



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

**WEDNESDAY, OCTOBER 16, 2019
10:00 A.M.**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

Shivaji Deshmukh, General Manager
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Christiana Daisy, Executive Manager of Engineering/AGM
Randy Lee, Executive Manager of Operations/AGM
Joshua Aguilar, Senior Engineer
Jerry Burke, Deputy Manager of Engineering
Andrea Carruthers, Manager of External Affairs
Michael Dias, Associate Engineer
Warren Green, Manager of Contracts & Procurement
Elizabeth Hurst, Senior Environmental Resources Planner
Sylvie Lee, Manager of Planning & Environmental Resources
Laura Mantilla, Executive Assistant
Carina McCarthy, Administrative Assistant I
Cathleen Pieroni, Manager of Government Relations
Jesse Pompa, Deputy Manager of Grants
Craig Proctor, Source Control/Environmental Resources Supervisor
Sushmitha Reddy, Manager of Laboratories
John Scherck, Senior Project Engineer
Daniel Solorzano, Technology Specialist I
Federico Sordo Mendo, Electrical & Instrumentation Technician II
Travis Sprague, Senior Associate Engineer
Shaun Stone, Manager of Engineering
Wilson To, Technology Specialist II
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager
Juan Zamorano, Electrical & Instrumentation Technician II

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Dale Hunter, CAAWEF
Steve Carrington, MIH Water

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 led the Pledge of Allegiance to the flag. A quorum was present.

PUBLIC COMMENT

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

ADDITIONS TO THE AGENDA

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

PUBLIC HEARING

President Hofer introduced Manager of Contracts & Procurement Mr. Warren Green to provide an overview of the proposed Ordinance No. 108. Mr. Green stated that the purpose of the public hearing is to provide the public the opportunity to submit comments. He explained that the proposed Ordinance provides several key changes that will improve the Agency's ability to conduct routine business, while ensuring adequate fiscal controls and transparency of expenditures. He stated that the changes will continue to support the Agency's procurement objectives.

President Hofer opened the Public Hearing at 10:04 a.m., and receiving no comments, he closed the Public Hearing at 10:04 a.m.

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

M2019-10-1

MOVED, to:

1. Hold a Public Hearing to receive public comments prior to the adoption of Ordinance No. 108, establishing and setting forth the policies governing Agency authority dollar limits for procurement and procurement-related activities; and
2. After closing the Public Hearing, adopted Ordinance No. 108.

ORDINANCE 108

ORDINANCE OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY* (AGENCY), ESTABLISHING AND SETTING FORTH THE POLICIES GOVERNING AGENCY AUTHORITY DOLLAR LIMITS FOR PROCUREMENTS AND PROCUREMENT-RELATED ACTIVITIES (for full text, see Ordinance Book)

With the following roll call vote:

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

NEW EMPLOYEE INTRODUCTIONS

Executive Manager of Operations/AGM Randy Lee introduced:

- Mr. Federico Sordo Mendo, Electrical & Instrumentation Technician II, hired July 29, 2019, Operations & Maintenance – North.
- Mr. Juan Zamorano, Electrical & Instrumentation Technician II, hired August 5, 2019, Operations & Maintenance – North.

General Manager Shivaji Deshmukh introduced:

- Ms. Christiana Daisy, Executive Manager of Engineering/AGM, hired September 23, 2019, Engineering Division.

Executive Manager of Engineering/AGM Christiana Daisy introduced:

- Ms. Sushmitha Reddy, Manager of Laboratories, hired October 7, 2019, Laboratory.

The Board of Directors welcomed Mr. Mendo, Mr. Zamorano, Ms. Daisy, and Ms. Reddy to the IEUA team.

PROMOTION

The following staff member was promoted:

- Ms. Carina McCarthy, Administrative Assistant I, promoted September 8, 2019, Operations & Maintenance – Organics Management.

The Board of Directors congratulated Ms. McCarthy on her promotion.

CONSENT ITEMS

President Hofer asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. General Manager Deshmukh requested Item 4E- New Agency-Wide Membership – California African American Water Education Foundation be pulled from the Consent Calendar for staff to provide a presentation, as this item should have been an Action item.

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

M2019-10-2

MOVED, to approve the Consent Calendar.

- A. The Board approved the minutes from the September 18, 2019 Board meeting and the October 2, 2019 Board workshop/meeting.
- B. The Board approved the total disbursements for the month of August 2019, in the amount of \$20,227,319.29.
- C. The Board adopted Resolution No. 2019-10-1, authorizing the General Manager to enter into a financial assistance agreement with the USBR for the WaterSMART Drought Response Program: Drought Resiliency Project.

Continued...

RESOLUTION 2019-10-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECT FOR FISCAL YEARS 2020 AND 2021 WITH THE U.S. DEPARTMENT OF INTERIOR – BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO (for full text, see Resolution Book)

D. The Board:

1. Adopted Resolution No. 2019-10-2, authorizing the General Manager to enter into a financial assistance agreement with the California Department of Water Resources for the IEUA-JCSD Recycled Water Intertie Project; and

RESOLUTION 2019-10-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE ROUND 1 INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT PURSUANT TO THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014 (WATER CODE § 79700 ET SEQ.) FOR FISCAL YEAR 2019 WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO AND AS A CONDITION OF FUNDING, RATIFY THE 2018 UPDATE OF THE SANTA ANA WATERSHED PROJECT AUTHORITY ONE WATER ONE WATERSHED INTEGRATED REGIONAL WATER MANAGEMENT PLAN 2.0 (for full text, see Resolution Book)

2. Adopted the 2018 Update of the SAWPA OWOW 2.0 Plan, which was officially adopted by the SAWPA Commission on February 19, 2019.

E. PULLED

F. The Board:

1. Approved a task order with Technical Systems, Inc., for the RP-1 Mechanical Restoration and Improvements, through the Master Services Contract, 4600002467, for the not-to-exceed amount of \$221,715; and
2. Authorized the General Manager to execute the task order, subject to non-substantive changes.

Continued...

G. The Board:

1. Awarded a construction contract for RP-1 Primary Sludge Piping Repair, Project No. EN20060, to AToM Engineering Construction, Inc., in the amount of \$107,398; and
2. Authorized the General Manager to execute the contract, subject to non-substantive changes.

H. The Board authorized the General Manager to approve payment of \$182,655 to the San Bernardino County Flood Control District for the valuation of the recycled water pipeline easement.

I. The Board:

1. Awarded a design-build contract for the RP-4 Influent Screen Replacement Project, No. EN19010 to Stanek Constructors, Inc., in the amount of \$1,898,000; and
2. Authorized the General Manager to execute the contract, subject to non-substantive changes.

ACTION ITEM

NEW AGENCY-WIDE MEMBERSHIP – CALIFORNIA AFRICAN AMERICAN WATER EDUCATION FOUNDATION (CAAWEF)

Executive Manager of External Affairs & Policy Development/AGM Kathy Besser discussed the recommendation of membership for CAAWEF. She stated that CAAWEF is a new non-profit organization which educates and more fully engages the African American community on water issues and serves as a resource on water policy discussions that will affect 10 urban areas throughout the State. CAAWEF's priorities are education, leadership development and serving as a resource for employee recruitment and training programs.

Ms. Besser introduced the Executive Director of CAAWEF Dale Hunter. Mr. Hunter gave an overview of the association and emphasized that their primary focus is education and outreach. Mr. Hunter stated that the organization is new and will report on the deliverables and updates quarterly to IEUA. Director Elie expressed his concerns as it is a new organization. He asked Mr. Hunter how the \$10,000 level for membership was selected for IEUA and what it means to have a seat on CAAWEF's Board. Mr. Hunter responded that they want charter members that will help shape the organization and explained the level of membership. He informed the Board on the agencies that will be coming onboard.

Director Camacho recommends that the Agency support CAAWEF at the same level as the Water Education for Latino Leaders (WELL), which is \$5,000 per year. Discussion ensued on the gift of public funds, establishing nexus, and membership levels. General Counsel Jean Cihigoyenette reminded the Board that one of the reasons this was pulled from the Consent Calendar is because of the statute in the Municipal Water District Act that requires all memberships and outside agencies be approved by a four-fifths vote of the Board. Mr. Hunter requested a three-year commitment of \$5,000 per year.

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

M2019-10-3

MOVED, to adopt a support position on joining CAAWEF at \$5,000 per year for a three-year period, for a total commitment of \$15,000.

INFORMATION ITEMS

ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES

Deputy Manager of Engineering Jerry Burke gave a presentation on the Engineering and Construction Management project updates. He provided updates on the following projects: SCADA Enterprise System (RP-1 P&ID's); SCADA Enterprise System (RP-4 SCADA Migration); TCE Plume Cleanup; System Cathodic Protection Improvements; CCWRF RW Pump Station Control Bldg HVAC Modifications; and RP-1 Aeration Basin Catwalk Safety Railing.

GRANTS DEPARTMENT SEMI-ANNUAL UPDATE

Deputy Manager of Grants Jesse Pompa presented the Grants Department Semi-Annual Update. He stated that the Agency has received a total of \$473 million in grants and loans since 2000. Mr. Pompa then discussed the following: historical funding by programs; open funding agreements; current funding applications; State Revolving Fund (SRF) loan projects on State Water Resources Control Board (SWRCB) fundable list; SRF loan principal forgiveness; interest savings from SRF and Water Infrastructure Finance and Innovation Act loans versus bonds; and the Climate Change Action Plan (CCAP).

STATE POLICY FOCUS ON DISADVANTAGED COMMUNITIES

Manager of Government Relations Cathleen Pieroni reviewed the maps of the disadvantaged communities within IEUA's service area and stated that there are grants available to water agencies. She explained the Proposition 1 Disadvantaged Communities (DAC) and CalEnvironScreen and how communities are defined as disadvantaged and discussed the foundational legislation. Ms. Pieroni highlighted the percentage of the population within IEUA's territory for funding eligibility. Ms. Pieroni then reviewed the proposed Low-Income Rate Assistance (LIRA) Program for Water and stated that one reason this program has not moved forward is due to Proposition 218.

MWD UPDATE

Senior Engineer Joshua Aguilar provided a brief update on MWD's service connections for near- and long-term activities. Mr. Aguilar stated that the Department of Water Resources will be conducting maintenance on the Devil Canyon Power Plant, which will impact multiple feeders in addition to Rialto. He stated that the Rialto pipeline will experience reduced flows, which is where IEUA receives MWD supplies. The maintenance is scheduled from January – February 2020. IEUA is coordinating with MWD and our member agencies to minimize the impact. Mr. Aguilar explained that MWD's Prestressed Concrete Cylinder Pipe (PCCP) Management Program has identified five at-risk feeders. The PCCP Management Program includes 100 miles in rehabilitation over 20 years and is estimated to cost over \$2.1 billion. MWD is performing ongoing monitoring and inspection and can reprioritize the program if needed. Mr. Aguilar then reviewed the PCCP Rehabilitation Program map and preliminary schedule.

CBWM UPDATE

Manager of Planning & Environmental Resources Sylvie Lee stated that IEUA is working with CBWM to have Tom Dodson onboard to prepare the environmental document for the Optimum Basin Management Plan update and the associated storage. Once it goes through the CBWM process, it will come to the IEUA Board of Directors in December. CBWM target date for CEQA to be adopted is June 2020.

SAWPA UPDATE

Source Control/Environmental Resources Supervisor Craig Proctor reported that at the Commission meeting on October 1, the Commission approved the Prop1 Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Application to DWR and agreements with the Round 1 project proponents. He stated that the joint IEUA/JCSD Regional Water Recycling Program was included and eligible for a grant award of \$2.6 million. At the Commission meeting on October 15, the Commission discussed options to pay off the CalPERS Unfunded Liability. Also, the Commission approved Project Agreement 25 for OWOW and Project Agreement 26 for the Roundtable/Task Forces. Both agreements will come to the IEUA Board for in November for consideration.

CHINO BASIN PROGRAM UPDATE

Manager of Planning & Environmental Resources Sylvie Lee provided an update on the Chino Basin Program (CBP). Ms. Lee stated that she and General Manager Deshmukh presented to the Monte Vista Water District Board of Directors on the CBP Program and commented that their Board was supportive of the program. On October 14, 2019, IEUA sent a letter to the Director of the Governor's Water Portfolio Program Nancy Vogel with recommendations on the Water Resilience Portfolio Program Governor's initiative. General Manager Deshmukh and Executive Manager of Engineering/AGM Christiana Daisy will be meeting with the stakeholders to get their perspectives. IEUA will be scheduling meetings in November in Sacramento to meet with the California Water Commission, DWR, California Department of Fish & Wildlife, and the SWRCB to work on the programs and how they will function. IEUA is also working on the Habitat Conservation Plan and looking for opportunities for the water sources to be brought in. San Bernardino Valley Water District will be coming next month to discuss the Habitat Conservation Plan (HCP) and have an MOU for the Board's consideration.

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

PLANNING & ENVIRONMENTAL RESOURCES ANNUAL REPORTS

FIRST QUARTER PLANNING & ENVIRONMENTAL RESOURCES UPDATE

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

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Parker reiterated that SAWPA approved the submittal of Prop 1 IRWM Grant Application to DWR for a suite of eight OWOW projects for a total of \$24.1 million.

MWD REPORT

Vice President Hall reported that MWD continues to focus on outreach, education, and succession planning for those employees that are retiring. MWD is doing more outreach to focus on keeping the legacy and use resources that are available with non-profit organizations (schools and universities) to get the younger generation involved in water.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

The October meeting was cancelled.

CHINO BASIN WATERMASTER REPORT

Director Elie announced that the Safe Yield Administrative assessments and revisions were completed.

CHINO BASIN DESALTER AUTHORITY REPORT

Director Camacho stated there was nothing to report.

GENERAL MANAGER'S REPORT

General Manager Deshmukh provided the following updates:

- IEUA received an award from Engineering News Record (ENR) for the new Water Quality Laboratory.
- California Special Districts Association conducted their Annual Legislative Tour for 20 representatives. The tour included the Water Quality Laboratory and Chino Creek Wetlands and Educational Park. Executive Manager of Public Affairs and Policy development/AGM Kathy Besser and her team did a great job hosting this event.
- At November's Board meeting, a presentation on HCP will be given and a representative from MWD will discuss the Regional Recycling Program.
- The Rate Study Workshop #5 will take place today and will focus on recycled water direct use and groundwater recharge rates.
- General Manager Deshmukh congratulated Shaun Stone who will be working for the Ontario Municipal Utilities Company as the Assistant General Manager. He thanked him for his years of service and positive impact on IEUA.

BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no requested future agenda items.

DIRECTORS' COMMENTS

Director Elie stated he attended the IEUA/IERCA Battery and Solar Project Dedication on September 19; the State of the City Community Fair in Chino Hills on September 21; IEUA Leadership Breakfast on September 24; met with Director of Governor's Water Portfolio Program Nancy Vogel as well as legislature and SWRCB members on September 25; the Community Leaders Water Briefing with Senator Leyva on October 2; and the 2019 ENR Regional Best Projects Award on October 10.

Director Elie thanked Shaun Stone for his years of service and for all the great things he has done at the Agency.

Vice President Hall stated she attended the National Association of Women Business Owners - Next Generation on September 19; IEUA/IERCA Battery and Solar Project Dedication on September 19; State of Education Inspiring Innovation on September 19; the WEFTEC 2019 Conference from September 21 through September 25; the MWD Community Leaders Briefing with Senator Leyva on October 2; the Annual Career Day and Expo at Norco College on October 5; the ENR Regional Best Projects Awards Ceremony on October 10; the Regional Recycled Water Advanced Purification Center Grand Opening on October 10; the Bay Workforce Investment Board 24th Annual Awards Ceremony on October 10; and the MWD Hoover Dam/Colorado River Aqueduct Inspection Trip from October 11 through October 13.

Director Camacho stated he attended the IEUA/IERCA Battery and Solar Project Dedication on September 19 and the CSDA 2019 Annual Conference from September 25 through September 28.

Director Parker stated she attended the IEUA/IERCA Battery and Solar Project Dedication on September 19; the IEUA Leadership Breakfast on September 24; met with Director of Governor's Water Portfolio Program Nancy Vogel, West Coast Advisors and Joaquin Esquivel from the SWRCB members on September 25; the MWD Community Leaders Briefing with Senator Leyva on October 2; Intro to Engineering class at San Antonio; and the ENR Regional Best Projects Awards Ceremony on October 10.

CLOSED SESSION

The Board went into Closed Session at 11:52 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; B. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d) – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Two cases.

Director Camacho and Director Parker left Closed Session at 1:36 p.m.

The meeting resumed at 1:40 p.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board with Director Camacho and Director Parker absent, 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.

With no further business, President Hofer adjourned the meeting at 1:41 p.m.


Kati Parker, Secretary/Treasurer

APPROVED: NOVEMBER 20, 2019