

**MINUTES OF THE REGULAR  
MEETING OF  
THE BOARD OF DIRECTORS  
OF  
THE INLAND EMPIRE UTILITIES AGENCY\*  
WEDNESDAY, JUNE 16, 2010  
10:00 A.M.**

**DIRECTORS PRESENT**

John Anderson  
Michael Camacho, Secretary  
Gene Koopman  
Angel Santiago, Vice President

**DIRECTOR ABSENT**

Terry Catlin, President

**STAFF PRESENT**

Jean Cihigoyenetché, General Counsel  
Thomas A. Love, Interim Chief Executive Officer/General Manager  
Martha Davis, Executive Manager of Policy Development  
Patrick Sheilds, Executive Manager of Operations  
Kathleen Baxter, Supervising Contracts and Programs Administrator  
Chris Berch, Manager of Planning and Environmental Compliance  
Tina Cheng, Budget Officer  
Michael Chung, Manager of Fiscal Management  
Gabe DeSaddi, Manager of Construction Management  
Pari Dezham, Manager of Pretreatment and Source Control  
Lucia Diaz, Senior Site Administrator  
Sondra Elrod, Public Information Officer  
Warren Green, Manager of Safety and Risk Management  
Paige Gulck, Administrative Analyst  
Gina Hillary, Manager of Human Resources  
Cameron Langner, Manager of Contracts and Procurement  
Randy Lee, Manager of Operations  
Alex Lopez, Senior Financial Management Analyst  
Lisa Morgan-Perales, Water Resources Analyst II  
Beth Olhasso, LT Water Resources Analyst  
Craig Parker, Manager of Engineering  
Christina Valencia, Manager of Financial Planning  
Teresa Velarde, Manager of Internal Audit  
Ernest Yeboah, Manager of Maintenance  
April Woodruff, Board Secretary

**OTHERS PRESENT**

Jack Allingham, Retiree  
Robert Deloach, CVWD  
Mike Malarkey, Cintas  
Susan Spears, Retiree

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.

Vice President Santiago called the meeting to order at 10:05 a.m., and Director Camacho led the pledge of allegiance to the flag. A quorum was present.

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

Vice President Santiago asked if there were any additions/deletions to the agenda. There were no additions/deletions to the agenda.

General Counsel Jean Cihigoyenetché requested that the Board add a Closed Session Item entitled Personnel Matters – Interim Chief Executive Officer/General Manager, to inform the Board of Directors of an issue that arose after the posting of the agenda.

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

**M2010-6-4**

MOVED, to approve the addition of a Closed Session Item entitled Personnel Matters – Interim Chief Executive Officer/General Manager to the agenda.

**SUPPLIER OF THE YEAR PRESENTATION**

Vice President Santiago presented the IEUA Supplier/Contractor of the Year Award to Mr. Mike Malarkey from Cintas. Vice President Santiago stated that the Agency's partnership with Cintas not only benefits the IEUA employees, it also benefits the environment. He said part of IEUA's mission is to provide recycled water to drought proof our service area and preserve precious potable water resources. Cintas has recently contributed to this cause by connecting to recycled water and using it in their daily processes, saving 36.5 million gallons of potable water annually. Vice President Santiago congratulated the Cintas team for a job well done on behalf of the Board, management, and staff.

Mr. Mike Malarkey thanked the Board and IEUA staff for the honor of being selected Supplier/Contractor of the year.

**ETHICS POINT PROCESS PRESENTATION – GENERAL COUNSEL JEAN CIHIGOYENETCHE**

General Counsel Jean Cihigoyenetché reviewed the process of employees reporting issues/complaints through the Ethics Point website/phone line. He reported there have been 45 issues/complaints since the inception of the program.

**CONSENT CALENDAR**

Vice President Santiago asked if anyone wished to remove any item from the Consent Calendar. There was no one desiring to do so.

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

**M2010-6-5**

MOVED, approval of the Consent Calendar.

A. The Board approved the minutes from the June 2, Board meeting.

B. The Board approved the Treasurer's Report as submitted.

*Continued...*

**M2010-6-5**, continued.

C. The Board adopted Resolution No. 2010-6-1, establishing the Appropriation Limits for Fiscal Year 2010/11.

**RESOLUTION NO. 2010-6-1**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FOR FISCAL YEAR 2010/11** (for full text, see Resolution Book).

D. The Board:

1. Approved the Agency's Investment Policy as submitted;
2. Adopted Resolution No. 2010-6-10, approving the Agency's Investment Policy for FY 2010/11 and FY 2011/12; and

**RESOLUTION NO. 2010-6-10**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BIENNIAL UPDATE OF THE AGENCY'S INVESTMENT POLICY** (for full text, see Resolution Book).

3. Adopted Resolution No. 2010-6-11, approving authorized signatories and participation in Local Agency Investment Fund (LAIF); Resolution No. 2010-6-12, authorizing and designating signatories for depository agreements; Resolution No. 2010-6-13, authorizing and designating signatories of investment agreements; and Resolution No. 2010-6-14, authorizing and designating signatories for the movement of funds and investment securities.

**RESOLUTION NO. 2010-6-11**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING PARTICIPATION ON THE LOCAL AGENCY INVESTMENT FUND AND DESIGNATING SIGNATORIES FOR THE DEPOSIT AND WITHDRAWAL OF FUNDS** (for full text, see Resolution Book).

**RESOLUTION NO. 2010-6-12**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES OF DEPOSITORY AGREEMENTS, DEPOSITORY CARDS, DEPOSITS, TRANSFERS, CHECKS, AND WITHDRAWALS OF FUNDS** (for full text, see Resolution Book).

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**RESOLUTION NO. 2010-6-13**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES OF INVESTMENT AGREEMENTS, INVESTMENT AUTHORIZATIONS, AND INVESTMENT FUND TRANSFERS TO FUND INVESTMENT TRANSACTIONS** (for full text, see Resolution Book).

**RESOLUTION NO. 2010-6-14**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING AND DESIGNATING SIGNATORIES OF TRANSFER DOCUMENTS FOR THE MOVEMENT OF FUNDS AND INVESTMENT SECURITIES TO SAFEKEEPING WITH A THIRD-PARTY CUSTODIAN** (for full text, see Resolution Book).

- E. The Board adopted Resolution No. 2010-6-18, approving the execution of an official statement and authorizing certain acts in connection therewith.

**RESOLUTION NO. 2010-6-18**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BIENNIAL UPDATE OF THE AGENCY'S INVESTMENT POLICY** (for full text, see Resolution Book).

- F. The Board authorized the Interim Chief Executive Officer/General Manager to undertake all actions authorized to be undertaken by the Chief Executive Officer/General Manager under Resolution No. 2010-3-1.

- G. The Board adopted a position of support for H.R. 5289 – Get the Lead Out (as introduced on May 12, 2010).

- H. The Board:

1. Amended Agreement No. AKB-01-042 with The Dolphin Group of Sacramento, to continue providing legislative services on energy and water resource issues from July 1, 2010, to June 30, 2011, with no change in the fee; and
2. Authorized the Interim Chief Executive Officer/General Manager to execute Agreement Amendment No. 10.

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**M2010-6-5**, continued.

I. The Board:

1. Amended Agreement No. AKB05012 with Innovative Federal Strategies to continue providing Federal/Congressional legislative services from July 1, 2010, to June 30, 2011, with no change in the fee; and
2. Authorized the Interim Chief Executive Officer/General Manager to execute Agreement Amendment No. 6.

J. The Board:

1. Amended Agreement No. 460000061 with Geyer Associates to continue providing State legislative services from July 1, 2010, to June 30, 2011, at a monthly retainer fee of \$1,150 per month; and
2. Authorized the Interim Chief Executive Officer/General Manager to execute the Agreement Amendment No. 2.

K. The Board:

1. Amended Agreement No. ARA-00-001 with Agricultural Resources to continue providing Federal/Congressional legislative services from July 1, 2010, to June 30, 2011, with no change in fee; and
2. Authorized the Interim Chief Executive Officer/General Manager to execute the Agreement Amendment No. 10.

L. The Board:

1. Amended Agreement No. 4600000419 with California Strategies, LLC to provide strategic local government consulting services beginning July 1, 2010, to June 30, 2011, at a monthly retainer fee of \$10,000 per month plus reasonable business expenses; and
2. Authorized the Interim Chief Executive Officer/General Manager to execute the agreement.

M. The Board:

1. Amended Agreement No. 4600000220 with the National Theatre for Children (NTC) for a three-year period, increasing the annual contract value to \$41,100 per year (a \$2,400 increase) not to exceed \$153,300 over the three year term, and extend the contract through June 30, 2013; and

*Continued...*

**M2010-6-5**, continued.

2. Authorized the Interim Chief Executive Officer/General Manager to execute the Agreement Amendment No. 3.

N. The Board:

1. Authorized the purchase of property, and boiler and machinery insurance through the California Sanitation Risk Management Authority (CSRMA) Property Program; at an annual premium amount not to exceed \$165,000, with a \$25,000 deductible; and
2. Authorized the purchase of excess workers' compensation insurance from Midwest Employers, at an annual premium of \$39,614 with a Self-Insured Retention (SIR) of \$1,000,000.

O. The Board:

1. Approved the Easement Grant Deed between Inland Empire Utilities Agency (IEUA) and Cucamonga Valley Water District (CVWD) to access, install, construct, reconstruct, repair, and operate two (2) three million gallon reservoirs for the Northwest Project Area, Project No. EN08018.01, in an amount not-to-exceed \$225,000;
2. Authorized the Interim Chief Executive Officer/General Manager to approve minor and non-substantive changes to the easement; and
3. Authorized the Interim Chief Executive Officer/General Manager to finalize and execute the easement.

P. The Board:

1. Approved the Easement Grant Deed between Inland Empire Utilities Agency (IEUA) and the Chino Basin Desalter Authority (CDA) and Western Municipal Water District (WMWD) to access, install, construct, reconstruct, repair, and operate one monitoring well and one test-production well at the Regional Plant No. 5 site, in the amount not-to-exceed one dollar (\$1);
2. Authorized the Interim Chief Executive Officer/General Manager to approve minor and non-substantive changes to the easement; and
3. Authorized the Interim Chief Executive Officer/General Manager to finalize and execute the easement.

Q. The Board:

1. Approved the amendments with Cucamonga Valley Water District and the City of Chino for the construction of non-portable retrofits; and

*Continued...*

**M2010-6-5**, continued.

2. Authorized the Interim Chief Executive Officer/General Manager to finalize and execute the reimbursement agreements with each member agency.

R. The Board:

1. Approved the issuance of Contract No. 4600000676 to the firm of Polydyne Inc. covering up to a five-year term for provision of Flosperse 30S at an initial fixed unit price of \$.70/pound (delivered), plus sales tax; and
2. Authorized the Interim Chief Executive Officer/General Manager to execute said contract.

S. The Board:

1. Approved Sunkist Growers Inc ("Sunkist") request to transfer eight (8) of the twenty-four (24) Non-Reclaimable Wastewater System ("NRWS") capacity units owned by Sunkist to the Agrigold Joint Venture, California General Partnership ("Agrigold");
2. Authorized the Interim Chief Executive Officer/General Manager to execute the Agrigold NRWS Capacity Right Agreement; and
3. Authorized the Interim chief Executive Officer/General Manager to execute the Amendment to the Sunkist NRWS Capacity Right Agreement.

T. The Board:

1. Approved the Agreement between Cucamonga Valley Water District (CVWD) and Inland Empire Utilities Agency (IEUA) for the maintenance of IEUA Recycled Water Facilities;
2. Authorized the Interim Chief Executive Officer/General Manager to execute the Agreement between Cucamonga Valley Water District (CVWD) and Inland Empire Utilities Agency (IEUA) for the maintenance of IEUA Recycled Water Facilities; and
3. Authorized the Interim Chief Executive Officer/General Manager to approve minor and non-substantial changes to the agreement.

**ACTION ITEMS**

**ADOPTION OF THE AGENCY'S PROGRAMS AND OPERATING BUDGET, TEN-YEAR CAPITAL IMPROVEMENT PLAN, LONG RANGE PLAN OF FINANCE AND RATE RESOLUTION FOR FISCAL YEAR 2010/11**

Manager of Financial Planning, Christina Valencia, stated that the items that are being recommended for adoption this morning have been presented to the Board, Regional Technical and Policy Committees, and Finance, Legal and Administration Committee since January 2010. She also stated that staff facilitated several budget workshops for the Recycled, the Regional, the NRW, and the Water Resources Programs, and was attended by the members of the Regional, as well as the Board. Ms. Valencia reported that the Regional Policy unanimously approved the adoption of the rates for the recycled water and the regional on May 6, and the Board adopted the rates on May 19.

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

**M2010-6-6**

MOVED, to:

1. Approve the Agency-wide Policy Goals and Department Goals and Objectives as outlined in the FY 2010/11 Budget;
2. Adopt Resolution No. 2010-6-2, FY 2010/11 Agency's Program and Operating Budget, the FY's 2011/20 Ten-Year Capital Improvement Plan, and the 2011 Long Range Plan of Finance;

**RESOLUTION NO. 2010-6-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR FISCAL YEAR 2010/11**(for full text, see Resolution Book).

3. Adopt Rate Resolution Nos. 2010-6-3 through 2010-6-8; and

**RESOLUTION NO. 2010-6-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR DOMESTIC WASTEWATER HAULERS FOR SEPTAGE WASTES, EXCESS USER CHARGES AND RECOVERING COSTS FOR RECLAIMING EFFLUENT FOR FISCAL YEAR 2010/11**(for full text, see Resolution Book).

**RESOLUTION NO. 2010-6-4**

**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, CAPACITY OPTION AND CAPACITY RIGHT AGREEMENT FEES, APPLICATION FEES, AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR NON-RECLAIMABLE WASTEWATER SYSTEM FOR NON-RECLAIMABLE WASTEWATER SYSTEM FOR FISCAL YEAR 2010/11** (for full text, see Resolution Book).

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**M2010-6-6**, continued.

**RESOLUTION NO. 2010-6-5**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND**  
**EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,**  
**CALIFORNIA, ESTABLISHING IMPORTED WATER RATES AND**  
**SUPPLEMENTAL SURCHARGE** (for full text, see Resolution Book).

**RESOLUTION NO. 2010-6-6**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND**  
**EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,**  
**CALIFORNIA, ESTABLISHING RETAIL METER CHARGE RATE**  
**COVERING READINESS-TO-SERVE STANDBY CHARGE**  
**REVENUE DEBT** (for full text, see Resolution Book).

**RESOLUTION NO. 2010-6-7**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND**  
**EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,**  
**CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR**  
**FISCAL YEAR 2010/11** (for full text, see Resolution Book).

**RESOLUTION NO. 2010-6-8**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND**  
**EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,**  
**CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY**  
**ANALYSES FOR FISCAL YEAR 2010/11**(for full text, see Resolution  
Book).

4. Approve the repayment of \$1 million of inter-fund loans to the Non-Reclaimable Wastewater (NRW) Fund from the Regional Operations & Maintenance (RP) Fund; and
5. Authorize staff to distribute the final budget and rate resolutions as required.

**ADOPTION OF RESOLUTION NO. 2010-6-20, TO SUBMIT FOR FUNDING OF THE NATURE EDUCATION FACILITIES PROGRAM**

Senior Site Administrator, Lucia Diaz, stated that staff is recommending that the Board adopt Resolution No. 2010-6-20, to allow the Agency to apply for grant funding with the California State Parks and Recreation for the new Laboratory and other additional facilities within the park – three pavilions, a restroom facility, and a pervious concrete parking lot.

Upon motion by Director Camacho, seconded by Director Anderson, the motion carried (4-0):

**M2010-6-7**

MOVED, to adopt:

1. Resolution No. 2010-6-20, approving the application for Nature Education Facility Program Funds, by roll call vote; and

*Continued...*

**M2010-6-7**, continued.

**RESOLUTION NO. 2010-6-20  
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,  
CALIFORNIA, APPROVING THE APPLICATION FOR NATURE  
EDUCATION FACILITY PROGRAM FUNDS (for full text, see  
Resolution Book).**

2. Authorize the Chief Executive Officer/General Manager or in his absence, any one of the following: Executive Manager of Engineering, Executive Manager of Policy Development, or the Executive Manager of Operations, to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, and amendment, which may be necessary for the completion of the project.

With the following roll call vote:

Ayes:	Santiago, Anderson, Camacho, Koopman
Noes:	None
Absent:	Catlin
Abstain:	None

**ADOPTION OF RESOLUTION NO. 2010-6-21, REGARDING ONGOING SUPPORT OF THE CHINO BASIN RECHARGE MASTER PLAN**

Interim Chief Executive Officer/General Manager, Thomas A. Love stated that staff has been working with the Chino Basin Watermaster to prepare for submittal to the court regarding the Recharge Master Plan. He stated that in 2008, Watermaster made some commitments to the court that a Recharge Master Plan update would be completed by July 1, 2010. He stated Watermaster has prepared a document and asked IEUA to adopt a resolution concurrently with Watermaster in support of the document. Mr. Love reported that IEUA had some concerns with the document. However, staff is very supportive with the process, and believes that the Recharge Master plan should be an adaptive management document. Mr. Love reported that yesterday (June 15) he participated in a conference call with Watermaster staff and their counsel and it was agreed that it is not necessary for IEUA Board to adopt a resolution; therefore staff is amending the recommendation to approve a letter to the Chino Basin Watermaster in support of the Recharge Master Plan process and reserve the right to approve the Recharge Master Plan at a later date.

General Counsel, Jean Cihigoyenette, recapped by stating as presently constituted, IEUA cannot support the Recharge Master Plan based on technical differences that staff has with Watermaster staff. He stated that the concern is staff does not want IEUA to be tied to a plan which puts the Agency in a situation where the Agency would have to fund and develop projects that are not necessary to meet the recharge demands. He stated that those differences can be resolved; however, due to the July deadline, all parties agreed to IEUA sending a letter, which will outline the positive relationship between the parties, and that both parties will work in cooperation moving forward; however, IEUA will defer our discretionary right to approve the RMP, until the technical concerns are satisfied.

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

**M2010-6-8**

MOVED, to approve a letter to Chino Basin Watermaster in support of the Recharge Master Plan update process and reserving the right to approve the Recharge Master Plan at a later date.

**REGIONAL PLANT NO. 1 DIGESTER CLEANING PROJECT**

Manager of Maintenance, Ernest Yeboah reported that on April 21, 2010, the Board of Directors approved the award of a contract to Synagro, Inc. for cleaning Digester 1 at RP-1 in the amount of \$157,000. He stated due to the low quote by Synagro, staff is recommending that the Board approve the cleaning of Digester No. 2, which was last cleaned in 2004. This will increase the contract amount by \$120,000.

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

**M2010-6-9**

MOVED, to:

1. Approve the award of Contract Amendment No. 4600000663-001 to Synagro, Inc. for cleaning Digester No. 1 at RP-1 to include cleaning Disgester No. 2, increasing the contract not-to-exceed amount by \$120,000 to \$277,416; and
2. Authorize the Interim Chief Executive Officer/General Manager to finalize and execute the contract amendment.

**INFORMATION ITEMS**

**FY 2010/11 PROPOSED BUDGET FOR THE INLAND EMPIRE COMPOSTING AUTHORITY**

Executive Manager of Operations, Patrick Shields reported that the Inland Empire Composting Authority's FY 2010/11 was approved at the June 14 IERCF Board meeting. He also reported that at the Board meeting, the American Academy of Environmental Engineers Award for the project was presented for optimal operation management of a composting facility.

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

**TURNER BASIN TASK FORCE UPDATE**

**RISK MANAGEMENT ORDINANCE 86**

**3<sup>RD</sup> QUARTER PLANNING AND ENVIRONMENTAL COMPLIANCE UPDATE**

**TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR APRIL 2010**

**PUBLIC OUTREACH AND COMMUNICATIONS**

**LEGISLATIVE REPORT FROM GEYER AND ASSOCIATES**

**LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES, LLC**

**LEGISLATIVE REPORT FROM THE DOLPHIN GROUP**

**LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES**

**AUDIT PLANNING LETTER (SAS 114) FROM MAYER HOFFMAN McCANN P.C.**

**INTERNAL AUDIT DEPARTMENT STATUS REPORT FOR JUNE 2010**

**ACCOUNTS PAYABLE AUDIT**

**HUMAN RESOURCES FOLLOW-UP AUDIT**

**CONTRACTS AND PROCUREMENT FOLLOW-UP AUDIT**

**LABORATORIES DEPARTMENT FOLLOW-UP AUDIT**

**ENGINEERING DIVISION FY 2009/10 3<sup>RD</sup> QUARTER UPDATE**

**FACILITIES SCADA MASTER PLAN UPDATE**

**RENEWABLE ENERGY PROJECTS UPDATE**

**RP-1 DIGESTER CLEANING EQUIPMENT UPDATE**

**QUARTERLY MAINTENANCE REPORT**

**AGENCY REPRESENTATIVES' REPORTS**

**SAWPA REPORT**

Interim Chief Executive Officer/General Manager, Thomas A. Love, attended the meeting of the General Managers of the SAWPA member agencies last week. He reported that there was discussion on the SARI relocation, and SARI pipeline capacity as it pertains to the Chino Desalter expansion. He reported that funds of approximately \$12 million will become available for SAWPA from DWR, and SAWPA has requested that the agencies submit projects so a project priority list can be created.

Director Anderson reported that at the SAWPA Commission meeting there was discussion on the Arlington Desalter Lateral Scale Buildup and Emergency Chemical Cleaning and OWOW's project priority list criteria.

**MWD REPORT**

Director Santiago reported that he and Interim Chief Executive Officer/General Manager Thomas A. Love met with Mr. Jeff Kightlinger to discuss the LRP Program. He reported that San Diego has filed a lawsuit against MWD on June 11, and he will continue to update the Board on this issue.

Interim Chief Executive Officer/General Manager, Thomas A. Love, reported that at MWD Board meeting, also discussed was the Water Supply Allocation. He reported that MWD staff is recommending to remain at Stage II – 10% reduction in water supply.

**REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

Interim Chief Executive Officer/General Manager, Thomas A. Love, reported that there were no action items on the agenda. He stated that staff provided updates on the recycled water projects, Turner Basin Project, Water Resources, and the Water Softener Task Force.

## **CHINO BASIN WATERMASTER REPORT**

Director Camacho reported that the major discussion has been on the Watermaster Recharge Master Plan.

## **INTERIM CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT**

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

Interim Chief Executive Officer/General Manager, Thomas A. Love, reported on Agency activities for the last couple of weeks. He reported that on June 10, he attended the Regional Quality Control Board meeting. He and Ken Manning gave a joint presentation on the activities in the Chino Basin related to Salinity Management Hydraulic Control. Mr. Love reported that the Regional Quality Control Board approved the ACL per staff recommendation. Mr. Love stated that staff is working with Watermaster on an agreement for payment of the ACL, and how IEUA and CBWM will share in the supplemental Environmental Program for the Water Softener Rebate Programs. He reminded the Board of Gerry Thibeault's Retirement Celebration hosted in the IEUA Event Center on Saturday (June 19). Mr. Love also reported on the negotiations with MWD on the support for the Chino Desalter Authority expansion. He stated that staff has been working with Mr. John Rossi and Mr. Jack Safely from Western MWD, and the MWD management staff to keep the discussions on track.

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

Director Koopman requested that the following Agenda items be placed on the July 7, 2010, Board agenda:

1. Action Item – Effective Date Change for the EDU Rate for the Member Agencies
2. Information Item – Explanation for the purpose and goals of the recently established Ad Hoc Executive Committee
3. Information Item – Definition of President Catlin's statement regarding the "Agency's change in direction". If no change in direction, reason for Chief Executive Officer/General Manager's termination.

## **DIRECTORS' COMMENTS**

Vice President Santiago congratulated and extended well wishes to Private Thomas Brandt Jandro, who is leaving today to serve in the Army branch of the Armed Forces.

## **CLOSED SESSION**

The Board went into closed session at 11:05 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

The meeting resumed at 12:10 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:

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

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Martin vs. IEUA, Case No. CIVRS 1000767

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

**M2010-6-10**

MOVED, to direct General Counsel to file an appeal of the Trial Court's Ruling on the agency's SLAPP motion.

Regarding Conference with Legal Counsel – Existing Litigation:

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

Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010

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

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

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

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 Matter:

Interim Chief Executive Officer/General Manager

The Board took no reportable action.

With no further business, Vice President Santiago adjourned the meeting at 12:12 p.m.

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Secretary

**APPROVED: JULY 7, 2010**