

**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, JUNE 1, 2011
10:00 A.M.**

DIRECTORS PRESENT:

Terry Catlin, President
Michael Camacho, Vice President
Steven J. Elie, Secretary/Treasurer
Gene Koopman
Angel Santiago

STAFF PRESENT:

Martha Davis, Executive Manager of Policy Development
Thomas A. Love, General Manager
Craig Miller, Assistant General Manager
Patrick Sheilds, Executive Manager of Engineering
Christina Valencia, Chief Financial Officer
Rosemary Alvarado, Supervising Contracts and Programs Administrator
Chris Berch, Manager of Planning and Environmental Compliance
Tina Cheng, Budget Officer
Parivash Dezhnam, Manager of Pretreatment and Source Control
Sondra Elrod, Public Information Officer
Mary Escobar, Office Assistant
Warren Green, Manager of Safety and Risk Management
Gina Hillary, Manager of Human Resources
Julio Im, Senior Associate Engineer
Arturo Landeros, Staff Internal Auditor I
Beth Olhasso, LT Water Resources Analyst I
Craig Proctor, Pretreatment and Source Control Supervisor
Robert Wallin, Contracts and Programs Administrator
April Woodruff, Board Secretary

OTHERS PRESENT:

Desi Alvarez, Chino Basin Watermaster
Ronak Patel, Cihigoyenette, Grossberg & Clouse

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 10:00 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. There was no public desiring to address the Board of Directors.

President Catlin introduced Mr. Desi Alvarez, who is the new General Manager/Chief Executive Officer for the Chino Basin Watermaster.

President Catlin asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

PUBLIC HEARING AND ADOPTION OF THE 2010 URBAN WATER MANAGEMENT PLAN (UWMP)

President Catlin, as the Hearing Officer, called the public hearing to order and turned the meeting over to the Associate Engineer, Ryan Shaw, who provided a brief overview for the purpose of the public hearing.

Associate Engineer, Ryan Shaw, stated that the purpose of the hearing is to provide the public with an opportunity to submit comments on Resolution No. 2011-6-1, adopting the 2005 Regional Urban Water Management Plan. He gave a PowerPoint presentation on the IEUA 2010 Urban Water Management Plan Adoption. Mr. Shaw highlighted the Schedule, Population Projections, Water Use Projections, Water Supply Projections, Demand vs. Supply in Normal and Dry Year, Projected Recycled Water Use and Supply, and Projected Groundwater Recharge. Mr. Shaw reported that there were no formal comments received.

General Manager, Thomas A. Love, noted that on the Water Supply Projections comparing 2005 to 2010, the total water demands were down. He stated that it is not due to the population numbers changing significantly, but it is taking into account the past conservation efforts, and the development of local resources – desalter, recycled water, managing the Chino Groundwater Basin. Mr. Love stated that it puts the Agency in a fairly good water supply position.

President Catlin opened the Public Hearing at 10:10 a.m., and receiving no comments, the Public Hearing was closed at 10:10 a.m.

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

M2011-6-1

MOVED, to:

1. Adopt Resolution No. 2011-6-1, adopting the 2010 Regional Urban Water Management Plan; and

**RESOLUTION NO. 2011-6-1
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ADOPTING THE 2010 REGIONAL URBAN WATER
MANAGEMENT PLAN (for full text, see Resolution Book)**

2. Authorize the General Manager to submit copies of the 2010 Regional Urban Water Management Plan to the California Department of Water Resources, as described in Section 10644 (a) of the California Water Code.

CONSENT CALENDAR

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

Director Koopman stated that he has questions on the Treasurer’s Report, and requested that the Treasurer’s Report be pulled.

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

M2011-6-2

MOVED, approval of the Consent Calendar.

A. The Board approved the minutes from the May 18, 2011, regular Board meeting.

B. PULLED.

TREASURER'S REPORT

Director Koopman asked staff if there is a dollar limit when purchasing a computer using the Personal Computer Loan Program. Staff responded that the dollar limit is \$3,000, and has been that limit since the inception of the Personal Computer Loan Program. Staff further stated that the purchase amount is verified and could include computer software and related accessories.

Director Koopman asked staff about the State Board of Equalization Sales Tax Deposit. Staff responded that this is an imposed user sales tax on the Agency's consumables.

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

M2011-6-3

MOVED, approve the Treasurer's Report as submitted.

INFORMATION ITEMS

NRWS OVERVIEW AND SAWPA IMBALANCE CHARGES STATUS

Executive Manager of Operations, Patrick Sheilds, gave a PowerPoint presentation on the NRWS Overview and SAWPA Imbalance Charge Status. He highlighted the Non-Reclaimable Wastewater System, Key Benefits of NRWS, NRWS Rate Structure, Rates for North NRWS from LACSD, Rates for South NRWS from SAWPA, IEUA Administration Charges North and South NRWS (FY 2010/11), SAWPA Imbalance Charge Status, Causes of the Imbalance, Parties Impacted by the Imbalance with the Service Area, SAWPA Billing Flow Chart, Allocation Using CDM Formulas, SAWPA Rate History, Imbalance Charges (July1, 2010-March 31, 2011), Mission Linen Quarterly and Monthly Bill Breakdown, History, Expert Panel, and Meetings with the Industries.

MWD REPLENISHMENT WATER DELIVERIES AND PURCHASE

General Manager, Thomas A. Love, gave a PowerPoint presentation on the 2011 Chino Basin Replenishment Program. He highlighted the Existing MWD Water Supply Picture, Existing Chino Basin Replenishment Picture, MWD Scheduled Rate Increases, Chino Basin Storage & Replenishment, Preemptive MWD Water Purchases, IEUA Purchase & Storage of Water, Financing Overview, Financing Options, Financing Cost Overview, and Commercial Paper Financing Structure and Timeline.

Discussion ensued regarding the financing options and timeline.

Mr. Love noted that this item will be presented, as an Action Item, to the Finance, Legal and Administration and Public, Legislative Affairs, and Water Resources Committee on June 8, and the June 15 Board meeting.

LEGISLATIVE REPORTS

Executive Manager of Policy Development, Martha Davis, stated that staff is closely monitoring the activities of the State Budget. She reported that in the “May revise” that the Governor’s office released, there is a significant increase in revenue that was not expected. Ms. Davis also reported that there is a deadline for the end of the month to pass the budget. She noted that the Republicans did issue their recommended budget, which included a provision for eliminating the redevelopment agencies. She stated that staff will be monitoring it carefully to ensure that there is nothing that would impact the property tax revenues that IEUA receives.

GENERAL MANAGER’S REPORT

The General Manager’s Report was received and filed by the Board.

General Manager, Thomas A. Love reported that as a result of the March 15 fire incident at the IERCF, staff reviewed the safety procedures for the composter to prevent such incidents to occur in the future. He reported that staff had identified a few areas for improvement, which will be implemented.

Director Elie inquired as to the status of the outstanding invoice for \$88,130 with the City of Chino (Retrofit) noted on page 11 of the General Manager’s Report. Staff responded that this invoice is a reimbursement for a recycled water pipeline that was constructed from RP-5, across Kimball Avenue to serve the farming operation on the prison. Staff stated that there is an issue with the City regarding what portion of the pipeline is reimbursable, and staff is researching the documentation and agreements.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS

The Board of Directors had no required future agenda items.

DIRECTORS’ COMMENTS

There were no comments from the Board of Directors.

CLOSED SESSION

The Board went into closed session at 11:40 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 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; (3) Property: 8100 Chino-Corona Road, Negotiating Parties: Lewis Operating Corporation, Under Negotiation: Terms of Lease C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Two (2) cases 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

The meeting resumed at 12:10 p.m. and General Counsel, Ronak Patel, 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

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

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

Taisei-T&K Joint Venture vs. IEUA, Case No. CIVRS 914130

Martin vs. IEUA, Case No. CIVRS 1000767

The Board did not discuss these items.

Regarding Conference with Real Property Negotiator

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

Property: RP-5 SHF
Negotiating Parties: Environ Strategy
Under Negotiation: Terms of Lease

Property: 8100 Chino-Corona Road
Negotiating Parties: Lewis Operating Corporation
Under Negotiation: Terms of Lease

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) case

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

M2011-6-4

MOVED, to deny the claim filed against IEUA by Mr. Jacob Melek.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) case

The Board did not discuss this item.

Regarding 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

The Board took no reportable action.

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

Secretary

APPROVED: JUNE 15, 2011