



Date: April 21, 2010

To: The Honorable Board of Directors

From: Richard W. Atwater
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 May 20, 2010, as part of the Watermaster Advisory Committee agenda.

OPERATIONS

IERCF Monthly Sales Summary

Month of March 2010

Month	Product	Tons	Cyd's	Av. \$/cyd	Total \$
February	Premium	3,933.36	10,541.46	\$2.82	\$29,746.50
	Base	4,733.45	12,685.64	\$2.60	\$33,039.51
	Top Dressing	125.03	335.08	\$12.00	\$4,020.96
Total		8,791.84	23,562.18	\$2.84	\$66,806.97

YTD through March 2010

Month	Total Tons	Total Cyd's	Total \$
January	4,723.67	12,659.44	\$35,135.14
February	6,668.25	17,870.83	\$46,661.20
March	8,791.84	23,562.18	\$66,806.97
Total	20,183.76	54,092.45	\$148,603.31

It appears that a number of IERCA customers have become more active with the warmer weather. Considering the amount of rain Southern California experienced during January and February, IERCA had an excellent first quarter. With March came warmer weather and the IERCA shipped 23,562.18 cubic yards of compost. In the first quarter 2010, IERCA increased revenue an additional \$45,089.05, compared to the same time last year. There are approximately 12,000 cubic yards of finished compost remaining in the storage facility. It is anticipated that all stored material will be removed in May 2010.

GROUNDWATER RECHARGE

SUMMARY OF CHINO BASIN GROUNDWATER RECHARGE OPERATIONS					
March 2010					
Drainage System	Recharge Volume (AF)*			Management Zone Subtotals	
Basin	SW/LR	MW	Recycled		
San Antonio Channel Drainage System					
College Heights	-	-	N	MZ-1 415 AF**	
Upland	13	-	N		
Montclair 1, 2, 3 & 4	30	-	N		
Brooks	27	-	180		
West Cucamonga Channel Drainage System					
8th Street	36	-	114	MZ-2 379 AF**	
7th Street	37	-	-		
Ely 1, 2, & 3	100	-	-		
Minor Drainage					
Grove	20	N	N		
Cucamonga and Deer Creek Channel Drainage Systems					
Turner 1 & 2	34	-	-		
Turner 3 & 4	114	-	44-		
Day Creek Channel Drainage System					
Lower Day	5	-	X		
Etiwanda Channel Drainage System					
Etiwanda Debris	27	-	X		
Victoria	-	-	X		
San Sevaine Channel Drainage System					
San Sevaine 1, 2, 3, & 4	15	-	N		
San Sevaine 5	1	-	X		
West Fontana Channel System					
Hickory	16	-	61		
Banana	17	-	-		
Declez Channel Drainage System					
RP3 Cells 1, 3, & 4	84	-	211-	MZ-3 389 AF**	
RP3 Cell 2	20	-	2		
Declez	55	-	-		
Non-Replenishment Recharge**					
Brooks (MVWD) MZ-1	-				
Montclair (MVWD) MZ-1	(22)				
Turner (SAWCO) MZ-2	(3)				
Ely (Ontario) MZ-2	(55)				
Month Total = 1,183 AF	571	0	612		
Fiscal Year to Date Total					
Since July 1, 2009 = 17,129 AF	12,679	32	4,418		
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 deducted from them any Non-Replenishment Recharge, which is recharge originating from pumped groundwater and is not new water.					

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HUMAN RESOURCES

In March, President Obama signed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010. While most portions of the acts will be implemented over the next four years, the acts include several provisions set to be implemented in 2010 and will affect existing health care plans. Employers and health providers must navigate these new mandates and take initial steps to evaluate/address the short-term and long-term implications of health care reform. Once all the issues are clarified, employers and health providers will begin to amend plan materials and communicate changes to employees. We will keep employees posted on those changes as soon as we receive direction from the various plan administrators.

A 457 Deferred Compensation informational meeting is scheduled on Wednesday, April 2, 2010, in the Event Center. Representatives from each of the Agency's three plans will provide an overview of the 457 Deferred Compensation plan, and give employees' an opportunity to discuss their retirement goals with a representative.

The Agency's Standard Insurance Account Manager will be on site at Agency Headquarters and RP1 on Wednesday, May 12th for a lunch and learn session. The informational meetings will include a presentation discussing life insurance and accidental death and dismemberment benefits. The second half of the meeting will focus on answering specific employee questions. A flyer with detailed information regarding exact times for each location was distributed with paychecks earlier this month.

The open enrollment period for Delta Dental, Western Dental and EyeMed concluded on March 26th. A total of twenty-six (26) changes were processed; 14 changes for dental and 12 changes for vision. All changes were effective on April 1, 2010.

In April, Agency participants in the Southern California Local Government Supervisory Program at Cal Poly Pomona will focus on the subjects of Role of Supervision & Effective Communication Skills, and Successful Coaching.

<u>CURRENT STAFFING</u>	
Regular Full-time Employees:	284
Contract/Limited Term Employees:	14
Interns:	17
TOTAL:	315

<u>CURRENT RECRUITMENT ACTIVITIES</u>	
Recruitments in Process/Offer Pending	2
Placement in Process:	0
No RFVP; Position on Hold:	22
Total Regular Vacancies (Excludes Contract & Intern Positions):	24

<u>RECRUITMENTS/PLACEMENT IN PROCESS</u>							
Position		Department	RFVP Received	Closing Date	Salary Range	Tentative Placement Date	Notes
1	Operator I-V	550-Carbon Canyon Operations	12/09	Open Until Filled	OP094-OP095	4/10	Recruitment in Process
2	Senior Maintenance Technician	RP-1/RP-4 Plant Maintenance	03/10	Open Until Filled	GU096	5/10	Recruitment in Process

<u>POSITIONS ON HOLD (9% Vacancy Factor)</u>			
Position		Department	Vacant Since
1	Staff Internal Auditor	107-Internal Audit	3/09
2	Chief Financial Officer	210-Office of Finance and Administration	1/10
3	Human Resources Analyst	250-Human Resources	10/08
4	Sr. Water Resources Analyst	312-Planning & Water Resources	7/08
5	Manager of Program Funding	420-Engineering	12/09
6	Sr. Engineer	420-Engineering	12/08
7	Engineering Technician	420-Engineering	3/09
8	Assistant Engineer	420-Engineering	9/09
9	Deputy Manager of Construction Mgmt	425-Construction Mgmt	8/08
10	Construction Project Coordinator (Limited Term)	425-Construction Mgmt	2/09
11	Construction Project Coordinator (Limited Term)	425-Construction Mgmt	1/10
12	Construction Project Coordinator (Limited Term)	425-Construction Mgmt	3/10
13	Construction Project Coordinator	425-Construction Mgmt	12/09
14	Administrative Secretary (Limited Term)	425-Construction Mgmt	12/08
15	Sr. Engineer	517-Technical Services	2/10
16	Junior Operations Assistant	540-RP1 Operations	3/09
17	Sr. Operator	540-RP1 Operations	5/09
18	Operator	540-RP1 Operations	10/09

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19	Operator	540-RP1 Operations	6/09
20	Electrician II	553-RP2/CC Elect/Instrument Maint	11/09
21	Junior Operations Assistant	580-RP2/RP5 Operations	5/09
22	Operator	580-RP2/RP5 Operations	2/09

CONTRACT/LIMITED TERM VACANCIES

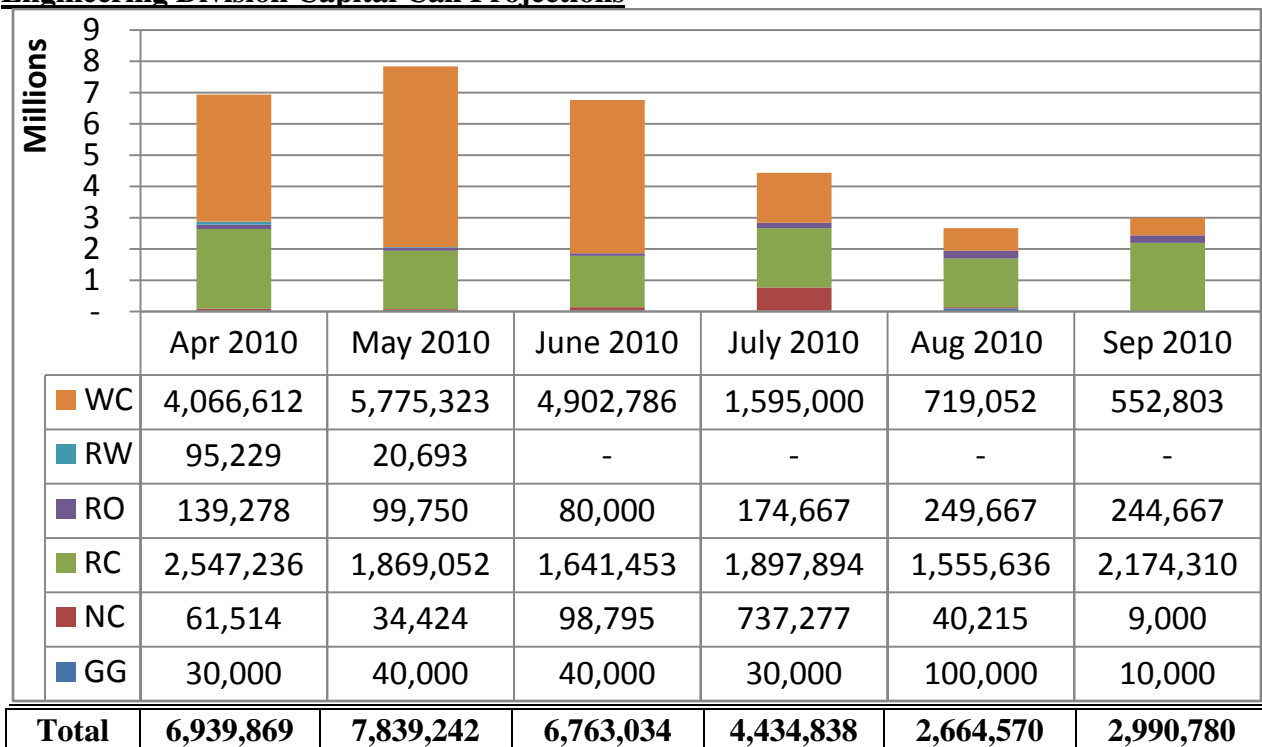
None.

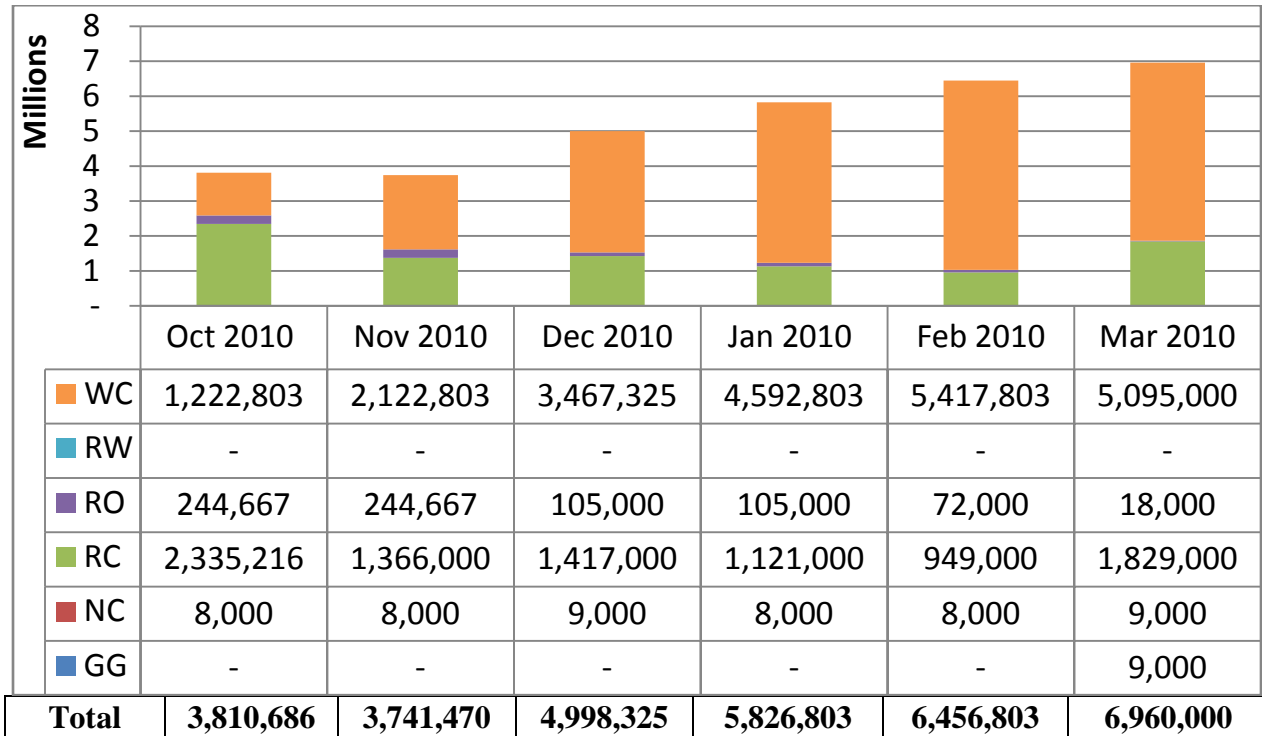
INTERN VACANCIES

None.

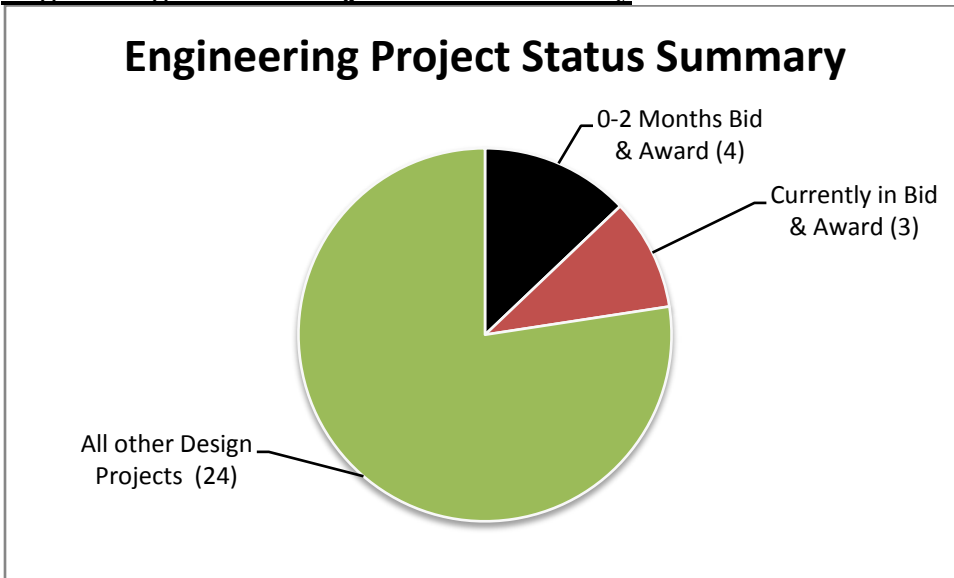
ENGINEERING

Engineering Division Capital Call Projections



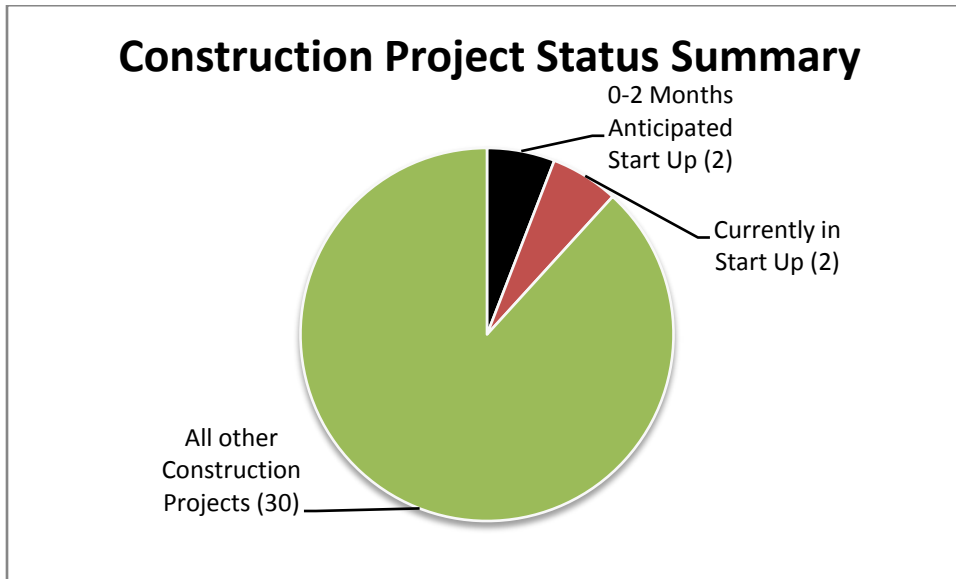


Engineering Division Project Status Summary



- Currently in Bid & Award
- EN09019.00 IS Service Room Modifications and Air Conditioning
 - EN09022.00 SCADA Service Room Modifications and Air Conditioning
 - EN03300.01 Casing Extension of Etwinda Int

- 0-2 Months Bid & Award
- EN09003.00 1630 W Pipeline Phase 2 & Lateral
 - EN09003.01 1630 W Pipeline Phase 2
 - EN09003.02 Memorial Park Lateral 11th Street Lateral
 - EN10003.01 Casing Extension of NRW PL Crossing UPRR



- Currently in Start Up
- EN07117.00 RP2-SARI Dump Site Relocation
 - EN08024.00 RP-1 Digester No. 3 Roof Repair

- 0-2 Months Anticipated Start Up
- EN07011.04 NRWS Philadelphia Pump Station Additional Upgrades
 - EN07006.04 RP1 Dechlor/Solids Upgrades

Asset Management

The on-site visit to CCWRF for the condition assessment of the Intermediate Pump Station (IPS) assets was completed on March 24, 2010, by representatives from Engineering and Operations. Physical assessments were conducted on eight assets, with four additional assets being identified within the physical area for possible inclusion in the IPS system. In addition to a three year review of work orders for each asset, which yielded 15 work orders, each asset had identification data verified (asset/tag/equipment numbers, location, etc.) and initial specifications from operations and maintenance manuals recorded. Review sessions are now in progress with Maintenance personnel to synthesis the data to determine the extent of performance condition assessment required. Performance condition assessment for these assets was scheduled to begin the week of April 19, 2010.

CONSTRUCTION MANAGEMENT

MAGNOLIA CHANNEL, PROJECT NO. EN06020.03

This project is an ARRA funded project to enhance the Magnolia Channel which flows through the RP-5 site. At this time the contractor is still rough grading for the proposed detention basin. Construction Management is currently working with the soils technicians, surveyors, and Engineer-of-record to review quantities of fill material for grading. Staff is currently coordinating with Carson Development on issues related to utilities that cross the project site to serve their property.

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

Field work for this project is nearing completion. Work remaining includes work near the Ontario Mall and on Philadelphia Ave. Outstanding submittals include review of final install videos on liners, submittal of start-up book and as-builts. Job is expected to be completed by June, 2010.

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

SSC Construction has satisfactorily completed hydraulic testing of the centrate/drain pump station. In addition, the contractor with the assistance of Agency staff has successfully completed the relocation of the utility water and utility water distribution (RW service to Whispering Lakes Golf Course) systems. Relocation of the potable water system continues. A temporary license and Right of Entry Agreement (Whispering Lakes Golf Course- SSC Construction) were approved on March 16, 2010, by the City of Ontario so that the Agencies west fence could be relocated west to allow for loading scale and silo area over-excavation. SSC and its subcontractors have also scheduled earthwork activities related to the tote storage facility, truck silo, and pump station backfill to begin early April, 2010.

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

Mike Bubalo Construction has completed potholing activities and continues to install the filtrate/centrate line within the plant site. Mike Bubalo Construction has also mobilized an additional crew to begin site preparation and excavation at the Ontario soccer complex north of Highway 60. A pre-construction conference was also held with Cal-Trans and work is proceeding within their jurisdiction.

REGIONAL PLANT NO. 1 DEWATERING LANDSCAPING, PROJECT NO. EN06015.02

SIMS Construction has completed all construction activities and the project is in a 90 day maintenance period which ends May, 2010.

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

Coonstruction Inc. and Davis Electric with the assistance of Agency operations, maintenance, and DCS staff jointly participated in the shut down, removal, and replacement of the wire to the IPS Pump No's. 1, 6, and 7 from the existing starters and rerouted to the new VFD's. These activities began March 16, 2010, and were completed on March 25, 2010. Installation of new breakers and starters is under way.

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

DenBoer Engineering and Construction has completed all construction activities and the project close-out has begun.

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

The contractor has conducted siphon and smoke testing of the Biofilter. Test results were given to the Engineer for further review. Motors were observed to trip during testing. It was noted that it may have been due to insufficient back-loading. Testing of motors and blowers has been conducted and seems to confirm this finding. Further, sealing representative from Sikaflex has reviewed sealing of Bio-filter and has made recommendations to solve minor leaks. Engineer of record is reviewing data to make a recommendation for addressing.

REGIONAL PLANT NO. 1 CHINO BASIN FACILITIES IMPROVEMENTS, PHASE II PKG. C (TURNOUT SERVICE PIPELINE CONNECTIONS & SCADA IMPROVEMENT), PROJECT NO. TS07004.03

Norstar Plumbing and Engineering has completed the construction of the spillway on the north side of the improved berm. Additionally, all cut, fill, and grading for the improved berm is complete. A job walk was held by Construction Management, Engineering, and the Contractor to compile a punch list. Provisions to add additional rip-rap to prevent erosion on the upstream section of the spillway and guard rails for the existing gate valve for safety is being considered.

RECYCLED WATER RETROFIT-GUASTI PARK, PROJECT NO. PU06507.01

The County of San Bernardino has requested that additional items be included in the scope of work for the contractor. The remaining portion of this work is currently being bid by Engineering. One warranty issue regarding the repair of a bent gate remains to be resolved by the contractor.

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

This project will retrofit the Philadelphia Lift Station for the use of recycled water. Contractor submitted their permit application to the City of Ontario. The City is working with IEUA staff to expedite review and approval of plans. A deviation request was forwarded to the contractor to address all comments by the City of Ontario. Contractor has begun submitting on materials for the project.

1299 EAST RECYCLED WATER PIPELINE, PROJECT NO. WR08027

The contractor has completed welding and grouting the pipe sections in the flood control channel access road between West Liberty and Foothill Blvd. and has begun the jack and bore under Foothill Blvd. as well. The contractor has also completed placement of the pipe which runs across the wash next to Arrow Route, and anticipates completing the welding and grouting of this section shortly. The contractor plans to continue with boring efforts under Foothill Blvd. and is also working on completing revisions to their pipeline testing procedure.

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

The contractor is working on the installation of the 12-inch reservoir feed line. The electrical subcontractor will begin sub-slab conduit installation which is anticipated to take up to two weeks to complete. The contractor has begun to receive pipe from the manufacturer.

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

The contractor is continuing to submit technical, general, and special condition submittals to fulfill ARRA requirements and working on permit approval to enter Caltrans right-of-ways. The contractor has taken delivery of 36-inch CML&C steel pipe on the access road near Victoria basin and has commenced excavation and placement efforts. A portion of the pipeline for Victoria Street has been delivered and pipe laying activities have commenced. Work is currently being coordinated with the scheduling of an active Agency construction project within Victoria Basin (Lysimeter installation).

MONITORING WELLS AND LYSIMETERS AT VICTORIA AND SAN SEVAINE BASINS, PROJECT NO. EN09012

The construction phase of the Wells portion of the project has been completed. All three wells have been successfully tested for proper operation and have achieved desired results. This portion of the project has been scheduled to be heard by the Agency's Board of directors on April 7, 2010. If accepted, the Notice of Completion will be filed with the county. The Lysimeter clusters construction is 95 percent complete with testing scheduled for early April. Once complete it will be sent to the Agency's Board of directors on April 21, 2010, for final acceptance.

CHURCH STREET LATERAL, PROJECT NO. EN09002

The 30-inch pipe alignment final changes are currently being reviewed by the design Engineer. The Etiwanda portion of the work is 80 percent installed and testing is to be complete in April. The contractor has submitted the majority of the materials and equipment on the project and is still compiling the ARRA compliance documentation. This project is on schedule.

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

Contractor began the demolition of the concrete pump stands, pumps, and associated valves lateral piping. The said parts are currently being stored next to the former RP-5 Construction Management trailer. A pre-shutdown meeting was held by Construction Management, Operations and Maintenance, Engineering, and the Contractor to discuss sequencing for proposed bypass line tie-in and demolishing the existing header.

CIM RECYCLED WATER PIPELINE, PROJECT NO. EN08014.00

Construction work is completed. Agency staff and the contractor, Murrieta Development, have negotiated extra work/change order work. The project acceptance went to the Board for close-out on March 17, 2010. Construction Management is currently waiting for Notice of Completion statutory period to expire to mark project as completed.

PHILADELPHIA PUMP STATION ADDITIONAL UPGRADES, PROJECT NO. EN07011.04

Contractor submitted P&ID CAD drawings and a loop check forms for Agency review, which were marked up and sent back to contractor. Additionally, a Change Order request was received for additional electrical work, requested by NRWS and Operations and Maintenance. An amendment will be prepared for this change. No construction has occurred during the last two weeks.

RP2 SLUDGE LINE LEAK AND SUBSEQUENT FERRIC LEAK DISCOVERY

Staff received written approval from the San Bernardino County HAZMAT inspector to return the site to normal conditions. The low bidder has been issued a Task Order and Amendments to pursue the remaining work at this site which includes importing fill material from RP-5/RP-1, installing double-walled Ferric piping, and placing all base material and asphalt paving. This project is scheduled for completion May, 2010.

IERCF AMENDMENT HOPPER PIPE BAFFLES RA02041.02

On February 16, 2010, the last baffle configuration was successfully tested. CDM is currently finalizing the baffle design which is expected to be completed the week of April 5, 2010. The contractor will subsequently fabricate and install the baffle in Amendment Hopper No. 2. The new configuration will undergo further operational testing and if successful, a second baffle will be fabricated and installed in Amendment Hopper No. 1.

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

Mounting of the north and south switchgear panels and harmonic filter panels are completed and the contractor is preparing to pull the respective conduit wiring. All of the emergency lights have been installed. The portable restroom was delivered and installed with all connections completed. The SCAQMD has approved the Permit-To-Construct (PTC)/Permit-To-Operate (PTO) for the generator unit and the Permit was received by the Agency. The generator submittal is being reviewed by B&V Engineers and upon the engineer's approval, the work on the generator pad will begin.

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

The pre-construction meeting was held on March 11, 2010, with project duration of 105 calendar days. The scope of work includes the installation of a 24-inch recycled water bypass with two 24-inch magnetic flow meters, a 16-inch PRV with a dual solenoid flow control valve, and air vac release valves. Additionally, the work will also include electrical and PLC modifications to incorporate the flow control for two PRVs and two magnetic flow meters. Contractor has started the submittal process. Both contractor mobilization and DCS workshops are scheduled to occur in mid-April.

RP-4 FERRIC CHLORIDE LINES INSTALLATION TASK ORDER

Contractor has completed installation of piping above containment area and through the wall. Final connection to the outside piping was made and trench was sealed up. All that remains is a final job walk.

IERCF DRAINAGE AND ENTRY WAY IMPROVEMENTS

Contractor has completed installation of gravel on backside of IERCF and modified entry ramps for access. Staff is currently working on an Amendment to extend one of the entry ramps so that large trucks and/or loaders do not bottom out on ramp at grade. This final amendment will complete this work.

PUBLIC INFORMATION

Calendar of Events

April 2010

- April 22, IEUA Earth Day in the Park, 3:30 p.m. to 6:30 p.m.
- April 23 - 24, Director Santiago's SWP tour

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 begin appearing on May 28 and run through the end of September. The message will be ACWA's Save Our Water

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.
- Billboards.

Agency Tours

Numerous tours of RP-5 wastewater plant, HQ, and Chino Creek Park and Wetlands.

Educational Updates

- Earth Day will take place on April 22nd at the Chino Creek Wetlands and Educational Park. IEUA has partnered with the City of Chino and over twenty vendors will be providing information and activities to the community.
- IEUA participated in Earth Day events at both Briggs and Newman Elementary Schools where the students learned about the water cycle and made water cycle bracelets.

FINANCE AND ADMINISTRATION

Grants

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

~ March 2010 ~

Account Type	Total Number of Active Accounts	Total Award Amount	Total Amount Invoiced	Total Award Balance
IEUA Grants	21	56,903,474	37,614,750	19,288,724
IEUA Loans	10	71,086,736	36,046,401	35,040,335
Grants for CDA	1	2,800,000	-	2,800,000
TOTAL:	32	\$ 130,790,210	\$ 73,661,151	\$ 57,129,059

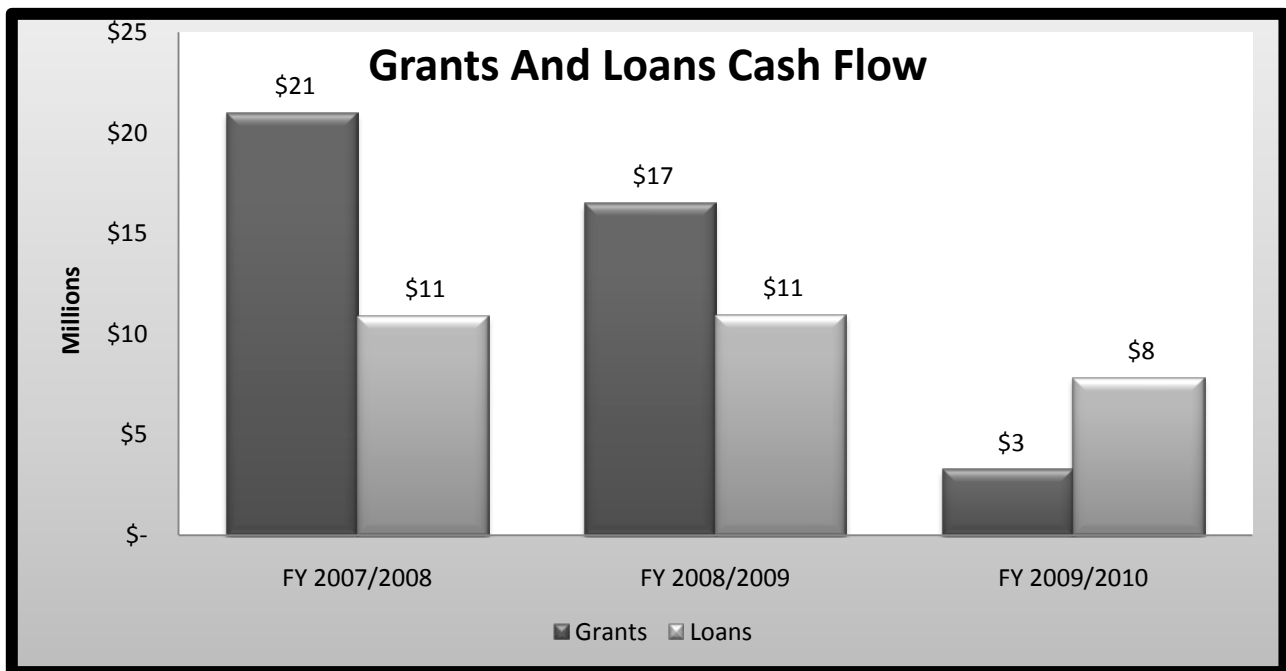
GRANT INVOICE AGING REPORT FOR MARCH 2010

Agency	Total Outstanding	Total Past Due	60 To 90 Days	Over 90 Days	Retention
DWR-\$15.5M Conjunctive Program <i>Delayed due to State Grant Payment Suspension. 3/16/10--Per T. Billings, Division Manager @ DWR outstanding payments are pending allocation of the Oct. 2009 State Bond Sales.</i>	5,171,578	5,171,578		4,023,976	1,147,602
State Water Resources Control Board <i>Recycled Water Prop. 13 Grant Payment \$643k, pending allocation of State Bond Sales; SRF Loan Invoices \$490k pending approval by the State of Pay Estimate formatting issues.</i>	5,866,849	1,014,784	504,388	510,396	
DWR - Urban Drought/ULFT/Landscape Audit <i>Delayed due to State Grant Payment Suspension. Urban Drought Grant Invoices for \$790k still in review process. Will contact DWR for an update.</i>	966,415	881,519	16,778	715,902	148,839
CA Office of Emergency Services <i>State review of Closeout in process; pending Federal review.</i>	130,903	130,903	-	85,588	45,315
WaterReuse Foundation	7,505	-	-	-	-
TOTAL AMOUNT	\$ 12,143,250	\$ 7,198,784	\$ 521,166	\$ 5,335,862	\$ 1,341,756

Active Application Information

Account Type	Total Number of Active Applications	Amount Requested
IEUA Grants	3	\$ 1,096,800
IEUA Loans - Final Applications		
SRF Loan Submitted Application - Phase 8 Southern Area Recycled Water	1	\$ 24,340,000
Grants for CDA Submitted by IEUA- Final Application	1	\$ 20,000,000
Subtotal Final Applications	2	\$ 44,340,000

CASH FLOW SUMMARY			
Fiscal Year	Grants	Loans	Total Receipts
FY 2007/2008	\$ 20,972,433	\$ 10,882,243	\$ 31,854,676
FY 2008/2009	\$ 16,509,726	\$ 10,923,966	\$ 27,433,692
FY 2009/2010	\$ 3,261,672	\$ 7,816,387	\$ 11,078,059
TOTAL CASH FLOW:	\$ 40,743,831	\$ 29,622,596	\$ 70,366,427



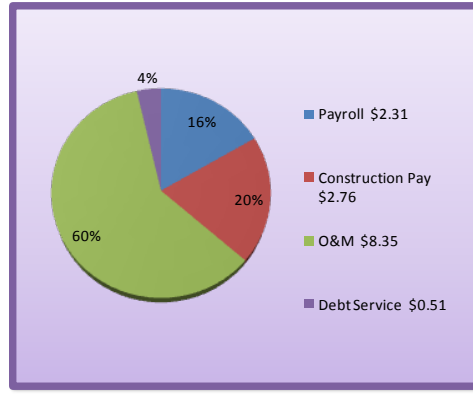
Major Revenue

Major Revenues for the Period Ended March 31st 2010			
(millions) Target is 75%			
A	B	C	D
Major Revenue Categories	Amended Budget	Actual to Date (Mar 2010)	% of Actual Vs Budget (Col B/Col C)
User Charges	\$45.0	\$32.2	71%
Recycled Water Sales	\$5.5	\$3.0	54%
Property Tax	\$34.4	\$16.0	47%
Connection Fees	\$4.8	\$6.4	134%
Grants	\$19.8	\$3.8	19%
SRF Loans	\$35.9	\$10.4	29%
	\$145.42	\$71.80	49%

Explanation:

1. **User Chargers** – In line with budget, on an annual basis
2. **Recycled Water Sales** – Primarily due to rainy season causing low demand.
3. **Property Taxes** – Primarily due to timing of property tax receipts, the balance of the revenue will come in during the 4th quarter of the fiscal year.

Accounts Payable Disbursement Account Update March 2010



During the Period March 1 through March 31st, 2010, the Accounts Payable staff processed:

- 77 ACH Remittances
- 20 Wire Remittances
- 643 Check Remittances
- 1975 Vendor Invoices and Credit Memos

Account/Receivables

IEUA Aging Report – As of 03/31/2010

IEUA Customer’s (Note: Excludes RDA customers, Grant Customers, Customer CDA, and Customer RCA)

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
4,778,309.40	4,769,026.19	5,697.25	1,450.00	-	-	2,135.96

Notes:

- 1) Current column, invoices billed, but not due yet.
- 2) Aging 1-30 days, balance pertains to invoices that are past due; (Dept of Corrections (CIM) accounts for the majority of balance).
- 3) Aging 31-60 days, balance pertains to past due invoice; JCPE has been denied entrance to IEUA plant until payment is received.
- 4) Aging over 120 days, Robo One Plumbing (customer is financial distress), total owed is \$2,135.96. (Customer’s business status is unknown, unable to obtain functional phone number).

Customer CDA (Due to IEUA)

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
225,378.57	-	135,645.21	89,733.36	-	-	-

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Notes:

- 1) Current Column pertains to expense (system due from/due to) posted today.
- 2) Aging 1-30 days, pertains to expense (system due from/due to) posted in March '10, billable in April and payable in May.
- 3) Aging 31-60 days, pertains to expense (system due from/due to) posted in February'10, billable in March and payable in April.

Customer RCA (Due to IEUA)

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
585,786.58		265,991.13	319,795.45	-	-	-

Notes:

- 1) Current Column pertains to expense (system due from/due to) today.
- 2) Aging 1-30 days, pertains to expenses (system due from /due to) posted in March '10, billable in April payable in May.
- 3) Aging 31-60 days, pertains to expense (system due from/due to) posted in February '10, billable in March and payable in April.

Customer CBWM (Due to IEUA)

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
537,206.79	162,206.79	-	-	-	-	375,000.00

Notes:

- 1) Current column, invoices billed, but not due yet.
- 2) Aging >120 days, balance of \$375,000 pertains to CBWM for the Phase II Recharge Cost Sharing Invoice (outstanding for 163); Per Tom Love he will be resolving final payment with CBWM.

Customer Ontario- Montclair School Districts

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
190,963.00	-	190,963.00	-	-	-	-

Notes:

- 1) Aging 1-30 days, pertaining to invoice no. 1800001629, Public Retrofit; customer is finalizing review, payment is expected within two to three weeks.

Customer San Bernardino Co. Reg. Parks

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
260,000.00	-	260,000.00	-	-	-	-

Notes:

- 1) Aging 1-30 days, pertaining to invoice no. 1800001630, Public Retrofit; customer is reviewing, IEUA billing (cost).

Investment Yield Comparables – 8 Week Run Rates

Investment Type	1-Feb	8-Feb	15-Feb	22-Feb	1-Mar	8-Mar	15-Mar	22-Mar
SWEEP ACCOUNT - CBB	1.00%	1.00%	1.00%	0.90%	0.90%	0.90%	0.90%	0.90%
CDARS (1 YR) -CBB	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	0.85%
1 Yr CD – BofA	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%
1 Yr CD – Wells Fargo	0.40%	0.40%	0.40%	0.30%	0.30%	0.30%	0.30%	0.30%
1 Yr CD Citibank	1.01%	1.01%	1.01%	1.01%	0.80%	0.80%	0.80%	0.80%
LAIF	0.55%	0.54%	0.54%	0.54%	0.54%	0.55%	0.55%	0.54%
US. Treasuries:								
US. Treasuries – 3-Mos	0.07%	0.10%	0.11%	0.10%	0.12%	0.14%	0.16%	0.16%
US. Treasuries – 6 Mos	0.15%	0.17%	0.18%	0.19%	0.19%	0.19%	0.22%	0.24%
US. Treasuries – 12 Mos	0.31%	0.33%	0.35%	0.36%	0.34%	0.34%	0.36%	0.41%
US. Treasuries – 2 Yrs	0.86%	0.83%	0.86%	0.89%	0.86%	0.84%	0.93%	0.97%
US. Treasuries – 3 – Yrs	1.42%	1.38%	1.38%	1.44%	1.41%	1.36%	1.46%	1.50%
US. Treasuries 5 - Yrs	2.39%	2.33%	2.34%	2.42%	2.37%	2.29%	2.39%	2.42%
US Government Sponsored Entities Benchmark Bullets								
2 yr Agency Bullets	0.90%	0.93%	0.93%	0.97%	0.97%	1.07%	1.07%	1.10%
3 yr Agency Bullets	1.50%	1.58%	1.58%	1.57%	1.57%	1.64%	1.64%	1.65%
5 yr Agency Bullets	2.58%	2.62%	2.62%	2.54%	2.54%	2.64%	2.64%	2.65%

Investment /Market Update:

The average maturity is 440 days for current investments exclusive of LAIF. Including LAIF, the average maturity is 162 days, (assuming 2 days to liquidate the LAIF investment).

IEUA investment portfolio rate of return is estimated at 1.42% for the month of February compared to 1.48% from prior month as reported in February Treasurer Report of Financial Affairs. The estimated 6 basis point decline was due to one of the Agency bond investment matured in February had a 3% yield, as well as the continued decline in LAIF performance. The average monthly effective LAIF yield is .54% as of 03/26/10, compared to .57% for the month of January and .56% for December 2009. Our current investment includes GSE with an average yield to market of 2.8%, and two accounts in CDARS at 1.26% APY (1 yr maturity) & .9% APY (to mature in Dec 2010), the combined CDARS yield is .95%.

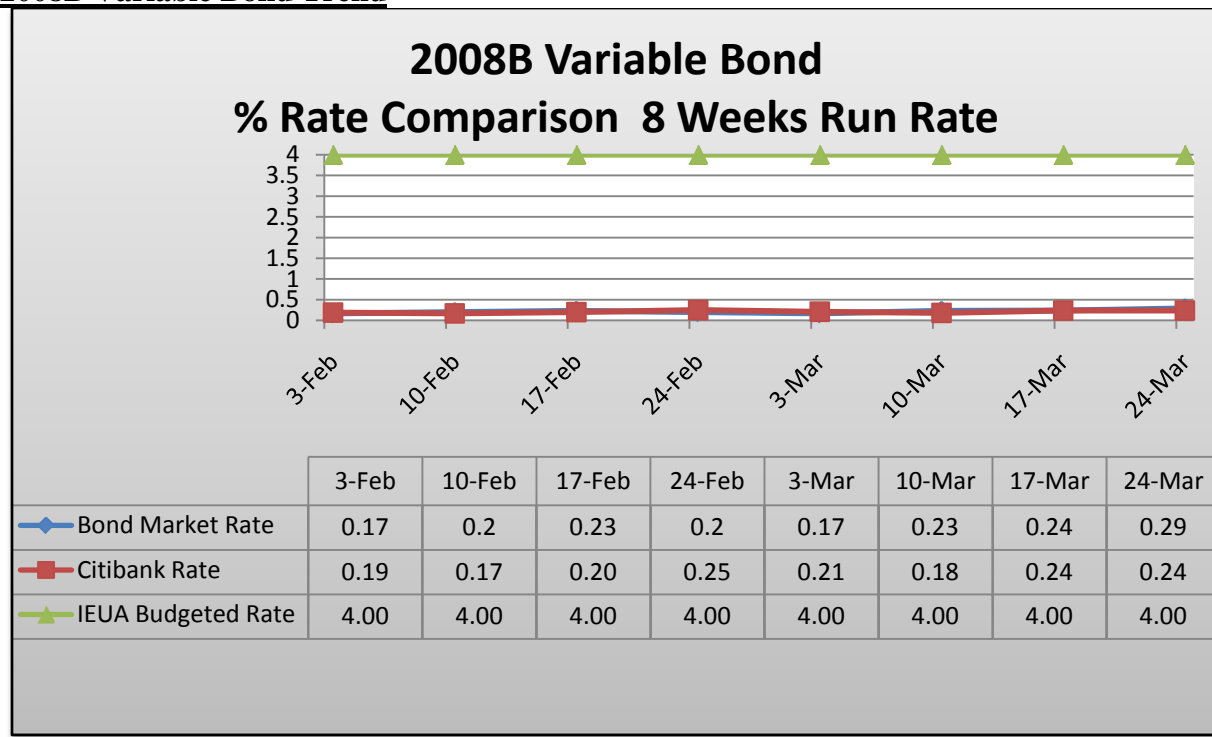
Various updates from Brokers & Bloomberg:

- * April 5 (Bloomberg) -- Treasury yields were at the highest level since June before a report forecast to show U.S. service industries expanded last month at the fastest pace since 2007 and a government sale of \$8 billion in inflation-indexed notes. Traders added to bets the Federal Reserve will raise interest rates after a report last week showed the fastest employment growth in three years. Demand for U.S. debt was below forecasts at the Treasury's last series of auctions, sparking concern that record spending is damping investor interest. "The market is starting to react to growing fiscal deficits," said Martin Mitchell, head government bond trader at the Baltimore unit of Stifel Nicolaus & Co., a St.

Louis-based brokerage firm. “The last round of weak auctions are still fresh on everyone’s mind. This week’s auctions will be telling to see if sponsorship continues to decline.”

- Mar. 26** (Citibank- Comments on Credit – Economic Outlook) – Financial market developments are consistent with an improving economic outlook. Market developments this week completely overshadowed a relatively uneventful economic calendar where incoming data yielded no surprises. Interest rates and asset prices increasingly have the look of a cyclical environment in transition. Benchmark Treasury yields are moving higher across the maturity spectrum in the context of loosening financial conditions, a traditional signal of a strengthening economic outlook.

2008B Variable Bond Trend



Other Division Updates on Significant Events:

- FY 10-11 Budget Timeline**

FY 2010-11 budget on both Operating budget and the TYCIP is underway, below is the upcoming budget related events in March & April 2010:

Date	Event
3/31/10	FY 2010/11 O&M Budget and TYCIP Workshop for the Board of Directors.
4/1/10	Regional Technical Committee review and recommend Regional Policy Committee to approve the FY 2010/11 Regional and Recycled Water Program budget, TYCIP and proposed rate increases.
4/13/10	Update LRPF documentation based on the FY 10/11 Budgets
TBD	Workshop on NRWS and Water Program FY 2010/11 Budgets.

- **FY 10-11 Financial reports Timeline**

4/15/10	Quarterly capital call letters due to member agencies (3 rd Quarter)
4/20 & 4/26	Department managers variance report presentation to executive management (3 rd Quarter)
4/30/10	Quarterly budget variance due (3 rd Quarter)

- **Moody's Bond Rating for IEUA**

NEW YORK, March 31, 2010 – Moody's has affirmed the Aa3 rating in the closed senior lien obligations and the A1 rating on the subordinate lien obligations of the Inland Empire Utilities Agency (IEUA) issued by the Chino Basin Regional Financing Authority. The Agency's Series 1994 obligations are secured by a closed senior lien on net revenues from the agency's wastewater enterprise, while its Series 2005A and Series 2008A&B obligations are secured by subordinate lien pledge of those revenues.

- Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk. Obligations rated Aa3 signifies the high quality and are subject to very low credit risk and obligations rated A1 are considered upper-medium grade and are subject to low credit risk.
- The California Parks and Recreation Department modified the Nature Education Grant Program Guidelines based on the successful submittal of IEUA's comments on the draft grant guidelines and the concept proposal. IEUA was not eligible to submit a grant application under the original guidelines. However, IEUA is now eligible to apply for this grant. An application technical assistance workshop was scheduled for April 8, 2010. Staff is working on three eligible projects for the grant application.