

**MINUTES OF THE REGULAR  
MEETING OF  
THE BOARD OF DIRECTORS  
OF  
THE INLAND EMPIRE UTILITIES AGENCY\*  
WEDNESDAY, JULY 7, 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, Chief Executive Officer/General Manager  
Martha Davis, Executive Manager of Policy Development  
Patrick Sheilds, Executive Manager of Operations  
Rosemary Alvarado, Supervising Contracts and Programs Administrator  
Chris Berch, Manager of Planning & Environmental Compliance  
Tina Cheng, Budget Officer  
Michael Chung, Manager of Fiscal Management  
Sondra Elrod, Administration and Public Affairs Officer  
Gina Hillary, Manager of Human Resources  
Arturo Landeros, Staff Internal Auditor  
Cameron Langner, Manager of Contracts & Procurement  
Randy Lee, Manager of Operations  
Beth Olhasso, LT Water Resources Analyst I  
Craig Parker, Manager of Engineering  
Christina Valencia, Manager of Financial Planning  
Teresa Velarde, Manager of Internal Audit  
Robert Wallin, Contracts and Programs Administrator  
Ernest Yeboah, Manager of Maintenance  
April Woodruff, Board Secretary

**OTHERS PRESENT**

Jack Allingham, Retiree  
Jean Cihigoyenette, Cihigoyenette, Grossberg & Clouse  
Debra Nemrow, Field Representative for Assemblyman Curt Hagman  
Susie 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.

President Catlin called the meeting to order at 10:09 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 discharge, with or without cause, from the Agency and the article that he believes was Ordinance 81 - he was at the Board meeting, several years back, when this was passed. He stated that he actually stood up and spoke against it at the time, saying that eventually it would cost the Agency a lot of money. Mr. Allingham said that as Board members looking out for your constituents, you should have realized this at the time." He

stated; “that the reason this was passed, from what his recollections are, if somebody is dismissed without cause, it may be very difficult for them to get a job elsewhere.” He said his comment was – “If that’s the case, then they should go back and be retrained, just like some many other people that are out of work today – they can go back to their local high schools, they can go back to their colleges, they could find a different profession. To say that because of discipline, it is hard to find work, we’re going to pay them over a year’s salary, medical benefits, dental benefits, vision benefits, insurance benefits – it costs your ratepayers a lot of money to have this happen.” He stated, “Now that it has happened, I would request that the Board review this item and perhaps rescind it from their articles or ordinances, whatever they want to call them.”

Mr. Allingham also addressed the salinity problem that the Agency is having. He stated that he would like the Board to request a salinity test at the headworks at RP-1. He said that he would like to know the salt content is coming into the plant. Mr. Allingham stated that he would also like to have a test done at the discharge of the secondary clarifiers, at the clarifiers themselves to know what the salt content is there. He stated that the discharge goes into the tertiary treatment, which is dosed with sodium hypochloride – “the word sodium to me says salt.” He said sodium hypochloride is the 14%-15% bleach solution that is used for disinfection. Mr. Allingham said at the end of the disinfection and the time in the tertiary treatment, after it goes through the contact basin, the remaining chlorine residual is then dechlorinated. “What do you think they use to dechlorinate? – sodium bisulfate.” Mr. Allingham said it would be interesting to know the salt content coming into the plant, and the where it goes into Cucamonga Creek. He stated that it is very possible that we are adding to our own problem.

He thanked the Board for the opportunity to speak.

Chief Executive Officer/General Manager, Thomas A. Love, stated that staff will be happy to provide the data through a request to the Public Information Officer, Sondra Elrod. Mr. Love noted that all the requested data is provided in the monthly and annual discharge reports to the Regional Board.

Ms. Debra Nemrow, Field Representative for Assemblyman Curt Hagman, introduced herself to the Board of Directors and stated that if the Board had any questions/concerns/messages for Assemblyman Curt Hagman, she will be happy to deliver them.

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

### **CONSENT CALENDAR**

President Catlin asked if anyone wished to remove any item from the Consent Calendar.

President Catlin stated that he was not present and the June 16 Board meeting, and would abstain from approving the June 16 Board of Directors’ meeting minutes. He requested that Item E, CONTRACT FOR CONSULTING SERVICE ON SALINITY MANAGEMENT STAKEHOLDERS DEVELOPMENT AND OUTREACH, for discussion and separate action.

Upon motion by Director Santiago, seconded by Director Camacho, with President Catlin abstaining from voting on the June 16, 2010 Board meeting minutes, the motion carried (4-0):

**M2010-7-1**

MOVED, approval of the Consent Calendar.

- A. The Board approved the minutes from the June 16, 2010, Board of Directors’ meeting, and June 23, 2010 Special Board meeting.

Continued...

**M2010-7-1**, continued.

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

C. The Board adopted Resolution No. 2010-7-1, appointing Chief Executive Officer/General Manager Thomas A. Love as the Agency's representative to the five-member Santa Ana River Watermaster Committee.

**RESOLUTION NO. 2010-7-1  
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,  
CALIFORNIA, NOMINATING AN AGENCY REPRESENTATIVE TO  
THE SANTA ANA RIVER WATERMASTER COMMITTEE IN THE  
MATTER OF ORANGE COUNTY WATER DISTRICT V. CITY OF  
CHINO, ET AL.** (for full text, see Resolution Book)

D. The Board:

1. Accepted the work as performed by Weka Incorporated as complete under the construction contract for the 1299 East Recycled Water Pipeline, Project No. WR08027; and
2. Authorized the Chief Executive Officer/General Manager to execute the Notice of Completion.

E. PULLED.

President Catlin stated regarding Item E. CONTRACT FOR CONSULTING SERVICE ON SALINITY MANAGEMENT STAKEHOLDERS DEVELOPMENT AND OUTREACH, he noticed under Prior Board Action that the original contract was for \$45,000, with four (4) contract amendments for a total cumulative amount of \$134,500. He asked if at some point does the accumulation amount trigger an action from the Board of Directors, or did each amendment come back to the Board?

Chief Executive Officer/General Manager, Thomas A. Love, responded that under the procurement ordinance it does not trigger coming back to the Board for individual contract amendments, as long as those amendments are not serial amendments. He further stated that in this case the first phase of the work was completed, and now the Agency is moving on to the second phase with a new contract.

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

**M2010-7-2**

MOVED, to:

1. Approve a contract with O'Rourke, Inc., Contract No. 4600000701, in the amount of \$48,200; and
2. Authorize the Chief Executive Officer/General Manager to execute the contract.

## **ACTION ITEM**

### **REGIONAL WATER QUALITY CONTROL BOARD STIPULATION AND SETTLEMENT AGREEMENT FOR ADMINISTRATIVE CIVIL LIABILITY COMPLAINT**

Manager of Planning and Environmental Compliance, Chris Berch, provided a brief background of the Administrative Civil Liability (ACL) complaint issued by the Regional Water Quality Control Board to the Chino Basin Watermaster and the Inland Empire Utilities Agency based on the inability to meet the hydraulic control within the basin. Mr. Berch stated that after negotiations with RWQCB staff, Watermaster and IEUA have agreed to waive the right to a hearing and settle the Complaint by paying \$124,350 to the SWRCB, and participating in a supplemental environmental project (SEP) for the balance of the assessed penalty. He reported that Watermaster and IEUA have agreed to evenly split all penalty and SEP rebate costs. Mr. Berch noted that Watermaster and IEUA have worked very closely with the Chino Basin Desalter Authority (CDA member agencies) to ensure that the CDA project schedule and milestones were updated to the satisfaction of the RWQCB, and to ensure that all outstanding milestones are appropriately completed to ensure that hydraulic control is achieved by March 2014.

Discussions ensued regarding the recovery of administrative costs from the Regional Board. Staff stated that there are two administrative charges in the Regional Board's findings - \$20,000, associated with an administrative civil liability included in the cost that is split with Watermaster, which will later be recovered through rates and charges of recycled water recharge fund; and \$1,000, which is an administrative fee for the Supplemental Environmental Project, both Watermaster and IEUA will pay their share.

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

#### **M2010-7-3**

MOVED, to:

1. Authorize payment of \$62,175 for the Agency cost-share amount of the \$125,350 administrative civil liability per the Regional Water Quality Control Board Settlement Agreement and Stipulation;
2. Authorize the Chief Executive Officer/General Manager to execute said Settlement Agreement and Stipulation;
3. Authorize the Chief Executive Officer/General Manager to negotiate and enter into an Agreement with the Chino Basin Watermaster for 50/50 cost-sharing of Supplemental Environmental Project (SEP) costs as set forth in said Settlement Agreement and Stipulation.

## **INFORMATION ITEMS**

### **SETTLEMENT OF CHINO BASIN DESALTER AUTHORITY NOTICE OF VIOLATION**

The Settlement of Chino Basin Desalter Authority Notice of Violation report was received and filed by the Board.

### **LEGISLATIVE REPORTS**

There were no legislative reports.

### **AD HOC EXECUTIVE COMMITTEE**

Director Koopman inquired as to why there is an Ad Hoc Executive Committee, when the Finance, Legal and Administration Committee addresses similar issues. President Catlin responded that he had chosen the option to set up an Ad Hoc Executive Committee to specifically address the re-organization of the Agency. He further stated that Committee items are presented to the Board meetings; therefore, all Board members have an opportunity to hear and comment on the issues presented from all the Committee meetings.

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

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

Executive Manager of Operations, Patrick Sheilds, distributed a map, which is updated on a weekly basis, showing how recycled water is distributed in throughout the service area. He also reported on the RP-5 Back-up Generator Test Failure.

Manager of Planning & Environmental Compliance, Chris Berch, provided an AQMD Rule 1110.2, Engine Generators Update.

Chief Executive Officer/General Manager, Thomas A. Love, gave a brief update on the July 6 SAWPA Commission meeting. He reported that progress was made on reaching an agreement with OCSD, over private ownership of treatment capacity.

Executive Manager of Policy Development, Martha Davis, reported that she will be meeting with Ms. Nancy Sutley, Chair of the Council of Environmental Quality, to discuss the ARA funding and the success of pumping funding into the local water supply projects, i.e., IEUA's Recycled Water Program and renewable energy programs.

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

There were no Director requested future agenda items.

Director Koopman commented that at the last Board meeting, he had requested the Board President define "change in direction for the Agency" at the July 7 Board meeting. He asked why his request was not on today's Board agenda.

General Counsel, Jean Cihigoyenetché, responded that his request was noted; however, at the last meeting he had expressed some concern on whether or not the matter or information requested at that time was better kept to Closed Session or whether it was subject to open session. General Counsel Cihigoyenetché stated that he researched the matter, and also requested that the Agency's labor counsel and Liebert Cassidy to research the matter. He reported that the conclusion was that the discussion or information that Director Koopman was seeking, if shared in open session, could expose the Agency to potential liability for litigation issues. He further stated that the action that was taken was done in Closed Session, which suggests that it is of privileged nature. General Counsel Cihigoyenetché stated the reason that the requested issue did not appear on the Agenda is because it is a Closed Session matter.

### **DIRECTORS' COMMENTS AND CONFERENCE REPORTS**

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

### **CLOSED SESSION**

The Board went into closed session at 10:40 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; 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 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION One (1) case; D. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR: Meet and Confer Negotiations – All Units

The meeting resumed at 11:30 a.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:

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

The Board took no reportable action.

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

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 Anticipated Litigation:

One Case

The Board took no reportable action.

Regarding Conference with Labor Negotiator:

Meet and Confer Negotiations – All Units

The Board took no reportable action.

With no further business, President Catlin adjourned the meeting at 11:34 a.m.

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Secretary

**APPROVED: JULY 21, 2010**