

**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, SEPTEMBER 1, 2010
10:00 A.M.**

DIRECTORS PRESENT

John Anderson
Terry Catlin, President
Gene Koopman
Angel Santiago, Vice President

DIRECTOR ABSENT

Michael Camacho, Secretary/Treasurer

STAFF PRESENT

Thomas A. Love, Chief Executive Officer/General Manager
Patrick Sheilds, Executive Manager of Operations
Rosemary Alvarado, Supervising Contracts and Programs Administrator
Kathleen Baxter, Supervising Contracts and Programs Administrator
Chris Berch, Manager of Planning & Environmental Compliance
Tina Cheng, Budget Officer
Sondra Elrod, Administration and Public Affairs Officer
Jason Gu, Grants Officer
Gina Hillary, Manager of Human Resources
Cameron Langner, Manager of Contracts & Procurement
Randy Lee, Manager of Operations
Alex Lopez, Senior Financial Management Analyst
Suresh Malkani, Accounting Supervisor
Lisa Morgan-Perales, Water Resources Analyst II
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
April Woodruff, Board Secretary

OTHERS PRESENT

Jack Allingham, Retiree
Jean Cihigoyenette, Cihigoyenette, Grossberg & Clouse
Brian Johsz, Gary Ovitt's Office
Miles Petroff
Mark Sanfilippo
Susie Spears, Retiree
Marsha Westropp, OCWD
Elizabeth Willis, CORO Program Participant

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 10:03 a.m., and he led 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 regarding Action Item, Adoption of Resolution No. 2010-9-1, Authorizing No Performance Award for Work Performed in Fiscal Year 2009/10, he wanted to know if no performance awards for any staff classifications, included all managers and Executive Managers, as well. Chief Executive Officer/General Manager, Thomas A. Love responded, "yes".

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.

MEDITERRANEAN-STYLE GARDENS PRESENTATION

Ms. Elizabeth Willis stated that she participated in the Coro Fellows Program in Public Affairs, which is a nine-month, full-time, post-graduate experiential leadership training program that introduces participants to all aspects of the public affairs arena. She reported that one of her assignments was to create a Landscaping webpage for the IEUA website. Ms. Willis gave a PowerPoint presentation on the webpage that she has created for IEUA, which was on Mediterranean-style Gardens. Ms. Willis thanked the IEUA for the sponsorship, and President Catlin and Director Camacho for their contribution.

CONSENT CALENDAR

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

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

M2010-9-1

MOVED, approval of the Consent Calendar.

- A. The Board approved the minutes from the August 18, 2010, Board of Directors' meeting.
- B. The Board approved the Treasurer's Report as submitted.
- C. The Board approved a one-year membership in the Resource Landowners Coalition in the amount of \$10,000.

ACTION ITEM

ADOPTION OF RESOLUTION NO. 2010-9-1, AUTHORIZING NO PERFORMANCE AWARDS FOR WORK PERFORMED IN FISCAL YEAR 2009/10

Chief Executive Officer/General Manager, Thomas A. Love stated that given the ongoing national economic recession, the California budget crisis, and the fact that the unemployment rate in the San Bernardino County is over 14% higher than the national or statewide average, as well as the anticipated CalPERS employer rate for IEUA increasing by a minimum of 4%, it does not seem fiscally responsible to authorize performance awards at this time.

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

M2010-9-2

MOVED, to adopt Resolution No. 2010-9-1, authorizing no performance awards for work performed in Fiscal Year 2009/10 for any staff classifications.

Continued...

M2010-9-2, continued.

**RESOLUTION NO. 2010-9-1
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, AUTHORIZING NO PERFORMANCE AWARDS FOR
WORK PERFORMED IN FISCAL YEAR 2009/10** (for full text, see
Resolution Book).

INFORMATION ITEMS

TURNER BASIN GUASTI PARK UPDATE

Manager of Planning and Environmental Compliance, Chris Berch gave a PowerPoint update on the Turner Basin/Guasti Park Task Force. He highlighted the purpose of the Task Force, Progress to Date, Demonstration Project Elements, Potential Funding Sources, and the Next Steps.

LEGISLATIVE REPORTS

LT Water Resources Analyst I, Beth Olhasso provided a legislative update. She reported that the regular Legislation Session ended yesterday (August 31). She highlighted the disposition of bills that are supported by the Agency. Ms. Olhasso reported that all but one of the pieces of legislation was acted on in the manner in which the Agency supported or opposed the bills. She stated that the one failure was SB 972, the indemnity for design professionals bill by Senator Wolk, passed, which IEUA opposed. Ms. Olhasso reported that today (September 1) is Day 63 of not having a budget. She reported all four budget bills failed to obtain the two-thirds majority necessary to pass the budget. She further stated that with the legislative session officially over, the Governor can declare a special extraordinary budget session, or continue the last special session that was never closed, to pass the budget.

STATE WATER RESOURCES CONTROL BOARD DRAFT FLOW CRITERIA

The State Water Resources Control Board Draft Flow Criteria information item was received and filed by the Board.

IMPACT OF STATE BUDGET DELAY ON IEUA GRANTS AND SRF LOANS

The Impact of State Budget Delay on IEUA Grants and SRF Loans information item was received and filed by the Board.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

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

Chief Executive Officer/General Manager, Thomas A. Love, reported that SAWPA has released their project application ranking and IEUA's project is in the top twenty-five.

Mr. Love also reported that IEUA staff, Craig Parker and Jason Gu traveled to Sacramento to present the Wineville Pipeline Extension Project SRF loan application to the State Water Resources Control Board. He reported that the meeting went well, and staff received updates on two other SRF loan applications, Southern Area Recycled Water Project and the New Laboratory Project, which is on schedule in the review process.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS

There were no Director requested future agenda items.

DIRECTORS' COMMENTS AND CONFERENCE REPORTS

There were no Director comments or 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; B. **PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:** (1) 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; (2) Property: Parcel on the northeast corner of El Prado and Flower; Negotiating Parties: The Carson Companies; Under Negotiation: Price and Terms of Sale; (3) Property: RP-5 SHF; Negotiating Parties: Environ Strategy; Under Negotiation: Terms of Lease; C. **PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR:** Meet and Confer Negotiations – General Unit and Operators' Association; Negotiating Parties: Patrick Sheilds and Gina Hillary; D. **PURSUANT TO GOVERNMENT CODE SECTION 54954.5 – PUBLIC EMPLOYEE DISMISSAL/DISCIPLINE/RELEASE**

The meeting resumed at 11:25 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:

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

Property: Parcel on the northeast corner of El Prado and Flower

Negotiating Parties: The Carson Companies
Under Negotiation: Price and Terms of Sale

Property: RP-5 SHF

Negotiating Parties: Environ Strategy
Under Negotiation: Terms of Lease;

The Board took no reportable action.

Regarding Conference with Labor Negotiator:

Meet and Confer Negotiations – General Unit and Operators’ Association
Negotiating Parties: Patrick Sheilds and Gina Hillary

The Board took no reportable action.

With no further business, President Catlin adjourned the meeting at 11:26 a.m.

Secretary

APPROVED: SEPTEMBER 15, 2010