



Date: July 7, 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 July 15, 2010, as part of the Watermaster Advisory Committee agenda.

HUMAN RESOURCES

The Teams Graduation Ceremony will be held on July 7th. A total of 80 invitations have been sent out comprised of: 50 Level 1-4 employees who have completed their 96 hours of TEAMS training; 24 participants/graduates of the Southern California Local Government Supervisory Program; and 6 participants/graduates of the Southern California Local Government Leadership Academy.

As part of the monthly lunch and learn sessions, representatives from EDD's Disability Insurance Branch (DIB) Outreach and Education Unit will make a presentation to employees via interactive webinar on Thursday, July 29th from 12:00 p.m. to 1:00 p.m. at Agency Headquarters. The webinar will discuss the State Disability Insurance (SDI) and Paid Family Leave (PFL) programs. The second half of the meeting will allow employees to ask questions directly to representatives.

<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:	9
Total Regular Vacancies (Excludes Contract & Intern Positions):	11

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<u>RECRUITMENTS/PLACEMENT IN PROCESS</u>							
Position		Department	RFVP Received	Closing Date	Salary Range	Tentative Placement Date	Notes
1	Senior Maintenance Technician	RP-1/RP-4 Plant Maintenance	03/10	Open Until Filled	GU096	5/10	Offer Pending
2	Deputy Manager of Constr. Mgmt.	425-Construction Management	04/14/10	5/21/10	UN103	7/10	Testing Scheduled for 6/21/10

<u>POSITIONS ON HOLD (4% Vacancy Factor)</u>			
Position		Department	Vacant Since
1	Chief Financial Officer	210-Office of Finance & Admin	1/10
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	425-Construction Management	3/10
6	Sr. Engineer	517-Technical Services	2/10
7	Electrician II	553-RP2/CC Elect/Instrument Maint	11/09
8	Junior Operations Assistant	580-RP2/RP5 Operations	5/09
9	Compost Worker	590-Organics Management	2/09

CONTRACT/LIMITED TERM VACANCIES

None.

INTERN VACANCIES

None.

OPERATIONS DIVISION

CONTRACTS AND PROCUREMENT

- The RFP for uniformed security services was issued, a pre-proposal and site-walk was conducted on 6/9/10 with 23 contractor representatives participating; proposals are due 6/21/10.
- Sent a vendor survey (utilizing *Survey Monkey*) to 117 active contractors and suppliers; requesting responses by 6/17/10.
- Issued a contract amendment to Synagro, combining the cleaning of Digester No. 1 and 2 for a total overall savings of \$40,000.
- Completed the contract with Systech Integrator's, Inc., for SAP support services.
- Issued an RFP to obtain proposals for approximately 85 Dezurik and other manufacturer's valves for Digester No. 2 cleaning project.

THE CHINO CREEK WETLANDS AND EDUCATIONAL PARK

The Agency applied for grant funding through the California Department of Parks and Recreation's Habitat Conservation Fund for the annual Earth Day event at the park. The Agency

has received a verbal notice of award for the grant application in the amount of \$38,500 over a 5 year term.

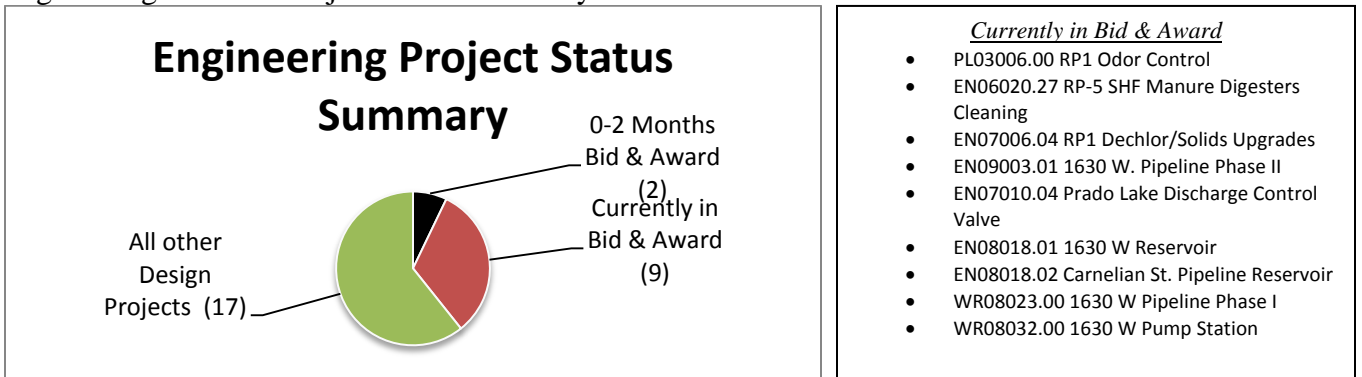
GROUNDWATER RESOURCES

SUMMARY OF CHINO BASIN GROUNDWATER RECHARGE OPERATIONS					
May 2010					
Drainage System	Recharge Volume (AF)*			Management	
Basin	SW/LR	MWD	Recycled	Zone Subtotals	
San Antonio Channel Drainage System					
College Heights	-	134	N	MZ-1 3,025 AF**	
Upland	-	-	N		
Montclair 1, 2, 3 & 4	71	2,300	N		
Brooks	2	-	356		
West Cucamonga Channel Drainage System					
8th Street	30	-	181	MZ-2 269 AF**	
7th Street	4	-	18		
Ely 1, 2, & 3	98	-	-		
Minor Drainage					
Grove	-	N	N		
Cucamonga and Deer Creek Channel Drainage Systems					
Turner 1 & 2	38	-	-		
Turner 3 & 4	27	-	70		
Day Creek Channel Drainage System					
Lower Day	1	-	X		
Etiwanda Channel Drainage System					
Etiwanda Debris	-	-	X		
Victoria	-	-	X		
San Sevaine Channel Drainage System					
San Sevaine 1, 2, 3, & 4	-	-	N		
San Sevaine 5	-	-	X		
West Fontana Channel System					
Hickory	-	-	111	MZ-3 504 AF**	
Banana	-	-	177		
Declez Channel Drainage System					
RP3 Cells 1, 3, & 4	37	-	231		
RP3 Cell 2	12	-	41		
Declez	6	-	-		
Non-Replenishment Recharge**					
Brooks (MVWD) MZ-1	-				
Montclair (MVWD) MZ-1	(71)				
Turner (SAWCO) MZ-2	-				
Ely (GE, Ontario) MZ-2	(76)				
Month Total = 3,798 AF	179	2,434	1,185		
Fiscal Year to Date Total					
Since July 1, 2009 = 23,087 AF	14,036	2,831	6,220		
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.					
Printed: Jun. 16, 10					

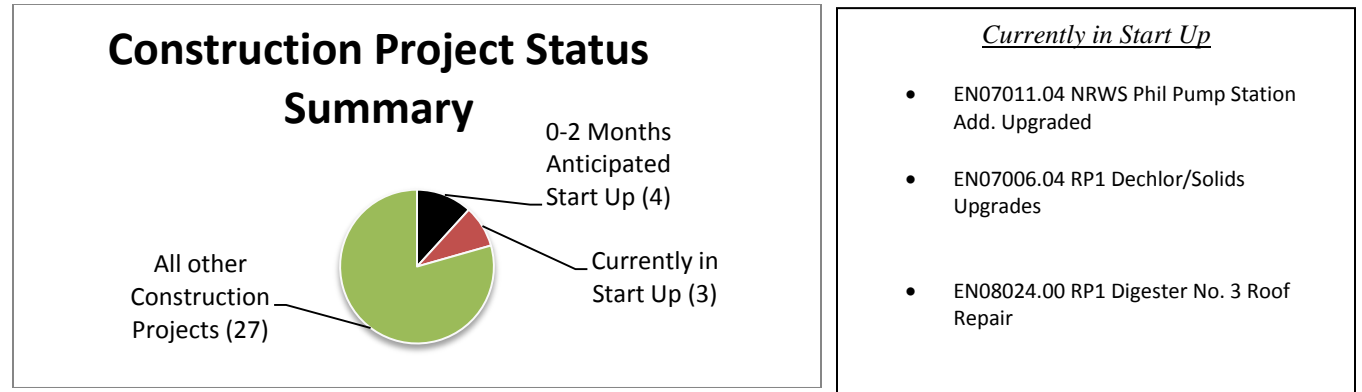
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ENGINEERING DIVISION

Engineering Division Project Status Summary



- 0-2 Months Bid & Award
- EN07010.03 800 Zone Flow Meter Installation
 - EN08013.05 CCWRF Aeration Basin Air Ducting Replacement Project



- 0-2 Months Anticipated Start Up
- EN08024.00 RP1 Digester No. 3 Roof Repair
 - EN09019.00 IS Server Room Mods. & Air Conditioning
 - EN09022.00 SCADA Service Room Mods. & Air Conditioning
 - EN09002.00 Church Street Lateral

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
36	\$119,391,974	\$7,428,776	Added or Omitted	5.65%	\$126,828,750
			All Other Change Orders	0.57%	

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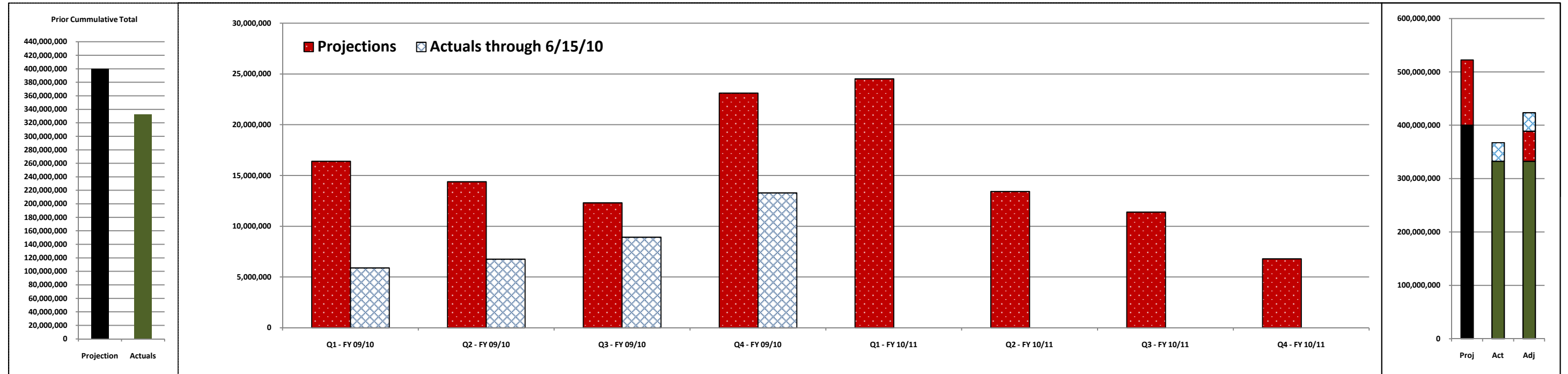
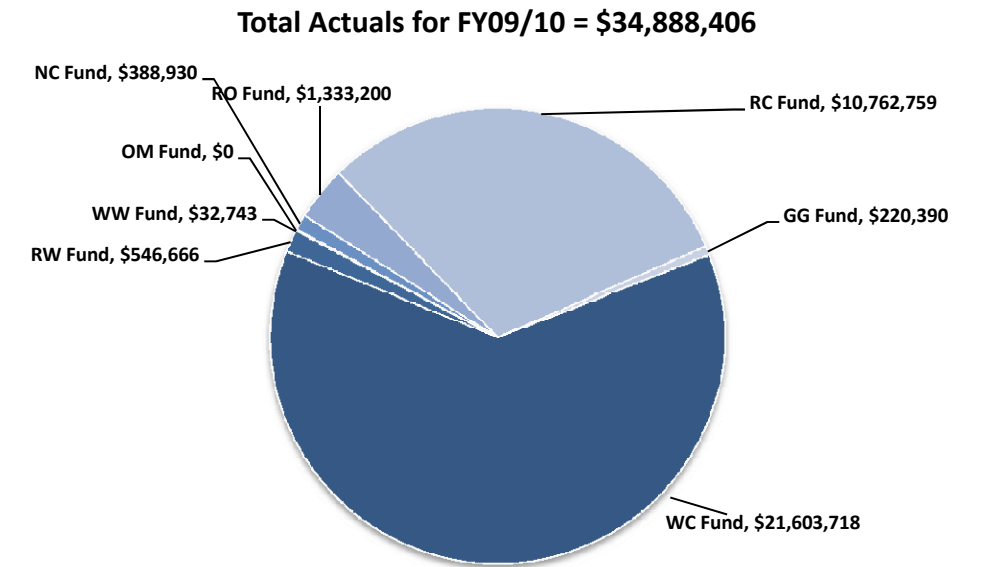
ENGINEERING ATTACHMENT

[10269 ATTACH A.PDF](#)



Capital Call by Fund

(Data Through 6/15/10)



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	8,854,396	2,866,855	6,832,931	7,939,341	5,580,000	182,929,510	92,434,282				
RW Fund	17,613,391	30,695,556	661,430	168,949	91,400	117,720	169,842	88,039	115,922	171,957	0	0	0	0	18,651,985	31,242,222				
WW Fund	8,466,937	4,064,888	88,409	0	88,409	0	88,409	0	88,409	32,743	0	0	0	8,820,573	4,097,631					
OM Fund	3,196,981	23,501	0	0	0	0	0	0	0	0	0	0	0	3,196,981	23,501					
NC Fund	17,279,882	10,121,357	0	110,042	0	116,005	0	118,599	0	44,284	820,771	25,000	25,000	18,175,653	10,510,287					
RO Fund	6,057,728	179,804	1,648,638	706,297	1,048,823	230,294	531,564	258,495	543,528	138,114	669,001	594,334	195,000	11,294,616	1,513,004					
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	3,914,487	20,066,410	5,978,574	3,235,020	274,985,114	217,816,200					
GG Fund	3,941,611	9,737,621	171,000	55,819	30,000	11,662	35,556	21,032	165,000	131,878	100,000	0	0	4,443,167	9,958,011					
Total Projections	400,122,696	332,706,732	16,407,554	5,908,652	14,390,677	6,755,994	12,313,324	8,935,901	23,116,611	13,287,860	24,523,037	13,430,839	11,394,361	6,798,500	522,497,599	367,595,138				
	-67,415,964		-10,498,902		-7,634,683		-3,377,423		-9,828,751		-24,523,037		-13,430,839		-154,902,461					

CONSTRUCTION MANAGEMENT

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

SSC Construction continues with submittals which include major components such as the centrifuges, truck scale system, inline grinders, bridge crane, and monorail and hoisting equipment. Field activities include completion of the centrate line, drain lines, form, reinforce and place column foundations, and continued backfill activities at the tote storage area. SSC Construction schedule submitted on June 9, 2010, includes submittal preparation and field activities continue to include form, reinforce, and place column foundations. Critical scheduled items for the next two weeks include installation of the conduit duct bank within the building foot print.

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

Mike Bubalo Construction Company (MBCC) has completed all construction activities within the RP-1 Facility, Ontario Soccer Complex, and the Whispering Lakes Golf Course. MBCC continues restoration activities and punch list items.

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

Coonstruction Inc. and its subcontractor prepared and verified the I/O List in preparation for the SBS system shutdown which was scheduled for June 15, 2010. This work included the removal of the existing I/O hub and replacement. All construction activities were to be completed by June 30, 2010.

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

The contractor continues to submit submittals and is coordinating field activities with his fabricators, vendors, and suppliers in order to perform the work. The mechanical piping has been released for fabrication. The contractor coordinated shutdown and tie-in details with subcontractors Trimax and Invensys during the last week of May. Several RP-1 Screen Development meetings have been held to satisfy the needs of the operations staff. In addition, it has been confirmed that the ABB meter delivery has been delayed to late August 2010. Manifold modifications are scheduled for the last week of June and staff is currently working on development of the SDTI.

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

IEUA staff and RMS completed a confined space entry into Digester No. 3 and assessed the condition of the digester's interior. RMS has completed its evaluation and has submitted their condition assessment with Agency Staff. Engineering staff is preparing a RFP for distribution.

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

A formal job walk was conducted on June 16, 2010. Award is scheduled for July with job completion scheduled for December 2010.

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

Final job walk was conducted. Construction for the San Sevaine Berm Improvement is complete. This project is now in the warranty phase.

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

The only item remaining on this project is completion of As-Built's by Engineering. This was expected to be completed by the end of June.

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

This project will retrofit the Philadelphia Lift Station for the use of recycled water. The contractor has submitted cost proposals for the third plan revision which removes the backflow preventer from the scope of work. The contractor also provided cost alternatives to re-route the proposed potable water line either through the building or around the building. Construction Management has evaluated the costs and recommends re-routing the proposed water line through the building so that it is out of plain-sight and not a tripping hazard.

1299 EAST RECYCLED WATER PIPELINE, PROJECT NO. WR08027

Hydrostatic testing of the pipeline has been completed with the exception of the recently installed portion which crossed East Avenue into the reservoir site. Air-vac and blow off installation is also complete with the exception of setting the valve cans. The contractor has been working on some minor fence restoration as well. WEKA is scheduled to complete hydrostatically testing the crossing of East Avenue at Day Canyon for the final stretch into the reservoir property, and then complete the tie-in of this section on both ends. There is still some minor fence restoration left to complete. WEKA is also scheduled to install a short section of pipe near the "T" connection at Arrow Route and Etiwanda Avenue, now that the hydrostatic testing is complete.

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

The pumps, motors and piping inside the building were completed along with the electrical equipment. The Electrical building roof trusses and roof decking were set along with doors and interior building finishes. Curbs were poured in place of bollards to expedite the delivery of power to the site. The control strategy and start plans have been submitted and are in review. The rehab of the reservoirs was completed along with testing the 36-inch CML&C. The contractor is scheduled to complete the piping installation within the building, install all flow meters, and set the compressor. The electrical wires are to be installed and tested. Loop checks, factory acceptance testing, and start up activities are scheduled to begin in the near future.

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

Golden State Boring has completed the bore under the 210 freeway, pushing the casing the entire length, and has completed the installation of the carrier pipe. Golden State has also completed the bore under the flood control channel near the San Sevaine turnout connection location. The contractor has completed most of the pipeline installation on East Avenue between Victoria and Baseline. The contractor will continue installing 36-inch pipe on East Avenue, crossing

the Metrolink Easement, to complete this portion of pipeline installation. They will also be working on the turnout locations at Victoria and San Sevaine Basins in preparation for installation of turnout piping and controls. The PCIS is scheduled to conduct the SCADA System Programming Workshop as well.

CHURCH STREET LATERAL, PROJECT NO. EN09002

The pipe delivery of the 30-inch was completed and stockpiled in the storage yard. The change order for the removal of the median island was approved and work began on the demo portion. A portion was also dug and laid along Baseline Avenue within the changed portion of the alignment. The contractor continues to dig and lay the 30-inch portion along Baseline Avenue. The contractor is also scheduled to submit O&M's and provide training.

MAGNOLIA CHANNEL, PROJECT NO. EN06020.03

The contractor has placed approximately 130 LF of the proposed 36-inch HDPE storm drain line. Additionally, the contractor continued cutting, mixing, and drying dirt which was excavated from the East Borrow Site. (This work was not part of the original construction activities). The contractor is currently working on the northeast section of the proposed basin and the diversion berm adjacent to the north road. Submittals for the proposed sewer and fire line for the Carson Companies have been approved and the contractor anticipates beginning construction within a week. The environmental site survey concluded the presence of selected nesting bird species along Area 1 and the presence of Least-Bell Vireo on Flowers Street. As described in past reports, this will delay the contractor's work and precludes him from obtaining borrow from the Area 1 location, creating a change in condition, requiring borrow to be obtained from the alternative East Borrow area, and requiring him to dispose of excess dirt when he is allowed in to Area 1. The contractor will not be able to work in either area during the nesting season which is expected to last until mid September.

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

Sancon re-mobilized to Philadelphia and Milliken to complete the full length liner between Manhole #70123 and #70124. An LMK Sectional CIPP will be used for Philadelphia, and Wineville, due to the larger longitudinal cracks now visible after previously being under flow. Additionally, a full length liner will be installed at the Ontario Mills Parkway location and the Philadelphia Avenue location, at no cost to the Agency. Sancon began the installation of the link-pipe and sectional liner inside the NRW line on Ontario Mills Parkway during the third week of June. Work was to be completed by June 2010. This project is scheduled to go to the Board of Directors on July 21, 2010.

REGIONAL PLANT NO. 5 RECYCLED WATER PUMP STATION EXPANSION, PROJECT NO. EN10001.00

The contractor has completed the RP-5 Pump Station. Factory certification and testing are in progress. June 21, 2010 through June 28, 2010 was utilized for the required seven-day test. Upon successful completion of this testing, final painting, and packing of pedestals will take place to complete project. Project is expected to go to the Board of Directors on July 21, 2010, for project acceptance.

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

Construction work on the project began on May 18, 2010. The contractor has begun installing new air conditioning ductwork and electrical conduit in Headquarters Building A (HQA). Wood framing for the new air conditioning units is being built on the roof of HQA. This work will continue at HQA and at Headquarters Building B (HQB) through the next two months. The contractor has submitted electrical shutdown requests for HQA on June 26, 2010, to complete the electrical tie-in for the air conditioning units. The anticipated delivery date of the approved AC units is July 28, 2010, based on correspondence with the construction contractor. Completion of this project is scheduled for August 2010.

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

The contractor completed the installation of the new electrical conduits from an existing outlet and switch to an existing electrical box at the Ferric Chloride secondary holding tank. Additionally, the old conduits were cut, grouted, and painted with a protective coating. The contractor has reached substantial completion. A job walk was conducted last week.

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

The contractor's quote for fabrication and installation of the baffles was received and was higher than expected. Engineering and Construction Management independently prepared a Means Cost estimate for comparison. Engineering has also requested an engineer's estimate from CDM. CDM has proposed alternatives in design to reduce costs and these alternatives are being considered by Engineering. It is anticipated that negotiations with the contractor to get a lower cost will be initiated within the next two weeks. If unsuccessful, the plan will be to put this project out to bid.

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

B&V Engineers is reviewing the second generator submittal and upon approval, the contractor will submit the plan for the generator pad and conduit layouts. The contractor will then proceed with construction of the generator pad. The only activities remaining to complete Phase I of this project are the outstanding items on the Harmonic Filters including replacement of components, full testing, and completion of the test reports. Upon completion of these activities, the contractor will be offsite until the generator unit is delivered.

MAIN OFFICE BUILDING SETTling ISSUES

A meeting has been scheduled with Engineering and Executive Management to schedule repairs and integrate cost into the Ten Year Capital Improvement Plan. A work plan for investigating recommendations requested by the engineer is currently being prepared.

EL PRADO SARI CLEAN-OUT MANHOLE FAILURE

Four of the lids for the clean-outs on the SARI Line have failed due to subsidence. Engineering and Construction Management are designing a fix for these lids. This work is expected to bid in June pending approval of traffic control plan by the City of Ontario to facilitate either a lane closure or temporary street closure.

REGIONAL PLANT NO. 2 SLUDGE LINE LEAK AND SUBSEQUENT FERRIC LEAK DISCOVERY

This work is complete. Staff is currently addressing minor changes in work encountered by the contractor. All paperwork is expected to be completed by the end of June.

REGIONAL PLANT NO. 1 DIGESTER CROSS CONNECTION

An apparent cross-connection was noted in the digester area related to abandoned lines running to the primaries. As a result, the contractor was mobilized to the site, the cross connection was separated, and blind flanges were placed on both pipes. It is expected that this seldom used connection will be abandoned versus attempting to find this pipe. Final paving is pending.

REGIONAL PLANT NO. 1 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. A contractor has been selected, based on their low bid and repairs are currently ongoing. Work is expected to be complete by the end of July.

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.

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 is currently under evaluation by staff. Additional repairs will be addressed, if indicated after trace testing is completed. Work is not expected to be completed until July.

IECRF DRAINAGE ISSUES

This project resolves drainage issues on the west side of the IECRF Building and corrects access issues. Final access issues on ramp have been resolved and this project is complete, pending final payment to the contractor.

PUBLIC INFORMATION

Calendar of Events

August 2010

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

October 2010

- October 22, Regional Water Conservation/Landscape Fair, Chino Basin Water Conservation District

November 2010

- November 6, 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 begin appearing at the end of May, 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, and La Opinion.
- Ongoing water wise gardening classes.

Agency Tours

Numerous tours of RP-5 wastewater plant were given during the month of June.

Educational Updates

- MWD held their Annual Solar Cup Competition at Lake Skinner on May 14-16. Ayala High School from the City of Chino Hills placed 14th out of 36 boats.
- The Water Discovery program in the Chino Creek Park is slowing down due to summer months and schools being off; however many tours are booked for the summer and some field trips are booked as well for year around schools.
- IEUA received a bussing grant in order to assist schools in transportation to and from the park. The marketing for the grant will begin early August.

FINANCE AND ADMINISTRATION

Account/Receivables

IEUA Aging Report – As of 06/14/2010

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

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$2,688,141.99	\$2,681,808.33	\$3,598.91	\$200.75	\$1,084.00	-	1,450.00

Notes:

- 1) Current column, invoices billed, but not due yet.
- 2) Aging 1-30 days, balance pertains to invoices that were recently due.
- 3) Aging 31-60 days, balance pertains to domestic waste customer behind on payment (JCPE* and Sam's Enterprise)
*Per JCPE owner on 6/10, he will declare bankruptcy, but stated he would pay balance within the next few weeks.
- 4) Aging over 61-90 balance pertains to domestic waste customer (JCPE); denied entrance to IEUA plants until payment is received.
- 5) Aging over 120 days, balance pertains to JCPE denied entrance to IEUA plants until payment is received in full.
* On June 10th JCPE owner advised us he will be declaring bankruptcy, but intends to pay outstanding balance within the next few weeks.

Customer CDA (Due to IEUA)

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$293,820.83		\$11,396.84	\$282,423.99	-	-	-

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 June, billable in July and payable in August.
- 3) Aging 31-60 days pertains to expense (system due from/due to) posted in May, billable in June and payable in July
Aging 3-60 days also includes amounts posted in April that will be paid in June.

Customer IERCA (Due to IEUA)

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$727,500.10	0.00	\$32,024.37	\$695,475.73	-	-	-

Notes:

- 1) Current column pertains to expense (system due from/due to) posted today.
- 2) Aging 1-30 days pertains to expenses (system due from /due to) posted in June, billable in July payable in August.
- 3) Aging 31-60 days pertains to expense (system due from/due to) posted in May, billable in June and payable in July.
Aging 31-60 days also includes amount posted in April that will be paid in June.

Customer CBWM (On IEUA Books)

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
(\$52,036.00)	-	-	(\$52,036.00)	-	-	

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Notes:

- 1) Current column, invoices billed, but not due yet.
- 2) Aging 31-60 days pertains to credit memo for reconciliation of debt service for FY08/09.

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:

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

- *Per Mir Fattahi, Bryan from S.B. Co. Reg. Parks will research the invoice (5/17/2010).
- *IEUA Accounts Receivable has placed a call to Bryan reminding him to provide update (5/17/2010).
- *IEUA Accounts Receivable e-mailed Phil Krause (Chief of Planning) on 6/2/2010.
- *Mir Fattahi from IEUA sent Phil Krause an e-mail on 6/16/2010.

Investment Yield Comparables – 8 Week Run Rates

Investment Type	26-Apr	3-May	10-May	17-May	24-May	31-May	7-Jun	14-Jun
SWEEP ACCOUNT –CBB	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
CDARS (1 YR) –CBB	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	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	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%
1 Yr CD Citibank	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
LAIF	0.55%	0.54%	0.52%	0.52%	0.52%	0.53%	0.54%	0.54%
US. Treasuries:								
US. Treasuries – 3-Mos	0.16%	0.16%	0.14%	0.16%	0.17%	0.16%	0.15%	0.10%
US. Treasuries – 6 Mos	0.24%	0.24%	0.22%	0.22%	0.23%	0.22%	0.22%	0.18%
US. Treasuries – 12 Mos	0.44%	0.43%	0.39%	0.38%	0.35%	0.38%	0.36%	0.33%
US. Treasuries – 2 Yrs	1.05%	1.03%	0.88%	0.85%	0.78%	0.85%	0.79%	0.75%
US. Treasuries – 3 – Yrs	1.63%	1.58%	1.41%	1.36%	1.24%	1.36%	1.26%	1.21%
US. Treasuries 5 – Yrs	2.56%	2.50%	2.29%	2.25%	2.10%	2.25%	2.10%	2.01%
US Government Sponsored Entities Benchmark Bullets								
2 yr Agency Bullets	1.13%	1.13%	1.05%	1.05%	0.94%	1.12%	1.00%	.95%
3 yr Agency Bullets	1.76%	1.76%	1.55%	1.55%	1.40%	1.74%	1.50%	1.45%
5 yr Agency Bullets	2.70%	2.70%	2.55%	2.55%	2.30%	2.68%	2.30%	2.37%

Investment /Market Update

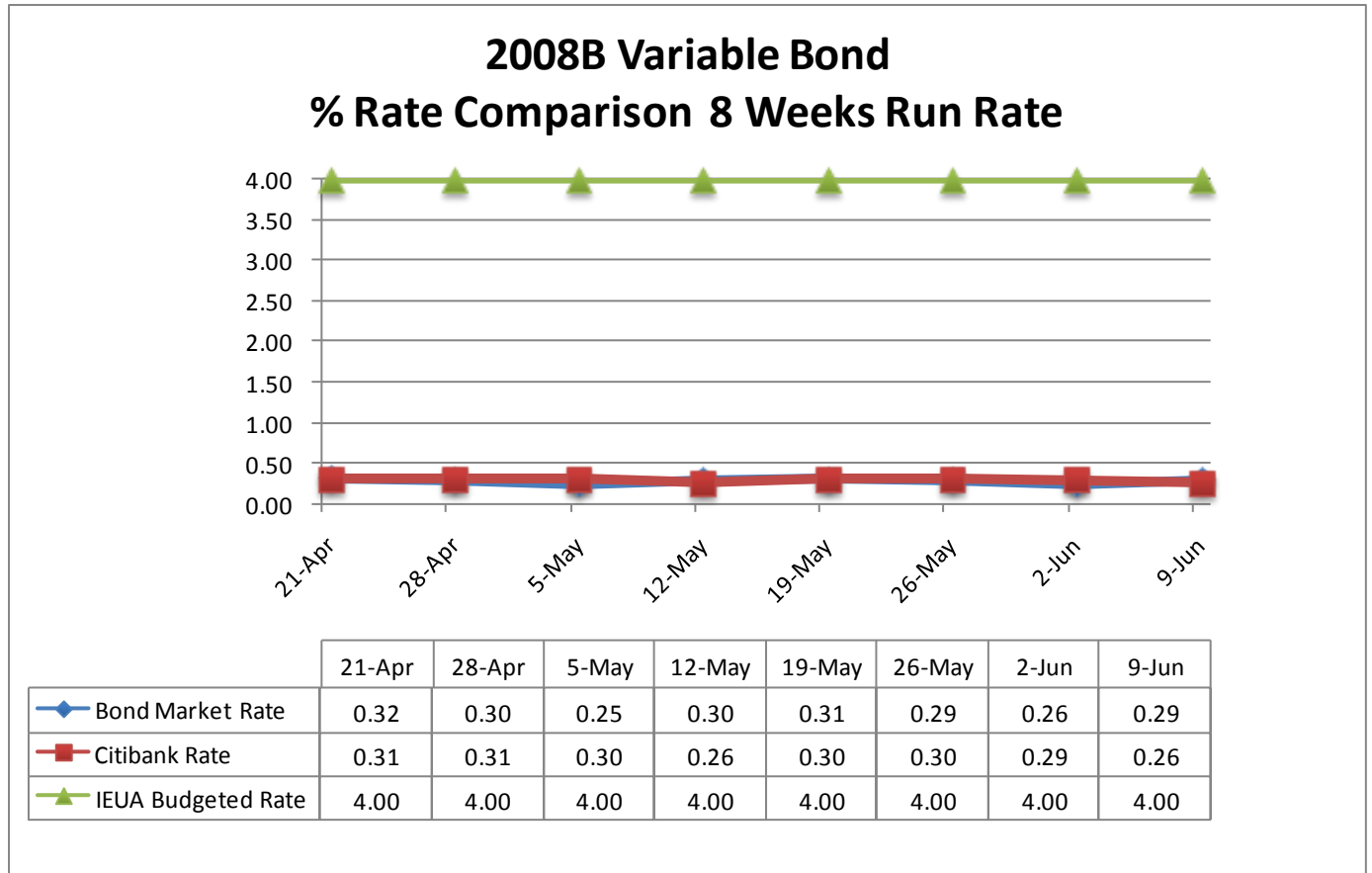
The average maturity is of the Agency's investment portfolio is 799 days for current investments exclusive of LAIF and SWEEP. Including LAIF, the average maturity is 317 days, (assuming 2 days to liquidate the LAIF investment and SWEEP Account).

IEUA investment portfolio rate of return is estimated at 1.14% for the month of June compared to 1.19% as reported in April Treasurer's Report of Financial Affairs. The estimated 5 basis points decrease is primarily due to the continued yield decline in the LAIF investment. The average monthly effective yield for LAIF yield is .54% as of June 07, 2010, compared to .58% for the month of April and .54% for March. 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% and SWEEP at .90%.

Various updates from Brokers & Bloomberg:

- Citigroup Global Markets, June 11 (Comments on Credit) -- In another week of erratic financial market trading and uneven economic reports, the outlook remains a little more uncertain than it seemed just a month or so ago. Notwithstanding the negative spin around last week's employment report, recovery's progress has done so much to bolster household's income prospects that we are not giving up on the view that self-sustaining growth is close at hand. But the turmoil in markets that abruptly tightened financial conditions in May and June is a reminder that some of the key supports to recovery are still fragile. Chances are that growth in the months ahead will fall shy of the estimated 3 1/4% or so pace of the first half.
- June 10 (Bloomberg) – Treasuries fell as a drop in U.S. continuing claims for unemployment benefits and signs of global economic strength reduced demand for safety. The drop pushed yields on 10-year notes up from almost a one-year low on eased concern Europe's sovereign-debt crisis will slow the worldwide recovery. The 30-year bond declined on speculation demand at today's \$13 billion sale of the security may be weak.
- WASHINGTON, June 9 (UPI) – The U.S. Federal Reserve said the pace of economic growth is modest in many of its 12 banking districts, but remains headed in a positive direction in all 12. The report noted a weakness in commercial real estate and a slowing of investment in inventories, which implies businesses are expecting demand will fall slack in the near-term.

• **2008B Variable Bond Trend**



Other Division Updates on Significant Events:

The Agency secured an Aa2/AA- credit rating from Moody’s and Standard & Poor’s on its 2010A Bond issue to refund the outstanding Chino Basin Regional Financing Authority Revenue Bonds, Series 1994. This is the same credit rating issued to the Agency’s 2008A and 2008B Bonds issues. The ability to maintain its credit rating despite the economic challenges facing the region is credited to the close collaboration of the Agency’s contracting member agencies, its Board of Directors and staff and their commitment to ensuring cost effective water and wastewater utility services and the sustainability of the Agency’s financial position.

1994 Revenue Bond Refunding (2010A Bonds) Timeline:

Date	Event
6/18/10	Post Final Official Statement (OS)
6/21/10	End of 30 day challenge period
6/29/10	Pricing: Execution of Bond Purchasing Agreement
7/7/10	Board Meeting update pre-closing, 30 – day challenge and credit ratings, final OS
7/15/10	Closing
8/9/10	Redeem the callable Series 1994 Bonds
8/11/10	Final Wrap up provided to the Board

Fiscal Year End Activities

Date	Event
6/17/10	Training on the Encumbrance carryforward process (Sadie)
6/23/10	Training on the Encumbrance carryforward process (Sadie)
6/30/10	Carryforward of Approved purchase Requisitions ONLY
7/15/10	Final day to enter prior year (FY2009/10) receipts