



Date: September 15, 2010

To: The Honorable Board of Directors

From: Thomas A. Love  
Chief Executive Officer/General Manager

Subject: General Manager's Report Regarding Agency Activities

**INTERAGENCY WATER MANAGERS' MEETING**

The next Interagency Water Managers' meeting is scheduled for September 16, 2010, as part of the Watermaster Advisory Committee agenda.

**HUMAN RESOURCES**

In the spirit of continuing to work toward making IEUA an 'employer of choice', the Agency will be administering an Employee Climate Survey during September. This will serve as a follow-up to the survey conducted in 2008 and help illustrate Agency strengths, weaknesses and areas of improvement. The questionnaire is intended to assist the Agency in continuing to understand employees' opinions, concerns and feelings regarding their work environment and challenges.

A new and improved Human Resources Department website was recently launched on PIPES to make it easier for employees to access information about employment, training opportunities, and benefits available at the Agency. The new site has been redesigned for easier navigation on a variety of topics including open enrollment, health care reform, new hires, important dates and events as well as detailed contact information.

<b><u>CURRENT STAFFING</u></b>	
Regular Full-time Employees:	280
Contract/Limited Term Employees:	15
Interns:	15
<b>TOTAL:</b>	<b>310</b>

<b><u>CURRENT RECRUITMENT ACTIVITIES</u></b>	
Recruitments in Process/Offer Pending	5
Placement in Process:	0
No RFVP; Position on Hold:	10
<b>Total Regular Vacancies (Excludes Contract &amp; Intern Positions):</b>	<b>15</b>

<b><u>RECRUITMENTS/PLACEMENT IN PROCESS</u></b>							
<b>Position</b>		<b>Department</b>	<b>RFVP Received</b>	<b>Closing Date</b>	<b>Salary Range</b>	<b>Tentative Placement Date</b>	<b>Notes</b>
1	Deputy Mgr. of Constr. Mgmt.	425-Construction Management	04/14/10	5/21/10	UN103	10/10	Recruitment in Process
2	Compost Worker	590-Organics Mgmt	6/29/10	7/23/10	GU085	10/10	Interviews held 9/8
3	Chief Financial Officer	210-Finance & Administration	7/10	8/23/10	EX104	10/10	Recruitment in Process
4	Control Systems Analyst	554-Integrated Systems Services	7/10	Open Until Filled	GU097	10/10	Recruitment in Process
5	Supervising Management Analyst	420-Engineering	8/10	9/17/10	SU099	10/10	Recruitment in Process

<b><u>POSITIONS ON HOLD (4% Vacancy Factor)</u></b>			
<b>Position</b>		<b>Department</b>	<b>Vacant Since</b>
1	Human Resources Analyst	250-Human Resources	9/10
2	Sr. Water Resources Analyst	312-Planning & Water Resources	7/08
3	Executive Manager of Engineering	410-Engineering Administration	5/10
4	Construction Project Coordinator (Ltd Term)	425-Construction Management	1/10
5	Construction Project Coordinator (Ltd Term)	425-Construction Management	8/10
6	Construction Project Coordinator	425-Construction Management	3/10
7	Sr. Engineer	517-Technical Services	2/10
8	Operator	540-RP1 Operations	8/10
9	Electrical Technician II	553-RP2/CC Elect/Instrument Maint	11/09
10	Warehouse and Inventory Technician	546-Maintenance Planning and Materials Management	8/10

**CONTRACT/LIMITED TERM VACANCIES**

None.

**INTERN VACANCIES**

<b>Position</b>		<b>Department</b>	<b>RFVP Received</b>	<b>Closing Date</b>	<b>Salary Range</b>	<b>Tentative Placement Date</b>	<b>Notes</b>
1	Intern	115 – Public Information	07/10	Open Until Filled	UN999	9/10	Interviews held 9/8 & 9/10
2	Intern	107-Internal Audit	8/10	Open Until Filled	UN999	10/10	Recruitment in Process

**CONTRACTS AND PROCUREMENT**

**Procurement/Contract Management Updates**

- A total of 10 solicitations were posted on *The Network* during August, compared to 17 during the same period last fiscal year. A total of 24 solicitations to date for FY 2010/11, compared to 21 solicitations during the same period last FY.

**Posted Solicitations**

Aug '10 Solicitations Posted	Compared to Aug '09/10	Total for FY 2010/11	Compared to Last FY
10	17	24	21

- A total of 308 purchase requisitions (PR's) were fully approved for processing during August for a total value of \$14,181,854, compared to 271 for a total value of \$11,132,295 during the same period last fiscal year. Year-to-date, 681 PR's totaling \$21,361,097.

**Purchase Requisitions**

Aug. '10 Fully Approved PR's	Total Value	Compared to Aug. 09	Total Value	YTD	YTD PR Totaling
308	\$14,181,854	271	\$11,132,295	681	\$21,361,097

- A total of 254 purchase orders (PO's) were awarded in August, for a total value of \$6,052,762; compared to 213 for a total value of \$7,120,103 during same period last fiscal year. Year-to-date; 506 POs totaling \$9,590,421.

**Purchased Orders Issued**

Aug. '10 Total Purchase Orders	Total Value	Compared to Aug. 09	Total Value	YTD	YTD PO's Totaling
254	\$6,052,762	213	\$7,120,103	506	\$9,590,421

- A total of 25 contracts/agreements/BPAs were created during August, compared to 16 during the same period last year; year-to-date, 86.

**Contracts /Agreements/BPA's**

Aug. '10 Total Contracts/Agreements/BPA created	Aug. 09	YTD
25	16	86

**Department Update on Significant Events:**

- Issued an RFP to provide sodium bisulfite freeze protection equipment and installation services.
- Issued a contract to Intravaia for earthwork in the Ely Basin Complex.

- Addendum issued to On-call Maintenance Contractor for El Prado Sludge Line Cleaning Project.
- Task Order issued to repair the concrete roof support at the IERCF.

**Security Management Updates:**

- Finalized contract terms, staff recommendation, and PowerPoint for Board consideration of a new security services contract. Preparing a transition plan.
- The Security Policy (No. A-05) has been revised and submitted to executive management for consideration.
- Security-related incidents have decreased over the past two-three months. That decrease may be attributable to more aggressive enforcement of policies and procedures by management.

**PRETREATMENT & SOURCE CONTROL**

In August, IEUA issued a Notice of Violation to the Chino Desalter Authority (CDA). The CDA received this violation for discharging solids and scaling the downstream lateral pipeline which discharges into the SARI line. A CCTV inspection performed by IEUA has concluded that there is 3-5 inches of solids on the inside surface of the pipe. Preliminary analysis of the material indicates that it is primarily calcium carbonate. The CDA will be working closely with IEUA on a corrective action plan to remove the solids from the downstream pipeline. IEUA, CDA, Santa Ana Watershed Project Authority, and Western Municipal Water District are working together to resolve this common problem and develop a cost effective engineering solution to prevent the future scaling of the pipelines. Below is a picture of a section of the pipe that shows the scale build-up.



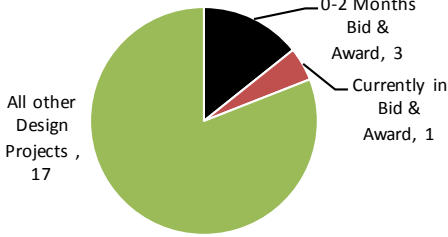
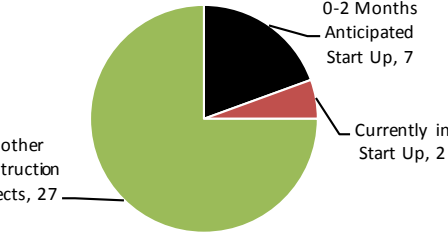
**GROUNDWATER RECHARGE**

<b>SUMMARY OF CHINO BASIN GROUNDWATER RECHARGE OPERATIONS</b>					
August 2010					
<b>Drainage System</b>	<b>Recharge Volume (AF)*</b>			<b>Management Zone Subtotals**</b>	
<b>Basin</b>	<b>SW/LR</b>	<b>MW</b>	<b>RW</b>		
<b>San Antonio Channel Drainage System</b>					
College Heights	-	-	N	MZ-1 393 AF	
Upland	-	-	N		
Montclair 1, 2, 3 & 4	28	-	N		
Brooks	1	-	275		
<b>West Cucamonga Channel Drainage System</b>					
8th Street	9	X	35	MZ-2 238 AF	
7th Street	19	X	71		
Ely 1, 2, & 3	-	X	-		
<b>Minor Drainage</b>					
Grove	-	N	N		
<b>Cucamonga and Deer Creek Channel Drainage Systems</b>					
Turner 1 & 2	53	-	8		
Turner 3 & 4	83	-	22		
<b>Day Creek Channel Drainage System</b>					
Lower Day	1	-	X		
<b>Etiwanda Channel Drainage System</b>					
Etiwanda Debris	-	-	X		
Victoria	2	-	X		
<b>San Sevaine Channel Drainage System</b>					
San Sevaine 1, 2, 3, & 4	-	-	N		
San Sevaine 5	-	N	41		
<b>West Fontana Channel System</b>					
Hickory	-	-	28		
Banana	-	-	54		
<b>Declez Channel Drainage System</b>					
RP-3 Cells 1,3, & 4	8	-	111	MZ-3 265 AF	
RP-3 Cell 2	14	-	70		
Declez	8	-	-		
<b>Non-Replenishment Recharge***</b>					
Brooks (MVWD) MZ-1	(17)				
Montclair (MVWD) MZ-1	(28)				
Turner (SAWCO) MZ-2	-				
Ely (Ontario, GE) MZ-2	-				
Month Total = 896 AF	181	0	715		
Fiscal Year to Date Total					
Since July 1, 2009 = 1,824 AF	361	0	1,463		
SW : Storm Water, LR : Local Runoff (and GE, MVWD), MW : MWD Imported Water, RW : Recycled Water - : No stormwater/local runoff, or basin not in use due to maintenance or testing. X : Turnouts not available - to be installed during future projects. N : No turnout planned for installation. * : Data are preliminary based on the data available at the time of this report preparation. ** : Management Zone Subtotals have been reduced by Non-Replenishment Recharge *** : Non-Replenishment (deduct) is groundwater pumped from Chino Basin and recharged back into the basin.					

Printed: Sep. 01, 10

**ENGINEERING**

**Engineering Division Project Status Summary**

<p align="center"><b>Engineering Project Status Summary</b></p>  <p>0-2 Months Bid &amp; Award, 3          Currently in Bid &amp; Award, 1          All other Design Projects, 17</p>	<p align="center"><u>Currently in Bid &amp; Award</u></p> <ul style="list-style-type: none"> <li>• PL03006.00 RP1 Odor Control - Phase I</li> </ul>
<p align="center"><u>0-2 Months Bid &amp; Award</u></p> <p>EN08013.05 CCWRF Aeration Basin Air Ducting Replacement Project              EN07010.03 800 Zone Flow Meter Installation              EN09021.00 RP-4 Headworks Retrofit</p>	
<p align="center"><b>Construction Project Status Summary</b></p>  <p>0-2 Months Anticipated Start Up, 7          Currently in Start Up, 2          All other Construction Projects, 27</p>	<p align="center"><u>Currently in Start Up</u></p> <ul style="list-style-type: none"> <li>• EN09002.00 Church Street Lateral</li> <li>• EN08024.00 RP-1 Digester No. 3 Roof Repair</li> </ul>
<p align="center"><u>0-2 Months Anticipated Start Up</u></p> <p>EN07006.04 RP1 Dechlor/Solids Upgrades              EN09019.00 IS Service Room Modifications and Air Conditioning              EN09022.00 SCADA Service Room Modifications and Air Conditioning              WR08031.00 1630 E Pipeline Segment A              WR08028.00 1299 E Res Conv &amp; 1630 E Pump Station              EN10001.00 RP-5 Recycled Water Pump Station Expansion - Phase I              DL07104.00 Chino I Landscape Improvements</p>	

**Engineering Division Construction Aggregate Metrics**

(Information is based on project in "active" status during FY2010/11 and at least one change order through July 31, 2010)

Total Projects	Total Original Contracts	Change Order Amount	Change Order Ratio by Type		Total Adjusted Contracts
19	\$42,526,875	\$1,324,957	Added or Omitted	1.45%	\$43,851,832
			All Other Change Orders	1.66%	

General Manager's Report Regarding Agency Activities

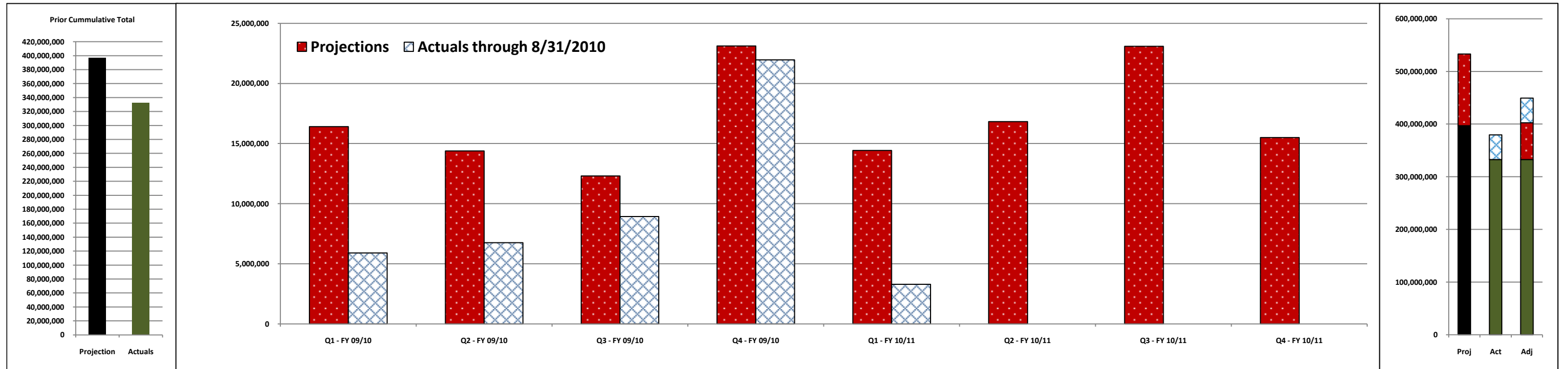
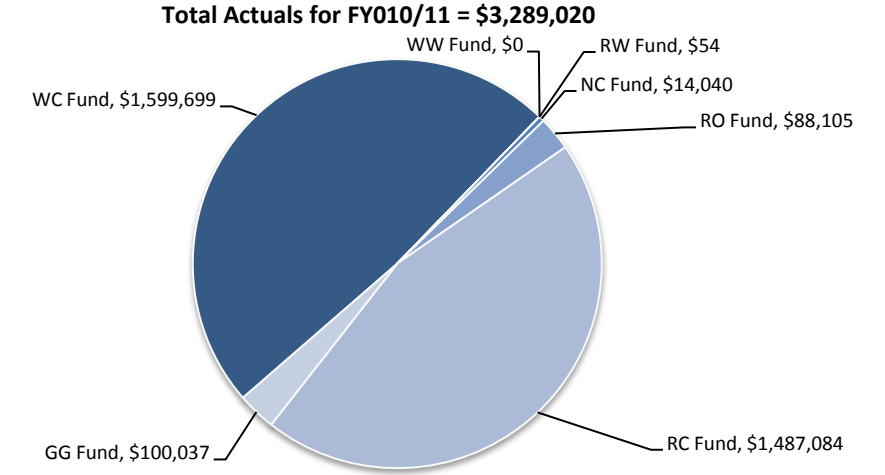
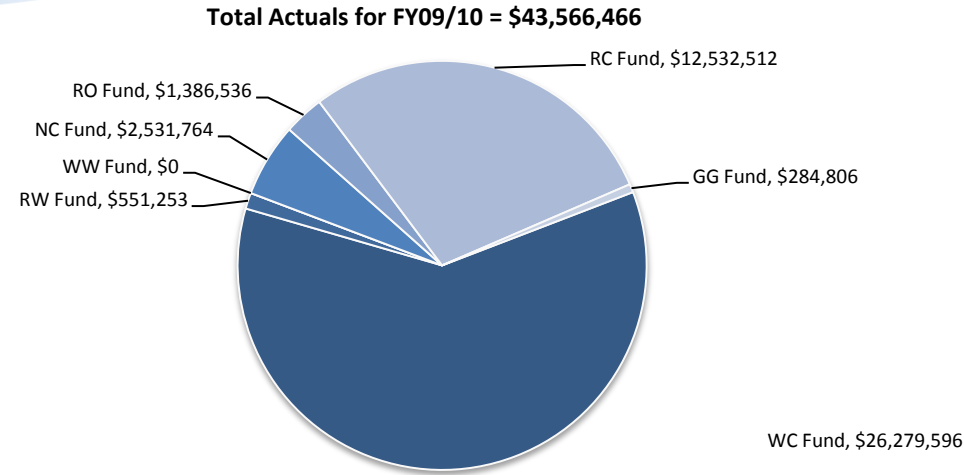
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**[10361 Attach A.pdf](#)**

## Project Costs Forecast By Fund (Data Through 8/31/2010)



Fund	Prior Cummulative Total Through Jun 09		Q1 - FY 09/10 Jul 09 - Sep 09		Q2 - FY 09/10 Oct 09 - Dec 09		Q3 - FY 09/10 Jan 10 - Mar 10		Q4 - FY 09/10 Apr 10 - Jun 10		Q1 - FY 10/11 Jul 10 - Sep 10		Q2 - FY 10/11 Oct 10 - Dec 10		Q3 - FY 10/11 Jan 11 - Mar 11		Q4 - FY 10/11 Apr 11 - Jun 11		Total	
	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act
WC Fund	119,077,472	70,830,564	7,539,681	1,935,226	10,187,645	4,495,351	8,160,137	6,318,745	14,745,448	13,530,273	5,387,905	1,599,699	8,577,112		14,606,447		8,250,000		196,531,847	98,709,859
RW Fund	17,613,391	30,695,556	661,430	168,949	91,400	117,720	169,842	88,039	115,922	176,544	0	54	0		0		0		18,651,985	31,246,863
WW Fund	8,466,937	4,064,888	88,409	0	88,409	0	88,409	0	88,409	0	298,146	0	298,146		298,146		298,146		10,013,158	4,064,888
NC Fund	17,279,882	10,121,357	0	110,042	0	116,005	0	118,599	0	2,187,118	895,418	14,040	1,527,899		65,899		65,899		19,834,997	12,667,161
RO Fund	6,057,728	179,804	1,648,638	706,297	1,048,823	230,294	531,564	258,495	543,528	191,451	1,507,026	88,105	1,575,409		604,475		233,775		13,750,966	1,654,446
RC Fund	224,488,694	207,053,441	6,298,396	2,932,319	2,944,400	1,784,963	3,327,816	2,130,990	7,458,304	5,684,240	5,969,943	1,487,084	4,688,308		7,423,393		6,625,570		269,224,823	221,073,037
GG Fund	3,941,611	9,737,621	171,000	55,819	30,000	11,662	35,556	21,032	165,000	196,293	372,912	100,037	157,205		91,705		26,136		4,991,124	10,122,464
<b>Total Projections</b>	<b>396,925,715</b>	<b>332,683,231</b>	<b>16,407,554</b>	<b>5,908,652</b>	<b>14,390,677</b>	<b>6,755,994</b>	<b>12,313,324</b>	<b>8,935,901</b>	<b>23,116,611</b>	<b>21,965,920</b>	<b>14,431,349</b>	<b>3,289,020</b>	<b>16,824,078</b>	<b>0</b>	<b>23,090,064</b>	<b>0</b>	<b>15,499,527</b>	<b>0</b>	<b>532,998,900</b>	<b>379,538,718</b>

-64,242,484	-10,498,902	-7,634,683	-3,377,423	-1,150,691	-11,142,329	-16,824,078	-23,090,064	-15,499,527	-153,460,182
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**RECYCLED WATER THREE YEAR BUSINESS PLAN UPDATE**

To date for FY 10/11, two new customers at 20 AFY have been connected to the recycled water system, which increases the total connected demand to 32,434 AFY. We anticipate connecting another 268 AFY within the next 90 days, increasing the total connected demand to 32,702.

The following are some of the upcoming priority customers and their current status.

Name	City	Demand (AFY)	Estimated Completion Date
Dorothy Gibson High School	Ontario	12	Nov 2010
Arroyo Elementary School	Ontario	25	Nov 2010
Ray Wiltsey Middle School	Ontario	70	Nov 2010
Mariposa Elementary School	Ontario	34	Nov 2010
Mission Linen	Chino	100	Nov 2010
Etiwanda High School	CVWD	27	Nov 2010
<b>Total Demand</b>		<b>268</b>	

**DWR Urban Drought Assistance Grant (\$1 Million):** IEUA has completed and submitted the Site Selection Disbursement Strategy for State approval. IEUA has met the 10,000 acre-foot non-potable use goal stated in the grant agreement. Invoices are being submitted to the Department of Water Resources for full reimbursement. Remaining and unspent funds are being allocated to near term projects that can be completed by the City of Chino and CVWD for projects that can be completed by December 2010.

**Northeast Area Project Updates:** The Northeast Area Projects are in the construction start-up phase. The pipelines, pump station and reservoir are expected to be completed in Summer 2010. The monitoring wells and lysimeters have been completed. The Agency has received the modified loan contracts from the State Water Resources Control Board for all of Northeast Area projects.

The summary of the NE Area RW Regional Facilities is provided below:

Project	Construction Completion	Project Budget	Actual Cost To Date	Status
1299 E Pipeline	Summer 2010	\$6,750,000	\$5,379,510	Construction
1299 E Reservoir & 1630 E PS	Summer 2010	\$10,875,000	\$7,182,366	Construction
1630 E Pipeline, Segment A	Summer 2010	\$10,500,000	\$7,808,726	Construction
Monitoring Wells & Lysimeters	Completed	\$1,500,000	\$1,240,755	Completed

Following is a summary of the Design Contracts for the NE Area Projects:

Project	Design Contract	Contract Amount	Invoiced To date
1299 E Pipeline	CVWD	\$299,999	\$257,500
1299 E Reservoir & 1630 E PS	CVWD	\$5,700,000*	\$3,482,100
1630 E Pipeline, Segment A	RMC	\$1,297,202	\$1,262,500
Monitoring Wells & Lysimeters	Tom Harder	\$139,985	\$139,985

\*Includes design and construction of the project

**Southern Area:** The 33% design of the 930-Zone Pipeline is complete. The 50% design package will be delivered to IEUA for review by September 30, 2010. Geotechnical investigations of the reservoir's site were completed. An agreement with the City of Chino Hills for IEUA to purchase a 2.0 million gallon of storage capacity is being finalized.

In an effort to meet the peak summer demands by customers in the southern area, the recycled water pump stations at RP-1 South Zone and CCWRF will be expanded to increase their overall pumping capability. An amendment to Stantec's contract for the Southern Area was approved by the Board on July 21, 2010 to provide engineering services for the expansion of the RP-1 South Zone and CCWRF Recycled Water Pump Station. Both the CCWRF Recycled Water Pump Station and RP-1 South Zone Pump Station expansion projects are in the evaluation phase. RP-5 pump station construction was completed by May 31, 2010. The startup phase for the pump station has been completed and has been transferred to operations.

Project	Design	Construction Completion	Project Budget	Actual Cost To Date	Status
930 W. Pipeline & Reservoir	Fall 2010	Spring 2012	\$20,251,000	\$418,000	Design

Following is a summary of the Design Contracts for the Southern Area Projects:

Project	Design Contract	Contract Amount	Invoiced To Date	Status
930 W. Reservoir & Pipeline	Stantec	\$1,541,856	\$560,742	Design
RP-5 RWPS Expansion	Stantec	\$201,509	\$149,964	Startup Completed

**Northwest Area:** The Northwest Area Recycled Water Project will primarily build the Regional Recycled Water distribution system in the City of Upland and the western service areas of the CVWD.

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IEUA partnered with Upland and CVWD through Memorandum of Understanding for the NW Area Project. All NW Area projects are in the construction phase.

Summary of the NW Area RW Regional Facilities is provided below:

Project	Design	Construction Completion	Project Budget	Actual Cost To Date	Status
1630 W Reservoir & 1630 W. Pipeline Segment C	Spring 2010	Fall 2011	\$9,500,000	\$647,627.67	Construction
1630 W. Pump Station	Spring 2010	Fall 2011	\$3,300,000	\$350,580.95	Construction
1630 W Pipeline, Segment A	Spring 2010	Fall 2011	\$7,500,000	\$2,072,000	Construction
1630 W Pipeline, Segment B	Spring 2010	Fall 2011	\$8,700,000	\$668,329.31	Construction

**Central Area:** The Central Area Recycled Water Project includes 4.6 miles of 20 to 24 inch pipe which will primarily build the Regional Recycled Water distribution system in the southern part of the City of Fontana and the eastern part of the City of Ontario. The pipeline will allow for the connection of commercial, industrial customers within the cities of Ontario and Fontana and also utilize the RP-3 Basin for Recycled Water recharge. The Agency will be issuing an RFP for design services in September 2010 to complete the design of the Central Area. Currently the project is in the pre-design phase and will approximate connect 3,100 AFY. The SRF Loan application for the Central Area was submitted on August 31, 2010.

Project	Design	Construction Completion	Project Budget	Status
Wineville Pipeline Extension	Spring 2011	Fall 2012	\$11,812,000	Pre-Design

Following is a summary of the Task Orders associated with the Master Contract for the design services for the NW Area with MWH Americas:

<b>Northwest Project Area - \$2,000,000.00 (Task Order 2.0)</b>	
<b>Description</b>	<b>Amount</b>
Task Order 2.1 - Seismic Evaluation Upland Reservoir	\$25,081.00
Task Order 2.2 Prelim Design Report NW Phase I	\$257,870.00
Amendment No. 1 to Task Order 2.2	\$15,000
Task Order 2.3 Surveying, Geotechnical Investigation, Potholing	\$76,350
Task Order 2.4 Final Design for the Northern Pipe Segment	\$402,570
Amendment No. 1 to Task Order 2.4	\$2,750
Amendment No. 2 to Task Order 2.4	\$9,000
Amendment No. 3 to Task Order 2.4	\$25,750
Task Order 2.5 Final Design for the Southern Pipe Segment	\$851,501
Amendment No. 1 to Task Order 2.5	\$3,900
Amendment No. 2 to Task Order 2.5	\$45,650
Amendment No. 3 to Task Order 2.5	\$131,710
Amendment No. 4 to Task Order 2.5	\$75,850
<b>Total Assigned:</b>	<b>\$1,896,935</b>
<b>Total Invoiced:</b>	<b>\$1,593,095.00</b>
<b>Remaining Unassigned:</b>	<b>\$103,065</b>

In addition to the Regional Facilities, MWH Americas was contracted by the Agency in May 2008 to provide Program Management Services for the Recycled Water Program. Following is a summary of the Task Orders associated with the Master Contract:

<b>Program Management - \$2,000,000.00 (Task Order 1.0)</b>	
<b>Description</b>	<b>Amount</b>
Task Order 1.1 - CADD Assistance Service for RW Retrofits	\$49,998
Task Order 1.2- On Call RW Hydraulic Model	\$100,000
Task Order 1.3 - RW Database Assistance	\$147,858
Task Order 1.4 - Construction Management Reorganization Memo	\$76,779
Task Order 1.5 - MWD LRP Application Assistance	\$88,120
Task Order 1.6 - NRWS Philadelphia Pump Station RW Retrofit	\$27,951
TO # 1.7 RW Implementation Program Management (Staff Assistance)	\$105,435
TO # 1.8 - Monitoring Well & Lysimeter Permit for Victoria and San Sevine	\$29,266.40
TO # 1.9 - Guasti Park & Temple Inland RW Retrofit	\$32,000
TO # 1.10 Construction Management Augmentation (Resident Engineer)	\$74,500
TO # 1.11 Green Team Engineering Support	\$50,000
TO # 1.12 CM Implementation Support	\$81,000
TO #1.13 Control Strategy	\$78,741
<b>Total Assigned:</b>	<b>\$980,848.40</b>
<b>Total Invoiced:</b>	<b>\$766,308.25</b>
<b>Remaining Unassigned:</b>	<b>\$1,019,151.60</b>

**Recycled Water Supervisory Control and Data Acquisition (SCADA) Master Plan:**

Some elements of the RW Scada Master Plan are being implemented in the NW Projects.

**CONSTRUCTION MANAGEMENT**

**REGIONAL PLANT NO. 1 DEWATERING FACILITY EXPANSION, PROJECT NO. EN06015.00**

Field activities include completion of the first floor walls and the contractor has begun shoring for the centrifuge deck elevation 835.25. SSC Construction continues with submittals which include major components such as the centrifuges, motor control centers, bridge crane, monorail, and hoisting equipment. In addition, site investigation and layout of the proposed 12kV routing is being finalized and potholing should begin shortly.

**REGIONAL PLANT NO. 1 DEWATERING FACILITY EXPANSION, PROJECT NO. EN06015.01**

Mike Bubalo Construction Company (MBCC) has completed all construction activities. Close-out activities have begun, this includes, final submission of ARRA compliance support documents, O&M manuals, and finalization of all pay estimates and closing documentation.

**MAGNOLIA CHANNEL, PROJECT NO. EN06020.03**

The contractor has mobilized onto Area 1 and completed clearing and grubbing the site. The contractor has also completed grading the sub-grade material for the sediment basin at Area 2. Additionally, forms and rebar were placed into four sections to prepare for their concrete pour scheduled for the following week. A new drainage pipe and outlet was installed on the north slope of the sediment basin to capture flows from the north access road as a change in scope of work. The contractor anticipates pouring concrete for the invert slab of the sediment basin and access ramp in two sections. They also plan on completing the grading for north and east access roads.

**REGIONAL PLANT NO. 1 ASSET MANAGEMENT ITEMS, PHASE II AND DECHLORINATION STATION UPGRADES, PROJECT NO. EN07006.04**

No field construction activities performed over the last couple of weeks. Close-out activities have begun and punch list review and completion is ongoing. Close-out activities includes final submission of O&M manuals, training & testing documentation and finalization of all pay estimates and closing documentation.

**INSTALLATION OF PRV BETWEEN 1158 AND 1050, PROJECT NO. EN07010.01**

Doty Bros has been working on the electrical scope of work and start-up meetings have been finalized and start-up has been scheduled for September 15, 2010 beginning at 8:00 AM. The contractor and his sub-contractor Cla-Val have continued with installation of the controls and will begin loop checks the week of September 7, 2010.

**TP-1 SBS PUMP IMPROVEMENTS, PROJECT NO. EN07006.04 AND PRADO LAKE DISCHARGE MODIFICATIONS, PROJECT NO. EN07010.04**

No construction activities to report. The Agency is scheduled to meet with its Board of Directors on September 15, 2010, to recommend the final approval of the termination of the contract.

**NRW COLLECTION SYSTEM ASSET MANAGEMENT, PHASE II, PROJECT NOS. EN07011.05, EN07011.07 AND EN06011.02.**

All work has been completed. The Contractor shall be submitting all redlines and pipe in-line videos to be reviewed by Construction Management and the Engineer of Record.

**1630 WEST RESERVOIR, PROJECT NO. EN08018.01**

The contractor has submitted their initial construction schedule and schedule of values. CM staff has reviewed the schedule and provided comments to the contractor. The contractor will continue to prepare and submit initial submittals (including mitigation plan, SWPPP, project signage), acquire permits, and secure a construction yard prior to mobilization and commencing any potholing efforts.

**1630 WEST RECYCLED WATER PIPELINE SEGMENT C, PROJECT NO. EN08018.02**

The contractor is continuing to prepare and submit initial submittals (including mitigation plan, SWPPP, project signage), acquire permits, and secure a construction yard prior to mobilization and commencing any potholing efforts. Survey is also working and verifying the pipeline layout and its connections to the other associated projects.

**REGIONAL PLANT NO. 1 DIGESTER 3 ROOF REHABILITATION, PROJECT NO. EN08024.00**

All construction activities have been successfully completed and the project has been turned over to operations for start-up and use.

**CHURCH STREET LATERAL, PROJECT NO. EN09002**

The construction of the Church Street Lateral has been completed with the sign off the Cal Trans permit and completion of the punch list items within the baseline median area. The 12" portion of the pipeline will be tied in at a later date by CVWD staff.

**1630 WEST RECYCLED WATER PIPELINE SEGMENT B, PROJECT NO. EN09003.01**

Centerline Staking for the purpose of potholing activities has been completed. The Contractor continues to submit initial submittals for review by Construction Management staff. They have posted the construction signage, and are preparing to mobilize the construction office trailers to the site pending the finalization of an agreement for a construction yard. The Contractor will continue to prepare and submit initial submittals (including mitigation plan, SWPPP, pipeline cylinders, etc.), acquire permits, and prepare to initiate potholing efforts.

**IS/SCADA SERVER ROOM AND AIR CONDITIONING MODIFICATION, PROJECT NOS. EN09019 AND EN09022**

The contractor has completed all interior construction for the AC system modifications. The New Gausti Conference Room and IS Server Room expansion has been completed and furnished. The control panels for the AC system have been installed in HQA and HQB. The confirmed delivery date of the approved AC units is September 9, 2010, due to delays in manufacturing by the supplier. Installation of the AC units on the roof tops of both buildings will occur the following day. Test and balancing of the modified AC system will occur immediately after the units are installed. Control system integration, submittal of O&M deliverables, and personnel training is scheduled to be completed by the end of September 2010.

**RP-5 RECYCLED WATER PUMP STATION EXPANSION, PROJECT NO. EN10001.00**

The contractor completed coating the valves, piping, fittings, pumps, and other appurtenances with the prime coat. The contractor will be applying the final coat of paint to the station. Construction is substantially complete pending the completion of the painting activities. The station is still

being run by Operations who continue experience a variety of issues. The DCS integrator has been notified and will be reviewing their programming for debugging and assisting in fine tuning the parameters.

**CONSTRUCTION OF THE CONCRETE SADDLES OVER THE EXISTING 27-INCH ETIWANDA INTERCEPTOR AND THE EXISTING 8-INCH NRW PIPELINE, PROJECT NOS. EN10003.01 AND EN03300.01**

The contractor has completed the work of installing the concrete and steel saddles. The backfill operation has commenced and we expect completion the first week of September along with the final grading and demobilization from the site. The contractor has summated a payment set up through CIPO which was approved by the Agency.

**REGIONAL PLANT NO. 1 ODOR CONTROL, PHASE 1B AND SOLIDS BYPASS, PROJECT NO. PL03006.00**

A preconstruction conference will be held with Coconstruction Inc. on September 09, 2010. In Attendance were representatives of the Agencies Engineering, Construction Management, Operations and Technical Services departments. A notice to proceed is pending and when it has been issued, administrative pre-construction activities shall begin.

**PHILADELPHIA PUMP STATION RECYCLED WATER RETROFIT, PROJECT NO. PU09709.01**

City performed a cross connection test for the existing potable and new recycled water system which passed. A punch list was compiled after a job walk was held with CM and Operations. The project is substantially complete pending the submittal of the Contractor's red lines.

**IERCF AMENDMENT HOPPER SLIDING PLATES, PROJECT NO. RA11003.00**

The low bid was for \$79,000 to New Legacy Corporation of Fontana to install the sliding plates in the amendment hoppers and was awarded on August 31, 2010. The contractor is required to submit all his paperwork before we issue a notice to proceed.

**IERCF BACKUP GENERATOR, EMERGENCY LIGHTING, AND EXTERNAL RESTROOM INSTALLATION, PROJECT NO. RA08003.00**

Replacement of the Harmonic Filter components is complete. The contractor has submitted on the generator pad layout and will begin demolition of the pad area the week of September 7, 2010, and we anticipate completion of the genitor pad mid September. Upon completion of these activities, the contractor will be offsite until the generator unit is delivered. The generator delivery is anticipated around the first of the year.

**1630 WEST RECYCLED WATER PIPELINE SEGMENT A, PROJECT NO. WR08023**

Centerline Staking for the purpose of potholing activities has been completed. The Contractor has submitted some more of their initial submittals including various valves, Valve Box Assemblies, and Bolt, Nut & Gasket Kits, as well as the initial construction schedule and schedule of values for review by Construction Management staff. The Contractor will continue to prepare and submit initial submittals (including mitigation plan, SWPPP, project signage details, etc.), acquire permits, and finalize securing a construction yard prior to mobilization and commencing any potholing efforts

**1630 EAST RECYCLED WATER PUMP STATION AND 1299 EAST RESERVOIR CONVERSION, PROJECT NO. WR08028**

The contractor has completed the site paving operation along with removal of the project office. The Louvers and fans for the building are scheduled to be complete by the end of August. The Edison plan for East Ave street improvements is being designed and when completed the East Ave street improvements can commence. The as-built drawings are with CVWD for record drawings to be created. A punch list walk will be held the week of September 10, 2010.

**1630 EAST RECYCLED WATER PIPELINE, SEGMENT A, PROJECT NO. WR08031**

The contractor has been working with their electrical subcontractor, PCSI, the Agency's DCS group, and Construction Management staff towards completion of the programming effort, instrumentation submittals, factory bench testing procedures, final hardware installations, testing, and the scheduling of training.

**1630 WEST RECYCLED WATER PUMP STATION, PROJECT NO. WR08032**

The pre-construction conference was held on August 11, 2010. The contractor has submitted their initial construction schedule and schedule of values for review by Construction Management staff. The contractor will continue to prepare and submit initial submittals including mitigation plan, SWPPP, project signage, acquire permits, and secure a construction yard prior to mobilization and commencing any potholing efforts.

**MAIN OFFICE BUILDING SETTLING ISSUES**

A scope of work was developed to test for settling and evaluate soil conditions. Construction Management is coordinating and providing field assistance with Engineering on this work.

**EL PRADO SARI CLEAN-OUT MANHOLE FAILURE**

Four of the lids for the clean-outs on the SARI Line have failed due to subsidence. Operations has requested that two additional lids be raised in Chino Ave. This request has been integrated into a bid set for competitive bidding. Bids were sent out to the Agencies Minor Construction, Maintenance, and Emergency Contractors. An assessment by the Agencies Biologist has determined no impacts related to Least-bell Vireo nesting along Prado Road. Work is expected to begin in September.

**REGIONAL PLANT NO. 4 LAGOON SINK-HOLE AND BULGING**

The RP-4 Lagoon liner was noted to be bulging after a rainstorm. An evaluation by the engineer has identified a solution and cost to repair this problem. The recommendation on these findings has been forwarded to Engineering and Executive Management for approval of an implementation plan. A temporary patching system has been placed, which is protecting this area until a more permanent solution can be completed. This has been included as a capital project for FY2010/2011 with Engineering taking the lead on the design effort. A scope of work has been prepared for a Design Engineer along with a more detailed budget.

**REGIONAL PLANT NO. 4 FERRIC LINE RE-ROUTING**

This project re-routes the chemical lines up through the wall of the chemical building to minimize the potential for underground breakage under the containment area. Work has been completed with the exception of the tracing of the sodium hypochlorite line. It has been determined that the

control panel within the sludge building does not meet the atmospheric conditions within the building and the tracer lines were not continuous in installation. This will require a change order to replace a NEMA enclosure and clip, and reinstall the tracer wire which has failed at each manhole location. This change in scope has resulted in a change order to the existing task order. Completion of this change in work still indicates a higher than expected chlorine residual, which would tend to indicate a leak. Staff has requested an action plan from the Contractor to determine where/if leakage is occurring. Work is not expected to be completed until the end of August.

## **PUBLIC INFORMATION**

### **Calendar of Events**

#### **September 2010**

- September 17, Chino Day at the LA Fair
- September 18, Upland Family Fun Day
- September 23, NE RW dedication at Etiwanda High School, 3:30pm
- September 24, Chino Hills Day at the LA Fair
- September 29, Ontario Day at the LA Fair
- September 30, Rancho Cucamonga Day at the LA Fair

#### **October 2010**

- October 1, Fontana Day at the LA Fair
- October 7, SCWC Annual Dinner at Pacific Palms Hotel
- October 7, Project WET Workshop, Frontier Project
- October 14, Retirement Dinner for Director John L. Anderson, Chaffey College Chino Community Center at College Park
- October 16, Frontier Project Green Tie Gala
- October 23, Regional Water Conservation/Landscape Fair, Chino Basin Water Conservation District

#### **November 2010**

- November 13, Cal State San Bernardino Water Resource Institute annual dinner

### **Outreach/Educational Inland Valley Daily Bulletin Newspaper Campaign**

The monthly tips on ways to help conserve water continue to appear in our local newspapers each month.

### **Water Conservation Outreach**

IEUA is continuing to work with conservation partners to plan the Regional Conservation message. The slogan is *Saving Water...It's the Right Thing to Do*. The movie theatre campaign will end at the end of September.

#### **Regional Conservation Outreach Campaign**

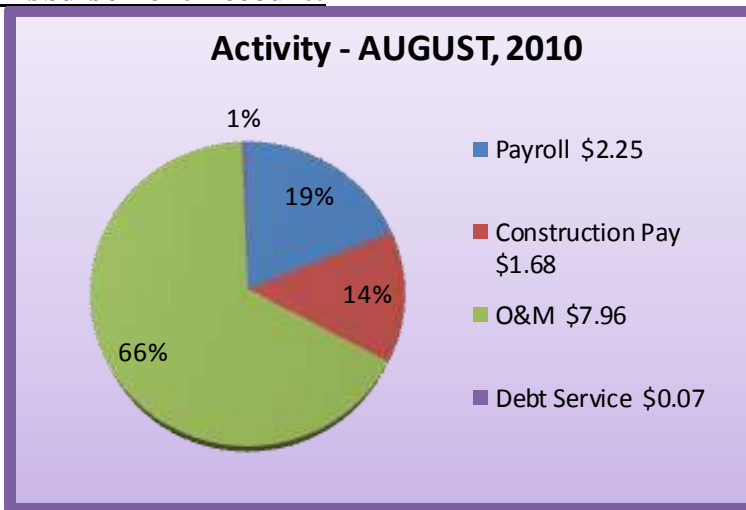
- Ongoing monthly ¼-page ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News, La Opinion, and Inland Empire Magazine.
- Ongoing water wise gardening classes.

Educational Updates

- WEWAC will be holding a project WET Workshop on October 7<sup>th</sup> at the Frontier Project in Rancho Cucamonga.
- Marketing has begun for the Water Discovery Program at the Chino Creek Wetlands and Educational Park. Information letters have been sent out to educators within the service area

**FINANCE AND ADMINISTRATION**

**Accounts Payable Disbursement Account:**



(\$Millions) - During the Period August 1 through August 30, 2010 the Accounts Payable staff processed:

- 88 ACH Remittances
- 25 Wire Remittances
- 609 Check Remittances
- 1410 Vendor Invoices and Credit Memos

**Accounts Receivables**

IEUA Aging Report – As of 08/31/2010

IEUA Customer's (Note: Excludes IERCA, CDA, and Grant customers)

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$5,503,697	\$528,135	\$207,205	\$8,724	-	-	\$2,632

Notes:

1. Aging 1-30 days: balance pertains to invoices that were recently due from Dept. of Corrections (CIM & CIW).
2. Aging 31-60 days: balance pertains to Dept. of Corrections (CIM & CIW).
3. Aging over 120 days: balance pertains to JCPE: denied entrance to IEUA plants until payment is received.
  - Per JCPE owner on 06/10, he will declare bankruptcy, but stated he would pay balance within the next few weeks.

**Customer CDA (Due to IEUA)**

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$312,145	-	\$94,717	\$217,428	-	-	-

Notes:

1. Aging 1-30 days: Pertains to expenses (system due from /due to) Posted in August '10, billable in September and payable in October.
2. Aging 31-60 days: Pertains to expenses (system due from/due to) posted in July '10, billable in August and payable in September.
  - Aging 31-60 days, also includes amounts posted in June '10, billed in July and payable in August.

**Customer IERCA (Due to IEUA)**

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$405,684	-	\$226,062	\$179,622	-	-	-

Notes:

1. Aging 1-30 days, pertains to expenses (system due from/due to) posted in August '10, billable in September and payable in October.
2. Aging 31-60 days, pertains to expenses (systems due from/due to) posted in July '10, billable in August and payable in September.

**Customer CBWM (Due to IEUA)**

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$1,133	\$1,133	-	-	-	-	-

Notes:

Current Column, invoices billed but not due yet.

**Customer San Bernardino Co. Reg. Parks (Retrofit)**

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$260,000	-	-	-	-	-	-

Notes:

1. Aging over 120 days, pertains to invoice no. 180001630, Public Retrofit Project: customer is reviewing IEUA billing (cost).
2. IEUA Accounts Receivable placed a call on 05/17/2010 to Bryan reminding him to provide status regarding invoice.
3. IEUA Accounts Receivable e-mailed Phil Krause (Chief of Planning) on 06/02/2010.
4. Mir Fattahi from IEUA e-mailed Phil Krause/San Bernardino Reg. parks on 06/16/2010.
5. Phil Krause e-mailed IEUA staff on 06/17/2010, stating he will review invoice for payment status.

**Market Updates:**

**Investment Yield Comparables – 8 Week Run Rates**

Investment Type	12-Jul	19-Jul	26-Jul	2-Aug	9-Aug	16-Aug	23-Aug	30-Aug
<b>SWEEP ACCOUNT –CBB</b>	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
<b>CDARS (1 YR) –CBB</b>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
<b>1 Yr CD – BofA</b>	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%
<b>1 Yr CD – Wells Fargo</b>	0.30%	0.30%	0.20%	0.30%	0.20%	0.20%	0.20%	0.20%
<b>1 Yr CD Citibank</b>	0.75%	0.75%	0.70%	0.75%	0.70%	0.70%	0.70%	0.70%
<b>LAIF</b>	0.52%	0.52%	0.51%	0.53%	0.52%	0.51%	0.51%	0.51%
<b>US Treasuries:</b>								
<b>US Treasuries – 3-Mos</b>	0.16%	0.15%	0.16%	0.15%	0.15%	0.15%	0.16%	0.16%
<b>US Treasuries – 6 Mos</b>	0.20%	0.20%	0.20%	0.20%	0.20%	0.19%	0.19%	0.19%
<b>US Treasuries – 12 Mos</b>	0.31%	0.28%	0.27%	0.28%	0.30%	0.25%	0.25%	0.25%
<b>US Treasuries – 2 Yrs</b>	0.63%	0.63%	0.60%	0.63%	0.60%	0.540%	0.50%	0.52%
<b>US Treasuries – 3 – Yrs</b>	1.01%	1.02%	1.01%	0.93%	0.94%	0.80%	0.77%	0.79%
<b>US Treasuries 5 – Yrs</b>	1.80%	1.81%	1.80%	1.71%	1.73%	1.48%	1.44%	1.46%
<b>US Government Sponsored Entities Benchmark Bullets</b>								
<b>2 yr Agency Bullets</b>	0.75%	0.72%	0.67%	0.67%	0.53%	0.52%	0.56%	0.60%
<b>3 yr Agency Bullets</b>	1.14%	1.05%	1.07%	1.07%	1.32%	1.25%	.90%	0.89%
<b>5 yr Agency Bullets</b>	2.10%	1.90%	1.64%	1.64%	1.93%	1.38%	1.60%	1.60%

**Investment /Bank/Market Update:**

The average maturity is 748 days for current investments exclusive of LAIF and SWEEP. Including LAIF and SWEEP accounts, the average maturity is 364 days, (assuming 2 days to liquidate the LAIF investment and SWEEP account).

IEUA investment portfolio rate of return is estimated at 1.01% for the month of August compared to 1.08% as reported in July Treasurer's Report of Financial Affairs. The estimated 7 basis points decrease is due to the continued yield decline in the LAIF investment and lower GSE yield. The average monthly effective yield for LAIF is .51% as of August 30, 2010, compared to .528% for the month of July and .531% for June. The Agency's current investments includes GSE with an average yield to market of 2.01%, two accounts in CDARS at 1.26% APY (1 yr maturity) & .9% APY (to mature in Dec 2010), the combined CDARS yield is .95% and SWEEP at .80%.

**CVB Financial Corp. (Parent Company of CBB – Citizen Business Bank) CFO Postpones Retirement**

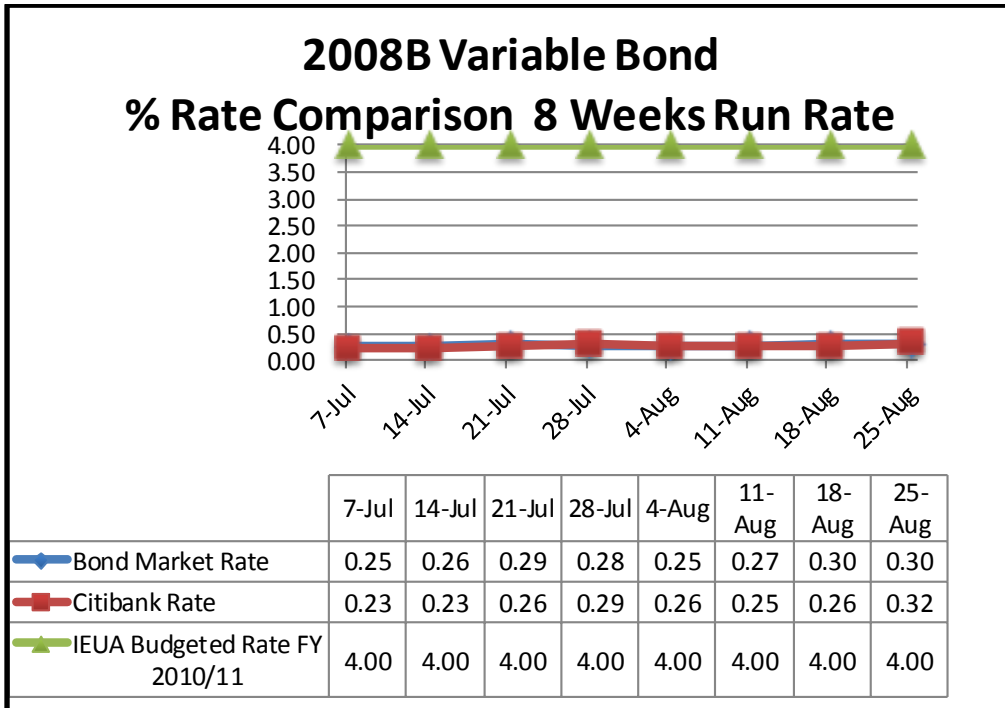
Ontario, California, August 12, 2010 (Business Wire) – CVB Financial Corp. announced that Edward J. Biebrich, Jr., Chief Financial Officer, has postponed his retirement in order to assist the Company in responding to the Securities and Exchange Commission inquiry. "Much has been made of the notice of my resignation coinciding with the receipt of the subpoena from the SEC. This is strictly a coincidence and my retirement is not caused by the subpoena," said Mr. Biebrich. "I have been contemplating retirement for a while and started building a retirement house in March of this year. However, I now plan to continue in my role as CFO." In light of the SEC inquiry and consistent with the recommendation from PFM, the Agency financial advisor, staff is recommending Board approval for the addition of a secondary banking institution to further diversify its investment activities with CBB.

**Various Updates from Brokers & Bloomberg:**

- **August 27 (FOMC)** Bernanke Speech Summary on Economic Outlook and Monetary Policy – The pace of recovery in output and employment has slowed somewhat in recent months, in part because of slower-than –expected growth in consumer spending, as well as continued weakness in residential and nonresidential construction. Despite this recent slowing, however, it is reasonable to expect some pickup in growth in 2011 and in subsequent years. The most plausible outcome, macroeconomic projections are inherently uncertain, and the economy remains vulnerable to unexpected developments. The Federal Reserve is already supporting the economic recovery by maintaining an extraordinary accommodative monetary policy, using multiple tools. Should further action prove necessary, policy options are available to provide additional stimulus. We have come a long way, but there is still some way to travel. Together with other economic policymakers and the private sector, the Federal Reserve remains committed to playing its part to help the U.S. economy return to sustained, noninflationary growth.
- **August 26 (Bloomberg)** – US Economics: New Single family homes sales fell by 12.4% in July to a rather disappointing 276K. Both we and the Street were looking for little change from June. The report also revealed downward revisions to June and April, which were partially offset by an upward revision to May. Weakness in sales was across the board as every region witnessed a decline. The months' supply moved back above 9 months after

temporarily dipping to 8 months, and inventories remained near 40-year lows at 210K. The Median home price fell by 4.8% y/y after several months of growth.

**2008B Variable Bond Trend:**



**GRANTS**

**INLAND EMPIRE UTILITIES AGENCY  
 GRANT ADMINISTRATION ACTIVITIES REPORT**

~ August 2010 ~

Account Type	Total Number of Active Accounts	Total Award Amount	Total Amount Invoiced	Total Award Balance
IEUA Grants	17	57,131,374	45,075,773	12,055,601
IEUA Loans	6	71,086,736	45,871,759	25,214,977
Grants for CDA	1	2,800,000	1,120,000	1,680,000
<b>TOTAL:</b>	<b>24</b>	<b>\$131,018,110</b>	<b>\$ 92,067,532</b>	<b>\$ 38,950,578</b>

**GRANT INVOICE AGING REPORT FOR AUGUST 2010**

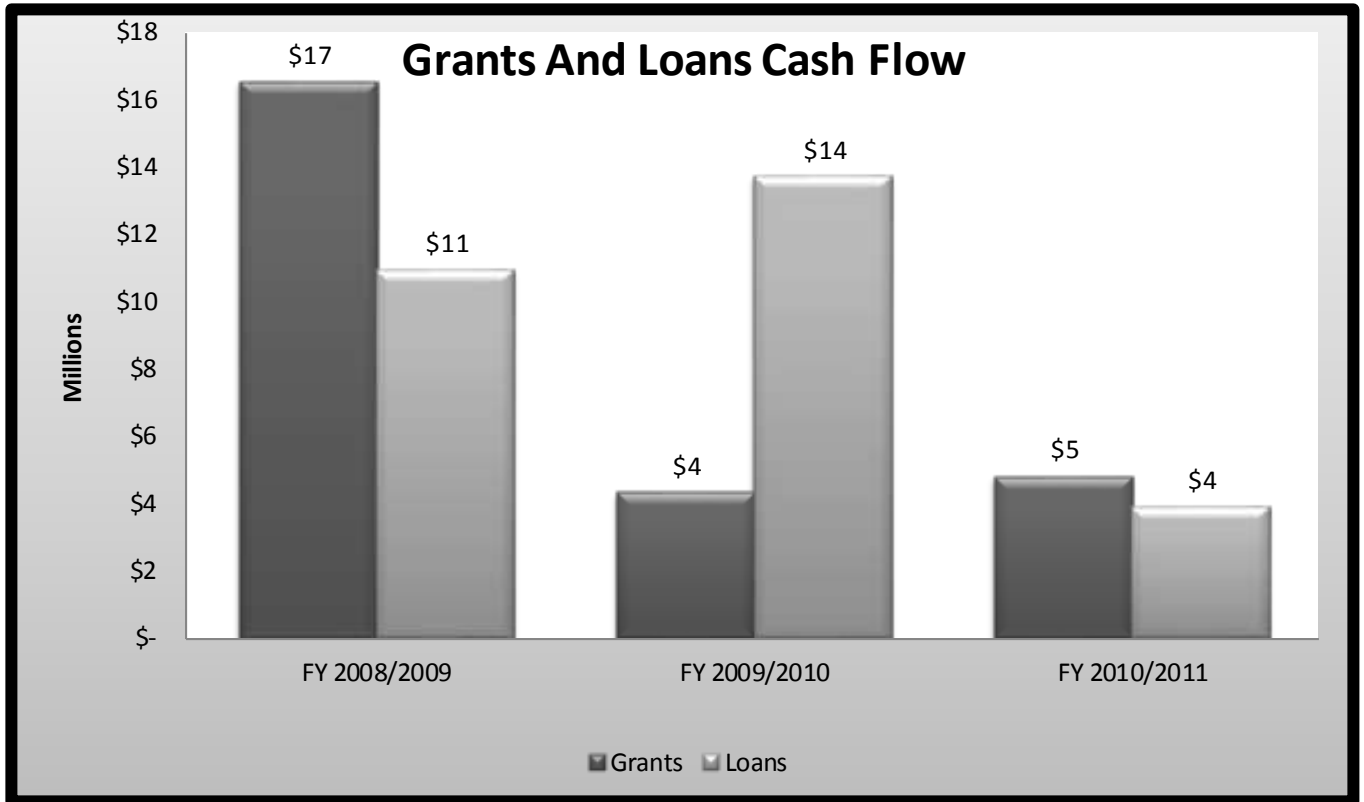
Agency	Total Outstanding	Total Past Due	60 To 90 Days	Over 90 Days	Retention
<b>DWR-\$15.5M Conjunctive Program</b> <i>Contacted DWR on 8/19/10- Notified that all \$4.0M Past Due Invoices are being processed; The \$1.1M Retention is pending review of Final Report.</i>	5,171,578	5,170,286	-	4,022,684	1,147,602
<b>SWRCB</b> - All Items are current; All past due Invoice issues have been resolved.	5,927,779	-	-	-	-
<b>DWR - Urban Drought/ULFT/Landscape Audit</b> <i>DWR Landscape Audit Proposition 50 payment pending State Bond Sales allocation.</i>	308,560	288,402	-	62,870	225,532
<b>CA Office of Emergency Services</b> <i>Federal Final Inspection Report approved. Payment pending review at CAL EMA Grant Processing Section (GPS).</i>	130,903	130,903	-	85,588	45,315
<b>USBR-Northeast Area Recycled Water Program</b>	2,306,077	-	-	-	-
<b>WaterReuse Foundation</b>	18,193	-	-	-	-
<b>MWD - Water Softener Rebate Program</b>	-	-	-	-	-
<b>CDA- Chino II Desalter Expansion</b>	1,120,000	-	-	-	-
<b>TOTAL AMOUNT</b>	<b>\$ 14,983,090</b>	<b>\$ 5,589,591</b>	<b>\$ -</b>	<b>\$ 4,171,142</b>	<b>\$ 1,418,449</b>

General Manager’s Report Regarding Agency Activities

September 15, 2010

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Active Application Information			
Account Type		Total Number of Active Applications	Amount Requested
IEUA Grants		5	\$ 4,630,814
IEUA Loans - Final Applications			
SRF Loan Submitted Application - Phase 6 Central Area Recycled Water - Wineville		1	\$ 11,812,500
SRF Loan Submitted Application - Phase 8 Southern Area Recycled Water PackageExtension		1	\$ 24,340,000
SRF Loan Submitted Application - RP-5 Main Operations Laboratory		1	\$ 14,830,000
Grants for CDA Submitted by IEUA- Final Application		1	\$ 20,000,000
<b>Subtotal Final Applications</b>		<b>4</b>	<b>\$ 70,982,500</b>
CASH FLOW SUMMARY			
Fiscal Year	Grants	Loans	Total Receipts
FY 2008/2009	\$ 16,509,726	\$ 10,923,966	\$ 27,433,692
FY 2009/2010	\$ 4,285,985	\$ 13,688,239	\$ 17,974,224
FY 2010/2011	\$ 4,782,400	\$ 3,887,976	\$ 8,670,376
<b>TOTAL CASH FLOW:</b>	<b>\$ 25,578,111</b>	<b>\$ 28,500,181</b>	<b>\$ 54,078,292</b>



**Other Finance Division Updates on Significant Events:**

**FY 2011/12 Proposed Rates for the Agency Regional Wastewater and Recycles Water**

The preliminary draft of the proposed rates scenarios for the FY 2011/12 Agency's Regional Wastewater and Recycled Water Program has been scheduled for presentation to the Agency's Board on 9/1/2010 and to the Regional Technical Committee on 09/02/10. Three scenarios are being presented for consideration. Early consideration of the FY 2011/12 rates will ensure member agencies subject to Prop 218 will have sufficient time to comply with those requirements.

**Letter of Credit (LOC) for the 2008B Bonds Update:**

Substitution of the Letter of Credit (LOC) provider for the 2008A Variable Rate Revenue Bonds continues. The Agency's bond counsel, Stradling Yocca Carlson & Rauth and Citigroup, are undergoing negotiations with Lloyds Bank to replace Dexia, the current LOC provider, on behalf of the Agency. Even though, Dexia's contract does not expire until April 15, 2011, both Citigroup and the PFM, the Agency's financial advisor, strongly recommended the Agency to move forward with the substitution in order to avoid the anticipated rush of the estimated \$30 billion LOCs set to expire in 2011. On May 4, 2011 Dexia notified the Agency it was not going to renew the LOC past the expiration date. The bond counsel is finalizing his review of the Lloyd's contract. This is scheduled for approval by the Chino Basin Regional Financing Authority Financing Board at the October 20, 2010 meeting.

**SRF Loan Application Status**

A meeting was held on August 31, 2010 at the State Water Resource Control Board to deliver the \$11,812,500 State Revolving Fund Loan (SRF loan) application for the Agency's Wineville Recycled Water Pipeline Expansion Project. Updates were also received on the other two SRF loan applications for the New Production Laboratory Project for \$14,830,000 and for the Southern Area Recycled Water Project for \$24,340,000.

**SAWPA Project Ranking Workshop**

A SAWPA Integrated Regional Water Management (IRWM) Proposition 84 project ranking workshop was held on August 26, 2010. Two hundred ninety-seven projects were submitted by the SAWPA member agencies, thirty-nine of which were submitted by IEUA. SAWPA is in the process of interviewing applicants for the first round project funding estimated at \$12 million.