN DESALTER AUTHORITY REPORT**

This item was received and filed.

### **INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

This item was received and filed.

### **GENERAL MANAGER'S REPORT**

General Manager Shivaji Deshmukh stated on June 27, 2019, there will be a joint Board meeting between IEUA and CBWM at 10:00 a.m. at CBWM. He also stated that on August 16, there will be a Community Leaders Briefing sponsored by MWD with IEUA as the host with Senator Connie Leyva. He stated that on September 24, staff is coordinating a visit by Department of Water Resources Director Karla Nemeth for a leadership breakfast. He stated that staff received a letter from Orange County Water District (OCWD), which addresses the detection of perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFAS) compounds. OCWD through SAWPA and all the Watershed agencies will be working on a sampling initiative to better understand the source of these detections. Agency staff has been working closely with CBWM as well.

### **BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**

Director Parker asked that SB 307 be brought back to the Board for further discussion and for the same presentation on the cloud seeding program by the Metropolitan Water District of Southern California at the SAWPA Commission Meeting be made to the Agency's Board of Directors.

### **DIRECTORS' COMMENTS**

Director Parker stated she attended the Three Valleys Municipal Water District Leadership Breakfast on May 30 and the Ely Basin No. 3 Tour on June 11.

*Director Parker left the meeting at 12:14 p.m.*

Director Camacho stated he attended MWD Solar Cup 2019 event on May 16-19 and the Three Valleys Municipal Water District Leadership Breakfast on May 30.

Director Hall stated she hosted an MWD State Water Project Inspection Trip on May 17-18; attended the Enhanced Recharge in Santa Ana River Basin Dedication Event on May 23; Connect-2-MET Outreach event on June 6; the AWWA ACE 19 Conference on June 9-12; and the Association of San Bernardino County Special District Meeting on June 17.

**CLOSED SESSION**

General Counsel Jean Cihigoyenetché stated that there will be no closed session. All items will be taken to the next Board meeting.

With no further business, Vice President Hall adjourned the meeting at 11:10 a.m.



Kati Parker, Secretary/Treasurer

**APPROVED: AUGUST 21, 2019**