

# AGENDA

## REGULAR MEETING OF THE BOARD OF DIRECTORS

WEDNESDAY, JUNE 15, 2011  
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS  
6075 KIMBALL AVENUE, BUILDING A  
CHINO, CALIFORNIA 91708

### CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

### FLAG SALUTE

### 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 are 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. PUBLIC HEARING ON THE PROPOSED FY 2011/12 NON-RECLAIMABLE WASTEWATER AND WATER RESOURCES PROGRAMS RATES AND DECLARE ITS INTENT TO ADOPT BUDGETS FOR THE REGIONAL SEWAGE PROGRAM

### ADOPTION OF THE AGENCY'S PROGRAMS AND OPERATING BUDGET, TEN YEAR CAPITAL IMPROVEMENT PLAN, LONG RANGE PLAN OF FINANCE AND RATE RESOLUTIONS FOR FISCAL YEAR 2011/12

It is recommended that the 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.

## 2. **CONSENT CALENDAR**

**NOTICE:** All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

### A. **MINUTES**

The Board will be asked to approve the minutes from the June 1, 2011, regular Board meeting.

### B. **TREASURER'S REPORT**

Treasurer's Report on General Disbursements

### C. **ADOPTION OF RESOLUTION NO. 2011-6-10 FOR THE ANNUAL UPDATE OF THE INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY**

It is recommended that the 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.

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

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

### E. **AMENDMENT TO AGREEMENT NO. AKB05012 FOR FEDERAL/CONGRESSIONAL LEGISLATIVE SERVICES WITH INNOVATIVE FEDERAL STRATEGIES**

It is recommended that the Board:

1. Amend Agreement No. AKB05012 with Innovative 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.

**F. 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 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.

**G. AMENDMENT TO AGREEMENT NO. ARA00001 FOR FEDERAL/CONGRESSIONAL LEGISLATIVE WITH AGRICULTURAL RESOURCES**

It is recommended that the 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.

**H. SUPPORT AB 512 (GORDON): LOCAL GOVERNMENT RENEWABLE ENERGY SELF GENERATION PROGRAM**

It is recommended that the Board adopt a position of support for AB 512 (Gordon): Local Government Renewable Energy Self Generation Program, as introduced.

**I. PROJECT ACCEPTANCE FOR THE RP-1 DECHLORINATION/SOLIDS UPGRADES AND MISCELLANEOUS IEUA CAPITAL PROJECTS, PROJECT NO. EN07006.04**

It is recommended that the Board:

1. Accept the work as performed by Coconstruction, Inc. as complete under the construction contract for the RP-1 Dechlorination/Solids Upgrades and Miscellaneous IEUA Capital Projects, Project No. EN07006.04; and
2. Authorize the General Manager to execute the Notice of Completion.

**J. ASSET MANAGEMENT LEVELS OF SERVICES (LOS)**

It is recommended that the Board adopt the Levels of Service as listed in the report; *Levels of Service Workshops Asset Management Program*, by Brown and Caldwell for the Inland Empire Utilities Agency's (IEUA) Asset Management Program.

**K. BIOSOLIDS TRANSPORTATION AND RECYCLING SERVICES CONTRACT**

It is recommended that the Board:

1. Approve a two-year contract with three (3) one-year renewal options with Gabriel I. Cruz (GIC) Transport, Inc. for biosolids transportation and recycling services; and
2. Authorize the General Manager to finalize and execute the contract.

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

It is recommended that the Board:

1. Authorize 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 \$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.

**3. ACTION ITEMS**

**A. UPLAND LATERALS CHANGE ORDER FOR THE 1630 WEST RECYCLED WATER PIPELINE, SEGMENT B, PROJECT NO. EN09003.01**

It is recommended that the Board:

1. Approve a construction contract change order with MCC Equipment Rental for the 1630 West Recycled Water Pipeline, Segment B, Project No. EN09003.01, for the not-to-exceed amount of \$174,431.13; and
2. Authorize the General Manager to execute the construction contract change order.

**B. 2011 CHINO BASIN REPLENISHMENT PROGRAM**

It is recommended that the 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 to finance the purchase with commercial paper.

**C. GENON ENERGY, INC. NRWS CAPACITY RIGHT AGREEMENT**

It is recommended that the 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 plan 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.

**4. INFORMATION ITEMS**

**RECEIVE AND FILE INFORMATION ITEMS**

- A. **TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR APRIL 2011 (WRITTEN)**
- B. **FY 2010/11 THIRD QUARTER BUDGET VARIANCE AND PERFORMANCE GOALS UPDATE (WRITTEN)**
- C. **PUBLIC OUTREACH AND COMMUNICATIONS (WRITTEN)**

- D. **LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**
- E. **LEGISLATIVE REPORT FROM DOLPHIN GROUP (WRITTEN)**
- F. **LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)**
- G. **IEUA MONTHLY WATER NEWSLETTER (WRITTEN)**

*Materials related to an item on this agenda submitted to the Agency, after distribution of the agenda packet, are available for public inspection at the Agency's office located at 6075 Kimball Avenue, Chino, California during normal business hours.*

**5. AGENCY REPRESENTATIVES' REPORTS**

- A. **SAWPA REPORT (WRITTEN)**
- B. **MWD REPORT (WRITTEN)**
- C. **REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)**
- D. **CHINO BASIN WATERMASTER REPORT (WRITTEN)**

**6. GENERAL MANAGER'S REPORT (WRITTEN)**

**7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**

**8. DIRECTORS' COMMENTS**

**A. CONFERENCE REPORTS**

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

**9. CLOSED SESSION**

**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 914130
- (4) Martin vs. IEUA, Case No. CIVRS 1000767

**B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 –  
CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

(1) Property: Water and Pipeline Capacity/Cadiz  
Negotiating Parties: General Manager Thomas A. Love  
Under Negotiation: Price and Terms of Purchase

(2) Property: RP-5 SHF  
Negotiating Parties: Environ Strategy  
Under Negotiation: 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 – General Unit, Operators’  
Association, Laboratory Unit, and Supervisors Unit  
Negotiating Parties: Thomas A. Love and Gina Hillary

**10. 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 this agenda has been posted by 5:30 p.m. at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, June 9, 2011.

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April Woodruff

## **Standing Meetings**

### **June 2011**

06-01-11 IEUA Board Meeting/CBRFA  
06-02-11 CDA Special Board Meeting (as)  
06-02-11 CBWM Appropriative & Non-Agricultural Pool Meeting (se)  
06-02-11 Regional Policy Committees (tc)  
06-02-11 Regional Tech Committees  
06-07-11 SAWPA Commission Workshop (tc)  
06-08-11 IEUA Audit Committee (cancelled)  
06-08-11 IEUA Public, Legislative Affairs & Water Resources Committee  
06-08-11 IEUA Engineering, Operations and Biosolids Management Committee  
06-08-11 IEUA Finance, Legal and Administration Committee  
06-09-11 Southern Coalition (mc)  
06-09-11 CBWM Agricultural Pool Meeting (gk)  
06-13-11 MWD Standing Committee Meetings (mc)  
06-14-11 MWD Standing Committee and Board Meetings (mc)  
06-15-11 IEUA Board Meeting/CBRFA  
06-16-11 IEUA Dry Year Yield Meeting @ CBWM  
06-16-11 CBWM Advisory Committee Meeting @CBWM (se)  
06-16-11 CBWM Land Subsidence Committee Meeting (se)  
06-20-11 Association of Special Districts Dinner Meeting (se)  
06-21-11 SAWPA Commission Meeting (tc)  
06-23-11 Watermaster Board Meeting @ CBWM (se)  
06-28-11 MWD Executive Committee (mc)

### **July 2011**

07-05-11 SAWPA Commission Workshop (tc)  
07-06-11 IEUA Board Meeting/CBRFA (Cancelled)  
07-07-11 CBWM Appropriative & Non-Agricultural Pool Meeting (se)  
07-07-11 Regional Policy Committees (tc)  
07-07-11 Regional Tech Committees  
07-07-11 CDA Board Meeting (as)  
07-07-11 Southern Coalition (mc)  
07-11-11 MWD Standing Committee Meetings (mc)  
07-12-11 MWD Standing Committee and Board Meeting (mc)  
07-13-11 IEUA Public, Legislative Affairs & Water Resources Committee  
07-13-11 IEUA Engineering, Operations and Biosolids Management Committee  
07-13-11 IEUA Finance, Legal and Administration Committee  
07-18-11 Association of Special Districts Dinner Meeting (se)  
07-19-11 SAWPA Commission Meeting (tc)  
07-20-11 IEUA Board Meeting/CBRFA  
07-21-11 IEUA Dry Year Yield Meeting @ CBWM  
07-21-11 CBWM Advisory Committee Meeting @CBWM (se)  
07-26-11 MWD Executive Committee (mc)  
07-28-11 Watermaster Board Meeting @ CBWM (se)