

**FINANCE, LEGAL, AND ADMINISTRATION
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA
WEDNESDAY, JUNE 8, 2011
11:00 A.M.**

*Or immediately following the
Engineering, Operations, and Biosolids Management
Committee Meeting*

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES

The Committee will be asked to approve the Finance, Legal, and Administration Committee meeting minutes of May 11, 2011.

B. ADOPTION OF RESOLUTION NO. 2011-6-11, ESTABLISHING THE APPROPRIATION LIMITS FOR FISCAL YEAR 2011/12

It is recommended that the Committee/Board adopt Resolution No. 2011-6-11, establishing the Appropriation Limits for Fiscal Year 2011/12.

C. 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 2011/12

It is recommended that the Committee/Board:

1. Approve the Agency-wide Policy Goals and Departmental Goals and Objectives as outlined in the FY 2011/12 Budget;
2. Adopt Resolution No. 2011-6-2, FY 2011/12 Agency's Program and Operating Budget, the FY's 2011/20 Ten Year Capital Improvement Plan, and the 2012 Long Range Plan of Finance;
3. Adopt Rate Resolution Nos. 2011-6-3 through 2011-6-9;
4. Approve the repayment of \$1 million of inter-fund loans to the Non-Reclaimable Wastewater (NRW) Fund from the Recycled Water Capital (WC) Fund; and
5. Authorize staff to distribute the final budget and rate resolutions as required.

D. ADOPTION OF RESOLUTION NO. 2011-6-10, FOR THE ANNUAL UPDATE OF THE INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY

It is recommended that the Committee/Board:

1. Approve the Agency's Investment Policy, as submitted;
2. Adopt Resolution No. 2011-6-10, approving the Agency's Investment Policy for FY 2011/12; and
3. Authorize staff to present the Investment Policy whenever there are recommended changes or annually, whichever occurs first.

E. PURCHASE OF PROPERTY, BOILER AND MACHINERY, AND EXCESS WORKERS' COMPENSATION INSURANCE

It is recommended that the Committee/Board:

1. Authorize the purchase of property, and boiler and machinery insurance through the California Sanitation Risk Management Authority (CSMRA) Property Program, at an annual premium amount not-to-exceed \$175,000, with a \$25,000 deductible; and;
2. Authorize the purchase of excess workers' compensation insurance from Midwest Employers, at an annual premium of \$37,702 with a Self-Insured Retention (SIR) of \$1,000,000.

F. GENON ENERGY, INC. NRWS CAPACITY RIGHT AGREEMENT EXPIRATION

It is recommended that the Committee/Board:

1. Consider the following three options regarding the GenOn Energy Inc. Non Reclaimable Wastewater System (NRWS) future Capacity Right Agreement and provide direction to staff on the preferred option to pursue:

Option 1: Require GenOn Energy Inc. to purchase up to 35 NRWS Capacity Units at a total cost of \$7,525,000 pursuant to the current NRWS Rate Resolution No. 2010-10-4 prior to the expiration of the current agreement and prior to the execution of the new NRWS Capacity Right Agreement; or

Option 2: Allow GenOn Energy Inc. to enter into a temporary lease agreement for up to 35 NRWS Capacity Units with specific terms and conditions of such an agreement to be determined; or

Option 3: Require GenOn Energy Inc. to purchase up to 35 NRWS Capacity Units at a total cost of \$7,525,000 and allow them to pay this amount via a payment plan with specific terms and conditions of the payment plant to be determined.

2. Authorize the General Manager to proceed with the selected option and bring the new NRWS Capacity Right Agreement with GenOn Energy, Inc. back to the Board for consideration and approval.

G. AMENDMENT TO AGREEMENT NO. AKB05012 FOR FEDERAL/CONGRESSIONAL LEGISLATIVE SERVICES WITH INNOVATIVE FEDERAL STRATEGIES

It is recommended that the Committee/Board:

1. Amend Agreement No. AKB05012 with Innovative Federal Strategies to continue providing Federal/Congressional legislative services from July 1, 2011, to June 30, 2012, with a two percent (2%) reduction in fees; and
2. Authorize the General Manager to execute Agreement Amendment No. 7.

H. AMENDMENT TO AGREEMENT NO. AKB-01-042 WITH THE DOLPHIN GROUP FOR LEGISLATIVE SERVICES ON ENERGY AND WATER RESOURCE ISSUES

It is recommended that the Committee/Board:

1. Amend 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, 2011, to June 30, 2012, with a two percent (2%) reduction in fees; and
2. Authorize the General Manager to execute Agreement Amendment No. 11.

I. AMENDMENT TO AGREEMENT NO. ARA00001 FOR FEDERAL/CONGRESSIONAL LEGISLATIVE SERVICES WITH AGRICULTURAL RESOURCES

It is recommended that the Committee/Board:

1. Amend Agreement No. ARA00001 with Agricultural Resources to continue providing Federal/Congressional legislative services from July 1, 2011, to June 30, 2012, with no change in fee; and
2. Authorize the General Manager to execute Agreement Amendment No. 12.

J. 2011 CHINO BASIN REPLENISHMENT PROGRAM

It is recommended that the Committee/Board:

1. Approve the purchase of up to 25,000 acre-feet of Metropolitan Water District of Southern California (MWD) replenishment water at a rate of \$409 per acre foot (AF), plus additional amounts ordered by Chino Basin Watermaster parties (estimated to exceed 25,000 AF) for delivery from May 2011 through December 2011;
2. Authorize the General Manager to formally apply for and establish a storage account within the Chino Basin, for up to 50,000 AF; and
3. Authorize the General Manager/Chief Financial Officer to finance the purchase with commercial paper.

2. INFORMATION ITEMS

A. TREASURER'S REPORT OF FINANCIAL AFFAIRS

B. FY 2010/11 THIRD QUARTER BUDGET VARIANCE AND PERFORMANCE GOALS (WRITTEN)

3. **COMMITTEE MEMBER COMMENTS**
4. **COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**
5. **ADJOURN**

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: _____

DECLARATION OF POSTING

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, June 2, 2011.

April Woodruff