

Date: December 15, 2010

To: The Honorable Board of Directors

From: Thomas A. Love  
General Manager

Subject: General Manager's Report Regarding Agency Activities

---

**INTERAGENCY WATER MANAGERS' MEETING**

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

**HUMAN RESOURCES**

Open enrollment for the Agency's Section 125 Cafeteria Plan ended November 24, 2010. A total of 30 employees elected to participate in a flexible spending account (FSA) for 2011; 27 elected medical FSA's and 3 elected both medical and dependent care FSA's.

The nomination process for the 1st Half of FY 2010/11 STAR (Strive To Achieve Recognition) Awards ended on November 19, 2010. A total of 13 nominations were received. The winning recipients will be revealed on December 15, 2010, during the regular board meeting. The STAR Program is a long standing employee program that recognizes outstanding performance that upholds the overall objectives of the Agency. Eligible employees are selected from a pool of nominations for their excellence in leadership, creativity, performance, and/or teamwork that goes above and beyond the performance of their positions.

In compliance with Resolution 2010-9-2, Records Retention Compliance memos were sent to all department managers and records management liaisons during the week of November 8, 2010, which listed all records to be pulled, stored off-site or scanned. The deadline for submission to Records Management is January 10, 2011.

Records Management and Internal Audit staff visited dataLok storage facility which houses the Agency's off-site records. The Internal Audit Department prepared an analysis report of the Agency's current inventory records at the request of Human Resources. The purpose of the visit was to access the quality/assurance quality/control of services provided by dataLok storage.

<b><u>CURRENT STAFFING</u></b>	
Regular Full-time Employees:	281
Contract/Limited Term Employees:	15
Interns:	17
<b>TOTAL:</b>	<b>313</b>

[Type text]

General Manager's Report Regarding Agency Activities

December 15, 2010

Page 2 of 18

<b>CURRENT RECRUITMENT ACTIVITIES</b>	
Recruitments in Process/Offer Pending	3
Placement in Process:	0
No RFVP; Position on Hold:	11
<b>Total Regular Vacancies (Excludes Contract &amp; Intern Positions):</b>	<b>14</b>

<b>RECRUITMENTS/PLACEMENT IN PROCESS</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	Records Mgmt. Technician	250-Human Resources	9/10	10/29/10	GU086	1/11	1st phase of testing held 11/29
2	Assistant General Manager	110-Agency Mgmt	10/10	OUF	EX105	01/11	Application Review
3	Administrative Assistant	238-Financial Planning	11/16	12/3/10	UN091	01/11	Recruitment in Process
4	Instrument Technician II	553-Maintenance	11/16	12/3/10	GU095	01/11	Internal Recruitment in Process

<b>POSITIONS ON HOLD (5% Vacancy Factor)</b>			
	<b>Position</b>	<b>Department</b>	<b>Vacant Since</b>
1	Human Resources Analyst	250-Human Resources	9/10
2	Sr. Water Resources Analyst	312-Planning & Water Resources	7/08
3	Manager of Financial Planning	238-Financial Planning	11/10
4	Deputy Manager of Construction Management	425-Construction Management	8/08
5	Construction Project Coordinator (Ltd Term)	425-Construction Management	1/10
6	Construction Project Coordinator (Ltd Term)	425-Construction Management	8/10
7	Construction Project Coordinator	425-Construction Management	3/10
8	Sr. Engineer	517-Technical Services	2/10
9	Operator	540-RP1 Operations	8/10
10	Warehouse and Inventory Technician	546-Maint. Planning & Materials Mgmt.	8/10
11	Electrical Technician II	553-RP2/CC Elect/Instrument Maint	11/09

**CONTRACT/LIMITED TERM VACANCIES**

None.

**INTERN VACANCIES**

None.

**OPERATIONS**

**GROUNDWATER RECHARGE**

November 2010 had four rain events that resulted in measurable recharge. Prior to and during periods of rainfall, recycled water was halted to minimize pumping to basins that would spill during a large rain event. Total recharge for November was 1,911 AF and includes 773 AF of recycled water and 1,138 AF of captured stormwater and dry weather flows. Total recharge for the fiscal year through November is 6,367 AF and includes 3,998 AF of recycled water and 2,369 AF

General Manager's Report Regarding Agency Activities

December 15, 2010

Page 3 of 18

of captured stormwater and dry weather flows. For details by individual recharge basin, please see the included table.

<b>SUMMARY OF CHINO BASIN GROUNDWATER RECHARGE OPERATIONS</b>				
November 2010				
Drainage System	Recharge Volume (AF)*			Management Zone Subtotals
Basin	SW/LR	MW	RW	
<b>San Antonio Channel Drainage System</b>				<b>MZ-1</b> <b>589</b> AF**
College Heights	-	-	N	
Upland	<b>127</b>	-	N	
Montclair 1, 2, 3 and 4	<b>73</b>	-	N	
Brooks	<b>44</b>	-	<b>87</b>	
<b>West Cucamonga Channel Drainage System</b>				<b>MZ-2</b> <b>874</b> AF**
8th Street	<b>163</b>	-	<b>163</b>	
7th Street	<b>24</b>	-	-	
Ely 1, 2, & 3	<b>127</b>	-	<b>120</b>	
<b>Minor Drainage</b>				
Grove	<b>60</b>	N	N	
<b>Cucamonga and Deer Creek Channel Drainage Systems</b>				
Turner 1 & 2	<b>165</b>	-	-	
Turner 3 & 4	<b>39</b>	-	-	
<b>Day Creek Channel Drainage System</b>				
Lower Day	<b>11</b>	-	X	
<b>Etiwanda Channel Drainage System</b>				
Etiwanda Debris	<b>31</b>	-	X	
Victoria	<b>36</b>	-	<b>122</b>	
<b>San Sevaine Channel Drainage System</b>				
San Sevaine 1, 2, 3, & 4	<b>63</b>	-	N	
San Sevaine 5	<b>24</b>	-	<b>13</b>	
<b>West Fontana Channel System</b>				
Hickory	<b>36</b>	-	<b>51</b>	
Banana	<b>16</b>	-	<b>29</b>	
<b>Declez Channel Drainage System</b>				<b>MZ-3</b> <b>454</b> AF**
RP3 Cells 1,3, & 4	<b>97</b>	-	<b>188</b>	
RP3 Cell 2	<b>29</b>	-	-	
Declez	<b>95</b>	-	-	
<b>Non-Replenishment Recharge**</b>				
Upland (SAWCo) MZ-1	<b>(89)</b>			
Montclair (MVWD) MZ-1	<b>(3)</b>			
Turner (SAWCO) MZ-2	<b>(24)</b>			
Ely (GE, Ontario) MZ-2	-			
<b>Month Total = 1,917 AF</b>	<b>1,144</b>	<b>0</b>	<b>773</b>	
<b>Fiscal Year to Date Total</b>				
Since July 1, 2010 = 6,373 AF	<b>2,375</b>	<b>0</b>	<b>3,998</b>	
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.				

**TECHNICAL SERVICES**

Updates on select activities being performed by the Technical Services Department are given below:

**RP-4 O&M Manual:** Technical Services managed the development of the RP-4 O&M Manual. The Manual is complete, and Operations staff has been trained on its use. Currently, the ISS Department is adapting the electronic RP-4 O&M Manual to a form that can be accessed on PIPES.

**Testing of Modes of Digestion:** To support the objective of optimizing the performance of the Agency's anaerobic digester systems, Technical Services is developing a plan to test different modes of digestion in a side-by-side fashion at RP-1. The testing will compare the operating cost and the biogas production of different modes of digestion. To finalize the plan, Technical Services is working with the DCS group to implement needed changes to the automation and control system.

**Philadelphia Lift Station Evaluation:** Technical Services has completed an evaluation of the pumping and force main systems at the Philadelphia Lift Station in order to determine a strategy for constructing inspection clean outs on the force mains. Recommendations were provided to address needed changes to the construction bid documents.

**RP-1 Dewatering Facility Expansion:** Significant input is being provided by Technical Services on the development of the control system interface displays for this project.

**RP-5 Biofilter Media Replacement:** Media specifications were developed by Technical Services staff. Inspection and quality control support is being provided during construction. Surface irrigation deficiencies were identified, and improvements will be coordinated by Technical Services.

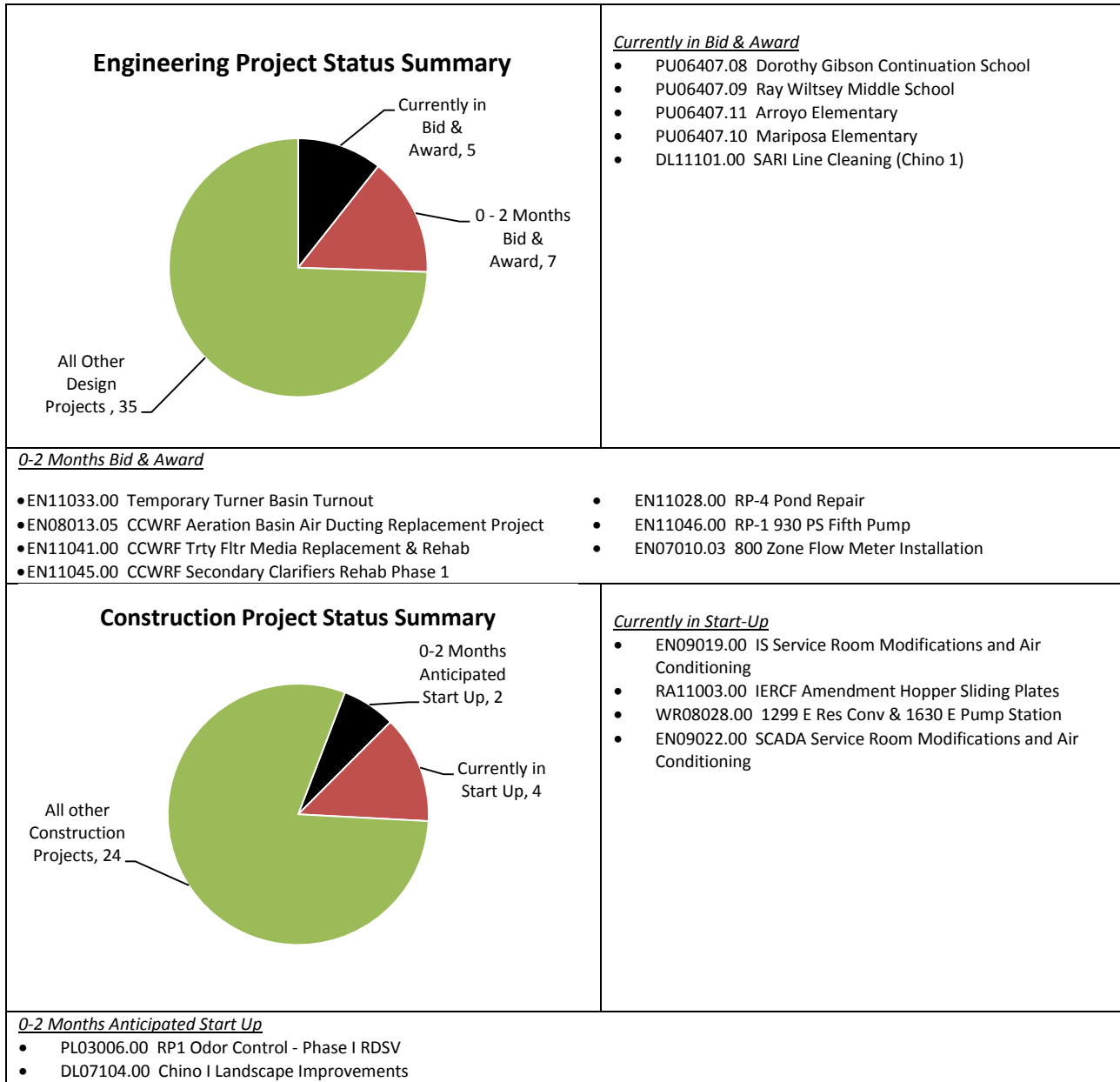
**BUILDING ACTIVITY REPORT**

Contracting Agency	Yearly Projected Building Activity (EDUs)	Yearly Total Activity (EDUs)*	Yearly Total Activity / Projected Activity (%)	FY 09/10 Connection Fees
City of Chino	42	11	26%	\$ 58,774
City of Chino Hills	107	16	15%	\$ 54,091
C.V.W.D.	121	31	26%	\$ 139,275
City of Fontana	550	147	27%	\$ 703,599
City of Montclair	20	4	20%	\$ 18,833
City of Ontario	260	20	8%	\$ 78,231
City of Upland	58	90	155%	\$ 416,169
<b>TOTAL</b>	<b>1,158</b>	<b>319</b>	<b>28%</b>	<b>\$ 1,468,972</b>

\* Includes all member agency reports through FY 09/10 1st Quarter

**ENGINEERING**

**Engineering Division Project Status Summary**



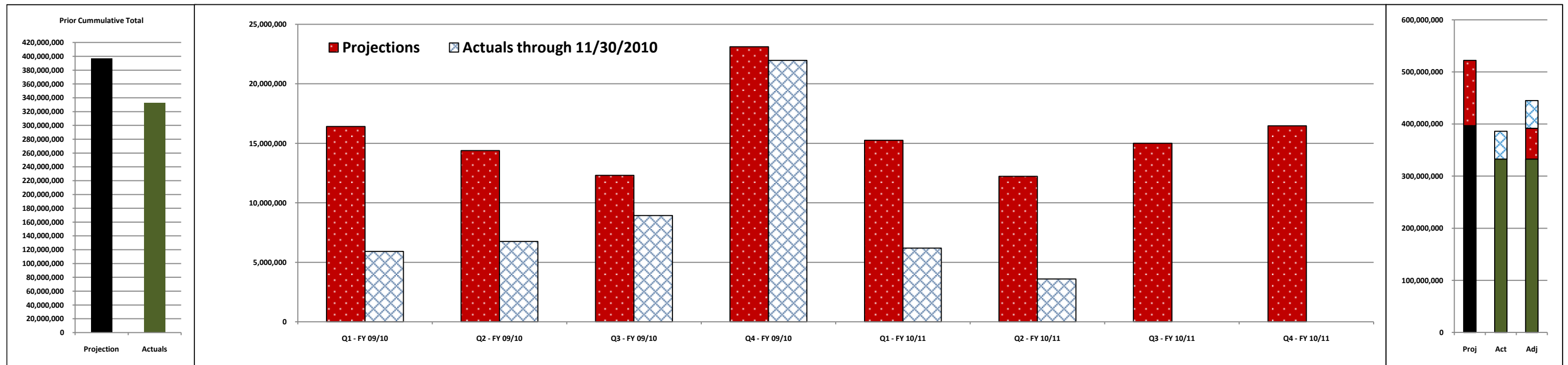
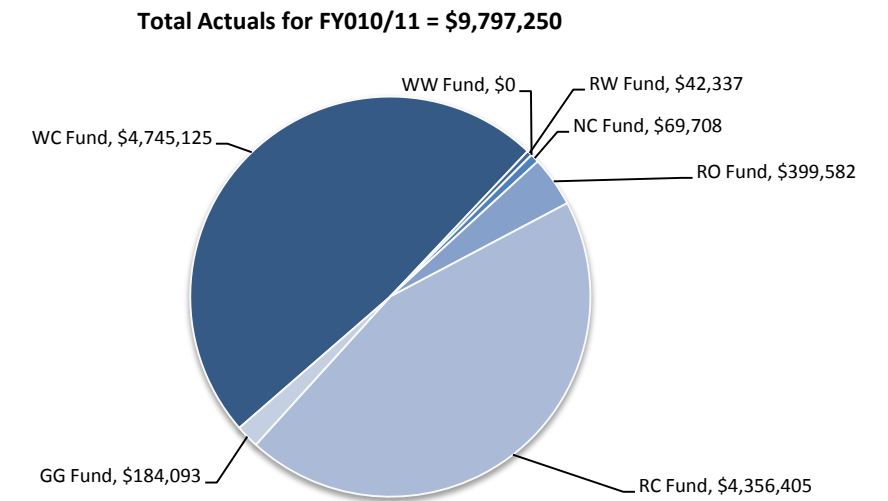
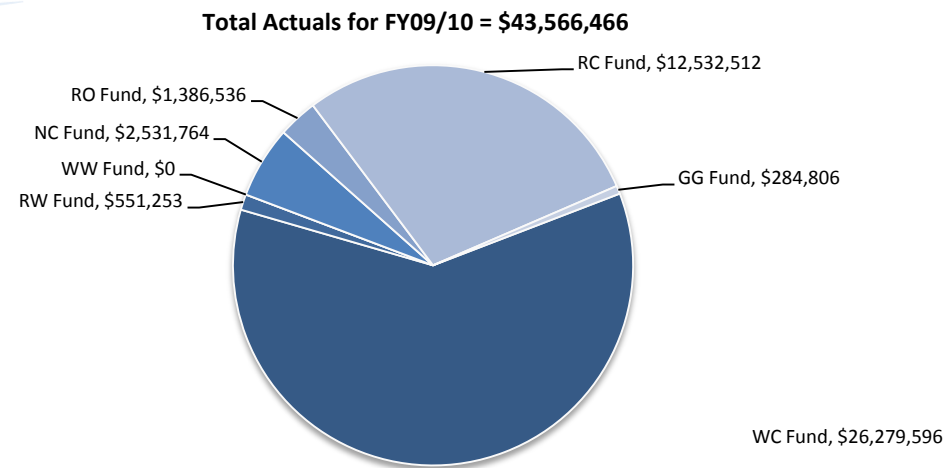
**Engineering Division Construction Aggregate Metrics**

(Information is based on projects in "active" status during FY 2010/11. Information is through November 30, 2010)

Total Projects	Total Original Contracts	Change Order Amount	Change Order Ratio by Type	Total Adjusted Contracts
28	\$56,784,983	\$2,225,731	Added or Omitted	\$59,010,714
			All Other Change Orders	2.00%

**INSERT ENGINEERING 11x17**  
**[10455 Attach A.pdf](#)**

## Project Costs Forecast By Fund (Data Through 11/30/2010)



Fund	Prior Cumulative Total Through Jun 09		Q1 - FY 09/10 Jul 09 - Sep 09		Q2 - FY 09/10 Oct 09 - Dec 09		Q3 - FY 09/10 Jan 10 - Mar 10		Q4 - FY 09/10 Apr 10 - Jun 10		Q1 - FY 10/11 Jul 10 - Sep 10		Q2 - FY 10/11 Oct 10 - Dec 10		Q3 - FY 10/11 Jan 11 - Mar 11		Q4 - FY 10/11 Apr 11 - Jun 11		Total	
	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act	Proj	Act
WC Fund	119,077,472	70,830,564	7,539,681	1,935,226	10,187,645	4,495,351	8,160,137	6,318,745	14,745,448	13,530,273	6,288,819	3,031,995	5,627,269	1,713,131	7,882,033	0	6,326,598	0	185,835,102	101,855,285
RW Fund	17,613,391	30,695,556	661,430	168,949	91,400	117,720	169,842	88,039	115,922	176,544	0	54	15,946	42,282	41,000	0	3,000	0	18,711,931	31,289,146
WW Fund	8,466,937	4,064,888	88,409	0	88,409	0	88,409	0	88,409	0	298,146	0	298,146	0	298,146	0	298,146	0	10,013,158	4,064,888
NC Fund	17,279,882	10,121,357	0	110,042	0	116,005	0	118,599	0	2,187,118	918,455	55,286	1,576,358	14,422	68,251	0	54,251	0	19,897,197	12,722,829
RO Fund	6,057,728	179,804	1,648,638	706,297	1,048,823	230,294	531,564	258,495	543,528	191,451	1,207,076	233,248	804,159	166,334	636,525	0	767,200	0	13,245,241	1,965,922
RC Fund	224,488,694	207,053,441	6,298,396	2,932,319	2,944,400	1,784,963	3,327,816	2,130,990	7,458,304	5,684,240	6,194,828	2,719,820	3,622,250	1,636,585	5,827,760	0	8,964,397	0	269,126,846	223,942,358
GG Fund	3,941,611	9,737,621	171,000	55,819	30,000	11,662	35,556	21,032	165,000	196,293	350,278	158,054	283,501	26,039	243,501	0	57,331	0	5,277,778	10,206,520
<b>Total Projections</b>	<b>396,925,715</b>	<b>332,683,231</b>	<b>16,407,554</b>	<b>5,908,652</b>	<b>14,390,677</b>	<b>6,755,994</b>	<b>12,313,324</b>	<b>8,935,901</b>	<b>23,116,611</b>	<b>21,965,920</b>	<b>15,257,603</b>	<b>6,198,458</b>	<b>12,227,630</b>	<b>3,598,792</b>	<b>14,997,217</b>	<b>0</b>	<b>16,470,924</b>	<b>0</b>	<b>522,107,254</b>	<b>386,046,947</b>
	-64,242,484		-10,498,902		-7,634,683		-3,377,423		-1,150,691		-9,059,145		-8,628,838		-14,997,217		-16,470,924		-136,060,306	

## **PUBLIC INFORMATION**

### **Calendar of Events**

#### **December 2010**

- December 23, Employee Holiday Breakfast, 7:00 a.m. IERCF and RP-4, 8: a.m. RP-1 Ops and LAB, 8:30 a.m. RP-1 Maintenance, 9:00 a.m. HQ-A & B in Event Room
- December 24, Offices closed
- December 27, Offices closed
- December 31, Offices closed

#### **January 2011**

- January 26, Project Learning Tree Workshop, 8:00 a.m. HQB Event Room

### **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**

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

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

### **Educational Updates**

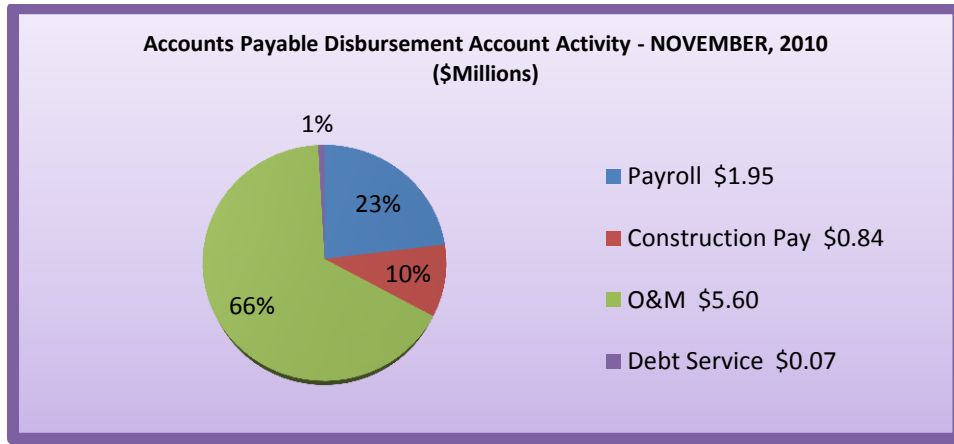
- The Water Education Water Awareness Committee approved fifteen EduGrants with ten being in IEUA's service area.
- IEUA has received a total of seven Bussing Mini Grants for transportation to the Chino Creek Park to take part in the Water Discovery program. So far ten field trips have been hooked for the Water Discovery Program for this school year.

**FINANCE AND ADMINISTRATION**

<b>Major Revenues for the Period Ended NOV 30, 2010</b>			
<b>(millions) Target is 41%</b>			
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Major Revenue Categories</b>	<b>Amended Budget</b>	<b>Actual to Date (NOV 2010)</b>	<b>% of Actual Vs Budget (Col B/Col C)</b>
User Charges	\$50.1	\$19.1	38%
Recycled Water Sales	\$3.5	\$1.2	35%
Recycled Water Rebates	\$2.1	\$0.4	20%
Property Tax	\$33.8	\$1.9	6%
Connection Fees	\$5.2	\$1.0	19%
Grants	\$10.5	\$4.7	45%
SRF Loans	\$21.3	\$5.3	25%
	\$126.50	33.68	27%

**EXPLANATION:**

- 1) “Actual To Date” includes one month of accruals based on previous billings for “User Charges” and “Recycled Water Sales,” all other categories are based on actual amounts.



For the month of November, 2010 the Accounts Payable staff processed:

- 79 ACH Remittances
- 16 Wire Remittances
- 612 Check Remittances
- 1097 Vendor Invoices and Credit Memos

**Account Receivables**

**IEUA Aging Report – As of 11/30/2010**

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

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$6, 101,417	\$5,795,686	\$296,469	\$6,630	\$	\$	\$2,632

# General Manager's Report Regarding Agency Activities

December 15, 2010

Page 10 of 18

**Notes:**

1. Aging 1-30 days; balance for invoices that were recently due: majority of balance pertains to City of Upland, invoice is one day past due.
2. Aging 31-60 days; balance pertains to JCSD
3. Aging over 120 days; balance pertains to JCPE; denied entrance to IEUA plants until payment is received.
  - ❖ Per JCPE owner on 10/1/2010, he is working with attorney on bankruptcy documentation.

**Customer CDA (Due to IEUA)**

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$222,273		\$62,826	\$159,447			

**Notes:**

1. Aging 1-30 days; Pertains to expenses (system due from /due to) Posted in November '10, billable in December and payable in January
2. Aging 31-60 days; Pertains to expenses (system due from/due to) posted in October '10, billable in November and payable in December.

**Customer IERCA (Due to IEUA)**

Total Outstanding	Current	No. of Days Past Due Between				
		1-30	31-60	61-90	91-120	>120
\$466,305		\$175,448	\$290,857	-	-	-

**Notes:**

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

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

Total Outstanding	Current	1-30	31-60	61-90	91-120	>120
\$52,000	\$52,000	-	-	-	-	-

**Notes:**

Current column: invoice billed, but not due yet.

**Market Updates:**

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

Investment Type	11- Oct	18-Oct	25-Oct.	1-Nov	8-Nov	15-Nov	22- Nov	29-Nov
<b>SWEEP ACCOUNT –CBB</b>	0.80%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
<b>CDARS (1 YR) –CBB</b>	0.60%	0.60%	0.60%	0.60%	.60%	0.60%	.60%	0.60%
<b>1 Yr CD – BofA</b>	0.60%	0.60%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
<b>1 Yr CD – Wells Fargo</b>	0.20%	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	0.15%
<b>1 Yr CD Citibank</b>	0.55%	0.55%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>LAIF</b>	0.48%	0.48%	0.48%	0.46%	0.45%	0.46%	0.45%	0.45%
<b>US Treasuries:</b>								
<b>US Treasuries – 3-Mos</b>	0.13%	0.14%	0.14%	0.13%	0.13%	0.13%	0.14%	0.14%
<b>US Treasuries – 6 Mos</b>	0.17%	0.17%	0.18%	0.18%	0.16%	0.16%	0.19%	0.19%
<b>US Treasuries – 12 Mos</b>	0.24%	0.22%	0.22%	0.23%	0.22%	0.24%	0.27%	0.27%
<b>US Treasuries – 2 Yrs</b>	0.38%	0.37%	0.36%	0.38%	0.35%	0.46%	0.52%	0.52%
<b>US Treasuries – 3 – Yrs</b>	0.57%	0.59%	0.53%	0.57%	0.49%	0.65%	0.78%	0.78%
<b>US Treasuries 5 – Yrs</b>	1.17%	1.16%	1.14%	1.24%	1.11%	1.25%	1.51%	1.51%
<b>US Government Sponsored Entities Benchmark Bullets</b>								
<b>2 yr Agency Bullets</b>	0.40%	0.53%	0.43%	0.50%	0.50%	0.66%	0.62%	0.65%
<b>3 yr Agency Bullets</b>	0.74%	0.76%	0.62%	0.60%	0.70%	0.83%	0.91%	0.90%
<b>5 yr Agency Bullets</b>	1.45%	1.27%	1.29%	1.36%	1.37%	1.37%	1.71%	1.70%

**Investment /Bank/Market Update:**

The average maturity is 687 days for current investments exclusive of LAIF and SWEEP. Including LAIF and SWEEP accounts, the average maturity is 282 days, (assuming 2 days to liquidate the LAIF investment and SWEEP account).

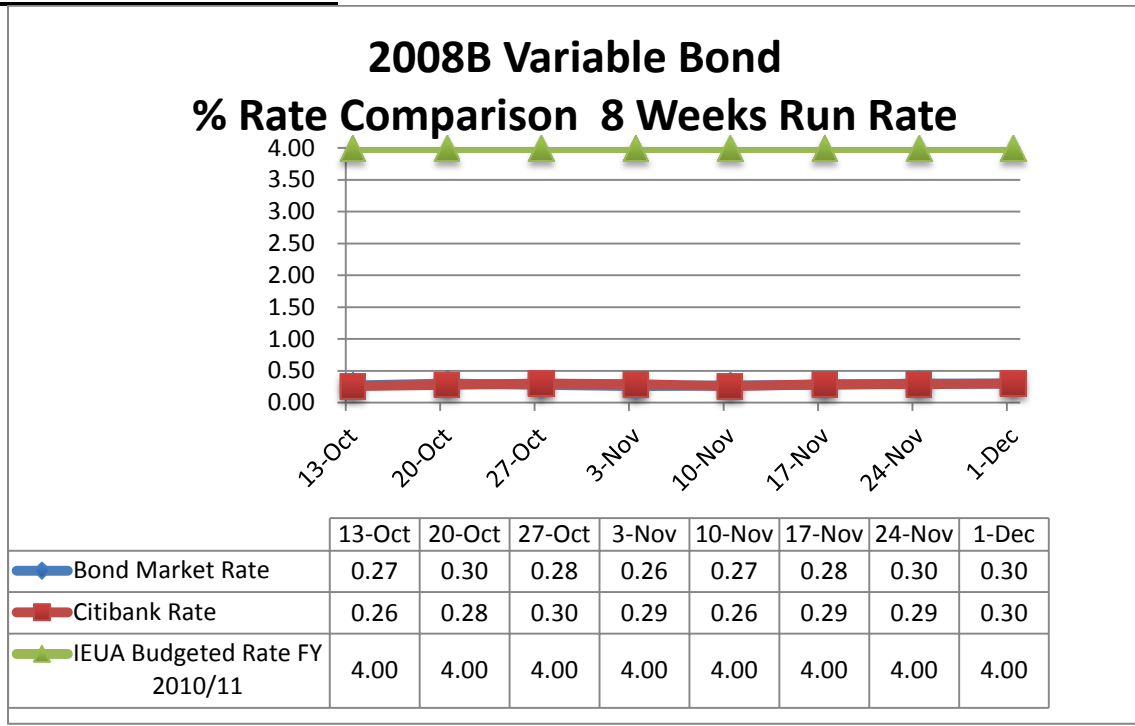
IEUA investment portfolio rate of return is estimated at .91% for the month of November compared to .93% as reported in October Treasurer's Report of Financial Affairs. The estimated 2 basis points decrease is due to continued decline in the LAIF investment yields. The average monthly effective yield for LAIF is .46% as of November 29, 2010, compared to .48% for the month of October and .50% for September. The Agency's current investment's includes GSE with an average yield to maturity of 1.8%, Municipal Bonds at 1.9%, Medium Term Notes at 1.1%, two accounts in CDARS at .60% APY (Oct'11 maturity) & .75% APY (July'11 maturity). The combined CDARS yield is .69% and SWEEP at .70%.

Effective December 1, 2010, CBB Sweep account rate dropped to .60% from .70%.

**Various Updates from Brokers:**

- **November 28 (CNN Money)** – The future of Bush-era tax cuts, and extension of unemployment benefits and the federal budget are on the congressional agenda over the next two weeks. President Barack Obama is scheduled to meet with Republican and Democratic leaders on Tuesday to see whether the parties can compromise on extending the tax cuts which are scheduled to sunset at the end of the year. If Congress doesn't approve an extension for unemployment benefits, about 2 million job seekers will stop getting checks by the end of the December.
- **November 20 (Barrons.com)** – Banks Face Another Mortgage Crisis – Various Federal Home Loan Banks around the country have filed suits against a number of bank underwriters, seeking rescissions, or putbacks, on around \$25 billion worth of mortgage-backed securities based on defects in their mortgages and misleading prospectuses. Likewise, over 100 major mortgage-bond investors, reportedly including Pimco, BlackRock and Fannie Mae, are banding together by joining a clearing house of private-label securities holders established by Dallas litigator Talcott Franklin. If the group decides to sue the banks, they would have ample legal standing since they represent considerably more than 25% of the holders on more than \$500 billion of damaged private-label mortgage bonds. The 25% minimum holding level is sometimes regarded as a necessary threshold for legal standing.
- **November 19 (CitiGroup)** – New historic lows in inflation set the stage for a forceful defense of monetary policy by the Fed Chairman. Accommodation efforts are supporting global recovery while foreign policies that short-circuit the effects of strong capital inflows on currency appreciation deflect forces that might otherwise contain overheating risks. Alternative policies to restrain inflation in emerging economies may produce a suboptimal result of undue domestic restraint that does little to promote global rebalancing.

**2008B Variable Bond Trend:**

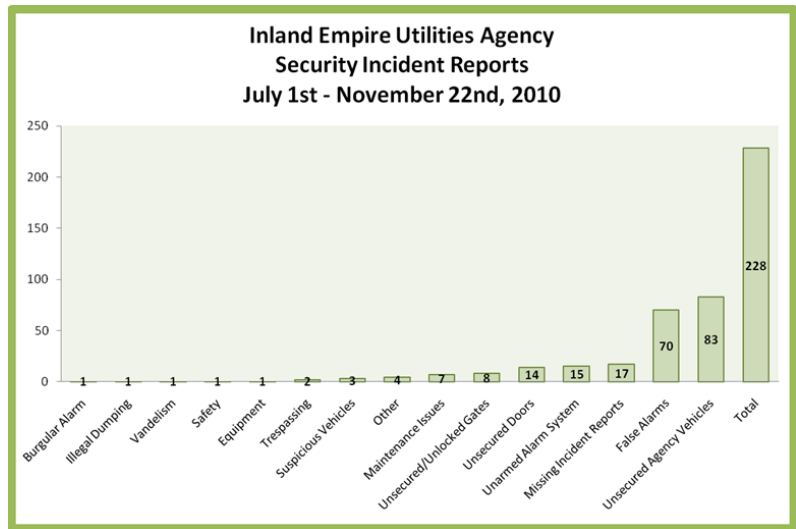


**CONTRACTS AND PROCUREMENT:**

**Procurement Activities:**

	TOTAL NUMBERS October Procurement Actions	TOTAL VALUE October
<b>Purchase Requisitions (PRs)</b>	235	\$1,787,387
<b>Purchase Orders (POs)</b>	174	\$1,361,934
<b>Contracts/Agreements</b>	9	N/A
<b>Posted Solicitations</b>	5	N/A

**Security Management:**



General Manager's Report Regarding Agency Activities

December 15, 2010

Page 14 of 18

**GRANTS:**

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

~ November 2010 ~

Account Type	Total Number of Active Accounts	Total Award Amount	Total Amount Invoiced	Total Award Balance
IEUA Grants	16	52,429,064	41,803,350	10,625,714
IEUA Loans	6	71,086,736	49,473,719	21,613,017
Grants for CDA	1	2,800,000	1,120,000	1,680,000
<b>TOTAL:</b>	<b>23</b>	<b>\$ 126,315,800</b>	<b>\$ 92,397,069</b>	<b>\$ 33,918,731</b>

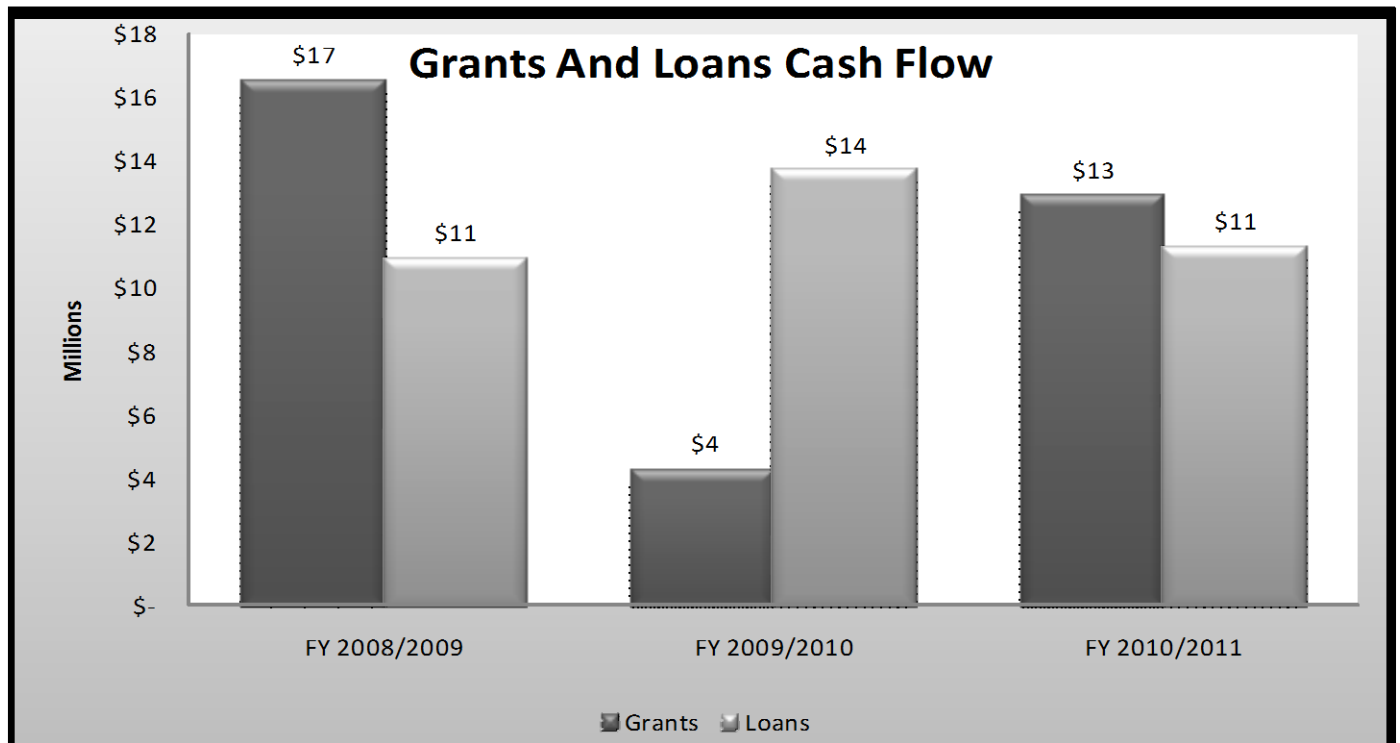
**GRANT INVOICE AGING REPORT FOR NOVEMBER 2010**

Agency	Total Outstanding	Total Past Due	60 To 90 Days	Over 90 Days	Retention
<b>DWR-\$15.5M Conjunctive Program</b> <i>11/15/10 - \$1.5M Retention release has been approved by DWR Accounting Office, and has been forwarded to State Controller's Office for payment.</i>	1,551,164	1,551,163		1,293	1,549,870
<b>SWRCB</b> - All SWRCB Invoices are current.	1,292,584	-		-	-
<b>DWR - Urban Drought/ULFT/Landscape Audit</b> <i>11/15/10 Contacted DWR on Landscape Audit Past due Invoices, notified that Invoices are approved, but funding is still not available.</i>	357,600	308,560		83,028	225,532
<b>USBR-Northwest Area Recycled Water Program</b>	343,684	-	-	-	-
<b>WaterReuse Foundation</b> - Payment is pending review of the final agreement.	28,578	18,193		18,193	-
<b>CDA- Chino II Desalter Expansion- Costs are Incurred by Western Municipal Water District. Payment is pending approval of revised Contract submittal.</b>	1,120,000	1,120,000		1,120,000	-
<b>TOTAL AMOUNT</b>	<b>\$ 4,693,610</b>	<b>\$ 2,997,916</b>	<b>\$ -</b>	<b>\$ 1,222,514</b>	<b>\$ 1,775,402</b>

**Active Application Information**

Account Type	Total Number of Active Applications	Amount Requested
IEUA Grants	2	\$ 3,711,179
<b>IEUA Loans - Final Applications</b>		
SRF Loan Submitted Application - Phase 6 Central Area Recycled Water - Wineville	1	\$ 11,812,500
SRF Loan Submitted Application - Phase 8 Southern Area Recycled Water	1	\$ 24,340,000
SRF Loan Submitted Application - RP-5 Main Operations Laboratory	1	\$ 14,830,000
Grants for CDA Submitted by IEUA- Final Application	1	\$ 20,000,000
<b>Subtotal Final Applications</b>	<b>4</b>	<b>\$ 70,982,500</b>

CASH FLOW SUMMARY			
Fiscal Year	Grants	Loans	Total Receipts
FY 2008/2009	\$ 16,509,726	\$ 10,923,966	\$ 27,433,692
FY 2009/2010	\$ 4,285,985	\$ 13,688,239	\$ 17,974,224
FY 2010/2011	\$ 12,904,230	\$ 11,285,162	\$ 24,189,392
<b>TOTAL CASH FLOW:</b>	<b>\$ 33,699,940</b>	<b>\$ 35,897,367</b>	<b>\$ 69,597,307</b>



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

**Financial Planning:**

**FY2011/12 Budget Training**

- Completed the Capital project training during the week of November 15, 2010, and will launch the O&M Budget training on December 9, 2010 through December 14, 2010.

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

- Staff will continue to present the rate proposal for the FY 2011/12 Regional Wastewater and Recycled Water programs to the Regional Technical Committee in December. The focus will be on the key drivers for the proposed rate increases and various options on the property tax allocation percentage between the Regional O&M and Recycled Water Funds. A presentation to the Policy Committee is planned in January 2011. Related documents are available on the Agency’s Website, [www.ieua.org](http://www.ieua.org).

**Letter of Credit Substitution for the Chino Basin Regional Financing Authority Variable Rate Demand Revenue Refunding Bonds, Series 2008B**

- The substitution of the Letter of Credit (LOC) for the 2008B Variable Rate Demand Bonds in the amount of \$52.330 million was successfully completed on December 1, 2010, with Lloyd's TSB Bank replacing Dexia Credit as the LOC provider. Standard & Poor's affirmed the Agency's credit rating of AAA/A-1 on November 30, 2010. Agency staff initiated the substitution in May 2010 upon receipt of the formal notification from Dexia Credit that they would not be executing their option to renew the LOC past the scheduled expiration date of April 15, 2011. Bond counsel and Citigroup advised staff to begin the process of securing an LOC provider in May in order to avoid the anticipated rush of the \$30 billion LOCs scheduled to terminate in 2011. The early completion of the LOC substitution is attributed to the efforts Citigroup, and the Agency's and Chino Basin Watermaster's legal counsel and staff.

**Contracts and Procurement:**

- Realized cost savings in the amount of \$12,851.99 during November, bringing the year-to-date total to \$117,019.91.
- Received and in the process of preparing award Board letter for natural gas and electricity energy service providers.
- Negotiated pricing and terms, issuing a PO to Viramontes for bio-solids media replacement project at RP-5.
- Received a total of ten proposals for the replacement of several multi-function copiers through the Agency.
- Met with Maintenance staff to discuss the use of Grainger's online ordering system as a pilot program for several electrical type products.
- CAP Department is planning their 9<sup>th</sup> annual stand down meeting to review Goals & Objectives and KPIs as they align with the Agency's Mission statement; scheduled for 12/16.

**Grants:**

**Grant Cash Receipt FY 2010/11 Status**

- The Agency has received \$24.2M grants and SRF loan payments in the first 5 months of FY 2010/11 from State and Federal grantors. Below is a brief summary of payments received by month and by major funding programs:

<b>FY 2011/12</b>	<b>Amount Collected</b>
July	\$3,205,640
August	\$5, 464,736
September	\$10,147,316
October	\$2,533,410
November	\$2,838,291
<b>TOTAL</b>	<b>\$24,189,392</b>

<b>By Major Funding Programs:</b>	<b>Amount Received</b>
SWRCB ARRA SRF Loan NE Project	\$5,992,089
SWRCB ARRRRA RP-1 Dewatering Project	\$5, 293,074
USBR ARRA NE and NW Projects	\$4,663,121
DWR Conjunctive Use Grant	\$3,620,414
Other State and Federal Grants	\$4,620,694
<b>TOTAL</b>	<b>\$24,189,392</b>

**Single Audit Status**

- The Agency's Auditor is finalizing the Annual Federal Grants Single Audit. The auditors have indicated no material weaknesses or significant findings have been identified.

**SRF Loan Application Status**

- Grant Staff is continuing to work with the SWRCB on the three open SRF loan applications for the Laboratory, Southern Area and the Central/Wineville Recycled Water Area projects.

**SAWPA Prop 84 Grant and Prop 1E Funding Opportunities**

- Grant Administration Staff is continuing to work with SAWPA and DWR on the Prop 84 and Prop 1E funding opportunities to support the Agency's recycled water projects, and the Turner Basin/Guasti Park projects for groundwater/storm water/recycled water management.

**ESS:**

**Plant Maintenance Process & SAP Enhancements:**

- Changes resulting from consultant review of Agency requirements and best practices were rolled out to users in October. This first phase of enhancements was focused on the work notification and work order process. Users were trained and enhancements implemented enabling improved process communication and accountability between Operations and Maintenance, easier to follow transactions for users, and reduced administrative burden.

**Labor Recording & Reporting Project:**

- Project objective is to enable online time entry by Agency staff, eliminating manual timesheet recording. A prototype that was presented to key stakeholders in October was well received. User requirements were documented by ESS and are being reviewed by key Agency stakeholders in December. The project team is developing a proposed implementation plan that will enable a staged rollout of this functionality across the Agency. The objective is to limit impact on users, mitigate risk, and allow for focused user training.

**Grant Management Enhancement Project**

- Project objective is to better integrate the grant management and billing function in order to reduce administrative effort and optimize processing of grantor billing. While originally planned for implementation in the fall, a design issue was uncovered during testing. Solution options were presented to key stakeholders with sign off of the design expected in December. This will be followed by final development and testing in January and February, and training and rollout in February-March timeframe.

**Annual update of SAP**

- Enables access to latest software fixes, enhancements, and regulatory updates. Initial testing showed few problem areas. Error that did occur was escalated to SAP, and their technical support is working on a resolution. Objective is to complete update installation on the Agency's production system by the New Year. These periodic upgrades are supported under the SAP annual maintenance program.

**Technology Master Plan**

- ESS staff is working with Agency departments and ISS to identify technology requirements and projects for FY 2011/12. Agency departments were alerted to follow the General Manager's direction to limit proposed projects to those that are required to meet regulatory, safety, and security requirements, as well as accommodating capacity growth requirements. Users requesting other projects are being asked to identify hard cost savings and benefits for Executive Team review. The TMP approach is to continue to utilize a "run to failure" approach to replacing existing equipment. Equipment will be used beyond the standard product replacement lifecycle, where possible.