



Date: May 19, 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.

**HUMAN RESOURCES**

In May, the TEAMS Personal Development Program topic will be on The Seven Habits of Highly Effective People. Agency participants in the Southern California Local Government Supervisory Program at Cal Poly Pomona will focus on the subjects of Role of Motivational Strategies, and Leading the Team.

The Agency's CalPERS Kaiser Permanente Account Manager will be on site at Agency Headquarters on Thursday, June 10<sup>th</sup> from 12:00 p.m. to 1:00 p.m. for a lunch and learn session. The informational meeting will be held in the Sadie room and will feature a presentation on Kaiser Permanente's Rewards Program. The second half of the meeting will focus on member online access to the member website and helping members enroll in the Rewards Program. The program promotes a healthy lifestyle and provides members an opportunity to be entered in a drawing. Prizes include an 80GB iPod or a \$500 gift certificate to a sporting goods store or spafinder.com.

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

\* Gary Bankston retirement effective 5/13/10 but the recruitment for the Deputy Manager of Construction Management is to fill his position.

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<b><u>CURRENT RECRUITMENT ACTIVITIES</u></b>	
Recruitments in Process/Offer Pending	2
Placement in Process:	1
No RFVP; Position on Hold:	22
<b>Total Regular Vacancies (Excludes Contract &amp; Intern Positions):</b>	<b>25</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	Operator I-V	550-Carbon Canyon Operations	12/09	Open Until Filled	OP094-OP095	4/10	Start date 5/17/10
2	Sr. Maintenance Technician	RP-1/RP-4 Plant Maintenance	03/10	Open Until Filled	GU096	5/10	Testing in Process
3	Deputy Mgr. of Constr. Mgmt	425-Construction Management	04/14/10	5/21/10	UN103	7/10	Recruitment in Process

<b><u>POSITIONS ON HOLD (9% Vacancy Factor)</u></b>			
<b>Position</b>		<b>Department</b>	<b>Vacant Since</b>
1	Staff Internal Auditor	107-Internal Audit	3/09
2	Chief Financial Officer	210-Office of Finance & Admin.	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 Management	425-Construction Management	8/08
10	Construction Project Coordinator (Limited Term)	425-Construction Management	2/09
11	Construction Project Coordinator (Limited Term)	425-Construction Management	1/10
12	Construction Project Coordinator (Limited Term)	425-Construction Management	3/10
13	Construction Project Coordinator	425-Construction Management	12/09
14	Administrative Secretary (Limited Term)	425-Construction Management	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
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

<b><u>CONTRACT/LIMITED TERM VACANCIES</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 Contract Instrument Technician II	553-RP2/CC Elect/Instrument Maint	4/14/10	N/A	GU095	5/10	Start 5/10/10

**INTERN VACANCIES**

None.

**BUILDING ACTIVITY REPORT**

<b>Contracting Agency</b>	<b>Yearly Projected Building Activity (EDUs)</b>	<b>Yearly Total Activity (EDUs)</b>	<b>Yearly Total Activity / Projected Activity (%)</b>	<b>FY 09/10 Connection Fees</b>	<b>Reported Thru</b>
<b>City of Chino</b>	92	117	127%	\$ 555,423.92	March
<b>City of Chino Hills</b>	31	33	108%	\$ 159,481.80	March
<b>C.V.W.D.</b>	308	543	176%	\$ 2,601,720.80	March
<b>City of Fontana</b>	500	450	90%	\$ 2,151,615.94	March
<b>City of Montclair</b>	158	152	96%	\$ 722,497.00	March
<b>City of Ontario</b>	318	227	72%	\$ 1,123,988.66	March
<b>City of Upland</b>	52	37	70%	\$ 174,410.34	March
<b>TOTAL</b>	<b>1,459</b>	<b>1,559</b>	<b>107%</b>	<b>\$ 7,489,138.46</b>	

**RECYCLED WATER THREE YEAR BUSINESS PLAN UPDATE**

To date for FY 09/10, over seventy seven new customers at 5,306 AFY have been connected to the recycled water system, with a total connected demand of 32,350 AFY. We anticipate on connecting another potentially 227 AFY within the next 30 to 90 days, increasing the total connected demand. The connected demand for FY 09/10 is expected to surpass the fiscal year goals of 36,000 AFY for FY 09/10.

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

<b>Name</b>	<b>City</b>	<b>Demand (AFY)</b>	<b>Estimated Completion Date</b>
Kellogg on Schaefer Ave	Ontario	200	June 2010
Euclid Median	Ontario	27	June 2010
<b>Total Demand</b>		<b>227</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. Remaining and unspent funds are being allocated to near term projects that can be completed by June 30, 2010.

**Northeast Area Project Updates:** The Northeast Area Projects are in the construction 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	\$4,075,790	Construction
1299 E Reservoir & 1630 E PS	Summer 2010	\$10,875,000	\$4,031,682	Construction
1630 E Pipeline, Segment A	Summer 2010	\$10,500,000	\$4,025,241	Construction
Monitoring Wells & Lysimeters	Completed	\$1,500,000	\$1,108,682	Construction

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	\$186,600
1299 E Reservoir & 1630 E PS	CVWD	\$5,700,000*	\$1,219,700
1630 E Pipeline, Segment A	RMC	\$1,225,810	\$1,136,900
Monitoring Wells & Lysimeters	Tom Harder	\$139,985	\$112,200

\*Includes design and construction of the project

**Southern Area** The 33% design of the 930-Zone Pipeline is complete. The work on the 50% design phase is on-going. Geotechnical investigations of the reservoir's site will start on May 8<sup>th</sup>, 2010. 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, RP-5 and CCWRF will be expanded to increase their overall pumping capability. A request for proposal to provide engineering services for the expansion of the RP-1 South Zone Recycled Water Pump Station Project was sent to Stantec. CCWRF Recycled Water Pump Station Expansion Project is in the evaluation phase. RP-5 pump station is in the construction phase. Most of the equipment has been delivered and construction is anticipated for completion by May 31, 2010.

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Project	Design	Construction Completion	Project Budget	Actual Cost To Date	Status
930 W. Pipeline & Reservoir	Fall 2010	Spring 2012	\$20,251,000	\$325,000	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	\$1,460,982	\$244,938	Design
RP-5 RWPS Expansion	Stantec	1,600,000	28,000	Pre-Design

**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. The capital projects in the Northwest area are in the 50% Design Stage by MWH Americas.

IEUA partnered with Upland and CVWD through Memorandum of Understanding(s) (MOU) prior to authorizing the final design for the NW Area Project.

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	\$204,169	50% Design
1630 W. Pump Station	Spring 2010	Fall 2011	\$3,300,000	\$61,396	50% Design
1630 W Pipeline, Segment A	Spring 2010	Fall 2011	\$7,500,000	\$1,257,803	50% Design
1630 W Pipeline, Segment B	Spring 2010	Fall 2011	\$8,700,000	\$169,173	100% 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:

Northwest Project Area - \$2,000,000.00 (Task Order 2.0)	
Description	Amount
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

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Task Order 2.3 Surveying, Geotechnical Investigation, Potholing	\$76,350
Task Order 2.4 Final Design for the Northern Pipe Segment	\$402,570
Task Order 2.5 Final Design for the Southern Pipe Segment	\$851,501
<b>Total Assigned:</b>	<b>\$1,625,710.08</b>
<b>Total Invoiced:</b>	<b>\$374,289.92</b>
<b>Remaining Unassigned:</b>	<b>\$330,909</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 Sevaime	\$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>\$941,648.40</b>
<b>Total Invoiced:</b>	<b>\$724,092.15</b>
<b>Remaining Unassigned:</b>	<b>\$1,137,092.60</b>

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

The intent of this project is to develop a Master Plan for a coordinated and integrated Recycled Water SCADA system. The Master Plan will include the infrastructure and planned growth of the Recycled Water SCADA System as the recycled water distribution system expands. The existing system currently being analyzed and an outline will be prepared to identify the necessary steps to modify, upgrade and install the SCADA system & associated software to cost effectively integrate the future systems as part of the Recycled Water SCADA System Master Plan. All workshops have taken place and the project is currently 95 percent complete. The project is scheduled for completion by June 30, 2010.

**CONSTRUCTION MANAGEMENT**

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

The contractor has over-excavated, scarified, and compacted the section underneath the north berm of the proposed detention basin. The fill slope material used for the said berm was cut from the east embankment of the riparian channel. CM is currently working with Carson Company for the construction of their sewer and water pipeline as part of an original sales agreement between and the Agency and the developer. The environmental survey concluded the presence of burrowing owls at Area 1 and Vireo Bells on Flower Street. The contractor will not be able to work in either area during their nesting season.

**NRW COLLECTION SYSTEM ASSET MANAGEMENT, PHASE II, PROJECT NO. EN07011.05, EN07011.07 and EN06011.02**

Sancon has completed the installation of the HOBAS line rehabilitation. The exposed jacking pit was backfilled with slurry and the cut concrete pavement was repaired. Additionally, the contractor began rehabilitation on two of the four proposed manhole rehabilitations. Work will be completed by June 2010. No construction has occurred during the past two weeks. The contractor is waiting on the delivery of the proposed sectional cured-in-place liners.

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

SSC Construction has completed soils compaction and encasement of the 36-inch FRP foul air line and has begun the over-excavation and re-compaction efforts for the centrifuge. In addition, SSC is installing the 12-inch, 18-inch, and 24-inch FA Lines. SSC Construction schedule submitted on April 28, 2010, includes submittal preparation and submission for the truck scale system, inline grinders, bridge crane and monorail, and hoisting equipment. Field activities include installation of the centrate line, drain lines, form, reinforce and place column foundations, and continue activities at the tote storage area. A milestone for the underground utilities installation and relocation is coming up in the next two week period and progress is being closely monitored.

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

Mike Bubalo Construction Company (MBCC) has completed ductile iron piping and installed the 8-inch HDPE from within the RP-1 Facility, Ontario Soccer complex, and the Whispering Lakes Golf Course. Testing has been performed and the piping has satisfactorily met the testing requirements. The tie-in to the existing force main system is scheduled for early May. MBCC's three week schedule includes restoration of the landscape at the soccer complex, golf course, and street restoration within the plant area.

**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 19, 2010.

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

No site construction activities performed over the last two weeks. A meeting was convened in late April 2010, to develop a schedule and plan to complete the subject project and it appears that all work related to the contract shall be completed by June 30, 2010.

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

An inspection was performed on the Digester No. 3 leakage and an evaluation will be provided by RMS Engineering to Agency staff. After review, a course of action to perform the recommended remedial repairs will be executed.

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

IEUA is in receipt of the specifications from the Engineer-of-Record. A meeting was set-up between Construction Management, Operations, and Engineering to discuss the proposed design. Final design is anticipated to be completed by the end of May with bidding to follow shortly thereafter. Engineering shall formally bid this project.

**REGIONAL PLANT NO. 1 CHINO BASIN FACILITIES IMPROVEMENTS, PHASE II PKG. C (TURNOUT SERVICE PIPELINE CONNECTIONS & SCADA IMPROVEMENTS), 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. The contractor also completed the installation of additional rip rap located at the upstream portion of the spillway.

**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. Engineering submitted a third revision of the plan set to Construction Management which was forwarded to the contractor for costing. The contractor submitted their permit application with the City of Ontario. No construction to report during the last two weeks. The contractor has begun submitting materials for the project.

**1299 EAST RECYCLED WATER PIPELINE, PROJECT NO. WR08027**

The contractor, WEKA, is paving Arrow Route and the road adjacent to the flood control channel within the City of Fontana. The Foothill Blvd. is near completion. The casing and pipe in this bore has been installed. The Arrow Route bore casing has been installed, but pipe has not been pushed through. The East Avenue bore pit has been excavated and approved by OSHA. The

contractor is scheduled to complete the tie-in at Arrow/Etiwanda and will also complete the Foothill Blvd. bore and Arrow Route tie-ins, and beginning the East Avenue crossing.

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

The electrical subcontractor completed sub-slab conduit installation and slurry backfill. The contractor has completed the installation of the 36-inch CML&C pipeline booster discharge line. The 12-inch make up line up to the reservoir is completed. The contractor is scheduled to complete the sub-grade preparation and pouring of the pump station building slab, as well as, begin installation of the CMU walls for the pump station building. In addition, the 12-inch make-up line is scheduled to be tested and disinfected, and they are scheduled to install the 36-inch CML&C feed line on the south side of the reservoir property.

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

The contractor, WEKA, continued pipe installation, welding, and welding inspection along Access Road within Victoria Basin and alongside the flood control channel parallel to Victoria Basin. Concrete cap was installed on Access Road per design recommendations by RMC, and the electrical subcontractor has also been onsite installing conduit on the east side of the Etiwanda Creek Flood Control Channel. Night work is scheduled to be on East Avenue/Baseline Avenue shortly, as well as, the bore pit excavation for the bore under the 210 freeway.

**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 has been completed and air vacs were installed. The contractor is scheduled to begin the demolition of the median on Baseline Ave. Once complete, the contractor will install the shoring and start laying the 30 inch pipe along Baseline Ave. 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**

The contractor completed constructing the forms and installed the steel reinforcements for the proposed pump bases. The contractor anticipates pouring concrete for the new pump base. Additionally, the contractor plans to begin trenching for the proposed bypass piping system. Two pressure reducing valves and associated piping, fittings, and appurtenances has been added to the scope-of-work to reduce pressure in the plant to protect the seals, valves, and other equipment from damage.

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

Force Account work was approved for additional electrical work requested by NRWS and Operations and Maintenance. The scope of work includes cutting and removing existing electrical conduits, installation of new electrical conduits, pulling and terminating new power cables, and re-coating the interior south walls of the ferric chloride secondary containment area. An amendment will be prepared for this change. Construction for the said force account work was anticipated to begin on May 6, 2010.

**IERCF AMENDMENT HOPPER PIPE BAFFLES, PROJECT NO. RA02041.02**

Received final baffle design from CDM and forwarded to contractor to obtain quote for a COR. Contractor's COR quote was expected during the week of May 5, 2010. The contractor will fabricate two baffles, install one baffle in Amendment Hopper No. 2, and test for three to four hours. If successful, the second baffle will be installed in the Amendment Hopper No.1. Once both baffles are installed, this should complete this project.

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

An internal SCADA workshop was conducted with B&V, DCS, and CM to define the levels of responsibilities between IEUA and the contractor for the generator operation and controls. Subsequently, a SCADA workshop was held with the contractor, generator supplier, B&V, DCS, and CM to review and gain concurrence of the roles and responsibilities for the installation of the generator SCADA integration for operation and control. Several changes in hardware configurations were also discussed and agreed upon and the contractor will submit respective COR's indicating any credits or debits. An overall plan was also discussed for making the generator switchgear tie-ins. A final walk through of the portable CXT Rest Room was conducted and a final punch list was developed. The walk through include IERCF personnel. A final walk through for the installation and operation of the emergency lighting was also conducted and signed-off between the contractor and CM. The engine supplier indicated that generator enclosure will include the separate battery enclosure as specified. They will also complete their responses to the second generator submittal within the next week. It is anticipated the submittal will be approved by B&V and fabrication of the overall engine generator enclosure will be initiated. It is also anticipated the plan for the generator pad and conduit layouts will be received within a week following the submittal approval. Upon approval, the contractor will proceed with constructing the generator pad and associated electrical conduit stub outs.

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

The contractor continues to provide submittals and is coordinating field activities with his fabricators, vendors and suppliers in order to perform the work. The contractor will be continuing processing the submittal process. The mechanical piping has been released for fabrication upon submittal approval. The contractor shall coordinate shutdown/tie-in details with subcontractors Trimax and Invensys, and they will submit SDTI request for Agency review.

**RP2 SLUDGE LINE LEAK AND SUBSEQUENT FERRIC LEAK DISCOVERY**

Work has been completed. Staff is resolving two minor cost claims related to additional material haul-off and repair of an unmarked utility. Both changes in scope of work have been previously reported to the Board and will be resolved with the contractor as legitimate extra work changes in the job. Work was completed for the outlined budget.

A sink hole under a water canyon was reported on the North side of the Lagoon 1 Basin. Investigation by Maintenance/CM determined that there was a large sink-hole which had formed. Further, flexing of the Basin over time has caused subsidence in the road bed. Structural requirements of the repair are needed, so a structural engineer has been brought on to prepare an assessment report for the short and long term repair of the basin.

#### **RP4 LAGOON SINK-HOLE AND BULGING**

The RP-4 Lagoon liner was noted to be bulging after a rain storm. An evaluation by the engineer has identified a solution and cost to repair this problem. A second engineer's report was authorized to confirm the first engineer's findings. A 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 affected.

#### **RP1 LAGOON SINK-HOLE AND BULGING**

The RP-1 Lagoon liner was noted to be bulging due to water cannon leakage and subsidence. An evaluation by the engineer has identified a temporary and permanent solution to make repairs. An RFP has been prepared by CM to be sent to CAP to bid said emergency work. Long term repairs have been forwarded to Engineering to review and incorporate into the TYCIP.

#### **RP4 FERRIC LINE REROUTING**

The RP4 Ferric Line 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 except for the tracing of the sodium hypochloride line. It is expected this scope of work will be done by the end of the month. Additional repairs will be addressed if indicated after trace testing is completed.

#### **RP-4 VALVE AND GAUGE INSTALLATION**

This project will install blow-off and gauges on the RP-4 pump station to relieve cavitations/vapor lock issues and monitor system operations. This project was bid by CAP. Currently, shop drawings are being reviewed by the engineer. A change order is being addressed that reflects a required reducer and alternative valve, but these changes are expected to be minor. Work is expected to be completed by June.

#### **IECRF DRAINAGE ISSUES**

This project resolves drainage issues on the west side of the IECRF Building and corrects access issues. Completion is pending operational test of the access ramps.

#### **MAIN OFFICE BUILDING SETTLING ISSUES**

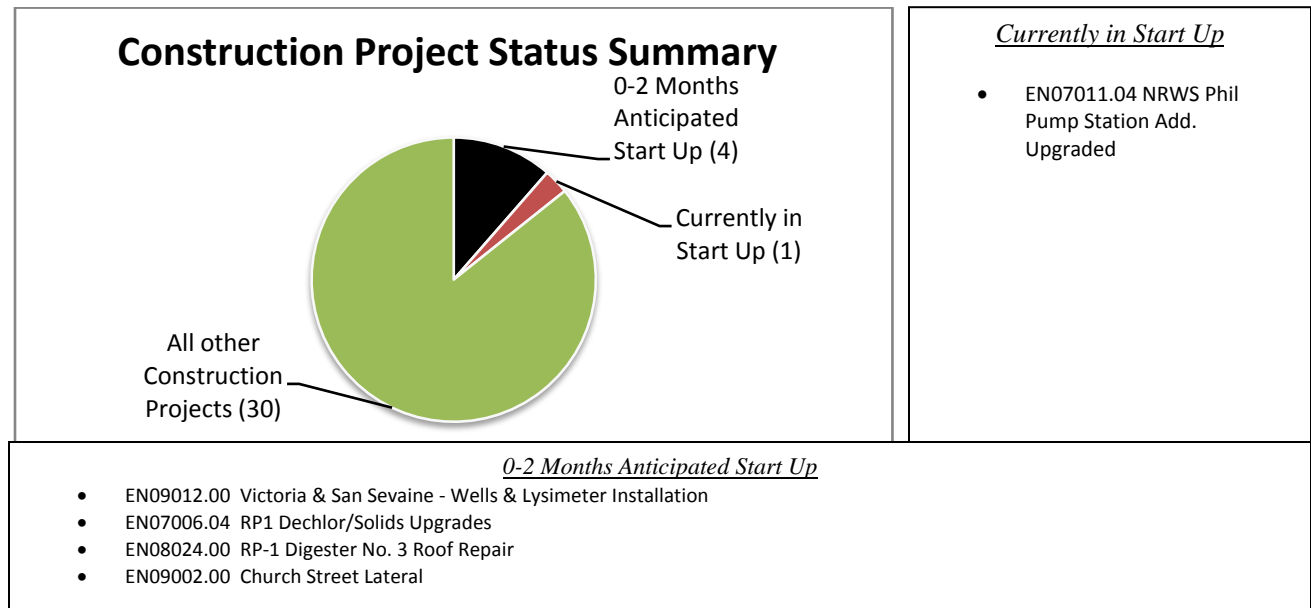
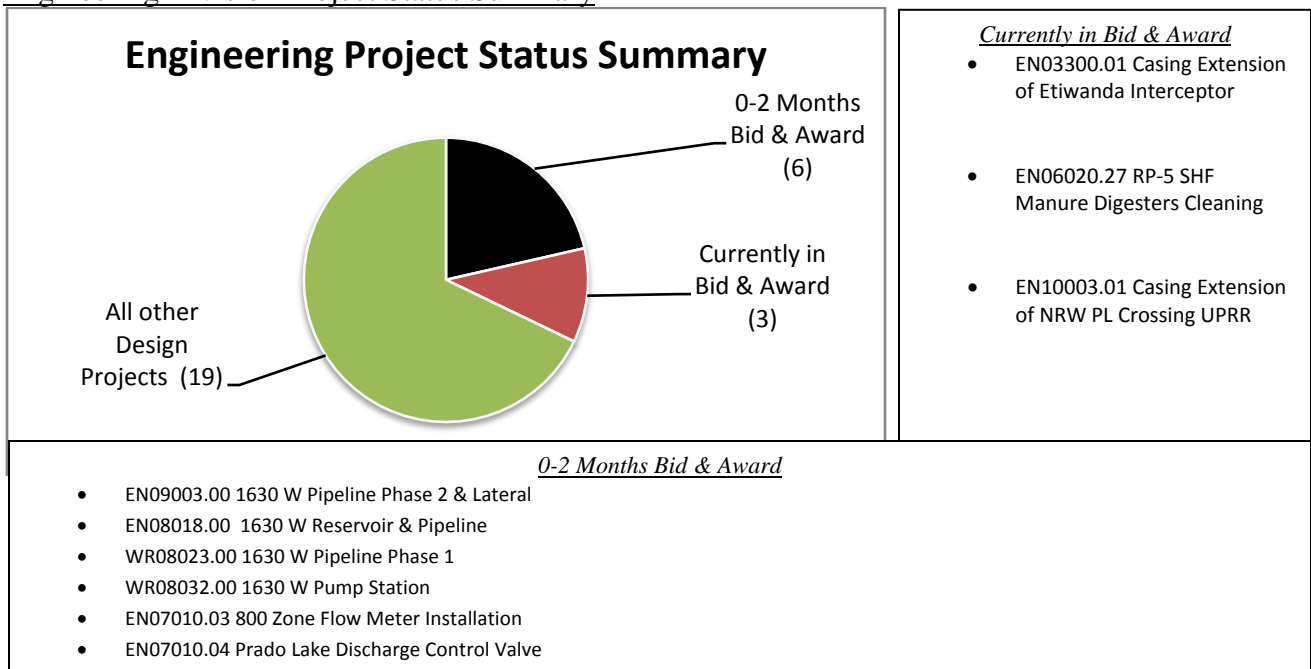
An evaluation by the engineer has identified a solution and cost repairs to the Main Office Building. A second engineer's report was authorized to confirm the first engineer's findings. A recommendation on these findings has been forwarded to Engineering and Executive Management for approval of an implementation plan.

#### **RP1 DIGESTER CROSS CONNECTION**

An apparent cross-connection was noted in the Digester area related to abandoned lines running to the primaries. As a result, a contractor was mobilized to the site and the cross connection was separated and blind flanges were placed on both pipes. Engineering is currently reviewing drawings and will make a recommendation to Operations on a permanent solution to this cross-connection.

**ENGINEERING**

**Engineering Division Project Status Summary**



**Engineering Division Construction Aggregate Metrics (Information is based on project in "active" status during FY 2009/10 and at least one change order)**

Total Projects	Total Original Contracts	Change Order Amount	Change Order Ratio by Type		Total Adjusted Contracts
28	\$115,561,702	\$11,606,281	Added or Omitted	6.0%	\$127,167,983
			All Other Change Orders	4.1%	

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## **PUBLIC INFORMATION**

### **Calendar of Events**

#### **May 2010**

- May 3, SB County Compost Workshop, Event Room
- May 4, SB County Compost Workshop, Event Room
- May 4, tour of RP-5 for Cal Poly Students
- May 4 - 7, ACWA's conference in Monterey
- May 5, Compost give away at HQ for Compost Awareness Week
- May 5, Tour of Compost Facility for Cal Poly Students
- May 5, tour of Agency facilities for a group of teachers from the Ontario Montclair School District
- May 10, tour of Compost facility for Cal Poly Students
- May 12, Tour of RP-5 for Cal Poly Students
- May 14-16, MWD Solar Cup 2010, Lake Skinner
- May 18, PSA Awards Ceremony, Frontier Project, 6:00 p.m.
- May 18, tour of RP-5 for Fontana High Students
- May 20, California Landscape Contractors Association workshop, Event Center
- May 26, IEUA Leadership Breakfast
- May 27, MWD Educators meeting at MWD
- May 31, Agency Holiday

#### **August 2010**

- August 12, County of San Bernardino Water Conference, Ontario Convention Center

### **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.

#### **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 were given to Cal Poly Students during the month of April.

**Educational Updates**

- IEUA held their Annual Earth Day Event at the Chino Creek Wetlands and Educational Park on April 22<sup>nd</sup>. Over 450 community members attended the event. A Ribbon Cutting Ceremony was held at the Garden in Every School® Demonstration Garden. Signs were displayed throughout the garden showcasing the winners of the art/testimonial contest.

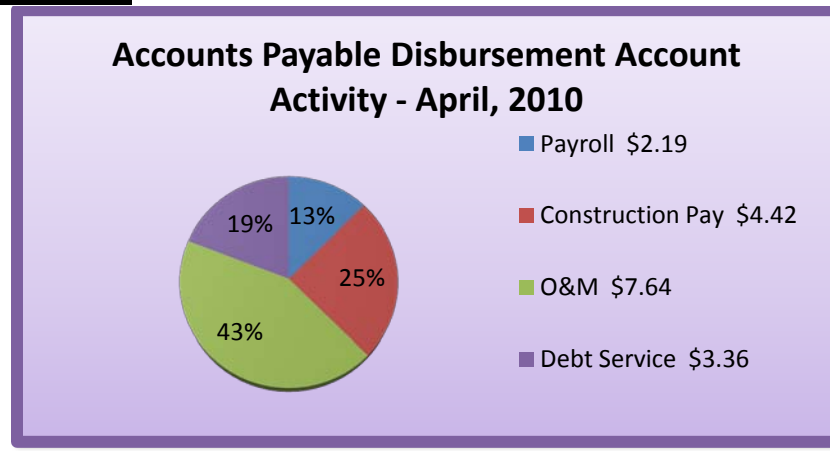
**FINANCE AND ADMINISTRATION**

<b>Major Revenues for the Period Ended April 30th 2010</b>			
(millions) Target is 83.33%			
A	B	C	D
Major Revenue Categories	Amended Budget	Actual to Date (Apr 2010)	% of Actual Vs Budget (Col B/Col C)
User Charges	\$46.0	\$36.0	78%
Recycled Water Sales	\$5.5	\$3.3	60%
Property Tax	\$34.4	\$26.8	78%
Connection Fees	\$4.8	\$7.1	149%
Grants	\$19.8	\$4.1	21%
SRF Loans	\$35.9	\$11.4	32%
	\$146.42	\$88.70	61%

**Explanation**

- 1) User Charges: In line with budget, on an annual basis
- 2) Recycle 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 4<sup>th</sup> quarter of the fiscal year.

**ACCOUNTS PAYABLE**



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During the Period April 1 through April 30, 2010, the Accounts Payable staff processed:

- 90 ACH Remittances
- 23 Wire Remittances
- 810 Check Remittances
- Vendor Invoices and Credit
- 1659 Memos

**ACCOUNTS RECEIVABLES**

**IEUA Aging Report – As of 05/3/2010**

**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
\$3,234,860.55	\$3,218,937.90	\$13,375.14	\$1,097.51	\$1,450.00	-	

Notes:

- 1) Current column, invoices billed, but not due yet.
- 2) Aging 1-30 Day, balance pertains to invoices that were recently due.
- 3) Aging 31-60 days, balance pertains to domestic waste customer behind on payment (JCPE)
- 4) Aging over 61-90 balance pertains to domestic waste customer (JCPE); denied entrance to IEUA plants until payment is received.

**Customer CDA (Due to IEUA)**

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$249,746.22	\$308.12	\$129,599.84	\$119,838.26	-	-	-

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 April '10, billable in May and payable in June.
- 3) Aging 31-60 days, pertains to expense (system due from/due to) posted in March '10, billable in April and payable in May.

**Customer RCA (Due to IEUA)**

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$595,898.68	\$570.31	\$280,587.46	\$314,740.91	-	-	-

Notes:

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

**Customer CBWM (On IEUA Books)**

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$375,000.00		-	-	-	-	\$375,000.00

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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. Per Tom Love, he will be resolving final payment with CBWM. Payment is anticipated on 6/01/2010, per Joe Joswiak from CBWM.

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

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

Notes:

Aging 1-30 days, pertains to invoice no. 1800001630, Public Retrofit; Project; customer is reviewing IEUA billing (cost). Invoice will be re-billed by the end of week 05/02/2010 and will include additional costs.

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

Investment Type	15-Mar	22-Mar	29-Mar	5-Apr	12-Apr	19-Apr	26-Apr	3-May
<b>SWEEP ACCOUNT – CBB</b>	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
<b>CDARS (1 YR) –CBB</b>	1.11%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
<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%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
<b>1 Yr CD Citibank</b>	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
<b>LAIF</b>	0.55%	0.54%	0.55%	0.55%	0.55%	0.55%	0.55%	0.54%
<b>US. Treasuries:</b>								
<b>US. Treasuries – 3-Mos</b>	0.16%	0.16%	0.14%	0.16%	0.17%	0.16%	0.16%	0.16%
<b>US. Treasuries – 6 Mos</b>	0.22%	0.24%	0.24%	0.24%	0.25%	0.24%	0.24%	0.24%
<b>US. Treasuries – 12 Mos</b>	0.39%	0.41%	0.42%	0.43%	0.47%	0.44%	44%	0.43%
<b>US. Treasuries – 2 Yrs</b>	0.93%	0.97%	1.05%	1.06%	1.11%	1.05%	1.05%	1.03%
<b>US. Treasuries – 3 – Yrs</b>	1.46%	1.50%	1.62%	1.65%	1.71%	1.63%	1.63%	1.58%
<b>US. Treasuries 5 – Yrs</b>	2.39%	2.42%	2.55%	2.60%	2.67%	2.57%	2.56%	2.50%
<b>US Government Sponsored Entities Benchmark Bullets</b>								
<b>2 yr Agency Bullets</b>	1.07%	1.10%	1.17%	1.22%	1.18%	1.11%	1.13%	1.13%
<b>3 yr Agency Bullets</b>	1.64%	1.65%	1.80%	1.84%	1.84%	1.75%	1.76%	1.76%
<b>5 yr Agency Bullets</b>	2.64%	2.65%	2.77%	2.81%	2.80%	2.70%	2.70%	2.70%

**Investment /Market Update**

The average maturity is 860 days for current investments exclusive of LAIF and SWEEP. Including LAIF, the average maturity is 360 days, (assuming 2 days to liquidate the LAIF investment and SWEEP Account).

IEUA investment portfolio rate of return is estimated at 1.15% for the month of April compared to 1.19% from prior month as reported in March Treasurer Report of Financial Affairs. The decrease

is the result of the GSE investment called in full on April 22<sup>nd</sup> which had a yield of 1.5%. The average monthly effective yield for LAIF yield is .547% as of April 27, 2010, compared to .54% for the month of March and .57% for February. Our current investment 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%, LAIF at .55% ad SWEEP at .90%.

**Various updates from Brokers & Bloomberg:**

- May 3 – James R. Hagerty - - Regulator of the Federal Home Loan Banks is warning these government-sponsored institutions to take fewer risks and stick to their core business of making secured loans to banks.

Edward DeMarco, acting director of the Federal Housing Finance Agency, which regulates the 12 regional home loan banks, signaled last week that the agency plans to keep them in a tight box in an effort to avoid the risk of taxpayer-funded bailouts. The home loan banks, which have outstanding debt of \$876 billion, constitute a subsidy to the bank industry. They can borrow cheaply on the bond market because investors assume that government would rescue them in a crisis.

This implies guarantee benefits more than 8,000 commercial banks, savings institutions, credit unions and insurers that own the home loan banks and borrow from them. In return for federal backing, the home loan banks are required to devote part of their profits to affordable-housing projects and to help pay off bonds issued by the government to clean up after the savings-and loan crisis of the late 1980s.

The home loan banks, created by Congress in 1932 as a way to prop up mortgage lenders, are likely to come under closer scrutiny as part of congressional efforts to replace or revamp mortgage investors Fannie Mae and Freddie Mac, whose losses led to a federal government rescue in 2008. That Congressional review may call into question the implied guarantee that allows the home loan banks to borrow cheaply.

- **April 29 (Bloomberg)** – Federal Reserve officials signaled they'll need to see more evidence of sustained gains in the job marker before ending their pledge to keep the benchmark lending rate at a record low for an "extended period."

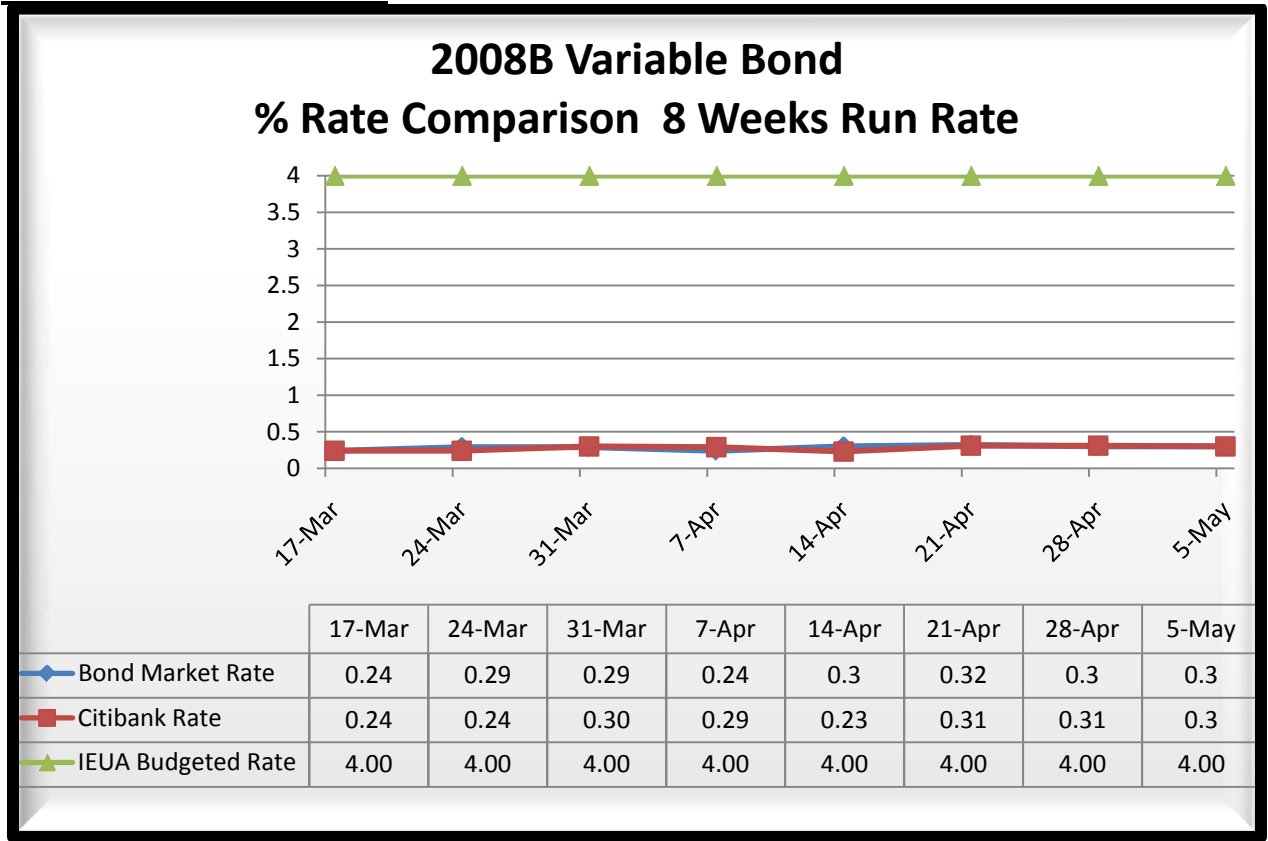
Chairman Ben S. Bernanke and his colleagues aren't in a hurry to withdraw stimulus with 15 million Americans unemployed, even as economic growth outpaces analysts' forecasts. Slack labor markets have pushed inflation lower, allowing the Fed to keep its Zero interest-rate policy in place to encourage businesses and households to borrow and spend. "You need the economy hitting a critical speed in the Fed's mind, have enough momentum behind it to be able to withstand the first moves to renormalize monetary policy," said John Ryding, a former Fed researcher who is now chief economist and founder of RDQ Economics LLC. Fed officials need to see "a few months of pretty solid private-sector job creation before they will tinker with the extended-period language."

The FOMC left the main interest rate in a range of zero to 0.25 percent, where it has been since December 2008.

- April 27 (Bloomberg)** – Treasuries rose on concern that Greece’s fiscal crisis may spread to Europe’s other indebted nations, sending stocks lower and boosting demands for the safest government securities.

Longer-maturity debt led the gains as Greece’s two-year yield climbed above 15 percent for the first time since at least 1998. Irish, Portuguese and Spanish notes also declined after Germany’s Chancellor Angela Merkel said Greece must provide a program for cutting its budget deficit before getting a European Union-led bailout package. The U.S. will sell \$44 billion of two-year notes.

**2008B Variable Bond Trend**



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**GRANTS**

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

~ April 2010 ~

Account Type	Total Number of Active Accounts	Total Award Amount	Total Amount Invoiced	Total Award Balance
IEUA Grants	16	56,903,474	37,967,483	18,935,991
IEUA Loans	6	71,086,736	36,964,976	34,121,760
Grants for CDA	1	2,800,000	-	2,800,000
<b>TOTAL:</b>	<b>23</b>	<b>\$ 130,790,210</b>	<b>\$ 74,932,459</b>	<b>\$ 55,857,751</b>

**GRANT INVOICE AGING REPORT FOR APRIL 2010**

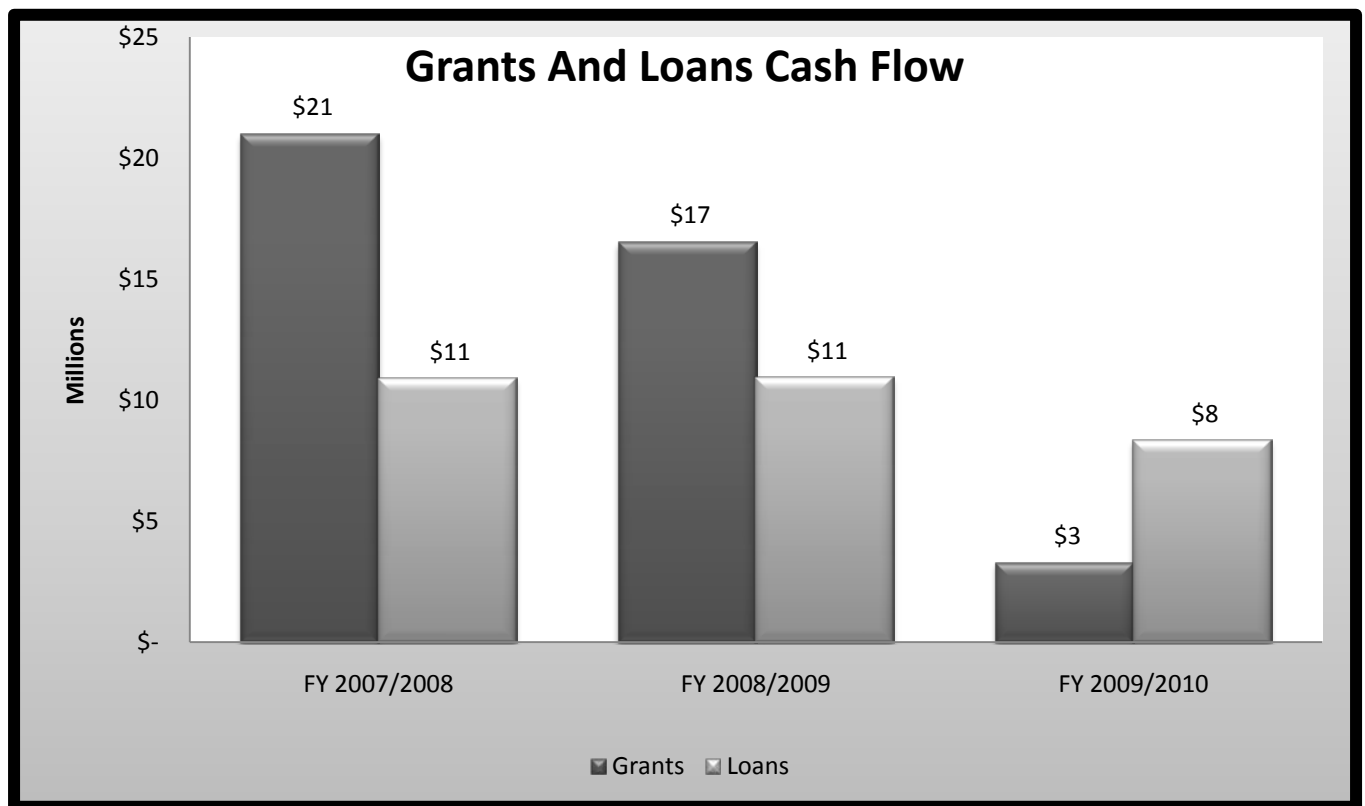
Agency	Total Outstanding	Total Past Due	60 To 90 Days	Over 90 Days	Retention
<b>DWR-\$15.5M Conjunctive Program</b> <i>Delayed due to State Grant Payment Suspension. 3/16/10--Per T. Billings, Division Manager @ DWR outstanding payments are pending allocation of the Oct. 2009 State Bond Sales.</i>	5,171,578	5,171,578		4,023,976	1,147,602
<b>State Water Resources Control Board</b> <i>SRF Loan Invoices \$1.9M pending approval by the State of Pay Estimate formatting issues and retention withholding, expect payment in May. Recycled Water Prop. 13 Grant Payment \$1.2M, pending allocation of State Bond Sales.</i>	6,431,451	3,191,885	2,699,452	492,433	
<b>DWR - Urban Drought/ULFT/Landscape Audit</b> <i>Delayed due to State Grant Payment Suspension. Received update on 4/22/10 -Urban Drought Grant Invoices for \$790k have been approved and sent to DWR Accounting Office; expect payment in 4 to 6 weeks.</i>	978,639	966,415	84,896	732,680	148,839
<b>USBR - Recycled Water Northwest Area</b>	164,273	-	-	-	-
<b>CA Office of Emergency Services</b> <i>State review of Closeout in process; pending Federal review.</i>	130,903	130,903	-	85,588	45,315
<b>USBR Irrigation Demo Projects</b>	13,430	-	-	-	-
<b>WaterReuse Foundation</b>	7,505	-	-	-	-
<b>TOTAL AMOUNT</b>	<b>\$ 12,897,779</b>	<b>\$ 9,460,781</b>	<b>\$ 2,784,348</b>	<b>\$ 5,334,677</b>	<b>\$ 1,341,756</b>

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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 Package		1	24,340,000
Grants for CDA Submitted by IEUA- Final Application		1	20,000,000
<b>Subtotal Final Applications</b>		<b>2</b>	<b>\$ 44,340,000</b>
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	3,276,199	8,318,639	11,594,838
<b>TOTAL CASH FLOW:</b>	<b>\$ 40,758,358</b>	<b>\$ 30,124,848</b>	<b>\$ 70,883,206</b>



**Other Division Updates on Significant Events:**

- IEUA internal audit of the Accounts Payable Department was completed. Management and Supervision are currently reviewing the preliminary report on Accounts Payable Processes.

With assistance from the Business System Analysts (BSA), staff completed the targeted financial reports configuration and testing, i.e., Auditors Trial Balance, and the Statement of Net Assets. These Critical reports were developed in "Crystal Reports" and are locate in the Crystal Reports Viewer Program. They will be utilized by Fiscal Management, Financial Planning, Executive Management, and internal and external audit staffs.

In compliance with the FY 09/10 Division and Departmental Budgeted Goals and Objectives, in March Fiscal Management staff began working with the Business System Analysts (BSA) to develop and Agency Wide SAP Closing Cockpit-starting with the Agency activities required to perform a timely month end closing for financial reporting. A preliminary schedule was provided to the BSA and is currently in development, with a target for initial implementation in June 2010. This online tool will then be a work in progress, and expanded in FY 10/11 to include the Fiscal Year End Closing processes. It will assist Agency Management and Supervision in tracking the Agency-wide business processes, and ultimately increase Agency-wide efficiencies and performance.

- **American Reinvestment and Recovery Act (ARRA) Project Site Visit**

- On April 21, 2010, the United States Bureau of Reclamation (USBR) and the State Water Resources Control Board (SWRCB) jointly conducted a project inspection of IEUA's ARRA funded Clean Water State Revolving Fund (CWSRF) projects. The site visit included a project status briefing and tour of the Northeast and Northwest area Recycled Water Construction sites. The Quarterly site visit is a requirement for our ARRA grants of \$46 Million dollars. The response we received from the USBR and SWRCB was that IEUA continues to meet all expected ARRA compliance requirements. The USBR and SWRCB appreciated the Support and cooperation that IEUA provided.
- On May 5, 2010, the Federal Committee on Transportation and Infrastructure (Committee) recognized the state of California for being one of the 23 states leading the nation in putting to work its wastewater infrastructure Recovery Act funds. Based on progress reports submitted to the Committee in April 2010, "California ranks first out of 51 states, based on the percentage of wastewater infrastructure Recovery Act funds put out to bid, signed contracts for and begun construction of projects totaling 100% of the State's funding". The Committee's commendation was forward to IEUA by the State Water Resources Control Board thanking staff for their efforts.

**FY 10-11 Budget Timeline**

FY 2010-11 budget on both Operating budget and the TYCIP is underway, below is the upcoming budget events for May 2010:

Date	Event
TBD	Workshop on Water Resources Program FY 2010/11 Budgets
5/6/2010	Approval on the FY 2010/11 Regional Wastewater and Recycled Water Program Proposed Budget by the Regional Policy Committee
5/11/2010	NRW Program Workshop for the FY2010/11 Proposed Budget and Rates
5/12/2010	Finalize FY10/11 – FY11/12 Investment Policy (IEUA & CDA) for Adoption
5/19/2010	Adoption of FY 2010/11 EDU, Connection Fees and Recycled Water rates