

**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, JUNE 2, 2010
10:00 A.M.**

DIRECTORS PRESENT

John Anderson
Terry Catlin, President
Michael Camacho, Secretary/Treasurer
Gene Koopman
Angel Santiago, Vice President

STAFF PRESENT

Thomas A. Love, Interim Chief Executive Officer/General Manager
Martha Davis, Executive Manager of Policy Development
Sondra Elrod, Public Information Officer
Gina Hillary, Manager of Human Resources
Christina Valencia, Manager of Financial Planning
April Woodruff, Board Secretary

OTHERS PRESENT

Jack Allingham, Retiree
Ronak Patel, Esquire, Cihigoyenette, Grossberg & Clouse

A regular 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 Catlin called the meeting to order at 10:05 a.m., and he dispensed with the pledge of allegiance to the flag. A quorum was present.

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

Mr. Jack Allingham stated that at the last meeting there was a presentation regarding Santa Clarita and the removal of water softeners. Mr. Allingham distributed a hand-out to the Board members regarding a follow-up report from a Santa Clarita newspaper. He stated that it is true that the removing of water softeners did help; however, the article also says that during drought times, the saline changes quite a bit – it goes up to 140 mg in the delivered water from the cities. Mr. Allingham asked, “That with a mandate of a 100 grams coming from the state, why is it the wastewater’s job to clean the water that is already used?” He said he stated at the last meeting that everybody agrees that we should tackle this at the source, well the source is the water supplier. He stated that by the time our water gets here - coming down the canals, pipes, and being stored in lakes and reservoirs - the evaporation that takes place, the salts don’t evaporate. He said that they intensify and become stronger and stronger. Mr. Allingham says, “These are the areas we need to clean up some of these water supplies – not after its been used.” He stated that the other item in this blurb is their proposed rate increases; over the next few years, their rate increase will be over \$8 per household. “Did they mislead the people, saying that we are going to put all this money up front to remove water softeners, so we don’t have to build other canals and other supplies, rather than clean it up at the source.” He stated, “Again, the water softener removal did help, but it certainly didn’t help solve their problem, and they are no way near getting it solved, without spending a whole lot more money.” He hopes the Agency is not doing the same.

President Catlin asked if there were any additions/deletions to the agenda. There were no additions/deletions to the agenda. Interim Chief Executive Officer/General Manager, Thomas A. Love, stated that there were no changes to the agenda.

PUBLIC HEARING ON THE PROPOSED FY 2010/11 NON-RECLAIMABLE WASTEWATER AND WATER RESOURCES PROGRAMS RATES, AND DECLARE ITS INTENT TO ADOPT BUDGETS FOR THE REGIONAL SEWAGE PROGRAM

President Catlin called the Public Hearing to order.

Manager of Financial Planning, Christina Valencia gave a brief review of the proposed FY 2010/11 Non-Reclaimable Wastewater, Water Resources Program Rates, and Regional Sewage Program budgets. She stated that since January, staff began presenting the preliminary draft of the proposed budget to the Regional Technical and Policy Committees, Finance, Legal and Administration Committee, IEUA Board meetings, and two Public Workshops. She noted that the proposed FY 2010/11 Budget will be presented to the Board for consideration at the June 16, Board meeting. Ms. Valencia reported that there were no public comments received during the Agency review period.

President Catlin opened the Public Hearing at 10:10 a.m., and receiving no comments, he closed the Public Hearing at 10:11 a.m.

Director Koopman asked if the recent changes in the leadership of the Agency will impact the Agency's bond rating. Staff responded that Interim Chief Executive Officer/General Manager, Thomas A. Love, held a meeting with the Agency's Bond counsel, Financial Advisors and Underwriters, along with the entire finance team, and the opinion from that meeting was that with Mr. Love's tenure, experience, and respect throughout the water industry, and no changes to the rates or budget since first proposed, the rating will remain the same.

CLOSED SESSION

The Board went into closed session at 10:15 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) IEUA vs. Mr. Anthony Maglica, Case No. RCV098354; (2) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (3) Taisei-T&K Joint Venture vs. IEUA. Case No. CIVRS 911401 (4) Westco vs. IEUA, Case No. 37-2009-00058161-CU-BC-NC; (5) Martin vs. IEUA, Case No. CIVRS 1000767; (6) C&C Scrap vs. IEUA, Case No. CIVRS 1002119; (7) Regional Board vs. IEUA, Case No. ACL R8-2010-0013 B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: Property: RP-1 Fuel Cell; Negotiating Parties: Biofuels Energy, LLC, UTS/HDR/Filanc, and Otto H. Rosentreter Co.; Under Negotiation: Price and Terms of Lease; C. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer Negotiations – All Units; D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS: Interim Chief Executive Officer/General Manager; E. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION One (1) case; D.

The meeting resumed at 12:35 p.m. and General Counsel, Ronak Patel, 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

C&C Scrap vs. IEUA, Case No. CIVRS 1002119

Regional Board vs. IEUA, Case No. ACL R8-2010-0013

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

IEUA vs. Mr. Anthony Maglica, Case No. RCV098354

Taisei-T&K Joint Venture vs. IEUA, Case No. CIVRS 911401

Wesco vs. IEUA, Case No. 37-2009-00058161-CU-BC-NC

Martin vs. IEUA, Case No. CIVRS 1000767

The Board did not discuss these items.

Regarding Conference with Real Property Negotiator:

Property: RP-1 Fuel Cell

Negotiating Parties: Biofuels Energy, LLC, UTS/HD/Filanc, and Otto H. Rosentreter Co.

Under Negotiation: Price and Terms of Lease

The Board took no reportable action.

Regarding Conference with Labor Negotiator:

Meet and Confer Negotiations – All Units

The Board took no reportable action.

Regarding Personnel Matters:

Interim Chief Executive Officer/General Manager

Upon motion by Director Koopman, seconded by Director Anderson, and unanimously carried:

M2010-6-1

MOVED, to appoint Mr. Thomas A. Love as the Agency's Interim Chief Executive Officer/General Manager.

Regarding Anticipated Litigation:

One Case

The Board took no reportable action.

CONSENT CALENDAR

President Catlin asked if anyone wished to remove any item from the Consent Calendar. There was no response.

Upon motion by Director Santiago, seconded by Director Koopman, and unanimously carried:

M2010-6-2

MOVED, approval of the Consent Calendar.

- A. The Board approved the minutes from the May 19, 2010, Board of Directors' meeting.
- B. The Board approved the Treasurer's Report as submitted.
- C. The Board:
 - 1. Adopted Resolution No. 2010-6-16, amending the Inland Empire Utilities Agency Section 125 Cafeteria Program Plan; and

RESOLUTION NO. 2010-6-16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AMENDING THE INLAND EMPIRE UTILITIES AGENCY SECTION 125 CAFETERIA PROGRAM PLAN (for full text, see Resolution Book)

- 2. Authorized the Interim Chief Executive Officer/General Manager the authority to amend the plan as needed.
- D. The Board adopted Resolution No. 2010-6-17, adopting an Addendum to the Environmental Impact Report for Facilities Master Plan Program.

RESOLUTION NO. 2010-6-17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING AN ADDENDUM TO THE ENVIRONMENTAL IMPACT REPORT FOR FACILITIES MASTER PLAN PROGRAM (for full text, see Resolution Book).

- E. The Board adopted Resolution No. 2010-6-19, which authorizes the Interim Chief Executive Officer/General Manager, or his designee, to sign documents related to grants and loans, and Executive Managers, to serve as an alternate signer in the absence of the Interim Chief Executive Officer/General Manager.

ACTION ITEM

FOLLOW-UP ACTION ON FY 2010/11 MONTHLY EDU RATE EFFECTIVE DATE

Interim Chief Executive Officer/General Manager, Thomas A. Love stated that at the last Board meeting it was reported that the City of Ontario had requested consideration to defer the effective date of the implementation of the EDU rate increase from July 1 to August 1, to allow the City of Ontario sufficient time to include the 30-day notification requirement with their billing

to save costs of a separate mailing. He reported that staff verified with the other member agencies, and it was confirmed that they are prepared to implement the EDU rate effective July 1, 2010. Mr. Love stated to defer the effective date to August 1, for all member agencies, the costs incurred by the Agency would be \$120,000, and the cost to the City of Ontario for a separate mailing would be approximately \$18,000. He stated that staff is recommending that Board confirm the effective date of July 1, 2010 for the Regional EDU volumetric rate increase for all contracting member agencies. He noted that he informed the City of Ontario of staff's recommendation.

Upon motion by Director Santiago, seconded by President Catlin, and unanimously carried:

M2010-6-3

MOVED, to confirm the effective date of July 1, 2010, for the Regional EDU Volumetric rate increase from \$10.75/EDU to \$11.14/EDU for all contracting member agencies, as approved by the Regional Policy Committee on May 6, 2010, and the IEUA Board on May 19, 2010.

INFORMATION ITEMS

LEGISLATIVE REPORTS

Executive Manager of Policy Development, Martha Davis, stated that she has nothing to report at this time.

INTERIM CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

The Interim Chief Executive Officer/General Manager's Report was received and filed by the Board.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS

There were no Director requested future agenda items.

DIRECTORS' COMMENTS AND CONFERENCE REPORTS

There were no Directors' comments and/or conference reports.

With no further business, President Catlin adjourned the meeting, and reconvened the Chino Basin Regional Financing Authority meeting, at 12:40 p.m.

Secretary

APPROVED: JUNE 16, 2010