

**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, JUNE 15, 2011
10:00 A.M.**

DIRECTORS PRESENT:

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

DIRECTOR ABSENT:

Terry Catlin, President

STAFF PRESENT:

Thomas A. Love, General Manager
Martha Davis, Executive Manager of Policy Development
Craig Miller, Assistant General Manager
Patrick Sheilds, Executive Manager of Operations
Christina Valencia, Chief Financial Officer
Blanca Arambula, Deputy Manager of Human Resources
Kathleen Baxter, Supervising Contracts and Programs Administrator
Chris Berch, Manager of Planning and Environmental Compliance
Tina Cheng, Budget Officer
Gabe DeSaddi, Manager of Construction Management
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
Julio (Byung-Rock) Im, Senior Associate Engineer
Scott Johnson, Construction Project Manager
Randy Lee, Manager of Operations
Sylvie Lee, Deputy Manager of Engineering
Alex Lopez, Senior Financial Management Analyst
Beth Olhasso, LT Water Resources Analyst I
Craig Parker, Manager of Engineering
Matt Poeske, Construction Project Manager
Craig Proctor, Pretreatment and Source Control Supervisor
Lauramae Recupero, Supervisor of Engineering Administration
Stephanie Riley, Administrative Assistant
Ryan Shaw, Associate Engineer
April Woodruff, Board Secretary

OTHERS PRESENT:

Jack Aillingham
Susan Barajas, Agency Temp
Jean Cihigoyenetché, Cihigoyenetché, Grossberg & Clouse
Karl Erbacher, GK & Associates
Peter Whittingham, Curt Pringle & Associates

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.

Vice President Camacho called the meeting to order at 10:00 a.m., and Director Santiago led the pledge of allegiance to the flag. A quorum was present.

Vice President Camacho stated that members of the public may address the Board. There were no public comments.

Vice President Camacho asked if there were any changes/additions/deletions to the agenda.

General Counsel Jean Cihigoyenetché requested that the Board of Directors consider adding an action item, Budget Amendment for FEMA December 2010 Storm Damage to Recharge Basins, to the agenda that requires immediate action, and that the need for action came to the attention of the Agency subsequent to the agenda being posted.

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

M2011-6-4

MOVED, to add Action Item, Budget Amendment for FEMA December 2010 Storm Damage to Recharge Basins, as Action Item 3D on the agenda.

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

Vice President Camacho, as the Hearing Officer, called the public hearing to order and turned the meeting over to the Chief Financial Officer, Christina Valencia, who provided a brief overview for the purpose of the public hearing.

Chief Financial Officer Christina Valencia stated that the purpose of the hearing is to provide the public with an opportunity to submit comments on the proposed FY 2011/12 Non-Reclaimable Wastewater and Water Resources Programs Rates and its intent to adopt budgets for these programs, the Regional Wastewater Programs, and all other Agency's programs. Ms. Valencia gave a PowerPoint presentation on the FY 2011/12 Budget, Long Range Plan of Finance and Ten Year Capital Improvement Plan. She highlighted Key Assumptions, Service Rates, Total Revenues and Expenses, Property Tax allocations of \$33M, Fund Reserve Balances, Ending Reserve Balances of \$98.7M, Long Range Plan of Finance Objectives, FY 2012-2021 Total Projected Revenues, FY 2012-2021 Total Costs, FY 2012-2021 Total Ending Fund Reserves by Type, Proposed Ten-Year Capital Improvement Plan (TYCIP) Financing Strategy, and TYCIP Capital Program Allocations.

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

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

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

M2011-6-5

MOVED, to:

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;

RESOLUTION NO. 2011-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR FISCAL YEAR 2011/12 (for full text, see Resolution Book)

3. Adopt Rate Resolution Nos. 2011-6-3 through 2011-6-9;

RESOLUTION NO. 2011-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER HAULERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2011/12 (for full text, see Resolution Book)

RESOLUTION NO. 2011-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR 2011/12 (for full text, see Resolution Book)

RESOLUTION NO. 2011-6-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES AND SUPPLEMENTAL SURCHARGE (for full text, see Resolution Book)

Continued...

M2011-6-5, continued.

RESOLUTION NO. 2011-6-6
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RETAIL METER CHARGE RATE COVERING READINESS-TO-SERVE STANDBY CHARGE REVENUE DEBT(for full text, see Resolution Book)

RESOLUTION NO. 2011-6-7
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2011/12 (for full text, see Resolution Book)

RESOLUTION NO. 2011-6-8
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY ANALYSES FOR FISCAL YEAR 2011/12 (for full text, see Resolution Book)

RESOLUTION NO. 2011-6-9
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR 2011/12 (for full text, see Resolution Book)

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.

CONSENT CALENDAR

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

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

M2011-6-6

MOVED, to:

- A. The Board approved the minutes from the June 1, 2011, regular Board meeting.

Continued...

M2011-6-6, continued.

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

C. The Board:

1. Approved the Agency's Investment Policy as submitted;
2. Adopted Resolution No. 2011-6-10, approving the Agency's Investment Policy for FY 2011/12; and

RESOLUTION NO. 2011-6-10
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE ANNUAL UPDATE OF THE AGENCY'S INVESTMENT POLICY (for full text, see Resolution Book)

3. Authorized staff to present the Investment Policy whenever there are recommended changes or annually, whichever occurs first.

D. The Board adopted Resolution No. 2011-6-11, establishing the Appropriation Limits for Fiscal Year 2011/12.

RESOLUTION NO. 2011-6-11
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FOR FISCAL YEAR 2011/12 (for full text, see Resolution Book)

E. The Board:

1. Amended 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. Authorized the General Manager to execute Agreement Amendment No. 7.

F. The Board:

1. Amended 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. Authorized the General Manager to execute the Agreement Amendment No.11.

Continued...

G. The Board:

1. Amended 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. Authorized the General Manager to execute Agreement Amendment No. 12.

H. The Board adopted a position of support for AB 512 (Gordon): Local Government Renewable Energy Self Generation Program, as introduced.

I. The Board:

1. Accepted 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. Authorized the General Manager to execute the Notice of Completion.

J. The Board adopted 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. The Board:

1. Approved 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. Authorized the General Manager to finalize and execute the contract.

L. The Board:

1. Authorized 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. Authorized 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.

ACTION ITEMS

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

Manager of Construction Management Gabe DeSaddi stated that staff is requesting that the Board approve the change order for the Upland Laterals for the Segment B of Project No. EN09003.01. He stated that during the design phase of the project when negotiating with the

City of Upland, there were some alignment issues. Mr. DeSaddi stated that the Design Department and the Agency were able to strike a deal with the City of Upland that would save over \$3 million in the alignment with the City. He stated that now is the time to install all the laterals, as it is easier and less expensive to install during the construction phase. He gave a PowerPoint presentation on the Upland Lateral Change Order for the 1630 West Recycled Water Pipeline, Segment B. He provided a brief overview of the project and the purpose of the change order in the amount of \$174,431.13, which is still within the project budget of \$8,030,001.

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

M2011-6-7

MOVED, to:

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.

2011 CHINO BASIN REPLENISHMENT PROGRAM

General Manager Thomas A. Love reported that on May 10, 2011, the Metropolitan Water District of Southern California (MWD) Board of Directors approved the sale of 225,000 acre-feet (AF) of discounted replenishment water at a rate of \$409 per AF. He stated that this water is currently available through the end of calendar year 2011. He further stated that this is the first time discounted replenishment water has been available from MWD since May 2007. Mr. Love stated that staff is recommending that the Board approve the purchase of up to 25,000 acre feet of MWD replenishment water at a rate of \$409 per acre feet, plus an additional amount ordered by Chino Basin Watermaster parties (estimated to exceed 25,000 AF). Mr. Love stated that given past practices of assessing the Watermaster Parties in arrears for overproduction, Watermaster does not currently have the funds available to purchase the 25,000 AF requested; therefore, the Watermaster Board recommended that Watermaster and IEUA staff jointly develop a financing plan to purchase approximately 25,000 AF of discounted replenishment water to be stored in an IEUA storage account.

He 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 Programs, Chino Basin Replenishment, Preemptive MWD Water Purchases-Options Considered by CBWM, IEUA Purchase & Storage of Water, Financing Overview-Purchase/Sale Assumptions, Financing Options, Financing Cost Overview, and the Commercial Paper Financing Structure and Timeline.

Discussion ensued regarding the ability to obtain 50,000 acre feet of the available 225,000 acre feet, in-lieu replenishment, and available storage capacity.

Director Koopman expressed a need to have an agreement drafted with CBWM that they will reimburse the Agency 100% of all monies put forward for the purchase of the replenishment water. Director Koopman suggested that as part of today's recommendation that the Board of Directors instruct staff to include a provision for the future sale of the water to ensure full recovery of all associated costs.

Director Koopman also inquired from staff if this is a one-time deal with Chino Basin Watermaster parties, and staff responded, "yes".

General Manager Thomas A. Love noted that the Chief Executive Officer of Chino Basin Watermaster, Mr. Desi Alvarez, is researching ways to build up a fund or find other options for Watermaster to finance the preemptive purchase of replenishment water in the future.

Upon motion by Director Elie, seconded by Director Koopman, and unanimously carried, as amended:

M2011-6-8

MOVED, to:

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;
3. Authorize the General Manager to finance the purchase with commercial paper; and
4. Instruct staff to include a provision for the future sale of the water to ensure full recovery of all associated costs.

GENON ENERGY, INC. NRWS CAPACITY RIGHT AGREEMENT

General Manager Thomas A. Love stated that this item was presented at the Engineering, Operations, and Biosolids Management, as well as the Finance, Legal, and Administration Committees on June 8. He stated that the GenOn facility, formerly the Edison power plant, has been discharging brine through the Los Angeles County system since 1960's, under a long-term contract with the Agency. He reported that the contract will expire on May 23, 2012, along with the associated capacity rights. Mr. Love stated that the IEUA General Counsel determined that GenOn does not carry over any NRWS Capacity Rights, and will have to purchase new NRWS Capacity Units for their future use. He reported that GenOn staff has informed the Agency that they may need up to 35 NRWS Capacity Units at a cost of \$7,525,000. Mr. Love stated that GenOn staff informed the Agency that they currently do not have any long-term agreements in place for power purchase, and due to the uncertainty of the power market they are unsure about the future of the Etiwanda Generating Station. GenOn staff requested that the Agency consider allowing alternative capacity unit purchase options including leasing or payment plan. Staff is requesting that the Board consider three purchase options for GenOn Energy Inc.

Discussion ensued regarding the three options and the Board selected Option 2, allowing 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 and brought back to the Board for approval.

Director Koopman requested that when drafting the terms and conditions of Option 2 that staff ensure that lease fees include Agency costs and some interest on the principal, there is 90-day opt-out notice, and a lease start date consistent with the expiration of the long-term contract with the Agency.

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

M2011-6-9

MOVED, to:

1. Consider three options regarding the GenOn Energy Inc. Non Reclaimable Wastewater System (NRWS) future Capacity Right Agreement and selected the following option:

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.

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.

BUDGET AMENDMENT FOR FEMA DECEMBER 2010 STORM DAMAGE TO RECHARGE BASINS

Groundwater Recharge Coordinator Andy Campbell stated that staff is recommending that the Board approve a budget amendment of \$70,000 to the Groundwater Recharge (RW) Fund to accelerate recharge basin maintenance related to the FEMA 2010 Storm Damage Basin Repairs; and authorize the General Manager to execute the contracts for the maintenance work. Mr. Campbell reported that FEMA has tentatively approved the Agency's \$320,000 of basin repairs, which is funded for 2011/12; however, repairs to three of the fifteen damaged basin sites (Turner Basin 1, Turner Basin 4, and Etiwanda Debris Basin) will need to commence in June 2011, to maintain imported water recharge goals. He stated that preparation of these basins is critical to limit interruption of deliveries of now-available replenishment water from Metropolitan Water District (MWD) of approximately 50,000 acre feet (AF) of delivery are planned through December 31, 2011. The proposed budget amendment will allow contractors to begin working on these basin repairs prior to the July 1, 2011 start of FY 2011/12. Mr. Campbell reported that the Etiwanda Debris Basin was operated with replenishment water through the end of May, and found to have degraded infiltration capacity, which requires restoration of compacted soils. He also reported that Turner Basin 1 and 4 suffered infiltration rate damage and have been taken off line in anticipation of an adjacent excavation of soil for the Milliken grade separation, and immediate cleaning is recommended such that the Turner site can be used for replenishment water recharge. Mr. Campbell stated that if approved, receipt of grant proceeds from federal and state grantors will reimburse IEUA for the advanced funds and Chino Basin Watermaster and IEUA for their respective Operation and Maintenance budgets expended on storm related repair.

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

M2011-6-10

MOVED, to:

1. Approve a budget amendment of \$70,000 to the Groundwater Recharge (RW) Fund to accelerate recharge basin maintenance related to the FEMA 2010 Storm Damage Basin Repairs (Project No. GW11001); and
2. Authorize the General Manager to approve contractors to begin maintenance work at the specified basin sites.

INFORMATION ITEMS

THE FOLLOWING INFORMATION ITEMS WERE RECEIVED AND FILED BY THE BOARD:

TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR APRIL 2011

FY 2010/11 THIRD QUARTER BUDGET VARIANCE AND PERFORMANCE GOALS UPDATE

PUBLIC OUTREACH AND COMMUNICATIONS

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES, LLC

LEGISLATIVE REPORT FROM THE DOLPHIN GROUP

LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES

IEUA MONTHLY WATER NEWSLETTER

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

Director Santiago reported that at the Project Agreement 21 Committee meeting, committee voted to approve the elimination of the SO5 master meter station (strength and flow) for bill computation, and replace it with individual measurements for flow and water quality taken at Mission Linen, CIM and OLS.

Commission meeting scheduled for June 21.

MWD REPORT

Director Camacho reported that the MWD Board approved the Local Resources Program.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

General Manager Thomas A. Love reported that at the Policy Committee meeting, the Committee unanimously approved the FY 2011/12 Overview of the Draft Regional Wastewater and Recycled Water Budgets and Ten-Year Capital Improvement Plan.

CHINO BASIN WATERMASTER REPORT

Director Elie noted that the budget will be on next month's agenda.

GENERAL MANAGER'S REPORT

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

Executive Manager of Policy Development Martha Davis reported that staff is closely tracking the state budget. Ms. Davis reported that there is a new legislation regarding redevelopment agencies, and staff is reviewing the language to determine whether or not this will protect the pass-throughs.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEM

There were no requested future agenda items by the Board of Directors.

DIRECTORS' COMMENTS

Director Elie commented that the Salt Management ad was included in this morning's paper, and the distribution of this ad is timed nicely with this evening's Public Hearing.

Director Santiago congratulated everyone involved with the approval of the Local Resources Program.

Director Camacho thanked everyone for their presentations today, and also for those who have worked so hard on the Public Hearing scheduled for tonight regarding the Amendment to Ordinance No. 87 Addressing the use of Self-Regenerating Water Softeners.

CLOSED SESSION

The Board went into closed session at 10:50 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. 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

The meeting resumed at 11:50 a.m. and General Counsel, Jean Cihigoyenatche, 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

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

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

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

The Board took no reportable action.

Regarding Conference with Real Property Negotiator

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

The Board did not discuss this item.

Regarding Conference with Legal Counsel – Anticipated Litigation:

One (1) case

The Board took no reportable action.

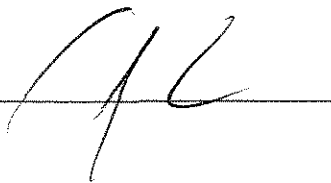
Regarding Conference with Labor Negotiator

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, Vice President Camacho adjourned the meeting at 11:53 a.m.

Secretary



APPROVED: JULY 20, 2011