

Date: January 5, 2011  
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 January 20, 2011, as part of the Watermaster Advisory Committee agenda.

**HUMAN RESOURCES**

Mandatory training for all supervisors and managers was conducted in December regarding the Agency's performance management system and changes to the performance appraisal forms resulting from the recent labor negotiations.

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

In compliance with the directive from State Controller John Chiang to independent special districts, the Agency submitted the required compensation report. The Agency also submitted compensation on behalf of the Inland Empire Regional Composting Authority (IERCA). In April 2011, the Agency will also submit similar compensation reporting on behalf of the Chino Basin Desalter Authority. Due to the large number of special districts, the compensation reporting for special districts was divided into four groups based on each district's activity. IEUA and IERCA were part of the first group of data collection due on December 13, 2010, while the Chino Basin Desalter Authority is part of the fourth group due in April, 2011.

<b><u>CURRENT STAFFING</u></b>	
Regular Full-time Employees:	278
Contract/Limited Term Employees:	14
Interns:	17
<b>TOTAL:</b>	<b>309</b>

<b><u>CURRENT RECRUITMENT ACTIVITIES</u></b>	
Recruitments in Process/Offer Pending	2
Placement in Process:	2
No RFVP; Position on Hold:	13
<b>Total Regular Vacancies (Excludes Contract &amp; Intern Positions):</b>	<b>17</b>

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<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	Records Management Technician	250-Human Resources	9/10	10/29/10	GU086	1/11	Offer Pending
2	Assistant General Manager	110-Agency Management	10/10	OUF	EX105	01/11	Interviews held on 12/17/10
3	Administrative Assistant	238-Financial Planning	11/16	12/3/10	UN091	01/11	1st phase of testing held 12/15 & 12/16
4	Instrument Technician II	553-Maintenance	11/16	12/3/10	GU095	01/11	Offer Pending

<b><u>POSITIONS ON HOLD (5% Vacancy Factor)</u></b>			
<b>Position</b>		<b>Department</b>	<b>Vacant Since</b>
1	Human Resources Analyst	250-Human Resources	9/10
2	Sr. Water Resources Analyst	312-Planning & Water Resources	7/08
3	Manager of Financial Planning	238-Financial Planning	11/10
4	Operations Liaison	425-Construction Management	12/10
5	Deputy Manager of Construction Management	425-Construction Management	8/08
6	Construction Project Coordinator (Ltd Term)	425-Construction Management	1/10
7	Construction Project Coordinator (Ltd Term)	425-Construction Management	8/10
8	Construction Project Coordinator	425-Construction Management	3/10
9	Sr. Engineer	517-Technical Services	2/10
10	Laboratory Technician	525-Laboratory	12/10
11	Operator	540-RP1 Operations	8/10
12	Warehouse and Inventory Technician	546-Maint. Planning & Materials Mgmt	8/10
13	Electrical Technician II	553-RP2/CC Elect/Instrument Maint	11/09

**CONTRACT/LIMITED TERM VACANCIES**

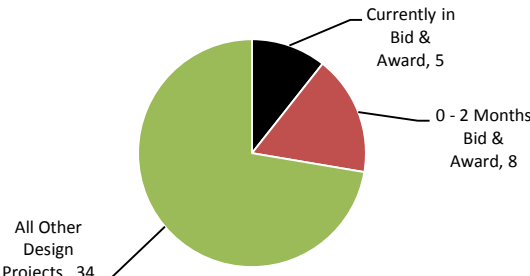
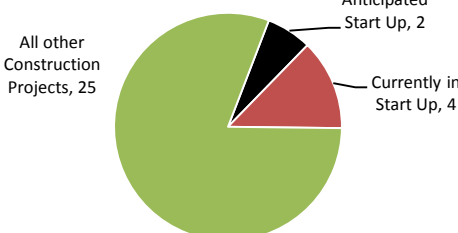
None.

**INTERN VACANCIES**

None.

**ENGINEERING**

**Engineering Division Project Status Summary**

<p><b>Engineering Project Status Summary</b></p>  <p>Currently in Bid &amp; Award, 5</p> <p>0 - 2 Months Bid &amp; Award, 8</p> <p>All Other Design Projects, 34</p>	<p><i>Currently in Bid &amp; Award</i></p> <ul style="list-style-type: none"> <li>• PU06407.08 Dorothy Gibson Continuation School</li> <li>• PU06407.09 Ray Wiltsey Middle School</li> <li>• PU06407.11 Arroyo Elementary</li> <li>• PU06407.10 Mariposa Elementary</li> <li>• DL11101.00 SARI Line Cleaning (Chino 1)</li> </ul>
<p><i>0-2 Months Bid &amp; Award</i></p>	
<ul style="list-style-type: none"> <li>• EN08013.05 CCWRF Aeration Basin Air Ducting Replacement Project</li> <li>• EN11033.00 Temporary Turner Basin Turnout</li> <li>• EN11041.00 CCWRF Trty Fltr Media Replacemnt &amp; Rehab</li> <li>• EN11045.00 CCWRF Secondary Clarifiers Rehab Phase 1</li> </ul>	<ul style="list-style-type: none"> <li>• EN11046.00 RP-1 930 PS Fifth Pump</li> <li>• EN11028.00 RP-4 Pond Repair</li> <li>• EN07010.03 800 Zone Flow Meter Installation</li> <li>• EN11038.00 RP-1 Digester Gas Condensate Sump Improv</li> </ul>
<p><b>Construction Project Status Summary</b></p>  <p>0-2 Months Anticipated Start Up, 2</p> <p>Currently in Start Up, 4</p> <p>All other Construction Projects, 25</p>	<p><i>Currently in Start-Up</i></p> <ul style="list-style-type: none"> <li>• WR08028.00 1299 E Res Conv &amp; 1630 E Pump Station</li> <li>• EN09019.00 IS Service Room Modifications and Air Conditioning</li> <li>• RA11003.00 IERCF Amendment Hopper Sliding Plates</li> <li>• EN09022.00 SCADA Service Room Modifications and Air Conditioning</li> </ul>
<p><i>0-2 Months Anticipated Start Up</i></p> <ul style="list-style-type: none"> <li>• DL07104.00 Chino I Landscape Improvements</li> <li>• PL03006.00 RP1 Odor Control - Phase I RDSV</li> </ul>	

**Engineering Division Construction Aggregate Metrics**

(Information is based on projects in "active" status during FY 2010/11. Information is through December 14, 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	1.92%	\$59,010,714
			All Other Change Orders	2.00%	

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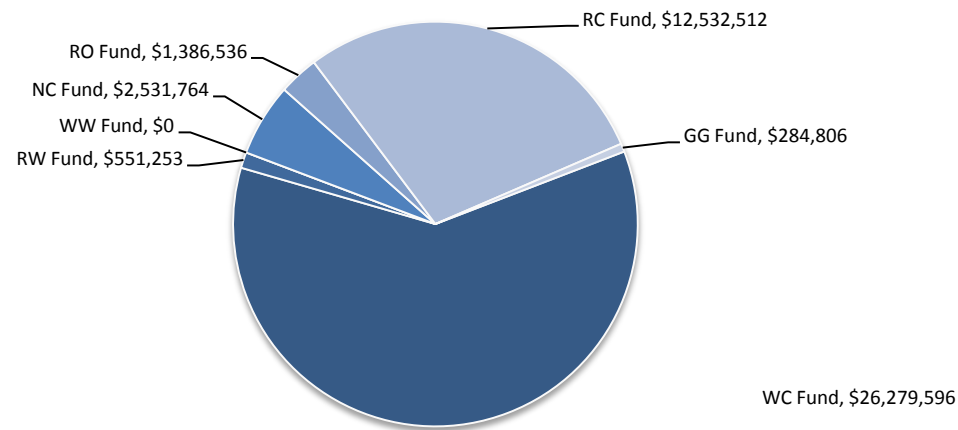
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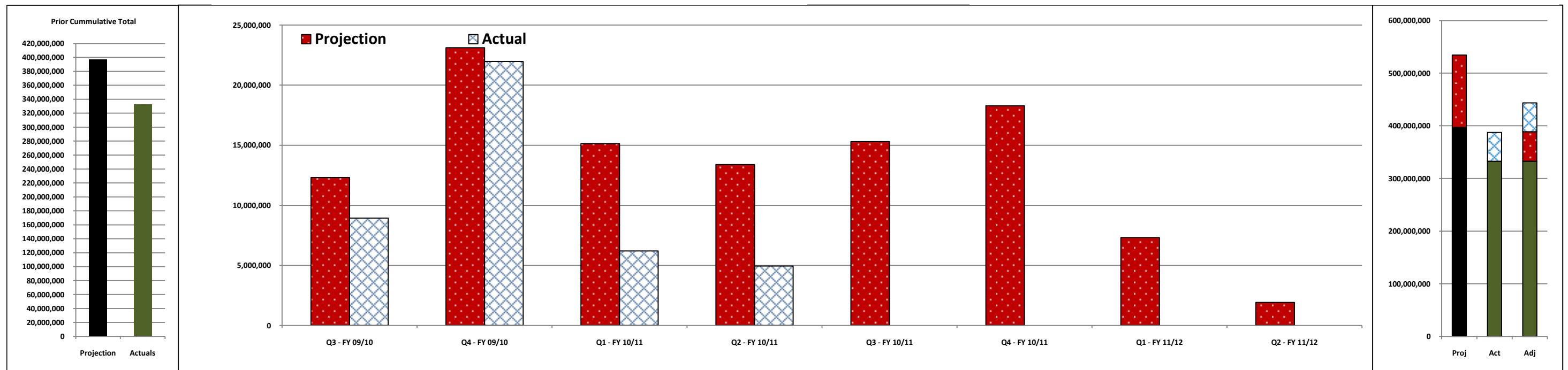
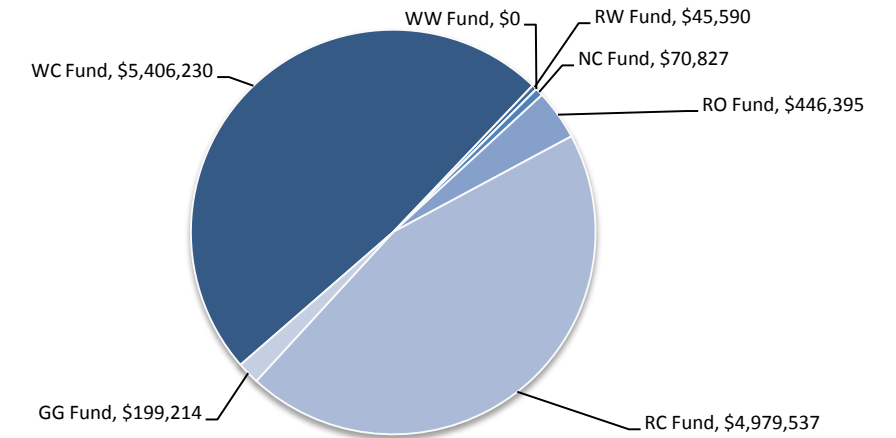
**[11012 Attach A.pdf](#)**

## Project Costs Forecast By Fund (Data Through 12/14/2010)

Total Actuals for FY09/10 = \$43,566,466



Total Actuals for FY10/11 = \$11,147,793



Fund	Prior Cumulative Total Through Jun 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		Q1 - FY 11/12 July 11 - Sep 11		Q2 - FY 11/12 Oct 11 - Dec 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	8,160,137	6,318,745	14,745,448	13,530,273	6,288,819	3,031,995	5,762,516	2,374,235	9,135,821	0	6,929,097	0	2,163,411	0	174,666	0	190,164,713	102,516,390
RW Fund	17,613,391	30,695,556	169,842	88,039	115,922	176,544	0	54	6,046	45,535	26,000	0	300	0	300	0	200	0	18,684,831	31,292,399
WW Fund	8,466,937	4,064,888	88,409	0	88,409	0	298,146	0	298,146	0	298,146	0	298,146	0	0	0	0	0	10,013,158	4,064,888
NC Fund	17,279,882	10,121,357	0	118,599	0	2,187,118	919,455	55,286	3,014,389	15,541	168,552	0	145,750	0	105,750	0	70,500	0	21,704,278	12,723,948
RO Fund	6,057,728	179,804	531,564	258,495	543,528	191,451	1,082,075	233,248	725,711	213,146	770,182	0	893,357	0	923,500	0	599,000	0	14,824,106	2,012,735
RC Fund	224,488,694	207,053,441	3,327,816	2,130,990	7,458,304	5,684,240	6,194,828	2,719,820	3,264,989	2,259,718	4,620,725	0	9,884,953	0	4,118,716	0	1,066,738	0	273,668,559	224,565,490
GG Fund	3,941,611	9,737,621	35,556	21,032	165,000	196,293	350,278	158,054	321,244	41,160	285,930	0	128,760	0	12,000	0	8,000	0	5,449,378	10,221,641
<b>Total Projections</b>	<b>396,925,715</b>	<b>332,683,231</b>	<b>12,313,324</b>	<b>8,935,901</b>	<b>23,116,611</b>	<b>21,965,920</b>	<b>15,133,602</b>	<b>6,198,458</b>	<b>13,393,041</b>	<b>4,949,336</b>	<b>15,305,356</b>	<b>0</b>	<b>18,280,363</b>	<b>0</b>	<b>7,323,677</b>	<b>0</b>	<b>1,919,104</b>	<b>0</b>	<b>534,509,024</b>	<b>387,397,491</b>

-64,242,484	-3,377,423	-1,150,691	-8,935,144	-8,443,705	-15,305,356	-18,280,363	-7,323,677	-1,919,104	-147,111,533
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**CHINO I LANDSCAPE IMPROVEMENTS, PROJECT NO. DL07104**

This project constructed a sidewalk in front of the CDA Desalter Facility, placed landscaping, and installed irrigation for these new facilities. Construction is complete as of November 30, 2010. As built's are expected to be completed by the end of December.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$60,000	\$29,983.97	60.75%	\$0.00	\$0.00	11/30/2010	3/30/2011

**REGIONAL PLANT NO. 1 FILTRATE/CENTRATE PIPELINE IMPROVEMENT, PROJECT NO. EN06015.00**

SSC Inc. completed concrete wall placement of the dewatering building to elevation 868.67 and proceeded with shoring, fabrication /installation of formwork, reinforcement and concrete placement of the decks of the operations and electrical rooms. Factory acceptance testing of key components such as the centrifuges, DCS system, conveyance, and silo systems are tentatively scheduled for January and February 2011. The switchgear (SWG) and motor control centers (MCC) are currently in productions and scheduled to be shipped the later part of January 2011. The project remains on schedule and Construction Management staff is carefully monitoring progress to assist the contractor in identifying any potential delays.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$27,800,000	\$9,613,805	8.03%	\$58,222	\$10,490	1/8/2012	2/28/2012

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

The contractor has completed work on Flowers Street which includes reconstructing an unidentified SARI MH not shown on plans. The temporary irrigation piping in Area 2 has been installed and all holes for planting dug. The irrigation tie-in to the recycled water supply has been completed. Cost related to extended delays, prolonged inspection, and design changes necessitated by the errors and omissions in the plans and environmental constraints are currently being evaluated by Construction Management and Engineering. Construction Management is working to facilitate critical completions to reduce/eliminate rainfall events related to storm events. An informational item is complete and has been sent to Engineering for review. The Carson Companies' 3-inch and 10-inch sewer main and fire lines have been constructed and should be invoiced by December 2010.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$32,276,648	\$1,739,525	2.29%	\$3,173	\$178,389	9/19/2010	8/30/2011

**RP-5 SHF MANURE PROJECT DIGESTER CLEANING, PROJECT EN06020.27**

Viramontes Express has completed cleaning of the digesters. Engineering and the new operator are assessing repair work required within the digesters. It is anticipated that the new operator will affect repairs prior to reinstallation of access panels.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$32,276,648	\$97,495	95.84%	\$0.00	\$0.00	11/14/2010	2/24/2011

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

Construction activities during the last several weeks were limited to the redesign and the relocation of the SBS diffusers. This work was performed due to potential safety issues identified during the testing. Close-out activities have begun and punch list review and completion is ongoing. Close-out activities includes final submission of O&M manuals, training and testing documentation, and finalization of all pay estimates and closing documentation.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$31,482,222	\$4,446,801	7.92%	\$91,913	\$174,028	11/18/2009	6/13/2011

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

Doty Bros successfully completed start-up activities related to the PRV control system. Additional programming is being considered for the Ground Water Recharge system and a remote reset for the Recycled Water pump station will begin shortly. The Contractor, Engineering and CM Staff will continue additional start-up and programming integration with sub-contractors: Trimax, Invensys, and Doty Bros. at RP-1 and the Agency's Carbon Canyon Facility.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$20,648,598	\$386,516	9.04%	\$0.00	\$87,993	6/2/2010	2/2/2011

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

A pre-construction conference was held on December 9, 2010 with Agency Staff and R.C. Foster to review and discuss the project requirements, contact information and general construction procedures. Following the conference, the "Notice to Proceed" was issued to the contractor and the contractor received CIPO training. Construction progress meetings commenced on December 14, 2010, and will continue for the duration of the project. The contractor will begin submittals during the next two weeks and will also refine their schedule.

EN07010.04 Budget (Master Project Budget)	EN07010.04 Total Project Expenditures to Date (11/30/10)	EN07010.04 CM Cost (10/31/10)	EN07010.04/A/O CO (10/31/10)	EN07010.04/Other CO (10/31/10)	EN07010.04/EN07006.04 Original Contract Completion Date	EN07010.04/EN07006.04 Anticipated Contract Completion Date (Primavera)
\$20,648,598	\$64,567	68.47%	\$0.00	\$0.00	6/15/2011	6/15/2011
EN07006.04 Budget (Master Project Budget)	EN07006.04.RDSV Total Project Expenditures to Date (11/30/10)	EN07006.04.RDSV CM Cost (10/31/10)				
\$31,482,222	\$0.00	0.00%				

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

The contractor has passed the midway point of preparing and submitting initial submittals. The contractor has completed their approved final SWPPP and MMRP and the initial work consisting of clearing and grubbing for survey staking has been completed along with mobilization and establishment of their SWPPP. Potholing will be completed within the next couple of days, and they will be submitting their proposal (means and methods) for the relocation of the SCE power

line on the Eastside for SCE/CVWD verification and approval, along with their proposed plan of trench shoring that will be used on the east and west sides for construction.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$9,637,000	\$530,018	51.13%	\$0.00	\$0.00	7/23/2011	11/1/2011

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

The contractor has almost completed the final stages of the submittal process. The contractor's MMRP and SWPPP have opted to not mobilize as of yet, because of the pending design changes currently being worked out. The contractor is hoping to confirm the production of straight cylinders between a few locations, so that construction can begin, hopefully during the holiday in front of the Alta Loma High School. We anticipate final CVWD analysis, and approval of the proposed changing of the alignment of the pipe over the SBCFCD channel, and verification of a few other changes.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$9,637,000	\$457,896	22.12%	\$0.00	\$0.00	4/17/2011	10/21/2011

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

The contractor continues to submit submittal revisions for review by Construction Management staff and the Design Engineer. They have submitted potholing data to the Engineer for review. Main line pipe production has begun and IEUA staff has performed manufacturing inspection for ARRA compliance.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$8,030,001	\$927,817	10.52%	\$0.00	\$0.00	4/17/2011	8/10/2011

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

This project is complete. Minor cycling problems are currently being analyzed by the AC supplier. Other minor changes requested by Operations are also being addressed. All work is anticipated to be completed by the end of December.

EN09019 Budget (Master Project Budget)	EN09019 Total Project Expenditures to Date (11/30/10)	EN09019 CM Cost (10/31/10)	EN09019/ EN09022 A/O CO (10/31/10)	EN09019/ EN09022 Other CO (10/31/10)	EN09019/EN09022 Original Contract Completion Date	EN09019/EN09022 Anticipated Contract Completion Date (Primavera)
\$388,000	\$370,590	1.79%	\$0.00	\$18,748	8/15/2010	2/16/2011
EN09022 Budget (Master Project Budget)	EN09022 Total Project Expenditures to Date (11/30/10)	EN09022 CM Cost (10/31/10)				
\$105,000	\$72,497	3.54%				

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

This project was accepted by the Board of Directors on October 20, 2010. All activities are complete. Operations has requested removal of materials left over after construction. Minor warranty items have also been negotiated with the contractor to facilitate project follow-up.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$1,698,492	\$1,559,809	10.61%	\$29,732	\$97,952	9/8/2010	10/20/2010

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

Coonstruction Inc. successfully placed and tested the southern portion of the bio-filter and completed installation of the media in the northern cell. Smoke testing of the entire bio-filter system under normal operating conditions is scheduled for December 14, 2010. If the testing is successful the system will remain in service and regularly monitored for the next several weeks for reliability.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$11,566,801	\$8,760,518	3.32%	\$403,362	\$185,595	12/17/2010	1/17/2011

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

The project is complete and is expected to go to the board by January 19, 2011.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$107,500	\$89,287.75	3.21%	0.00	0.00	4/30/2010	3/8/2011

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

The contractor is awaiting delivery of the back-up generator, which is scheduled for January 30, 2011. Work is ongoing on shop submittals and RFI's related to generator control and programming.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$2,810,000	\$1,570,086	9.26%	\$4,479	\$0.00	5/27/2011	5/27/2011

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

The contractor has completed installation and start-up of both hopper plates.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$200,000	\$6,253	0.00%	\$0.00	\$0.00	1/8/2011	2/28/2011

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

The contractor has completed the potholing operation. The data is currently under review by IEUA. The contractor will continue to prepare and submit initial submittals. The updated schedule shows the contractor starting the piping installation on December 20, 2010. Main line pipe production has begun and IEUA staff has performed manufacturing inspection for ARRA compliance. The project is currently on schedule.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$14,970,000	\$2,142,841	14.03%	\$0.00	\$0.00	7/16/2011	9/28/2011

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

The project is in the final phases of close out documentation. The construction portion of the project is complete.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$11,016,079	\$7,177,052	4.30%	\$0.00	\$0.00	5/1/2010	1/14/2011

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

All field work has been completed. Construction Management staff have successfully held several meet and confer meetings to finalize multiple requests for extra compensation by the contractor and close the project. The project is complete and in full service.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$12,832,555	\$8,385,859	3.61%	\$0.00	\$0.00	6/30/2010	1/5/2011

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

The contractor has continued to achieve approval on submitted items and has also provided a project schedule that conforms to the project specifications. The contractor plans to mobilize to the site in early December with work commencing on the sound wall and demo soon after mobilization. The project is behind schedule due to the milestone submittals that the contractor failed to provide as stipulated in the project specifications.

Budget (Master Project Budget)	Total Project Expenditures to Date (11/30/10)	CM Cost (10/31/10)	A/O CO (10/31/10)	Other CO (10/31/10)	Original Contract Completion Date	Anticipated Contract Completion Date (Primavera)
\$10,323,000	\$719,795	39.12%	\$0.00	\$0.00	7/23/2011	10/10/2011

**MAIN OFFICE BUILDING SETTling ISSUES**

A scope of work was developed to test for settling and evaluate soil conditions. Construction Management is coordinating and providing field assistance with Engineering on this work. The soil report is being evaluated by Construction Management and Engineering, as well as, recommendations for site mitigation. The original Structural Engineer is being consulted on the findings of the soil report.

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

The four clean-out manholes on the SARI Line that had failed due to subsidence have been repaired and fixed. Operations requested that two additional lids be raised on Chino Avenue. The traffic control plan was approved by Cal-Trans as well as an extension for the Chino Hills permit. Work has begun on raising these manholes.

**CCWRF SLUDGE PIPING REROUTING**

This work is complete. Start-up is pending Operations approval for start-up which is in process. As-built's are expected to be completed by mid-January.

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

Construction Management met with the Design Engineering to outline design recommendations identified as part of the temporary repair. Final design is in review by staff for bidding in January.

### **MAIN OFFICE PARKING LOT REPAIR**

An RFP has been prepared to begin the repair crack and broken parking stalls and replace selected trees which are causing said damage with deep rooted alternatives. This RFP is expected to be issued after January 1, 2011.

### **REGIONAL PLANT NO. 1 SAFTY IMPROVEMENTS**

An RFP has been prepared to relocate/dispose of miscellaneous material and selected areas of RP-1. Additionally, bollards, conduit lid, and relocated removal of site materials have been made part of this RFP to meet safety considerations. This RFP is currently in review by Engineering. It is expected that this RFP will be issued the first part of January to facilitate a thorough repair and addition of other minor maintenance items.

### **RP-2 GRAVITY THICKNER CLEANOUTS**

The first gravity thickener at RP-1 has become plugged. Maintenance could not gain access to clean this line. As a result, cleanouts were placed on the center riser pipe to allow cleaning. This work has been successfully completed; however, it has been requested that a second access way be installed at the underground bend. This additional work is underway with pipe being exposed.

### **BICKMORE AND EUCLID SUBSIDANCE**

The City of Chino contacted IEUA to facilitate repairs on a subsidence of an Agency Recycled Water Pipeline. Given traffic concerns, Engineering and Construction Management are working to obtain an emergency permit from Cal-Tans for a lane closure to Bickmore Avenue. Any repairs will need to take place on the weekend to keep from effecting morning and evening traffic.

### **KIMBALL AVENUE MANHOLE RAISING**

The City of Chino contacted IEUA to facilitate adjustments to the height of three Agency manholes related to the expansion of Kimball Avenue, east of Euclid Avenue. This work is completed; however, the city has requested that a guard rail be placed on a manhole adjacent to the street to keep cars from hitting it. The city is working on a detail to provide IEUA to protect the manhole in place.

### **DESALTER PLUGS**

CM is working with Engineering and Operations to facilitate cleaning of the Desalter pipeline during the January shutdown.

### **Additional Actions to Inform Board**

RP2 GT Plug in emergency.

Magnolia Channel design changes.

### **PUBLIC INFORMATION**

#### **Calendar of Events**

#### **January 2011**

- January 7-9, MWD/IEUA Hoover Dam and Colorado River Aqueduct tour
- January 22, Volunteer Day, Chino Creek
- January 26, Project Learning Tree Workshop, 8:00 a.m. HQB Event Room

**February 2011**

- February 2, World Wetlands Day, Chino Creek Park

**March 2011**

- March 22, World Water Day, Chino Creek Park

**April 2011**

- April 22, Earth Day, 1:30 pm – 6:30 pm, Chino Creek Park

**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, and Fontana Herald News. Ongoing water wise gardening classes.

**Educational Updates**

- Approximately ten field trips have been scheduled for the water Discovery program at the Chino Creek Wetlands and Educational Park. Two field trips have taken place. Five Mini-Bussing Grants have been accepted to date.
- The Water Education Water Awareness Committee (WEWAC) is working on application distribution for the annual PSA (Public Service Announcement) contest.
- A Project Learning Tree Workshop for educators will be held at the end of the month which will focus on environmental activities for students to do in the classroom.

**FINANCE AND ADMINISTRATION**

**Account Receivables**

**IEUA Aging Report – As of 12/14/2010**

**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
\$2,759,495	\$5,795,686	\$5,421	-	-	-	\$2,632

Notes:

1. Aging 1-30 days; balance for invoices that were recently due: NRW customer Tamco and Mizkan.
2. 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
\$302,598		\$33,376	\$269,222	-	-	-

Notes:

1. Aging 1-30 days; Pertains to expenses (system due from /due to) Posted in December "10, billable in January and payable in February.

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2. Aging 1-30 days; Pertains to expenses (system due from/due to) posted in November'10, billable in December and payable in January.
3. 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
\$595,227		\$26,090	\$569,137	-	-	-

Notes:

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

**Market Updates:**

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

Investment Type	25-Oct.	1-Nov	8-Nov	15-Nov	22- Nov	29-Nov	6-Dec	13-Dec
<b>SWEEP ACCOUNT –CBB</b>	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.60%	0.60%
<b>CDARS (1 YR) –CBB</b>	0.60%	0.60%	.60%	0.60%	.60%	0.60%	0.40%	0.40%
<b>1 Yr CD – BofA</b>	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%
<b>1 Yr CD – Wells Fargo</b>	0.20%	0.20%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
<b>1 Yr CD Citibank</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>LAIF</b>	0.48%	0.46%	0.45%	0.46%	0.45%	0.45%	0.44%	0.45%
<b>US. Treasuries:</b>								
<b>US. Treasuries – 3-Mos</b>	0.14%	0.13%	0.13%	0.13%	0.14%	0.14%	0.16%	0.14%
<b>US. Treasuries – 6 Mos</b>	0.18%	0.18%	0.16%	0.16%	0.19%	0.19%	0.20%	0.18%
<b>US. Treasuries – 12 Mos</b>	0.22%	0.23%	0.22%	0.24%	0.27%	0.27%	0.28%	0.29%
<b>US. Treasuries – 2 Yrs</b>	0.36%	0.38%	0.35%	0.46%	0.52%	0.52%	0.51%	0.57%
<b>US. Treasuries – 3 – Yrs</b>	0.53%	0.57%	0.49%	0.65%	0.78%	0.78%	0.80%	0.92%
<b>US. Treasuries 5 – Yrs</b>	1.14%	1.24%	1.11%	1.25%	1.51%	1.51%	1.59%	1.80%
<b>US Government Sponsored Entities Benchmark Bullets</b>								
<b>2 yr Agency Bullets</b>	0.43%	0.50%	0.50%	0.66%	0.62%	0.65%	0.55%	0.80%
<b>3 yr Agency Bullets</b>	0.62%	0.60%	0.70%	0.83%	0.91%	0.90%	0.95%	0.15%
<b>5 yr Agency Bullets</b>	1.29%	1.36%	1.37%	1.37%	1.71%	1.70%	1.80%	2.15%

**Investment /Bank/Market Update:**

The average maturity is 671 days for current investments exclusive of LAIF and SWEEP. Including LAIF and SWEEP accounts, the average maturity is 268 days, (assuming 2 days to liquidate the LAIF investment and SWEEP account).

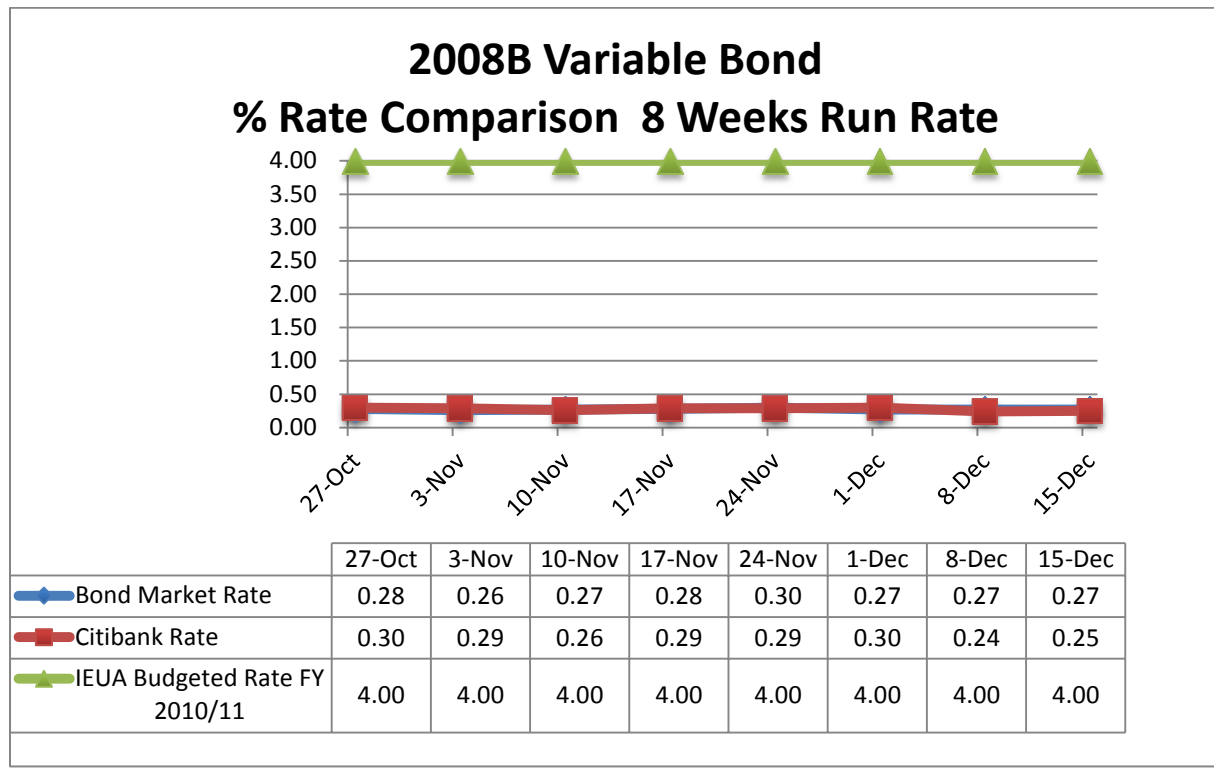
IEUA investment portfolio rate of return is estimated at .91% for the month of November compared to .93% as reported in October Treasurer's Report of Financial Affairs. The estimated 2 basis points decrease is due to continued decline in the LAIF investment yields. The average monthly effective yield for LAIF is .45% as of November 30, 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%.

**Various Updates from Brokers:**

- **December 14 (Wedbush Brokerage)** – Treasuries are mildly weaker as the market awaits word from Chairman Bernanke regarding any possible alterations to the current bond-buying program. The market is not expecting any changes, but a more adamant tone would not be a surprise given the recent rise in yields. Elsewhere, a strong retail sales number could put upward pressure on yields as investors may look to take on more risk on an improved recovery outlook. The tax-cut extension bill is getting a warm public reception even as Moody's reports that it may hurt the U.S. credit rating in the future as debt levels continue to grow and the issue is kicked further down the road.
- **December 14 (Bloomberg)** – Federal Reserve officials kept their plan to buy \$600 billion of Treasuries through June, maintaining an expansion of record stimulus amid criticism from top U.S. Republican lawmakers. The purchases will “promote a stronger pace of economic recovery” and keep prices stable “over time,” the Federal Open Market Committee said in a statement today in Washington.
- **December 10 (Bloomberg)** –Looking at the most recent quarterly data available for foreclosures and delinquencies, we are seeing some progress. Once we reach the neighborhood around which delinquency and foreclosure rates start heading back down toward the mean, we will begin to see the housing market recovering. At this point it doesn't look like we have quite reached the end, but we are getting closer, and 2012 will probably be the year when we will see a more normal housing market.
- **December 8 (Bloomberg)** – Bonds fell around the world, the dollar strengthened and European stocks rose on speculation President Barack Obama's tax-cut accord will help spur economic growth. Commodities dropped on concern China may raise interest rates, while U.S. equity index futures fluctuated. Global bond markets extended a three-month decline after Obama agreed to extend Bush-era tax cuts. “Extending tax cuts and allowing the deficit to remain extremely elevated could be an economic masterstroke, thus pushing up growth,” Jim Reid, head of fundamental strategy at Deutsche Bank AG in London, wrote today in a note to investors. “Or it could lead us a step closer towards fiscal ruin. It could be eventually be both.”

**2008B Variable Bond Trend:**



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

**Financial Planning:**

**FY2011/12 Budget Training**

- O&M Budget training in progress during the week of December 9-14, 2010. Capital budget has been completed as of December 9, 2010.

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

- Presentation of the proposed rate increases for FY 2011/12 Regional Wastewater and Recycled Water programs to the Regional Committees will continue in January 2011. The focus will be on the key drivers for the proposed rate increases. Related documents are available on the Agency’s Website, [www.ieua.org](http://www.ieua.org).