



Date: May 6, 2009

To: The Honorable Board of Directors

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

Subject: General Manager's Report Regarding Agency Activities

INTERAGENCY WATER MANAGERS' MEETING

The next Interagency Water Managers' meeting is scheduled for May 28, 2009, as part of the Watermaster Advisory Committee agenda.

OPERATIONS

RP-1/RP-2 Biosolids Transportation and Recycling Services

Agency biosolids transportation and recycling services are currently conducted via contract with Solid Solutions Inc. The contract will expire on June 30, 2009. CAP will be issuing a request for proposals in mid-May soliciting prices for a 2-year contract.

OPERATIONS PLANT FLOW CHART – March 2009

Facility	Influent Flow		Residuals	
	MGD	Total MG	Biosolids	Manure
			Wet Tons	
RP-1	33.0	1023	3,694	
RP-4	7.0	217		
RP-2	-	-	2,795	
RP-5	11.0	341		745
CCWRF	9.0	279		
Totals	60.0	1,860	6,488	745

SCE SAVINGS-BY-DESIGN PROGRAM

In 2001, Southern California Edison created a program that offers financial incentives to offset the capital cost of installing high efficiency equipment or systems. Incentives are based on the type of measure installed and the kWh saved over a 12-month period.

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The Agency has submitted six projects for consideration. Four of the projects, the RP-4 Expansion Influent, RP-4 Expansion Secondary, RP-1 South Zone Pump Station, and San Bernardino Avenue Lift Station were approved and granted a total incentive of \$180,250 in past two years. The other project, the RP-4 Pump Station is now approved and will be granted \$40,073 in the next month. Finally, the 1630 Pump Station is in the approval process.

IEUA Projects:

RP – 4 Expansion Influent	\$16,000
RP – 4 Expansion Secondary	\$75,000
RP – 1 South Zone Pump Station	\$79,407
RP – 4 RW P.S. (1158, 1270 PZ)	\$40,073, not paid yet
San Bernardino Avenue Lift Station	\$ 9,843
1630 Pump Station	Not Available
Total	\$220,323

HUMAN RESOURCES

A TEAMS graduation ceremony was held for the first class of graduating participants following the April 15th Board Meeting. A total of 57 Level 2 and 18 Level 3 employees completed their 96 hours over two years of professional development training. Board Members, Executive Management, TEAMS Advisory Committee and Facilitators were also in attendance for the ceremony and luncheon.

In a collaborative effort with Financial Planning staff, staff diligently prepared next fiscal year's staffing plans and organizational charts for the Agency's various departments. The staffing plans and organizational charts will be incorporated into the Agency's budget document draft which will be presented at the May 6th Board Meeting.

<u>CURRENT STAFFING</u>	
Regular Full-time Employees:	292
Contract/Limited Term Employees:	17
Interns:	29
TOTAL:	338

CURRENT RECRUITMENT ACTIVITIES

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

<u>REGULAR VACANCIES</u>							
	Position	Department	RFVP Received	Closing Date	Salary Range	Tentative Placement Date	Notes
1	Administrative Secretary	541-Energy Production & Maintenance	4/20/09	5/8/09	GU088	6/09	Recruitment in Process

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<u>CURRENT RECRUITMENT ACTIVITIES</u>	
Recruitments in Process/Offer Pending	1
Placement in Process:	0
No RFVP; Position on Hold:	15
Total Regular Vacancies (Excludes Contract & Intern Positions):	16

<u>POSITIONS ON HOLD (5% Vacancy Factor)</u>			
Position		Department	Vacant Since
1	Staff Internal Auditor	107-Internal Audit	3/09
2	Human Resources Analyst	250-Human Resources	10/08
3	Sr. Water Resources Analyst	312-Planning & Water Resources	7/08
4	Sr. Engineer	420-Engineering	12/08
5	Sr. Engineer	420-Engineering	3/09
6	Engineering Technician	420-Engineering	3/09
7	Deputy Manager of Construction Management	425-Construction Management	8/08
8	Construction Project Coordinator (Limited Term)	425-Construction Management	2/09
9	Administrative Secretary (Limited Term)	425-Construction Management	12/08
10	Process Control Coordinator	517-Tech Svs and Env Comp	3/09
11	Junior Operations Assistant	517-Tech Svs and Env Comp	4/09
12	Junior Operations Assistant	540-RP1 Operations	3/09
13	Inventory Control Technician	546-Maintenance Planning & Materials Management	4/09
14	Electrical Technician II	553-RP2/CC Electrical/Instrument Maintenance	12/08
15	Operator I	580-RP2/RP5 Operations	2/09

CONTRACT/LIMITED TERM VACANCIES

None.

INTERN VACANCIES

None.

BUILDING ACTIVITY REPORT

Contracting Agency	Yearly Projected Building Activity (EDUs)	Yearly Total Activity (EDUs)	Yearly Total Activity / Projected Activity (%)	FY 08/09 Connection Fees	Reported Thru
City of Chino	139	96	69%	\$ 446,627.58	February
City of Chino Hills	334	106	32%	\$ 494,394.52	March
C.V.W.D.	615	285	46%	\$ 1,337,412.60	February
City of Fontana	800	342	43%	\$ 1,596,656.15	March
City of Montclair	92	65	70%	\$ 301,520.18	March
City of Ontario	1,000	112	11%	\$ 524,730.24	March
City of Upland	370	22	6%	\$ 105,089.70	March
TOTAL	3,350	1,028	31%	\$ 4,806,430.97	

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

The Agency has received the South Coast AQMD permit to operate (PTO) for the permanent generator on April 3, 2009. As a result Brutoco Engineering & Construction BEC, Bay City Electric, and Doty Bros immediately implemented their plan to start, install, and test the permanent generator system, which was successfully completed on April 15, 2009. BEC are continuing completion of punch list items and corrections as field testing is performed. Davis Electric has completed nearly 95 percent of the PLC modifications required to complete the communications system between the San Bernardino Lift Station and the Agencies Regional Plant 4. TKE, consulting engineer, continues preparing a detailed start plan that will complete the coordination efforts to the pump station and force main in service. MCC/MIMCON has completed installation and testing the fiber optic system.

RENEWABLE ENERGY EFFICIENCY PROJECT, PROJECT NO. EN03029

Negotiations with Johnson Power Systems are currently underway to close out the project and protect the assets.

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

Hardy & Harper completed 100 percent of the finish paving within the plant on April 8, 2009. Performance testing for the aqua disk filters has been completed and the Agency is awaiting performance evaluation of the results from Black & Veatch. The chemical pumps have been tested and the Agency is also awaiting performance evaluation of the results from Black & Veatch.

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

All work is complete. Construction Management plans on going to the Board of Directors for project acceptance on May 20, 2009.

CCWRF FILTER TEST, PROJECT NO. EN05061.00

The testing has been completed, but with mixed results. All rental equipment will remain in place until a determination has been made by the consultant. This may require additional testing to produce a defining result once the current information is analyzed.

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

Construction Management went to the Board of Directors on February 18, 2009, for the project acceptance. A Notice of Completion was filed with the County on February 23, 2009. A final claim letter on accrued liquidated damages has been prepared for distribution to the Contractor. Currently waiting on a 30-day response.

PRADO PARK INTERCEPTOR PROJECT, PROJECT NO. EN06011.01

This project is complete and has been placed into service.

REGIONAL PLANT NO. 5 SOLIDS HANDLING FACILITY IMPROVEMENTS, PHASE I, PROJECT NO. EN06014/EN07117

The SARI Septic Dump Station has been over excavated and re-compacted. Base material has been placed and final paving is scheduled for the end of April.

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

All other construction is currently on hold due to the REEP project stoppage.

REGIONAL PLANT NO. 5 SOLIDS HANDLING FACILITY, PHASE II, PROJECT NO. EN06020.04

All construction is currently on hold while the agency conducts an independent evaluation of the mix digestion project and assesses the options for re-operating the digesters and related facilities. The first pre-proposal meeting and site tour has been held, with another occurring the week of April 20.

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

DCL cleaning has started and Digester 6 is being structurally repaired. Crack repair and structural repairs are currently in progress with the structural engineer monitoring work and making recommendations. Rehabilitation work is expected to be completed by June 2009.

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

Work continues on the Chlorine Tank Effluent modification. The Chlorine Outfall Line is currently under construction.

REGIONAL PLANT NO. 1-DIGESTER 6 & 7 EMERGENCY STRUCTURAL REPAIRS EN07006.07

Structural rehabilitation assessment work is currently ongoing. An assessment of the extensive outside wall spalling has been reviewed by the Engineer. Rehabilitation work is

currently in progress under the Engineer's review. Three bids have been received for foam installation.

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

Additional maintenance items have been identified as follows: 1) A new meter on the back-up 12 force-main; 2) the addition of manhole covers; and 3) rehabilitation of the wet well. This project is scheduled to go to the Board of Directors on May 20, 2009, for project acceptance, pending completion of requested additional Maintenance items. These items are expected to be completed by the end of April.

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

Work on the redesigned job is expected to begin July, 2009 pending the completion of the Philadelphia Pump Station. This work is expected to be completed in September/October.

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

The contractor has completed the majority of onsite work and has moved outside of the facility for the manhole repairs.

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

The flame traps have been installed on Digester 5 and Digester 7. This work is complete.

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

Construction Management is currently awaiting an acceptable schedule. Submittals are ongoing and work is expected to begin in May.

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

Punch list items are currently being completed. Construction has started on the additional work to address the bio-filter drainage and separation of cells. Additional items found by Operations to meet operational and access issues will be addressed in the next fiscal year. Construction Management plans to close out this project in May 2009.

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

The contractor has completed all of the major construction activities and the projects punch list. They are currently working on the project deliverables including manufacturers' certifications and warranties.

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-14 and 20. This work is being coordinated with MWD with all remaining Flood Control work being coordinated through the County. Currently, with the addition of telemetry and relocation of pedestals at San Sevaine Basin, work is estimated to be completed by November with environmental restoration being completed by December. A start-up plan is also being prepared for project start-up.

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

The contractor is finalizing loop test reports and deliverables list. The site restoration is also continuing with sub-grade and damaged asphalt removal. All underground work has been completed and all work areas are being made safe for start up. The project is in the Start Up phase.

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

The contractor has completed all contract work to date. The contractor is correcting asphalt failures along 4th Street under warranty repairs as well as replacing a traffic interconnect cable at the request of the City of Montclair. IEUA is working with the contractor to finalize the project close out deliverables.

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**Inland Empire Utilities Agency
GRANT ADMINISTRATION ACTIVITIES REPORT**

~ March 2009 ~

Account Type	Total Number of Active Accounts	Total Award Amount	Total Amount Invoiced	Total Award Balance
IEUA Grants	24	\$ 76,183,661.00	\$ 61,687,631.23	\$ 14,496,029.77
IEUA Loans	4	\$ 25,735,772.00	\$ 22,674,730.00	\$ 3,061,042.00
Grants for CDA	1	\$ 2,800,000.00	\$ -	\$ 2,800,000.00
TOTAL:	29	\$ 104,719,433.00	\$ 84,362,361.23	\$ 20,357,071.77

~ GRANT ADMINISTRATION ACTIVITIES FOR MARCH 2009 ~

INVOICE INFORMATION

Project Name	Amount
SAWPA- IRWM, Invoice #11	\$ 173,402.32
WRF-WaterReuse Foundation Invoice #5	\$ 7,280.00
TOTAL INVOICES	\$ 180,682.32

PAYMENT RECEIVED

Project Name	Amount
SWRCB-Recycled Water Distribution System-Phase 3-Loan 120 Invoice #4	\$ 450,245.00
MWD-Chino Basin Groundwater Storage Project, Phase 2 Study Grant, Invoice #12	\$ 126,169.28
SWRCB-Recycled Water Distribution System-Phase 3-Loan 130 Invoice #3	\$ 105,518.00
SWRCB-Recycled Water Distribution System-Phase 3-Loan 110 Invoice #3	\$ 76,749.00
MWD-Pinch of Salt- Water Softener Salinity Reduction Program - Invoice #1	\$ 29,779.95
SWRCB-Recycled Water Distribution System-Phase 3-Loan 110 Invoice #4	\$ 26,084.00
WRF-WaterReuse Foundation Invoice #3	\$ 18,205.37
TOTAL PAYMENTS:	\$ 832,750.60

ACTIVE APPLICATION INFORMATION

Account Type	Total Number of Active Applications	Amount Requested
IEUA Grants	6	\$ 14,605,800.00
IEUA Loans		\$ -
SRF Loan Application - Phase 4 (Red Team) Northeast Area Recycled Water Package	1	\$ 38,000,000.00
SRF Loan Application - Phase 5 Wells & Lysimeters	1	\$ 1,500,000.00
SRF Loan Application - RP-1 Dewatering Facility Expansion	1	\$ 27,579,000.00
SRF Loan Pre-Application - Phase 6 Wineville Recycled Water Pipeline Extension	1	\$ 11,212,500.00
SRF Loan Pre-Application - Phase 7 Northwest Area Recycled Water Package	2	\$ 36,882,000.00
SRF Loan Pre-Application - Phase 8 Southern Area Recycled Water Package	1	\$ 18,951,000.00
SRF Loan Pre-Application - Phase 9 Baseline Heritage Area Recycled Water Package	1	\$ 6,785,000.00
SRF Loan Pre-Application - RP-5 Main Operations Laboratory	1	\$ 14,600,000.00
Grants for CDA Submitted by IEUA- Final Application	1	\$ 20,000,000.00
TOTAL ACTIVE APPLICATIONS:	16	\$ 190,115,300.00

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SRF Loan Priority List (Not an Application) for IEUA	14	\$ 202,648,421.00
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	\$ 17,295,875.05	\$ -	\$ 17,295,875.05
TOTAL CASH FLOW:	\$ 103,937,079.02	\$ 38,017,916.14	\$ 141,954,995.16

PUBLIC INFORMATION

Calendar of Events

May 2009

- **May 8**, IERCF Dedication, 10:00 a.m.
- **May 9**, CVWD's Water Awareness Day, 11:00 a.m. to 2:00 p.m. at CVWD.
- **May 15**, OC Water Summit, Grand California Hotel Disneyland, 7:30 a.m. to 1:30 p.m.
- **May 18 - 19**, 13th Annual WaterReuse & Desalination Research Conference, Hilton Waterfront Beach Resort, Huntington Beach.
- **May 19 - 22**, ACWA Spring Conference & Exhibition Water Infrastructure 911, Sacramento.
- **May 21**, Fontana Police and Fire Recognition Awards, Steelworkers Auditorium, 6:00 p.m.
- **May 22**, Cucamonga Valley Water District Open House for Water Awareness Day, 11:00 a.m. to 2:00 p.m.

June 2009

- **June 6**, Montclair Family Fun Festival, Alma Hofman Park, 11:00 a.m. to 5:00 p.m.
- **June 14 - 18**, American Water Works Association, The World's Water Event, San Diego.

August 2008

- **August 20**, BIA, San Bernardino Water Conference, Ontario Convention Center.

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. The Earth Day two-page advertisement ran on Wednesday, April 22.

Water Conservation Outreach

IEUA is continuing to work with conservation partners to plan the Regional Conservation message. The new slogan is *Saving Water...It's the Right Thing to do.*

May 1 – 3, 2009

IEUA was an event sponsor at the Inland Green Expo at the Ontario Convention Center. Sponsorship provided IEUA and its local water agencies a booth, and the opportunity to conduct classes. IEUA and its local water agencies were included in print advertising and on the web.

Regional Conservation Outreach Campaign

- Ongoing ads in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News, and La Opinion.
- Ongoing water wise gardening classes.
- 30 second public service announcements (PSA's) on community TV/ movie theaters/ radio/ internet with conservation tips.
- Billboards.

Agency Tours

During the month of March, staff provided a number of tours of the HQ, RP-5. Numerous tours of the Chino Creek Wetlands and Educational Park were provided by SAWA.