



Date: February 18, 2009

To: The Honorable Board of Directors

From: Richard W. Atwater
Chief Executive Officer/General Manager

Subject: General Manager's Report Regarding Agency Activities

DROUGHT WATER SUPPLY STRATEGY AND DYY COORDINATION MEETINGS

The next Drought Water Supply Strategy Meeting is scheduled for February 18, at IEUA and the next DYY Coordination Meeting is scheduled for February 26, at 8:00 a.m. at Watermaster.

OPERATIONS

OPERATIONS PLANT FLOW CHART – January 2009				
Facility	Influent Flow		Residuals	
	MGD	Total MG	Biosolids	Manure
			Wet Tons	
RP-1	32.0	992	4,010	
RP-4	7.0	217		
RP-2			2,989	
RP-5	9.0	279		3649
CCWRF	11.0	340		
Totals	59.0	1,828	6,999	3,649

CONTRACTS AND PROCUREMENT

Achievement of Excellence in Procurement Award

On January 22, 2009, staff from Contracts and Procurement accepted, on behalf of the Agency, our seventh consecutive Achievement of Excellence in Procurement (AEP) award, while attending the California Public Purchasing Officers' annual conference. Awarded by the National Purchasing Institute, the AEP award measures private and public contracting/procurement organizations against a *rigorous* criteria, ensuring only the highest professional standards are adhered to. It bears noting, that the Agency is one of only a small handful of organizations throughout the country to earn this distinction for seven consecutive years.

HUMAN RESOURCES

Fifty Level 2 and 3 employees have completed their TEAMS training. Level 1 and 4 TEAMS curriculum has been developed for 2009 with both in-house facilitated and online courses. Online training has been made available 24/7 to Level 2 and 3 employees who need to make-up courses and to all Level 1 and 4 staff as part of their 2009 curriculum.

IEUA will comply with the Retention Schedule procedure of conducting an inventory of department records every five years. A properly prepared and approved Records Retention Schedule is an agency's legal authority. It certifies the life, care, and disposition of all agency records. The last inventory was conducted in 2004. The Records Management Department began the inventory of records for each department on January 19, 2009. The inventory should take approximately two weeks per department.

Dental rate renewals were finalized last month. While there are no benefit plan changes for 2009, dental premiums for Delta Dental will increase by 9.4% on April 1, 2009. There is no rate increase for Western Dental. The Open Enrollment period begins next month and changes will become effective on April 1, 2009. More information will be available in the coming weeks.

CURRENT STAFFING

Regular Full-time Employees: 299
 Contract/Limited Term Employees: 17
 Interns: 34
 TOTAL: 350

CURRENT RECRUITMENT ACTIVITIES

Since the last report, the following activities have occurred in the Agency's recruitment efforts:

REGULAR VACANCIES

	Position	Department	RFVP Received	Closing Date	Salary Range	Tentative Placement Date	Notes
1	Manager of Maintenance	541-Energy Production & Maintenance	12/29/08	1/16/09	UN107	3/09	Interviews Completed on 01/26/09

Recruitments in Process/Offer Pending: 1
 Placement in Process: 0
 No RFVP; Position on Hold: 8
 Total Regular Vacancies (Excludes Contract & Intern positions): 9

POSITIONS ON HOLD (3% Vacancy Factor)

	Position	Department	Vacant Since
1	Human Resources Analyst	250-Human Resources	10/08
2	Sr. Water Resources Analyst	312-Planning & Water Resources	7/08
3	Manager of Engineering & Construction Management	420-Engineering	12/08
4	Deputy Manager of Construction Management	425-Construction Management	8/08
5	Plant Maintenance Superintendent	425-Construction Management	7/08
6	Administrative Secretary (Limited Term)	425-Construction Management	12/08
7	Plant Maintenance Technician II	552-RP2/CC Plant Maintenance	10/08
8	Electrical Technician II	553-RP2/CC Electrical/Instrument Maintenance	12/08

CONTRACT/LIMITED TERM VACANCIES

	Position	Department	RFVP Received	Closing Date	Salary Range	Tentative Placement Date	Notes
1	Business Systems Analyst II	240 – Information Services	7/24/08	8/21/08	UN097	2/09	New Hire in Process

INTERN VACANCIES

None.

CONSTRUCTION MANAGEMENT

REGIONAL PLANT NO. 4 SAN BERNARDINO AVENUE LIFT STATION AND FORCE MAIN, PROJECT NO. EN03023

The Lift Station contractor has focused on completing terminations of the instrumentation and electrical equipment which includes loop testing and corrections as required. The Agency Construction Management staff and its consultant are currently preparing a commissioning plan for the facility and will consult Operations, Technical Services and Engineering staff as the plan progresses.

RENEWABLE ENERGY EFFICIENCY PROJECT, PROJECT NO. EN03029

The engine exhaust modification work is ongoing with work scheduled to be completed near the end of January 2009. Resumption of startup/commissioning activities will begin the week of February 17, 2009.

REGIONAL PLANT NO. 4 EXPANSION TO 14 MGD, PROJECT NO. EN04011.00

The project site is being prepared for final repairs of the asphalt paving. Bids have been received for the secondary clarifier splitter box 30-inch overflow and the project is currently pending Agency approval. The SAT's for the Alum and Sodium Hypochlorite chemical

pump systems have been completed in preparation for commissioning the Aqua Disk filters. The Ferric and bisulfate chemical systems are ongoing with power supply and chemical piping underway.

REGIONAL PLANT NO. 1 THREE PHASE DIGESTION IMPROVEMENTS NO. EN04036.00

This project is complete. This project is currently in the Warranty Phase with the following items being addressed at this time: 1) weights for gas valve on Digester No. 2; 2) PEB water proofing to address leakage; 3) Sim Card replacement for failed card; and, 4) Minor valve adjustment.

REGIONAL PLANT NO. 1 AERATION BASIN MODIFICATIONS, PROJECT NO. EN05007.00

Gate replacement was completed on System B, Train 4. Shutdown is currently in process for System A, Train 2. All basin work and gate placement is being coordinated with Maintenance/Operations so that Maintenance staff can replace aeration panels at the same time.

CCWRF FILTER TEST, PROJECT NO. EN05061.00

This project has experienced significant design issues that delayed the completion of this project to determine the filter loading capacity to satisfy Title 2 requirements.

REGIONAL PLANT NO. 1 2007 REGIONAL AND NRW COLLECTION SYSTEM REPAIRS EN06011.00 & EN07011.02

Construction Management has prepared a Board letter for project close-out.

PRADO PARK INTERCEPTOR PROJECT, PROJECT NO. EN06011.01

The contractor is currently applying for a street closure permit with the City of Chino and submitting required submittals to the engineer for review. A performance letter dated January 29, 2009 was sent via certified mail to the contractor referring to the lack of progress. This letter required a written response from the contractor within 10 days detailing a recovery schedule to complete submittals, construction before contract completion date. This project will have a five week construction schedule, with completion scheduled for the middle of April 2009.

REGIONAL PLANT NO. 2 SOLIDS HANDLING FACILITY IMPROVEMENTS, PHASE I, PROJECT NO. EN06014/EN07117

On September 25, 2008, the contractor, consulting engineer, and Agency staff all participated in an overall system/electrical I & C workshop. The workshop was a success and several potential issues were identified which will provide the contractor with the information needed to complete the project within their contractual requirements. This was the first of several workshops scheduled as this project continues. Construction activities for the subject project have been limited to preparations of submittals and scheduling of potholing.

**REGIONAL PLANT NO. 5 RECYCLE WATER LINE/ 12 KV/ GAS SYSTEM
PROJECT NO. EN06020.01**

Agency staff and Universal Air Products Corporation (UAPC) service technicians completed the rebuilding of the Bio-Gas compressors. Engineering staff is currently analyzing the efficiency and dependability of existing gas compressors. The gas regulating system has been modified for testing and results have been positive. System finalization will be determined at the end of the testing.

**REGIONAL PLANT NO. 2 SOLIDS HANDLING FACILITY, PHASE II, PROJECT
NO. EN06020.04**

The 125 kW Flare Standby Generator has been installed and the startup has been completed. The Phase II boiler startups on Bio gas and AQMD source testing for the Phase II boiler have been completed. The buffer tank roof hatch is due onsite the week of the February 5, 2009. The contractor will install roof hatch, complete the interior coating and Hydro test after installation is completed. The Phase II Flare has been repaired. Engineering is continuing to work with manufacturer to resolve design issues.

**REGIONAL PLANT NO. 1 ASSET MANAGEMENT ITEMS & DIGESTER 6 AND 7
REPAIRS, PROJECT NO. EN07006.01**

Digester 6 cleaning is completed along with Lagoon 1 cleaning of solids. Digester has been sandblasted and coating work has begun. Inspection of unit indicated that all metal in digester needed to be sandblasted and coated. This has been picked up and is in process. Engineering has also performed an investigation of the Digester structure and will make recommendations on rehabilitation. Extensive cracking/spalling has been noted on the exterior of the unit which will require extensive remediation. Rehabilitation work is expected to be completed by June on this digester which will close out this project.

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

Work continues on the chlorine tank effluent modification. The chlorine outfall line is currently under construction. Field conditions related to voids under chlorine effluent channel have slowed progress as these issues are addressed individually. Inspection of the headworks determined that the influent gate is leaking badly and that the rails for existing gates are completely worn out. This will require the installation of a new isolation gate and possibly new rails.

**REGIONAL PLANT NO. 1 DIGESTER 6 AND 7 EMERGENCY STRUCTURAL
REPAIRS, PROJECT NO. EN07006.07**

Structural rehabilitation assessment work is scheduled to begin the second week in February pending recommendations of the engineer.

**REGIONAL PLANT NO. 1 NON RECLAIMABLE WASTEWATER SYSTEM (NRWS)
PHILADELPHIA PUMP STATION UPGRADES, PROJECT NO. EN07011.01**

Final loop checks are complete. Operations have taken over operational control of station. Additional maintenance items have been identified which require attention and are being addressed by Construction Management. These include a new meter on the back-up, 12 force

main, and spark testing and patching of the wet well. Final training for the bypass motor as well as final red-line completion are still remaining on original scope of work. Operations have also requested covers for the entry manhole which will require special fabrication.

REGIONAL PLANT NO. 1 NRW MANHOLES, PROJECT NO. EN07011.06

A lab evaluation of material build up on the 18-inch force main indicates a non-grease material which will not lend itself to chemical cleaning. As such, Construction Management has asked the engineer to prepare clean out details at an interval of 1,200 L.F. to allow mechanical cleaning in the future. The use of clean outs versus access manholes is expected to save the Agency \$500,000 dollars. This work is pending completion of the Philadelphia Pump Station. This work is expected to progress by March of this year.

REGIONAL PLANT NO. 1 DIGESTER 3 EVALUATION, PROJECT NO. EN07804.00

This project has been bid and Construction Management is currently waiting for Board award and hand-off.

REGIONAL PLANT NOS. 2 AND 5 IPS OVERFLOW PROTECTION, PROJECT NO. EN08006.00

Potholing for the project is complete. Evaluation of the potholing and discovery efforts have resulted in minor alignment changes in the piping system with no schedule impacts identified. Submittals have been received steadily and reviewed. Construction activities will begin shortly at the RP-2 site.

REGIONAL PLANT NO. 1 DIGESTER 5 AND 7 FLAME TRAP INSTALLATION, PROJECT NO. EN08013.01.

The flame traps have been installed on Digester Nos. 5 and 7. An additional cost proposal has been requested by Construction Management to complete insulation of the flame traps.

REGIONAL PLANT NO. 1 AUTOMATED PRESSURE RELIEF VALVE, PROJECT NO. EN08013.02.

Construction Management is currently waiting on amendments from engineering for DCS related work so this project can be bid.

REGIONAL PLANT NO. 1 SOLAR PROJECT AREAS 4 AND 5, PROJECT NOS. EN08022.00/EN08022.04

Work for this project is generally completed with minor pick-up items remaining along with site clean-up. Southern California Edison has certified installation which will allow this site to be brought online.

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

Pick-up items are currently being followed up on as well as design errors and omissions related to bio-filter drainage issues. Also being completed is AC paving of the site related to the project. At this time, Construction Management has requested a recovery schedule from the Contractor to complete the project as well as make changes to the bio-filter and headworks indicated, to allow for proper operation.

REGIONAL PLANT NO. 4 CHINO BASIN FACILITIES IMPROVEMENTS PHASE II – BERM HARDENING, PROJECT NO. TS07004.02

The testing of fill materials for restoration and final grading in all basins has been completed. Restoration of borrow areas in Hickory for soil cement production have been completed. Installation of handrails and slide gates are underway at Declez, 8th Street basins as well.

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

The Contractor is currently working on installation of MWD CB-20. This work is being coordinated with MWD with all remaining flood control work being coordinated through the County. Work is estimated to be completed in March with final level sensor installation/pulls occurring when basins are dry by June. Construction Management is continuing to coordinate with the City of Upland on AC work in residential neighborhoods and within city streets.

REGIONAL PLANT NO. 4 RECYCLED WATER PUMP STATIONS, PROJECT NO. WR04441

The contractor has continued work on the VTP and HSCP installation for final testing. The VTP's testing was attempted but was stopped when turbidity levels were found to be above acceptable levels. The HVAC units 3, 4 and 5 have been installed onto the existing electrical building. The 1299 surge tank was poured and instrument panel for the 1158 and 1299 surge tanks were installed. The perimeter wall at the south east corner has been reinstalled.

REGIONAL PLANT NO. 4 SAN ANTONIO RECYCLED WATER PIPELINE SEGMENT B, PROJECT NO. WR04446.00

The FAT for the discharge station control system has been completed and accepted by the Agency. The City of Montclair punch list has been completed. The remaining instrumentation has been installed at the discharge station. Calibration and testing of the SCADA equipment and CLA-Valve are in progress.

REGIONAL PLANT NO. 4 RECYCLED WATER DISTRIBUTION FACILITIES, PHASE 2, PZ 1158 ZONE RESERVOIRS MODIFICATIONS, PROJECT NO. WR04448

The contractor has completed the final redesigned pipe support bases for both reservoirs and placed the last two pipe supports. The electric meter panel and cables have been installed. Calibration and testing will start early this month.

REGIONAL PLANT NO. 1 SMALL CAP SOCCER COMPLEX SERVICE CONNECTIONS

Work is progressing toward completion with no major issues or actions to report at this time.

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Inland Empire Utilities Agency GRANT ADMINISTRATION ACTIVITIES REPORT				
~ January 2009 ~				
Account Type	Total Number of Active Accounts	Total Award Amount	Total Amount Invoiced	Total Award Balance
IEUA Grants	23	\$ 71,243,661.00	\$ 61,106,770.60	\$ 10,136,890.40
IEUA Loans	4	\$ 25,735,772.00	\$ 22,103,133.00	\$ 3,632,639.00
Grants for CDA	1	\$ 2,800,000.00	-	\$ 2,800,000.00
TOTAL:	28	\$ 99,779,433.00	\$ 83,209,903.60	\$ 16,569,529.40

~ GRANT ADMINISTRATION ACTIVITIES FOR JANUARY 2009 ~

INVOICE INFORMATION	
Project Name	Amount
DWR- \$15.5M Conjunctive Use Expansion Program Invoice # 7	\$ 1,967,521.79
MWD-Chino Basin Groundwater Storage Project Phase 2 - Study, Invoice #11	\$ 448,174.79
DWR- Multi Family ULFT Program Invoice # 4	\$ 136,119.04
SAWPA- IRWM, Invoice #9	\$ 112,827.28
MWD-Pinch of Salt- Water Softener Salinity Reduction Program - Invoice #1	\$ 29,779.95
WRF-WaterReuse Foundation Invoice #3	\$ 18,205.37
WURD- Dairy Power Production Program, Invoice #7	\$ 8,416.48
SWRCB-Magnolia Channel - Invoice # 8	\$ 7,576.95
SWRCB-Greater Prado Clean-up- Invoice # 8	\$ 7,513.12
TOTAL INVOICES	\$ 2,736,134.77

PAYMENT RECEIVED	
Project Name	Amount
SWRCB-Recycled Water Distribution System-Phase 3-Loan 120 Invoice #3	\$ 371,066.00
DWR- Large Landscape Water Audit- Phase 3, Invoice #2	\$ 12,755.13
MWD-Chino Basin Groundwater Storage Project, Phase 2 Study Grant, Invoice #10	\$ 175,750.39
TOTAL PAYMENTS:	\$ 559,571.52

ACTIVE APPLICATION INFORMATION		
Account Type	Total Number of Active Applications	Amount Requested
IEUA Grants	2	\$ 19,465,800.00
SRF Loan Application - Phase 4 (Red Team)	1	\$ 38,000,000.00
SRF Loan Application - Phase 5 Wells & Lysimeters	1	\$ 1,500,000.00
SRF Loan Application - Phase 6 RP-1 Dewatering Facility Expansion	1	\$ 27,579,000.00
SRF Loan Application - Phase 7 Wineville Recycled Water Pipeline Extension	1	\$ 11,212,500.00
SRF Loan Application - Phase 8 RP-5 Main Operations Laboratory	1	\$ 14,600,000.00
Grants for CDA Submitted by IEUA- Final Application	1	\$ 20,000,000.00

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TOTAL ACTIVE APPLICATIONS:		8	\$ 132,357,300.00
SRF Loan Priority List (Not an Application) for IEUA		16	\$ 288,271,826.00
SRF Loan Priority List (Not an Application) Submitted for Member Agencies		3	\$ 25,000,000.00
CASH FLOW SUMMARY			
Fiscal Year	IEUA Receipts	CDA Receipts	Total Receipts
FY 2004/2005	\$ 31,763,191.51	\$ 38,017,916.14	\$ 69,781,107.65
FY 2005/2006	\$ 11,707,929.46	\$ -	\$ 11,707,929.46
FY 2006/2007	\$ 11,315,406.95		\$ 11,315,406.95
FY 2007/2008	\$ 31,854,676.05	\$ -	\$ 31,854,676.05
FY 2008/2009	\$ 15,883,374.90	\$ -	\$ 15,883,374.90
TOTAL CASH FLOW:	\$ 102,524,578.87	\$ 38,017,916.14	\$ 140,542,495.01

PUBLIC INFORMATION

Calendar of Events

February 2009

- **February 3**, Department of Health Services California Financing Coordinating Committee funding workshop, IEUA Event Center.
- **February 5**, Army Corp. of Engineers, Col. Magness tour of Prado Basin projects, 8:30 a.m. to noon. Lunch with the Colonel in the Event Center at noon.
- **February 10**, California Sustainability Alliance Showcase Award Luncheon (IEUA will be receiving an award) 11:30 a.m. to 2:00 p.m. at the Firehouse Restaurant in Sacramento.
- **February 23 – 24**, State Water Resources Control Board Water Quality Coordinating Committee Water Education Workshop for Board Members, IEUA Event Center.
- **February 24 – 26**, ACWA Washington DC Conference.
- **February 25**, A Day at the Chino Creek Wetlands and Educational Park as part of National Wetlands Month, 3:30 p.m. to 5:30 p.m.

March 2009

- **March 4**, Ontario State of the City Address. 4:00 p.m. to 8:00 p.m., Ontario Convention Center.
- **March 9**, CASA Washington DC Conference.
- **March 16**, IEUA hosts Special District Dinner at the Panda Inn in Ontario, 6:00 p.m.
- **March 22 - 24**, WateReuse California 09 Conference, San Francisco.

April 2009

- **April 22**, Earth Day at the Chino Creek Wetlands and Educational Park, 3:30 p.m. to 5:30 p.m.
- **April 27 – 30**, BioCycle International Conference 2009, San Diego.

**OUTREACH/EDUCATIONAL INLAND VALLEY DAILY BULLETIN NEWSPAPER
CAMPAIGN**

The 5 tips on ways to help conserve water ad will appear in the Daily Bulletin on the first Sunday of each month. On Wednesday, February 1, IEUA had two pages in the Daily Bulletin's special section "An American Moment." On Sunday, January 25, the ad for the upcoming Garden In Every School workshop appear in the Daily Bulletin. The 8-page ad that features each of our partners will appear in the paper on Friday, February 27 and a two page Education piece will also appear in the paper sometime in February.

WATER CONSERVATION OUTREACH

IEUA is continuing to work its conservation partners to plan its 2009 Daily Bulletin Community Outreach Conservation ads. Chris Lancaster will provide a few sample ads for the conservation partners to review.

AGENCY TOURS

During the month of January staff provided a number of tours of the HQ, RP-5 and RP-5 SHF (one group was a delegation from Kenya that toured CCWRF)). Tours of the RP-5 SHF, HQ, RP-5 and the Turner Recharge Basin are scheduled for the State Water Resource Control Board's meeting at IEUA on February 23 and 24. There is also a tour scheduled for Claremont College students of the RP-5 SHF and Chino Basin Desalter in February.