



Date: June 17, 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 June 25, 2009, as part of the Watermaster Advisory Committee agenda.

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	112	80%	\$ 521,783.91	April
City of Chino Hills	334	116	35%	\$ 543,298.40	April
C.V.W.D.	615	291	47%	\$ 1,379,422.87	April
City of Fontana	800	392	49%	\$ 1,832,960.42	April
City of Montclair	92	73	79%	\$ 339,734.11	April
City of Ontario	1,000	123	12%	\$ 576,935.12	April
City of Upland	370	24	7%	\$ 113,812.78	April
TOTAL	3,350	1,132	34%	\$ 5,307,947.61	

HUMAN RESOURCES

The Agency's annual Vision Open Enrollment period began on Monday, June 1, 2009 and will end on Tuesday, June 23, 2009. All changes are effective on Wednesday, July 1, 2009.

There are no design changes or premium increases within the plan. Once enrolled, employees are required to maintain their enrollment for a 12-month period.

Thursday, June 18, 2009 is the fourth annual National Dump the Pump Day. Sponsored by the American Public Transportation Association (APTA), the 2009 National Dump the Pump Day encourages people to get out of their cars and ride public transportation to save money, conserve gasoline, and help reduce the harmful greenhouse gases emitted into our environment. For more information regarding participating transit systems and incentives offered to participate in this event, visit the APTA website at www.apta.com.

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CURRENT STAFFING	
Regular Full-time Employees:	292
Contract/Limited Term Employees:	16
Interns:	26
Total:	334

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	Administrative Secretary	541-Energy Production & Maintenance	4/20/09	5/8/09	GU088	7/09	Interviews were scheduled on 6/16/09

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

POSITIONS ON HOLD (5% Vacancy Factor)			
	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 Res.	7/08
4	Sr. Engineer	420-Engineering	12/08
5	Engineering Technician	420-Engineering	3/09
6	Deputy Manager of Construction Mgmt	425-Construction Mgmt	8/08
7	Construction Proj. Coordinator (Ltd Term)	425-Construction Mgmt	2/09
8	Administrative Secretary (Ltd Term)	425-Construction Mgmt	12/08
9	Junior Operations Assistant	540- RP1 Operations	3/09
10	Sr. Operator	540- RP1 Operations	5/09
11	Operator II	540- RP1 Operations	6/09
12	Inventory Control Technician	546-Maintenance Planning & Materials Management	4/09
13	Electrical Technician II	553-RP2/CC Electrical/ Instrument Maintenance	12/08
14	Junior Operations Assistant	580-RP2/RP5 Operations	5/09
15	Operator I	580-RP2/RP5 Operations	2/09

CONTRACT/LIMITED TERM VACANCIES

None.

INTERN VACANCIES

None.

OPERATIONS

SUMMARY OF CHINO BASIN GROUNDWATER RECHARGE OPERATIONS					
May 2009					
Drainage System	Recharge Volume (AF)*			Management Zone Subtotals	
	Basin	SW/LR	MWD		Recycled
San Antonio Channel Drainage System					
College Heights	-	-	N	MZ-1 131 AF**	
Upland	-	-	N		
Montclair 1, 2, 3 & 4	92	-	N		
Brooks	17	-	115		
West Cucamonga Channel Drainage System					
8th Street	16	X	-	MZ-2 92 AF**	
7th Street	-	X	-		
Ely 1, 2, & 3	38	X	11		
Minor Drainage					
Grove	3	N	N		
Cucamonga and Deer Creek Channel Drainage Systems					
Turner 1 & 2	18	-	30		
Turner 3 & 4	1	-	-		
Day Creek Channel Drainage System					
Lower Day	-	-	X		
Etiwanda Channel Drainage System					
Etiwanda Debris	-	-	X		
Victoria	3	-	X		
San Sevaine Channel Drainage System					
San Sevaine 1, 2, 3, & 4	-	-	N		
San Sevaine 5	-	N	X		
West Fontana Channel System					
Hickory	18	-	-	MZ-3 12 AF**	
Banana	-	-	-		
Declez Channel Drainage System					
RP3 Cells 1, 3, & 4	3	-	-		
RP3 Cell 2	3	-	-		
Declez	6	-	-		
Non-Replenishment Recharge**					
Brooks (MVWD) MZ-1	(17)				
Montclair (MVWD) MZ-1	(92)				
Turner (SAWCO) MZ-2	-				
Ely (GE, Ontario) MZ-2	(30)				
Month Total = 235 AF	79	0	156		
Fiscal Year to Date Total					
Since July 1, 2008 = 9,736 AF	7,345	0	2,391		
SW : Storm Water, LR : Local Runoff (and GE, MVWD), MW : MWD Imported Water, RW : Recycled Water - : No stormwater/local runoff, or basin not in use due to maintenance or testing. X : Turnouts not available - to be installed during future projects. N : No turnout planned for installation. * : Data are preliminary based on the data available at the time of this report preparation. ** : Management Zone Subtotals have deducted from them any Non-Replenishment Recharge, which is recharge originating from pumped groundwater and is not new water.					

Printed: Jun. 02, 09

CONSTRUCTION MANAGEMENT

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

IEUA, BEC and Camp, Dresser & McKee (CDM) have been addressing the corrections identified during the Functional Acceptance Testing (FAT) and Operational Readiness Testing (ORT). The Contractor and BEC returned Pump No. 2 which had been removed for corrections after some deficiencies were previously identified. These corrections which were identified as results of the pump inspection on May 12, 2009, have resulted in delays for the commissioning of the facility of approximately two weeks. The earliest commissioning date was anticipated to be June 10, 2009. The facilities start-up plan was distributed to Agency staff and its consultants for final review and comments. Design has also been completed for the remote VFD reset feature requested by the Agency and implementation is being scheduled for the first week of June. Functional Acceptance Testing (FAT) and Operational Readiness Testing (ORT) will resume when all corrections and changes have been made to confirm readiness for commissioning.

RENEWABLE ENERGY EFFICIENCY PROJECT, PROJECT NO. EN03029.00

On Saturday, May 30, 2009, staff worked with the contractor to remove all temporary 12kV cables, transformers, and load switches. This resulted in the final step to connect the REEP building to the RP5 plant load in a permanent manner. This also eliminated the monthly rental charges being incurred. Staff has yet to initiate the long term storage of the engines because they are waiting on the final outcome of the project review.

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

Taisei-T&K continued to complete punch list items at the project site. Evaluation and calibration of the ultra-sonic measure equipment at the facilities chlorine contact basin were re-assessed by Black & Veatch and the Agency's CM staff. Potential installation deficiencies may have been identified. Additional testing of the ultra-sonic devices will be required and the information gathered will be forwarded to the manufacturer for evaluation. Corrections to the ultrasonic device regarding installation and recalibration will be completed and re-evaluated.

CCWRF FILTER TEST, PROJECT NO. EN05061.00

The final test will be performed this week. Following this test, all rental equipment will be removed.

CCWRF CHLOR/DECHLOR STORAGE TANKS, PROJECT NO. EN05054.01

The contractor has fabricated a temporary containment area in preparation for the relocation of the SBS tanks. Staff has not been able to utilize the existing chemical as quickly as anticipated, which has pushed the tank relocation date back by two weeks.

CCWRF SEC CLARIFIER GATE REPLACEMENT, PROJECT NO. EN08013.04

The project kickoff meeting was scheduled for June 4, 2009. All gates have been pre-purchased and are on-site.

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

Construction Management is currently dealing with a claim letter regarding accrued liquidated damages from two subcontractor's stop notices related to the Contractor's apparent bankruptcy. Additional contractors have contacted the Agency; however, the job has been closed for over 30-days with no additional stop notices having been received. Monies have been allocated to cover a stop notice release in this next fiscal year, once a ruling has been obtained from the noted two subcontractors.

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

The SARI Septic Dump Station has been completed and was scheduled to be placed into service on May 27, 2009. This date has slipped due to additional security measures that are being implemented. These were anticipated to be complete by June 1, 2009.

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

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

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 digestion project and assesses the options for re-operating the digesters and related facilities.

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

DCL cleaning has begun. Structural rehabilitation work continues on Digester 6. Pressure testing indicates up to 600 additional linear feet of crack repair may be required. The Agency will complete roof sealing then move to hydrostatic testing so that a hydrophilic sealing may be used to repair remaining cracks, which provides better, more cost effective sealing. This is anticipated to be a less expensive option to repair remaining cracks and will allow start-up to commence more quickly. Rehabilitation work is expected to be completed by the end of June 2009.

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

An assessment has been completed to determine where leakage may be occurring from inside the Chlorine Contact Tank. Video work does not indicate an apparent location at this point. As such, it will be necessary to take each basin off-line individually to see if sump water level drops to indicate which basin the leakage is coming from. Given the high recycled water demands, staff may need to wait until October to perform this assessment. The Sodium Bisulfate Pump and MCC-15 shutdowns are currently under review, which will require a temporary control panel to be constructed to facilitate new motor installation and a temporary generator to be provided to facilitate storm water pump station activation. The Replacement Aeration System at the Primaries and the gate replacement are currently under construction.

An assessment performed by the Engineer recommends removal of headwork's gate replacement as currently articulated. CM is continuing to push to get this work completed; however, this will require bypass pumping and complete frame installation. This work will require a different approach as well as guides and frames on each new gate requiring by-pass pumping. Finally, an assessment is underway to determine how communication through a DCS hub will be provided.

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

Structural rehabilitation assessment work is currently ongoing. Air testing on Digester 6 indicates an additional 600 linear feet of patching may be required. As such, completion of roof installation/foam will occur and digester will be filled with water which will allow hydrophilic crack repair to take place. This is expected to be less costly and will allow start-up to take place more quickly. This work is expected to be complete by the end of June.

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

Final job walk has been completed. Close-out negotiation of change orders was completed by the end of May with the project is going to the Board of Directors by the second meeting in June for closure.

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

A revised scope of work has been prepared for cleaning and minimal access to these two force mains. This work is expected to be completed by the end of 2009.

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

The contractor is now completing the work in El Prado Road, which requires night time shifts to take advantage of the lower flow conditions. This work will be completed by the end of June.

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

The flame traps have been installed on Digester 5 and Digester 7. An apparent failure of the thermal plug on Digester 5 required thermal plugs to be changed. CM staff has completed this warranty work and unit is back online.

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

Contractor has mobilized to the site and work has begun. Scaffolding has been placed and the concrete walking lid has been removed. A tent has been placed over the digester to allow sandblasting of lid to take place before an assessment of the Engineer can take place.

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

Punch list items are currently being completed. Start-up has been completed. Lifting of the header will be scheduled for the new fiscal year. Construction Management plans to close out the current project in July 2009.

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

The Contractor has completed all of the construction activities and the project is complete. The Board of Directors accepted work as complete and authorized Notice of Completion on June 3, 2009.

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

The Contractor has completed the installation of MWD CB-14 and 20. Electrical instrumentation and testing is being conducted by MWD. With the addition of telemetry and relocation of pedestals at San Sevaine Basin, work is estimated to be completed by August 2009, with environmental restoration of San Sevaine Basin being completed by December 2009. At this time, telemetry reception towers at RP-1 and RP-4 are being installed. Construction Management is continuing to coordinate with the City of Upland on residential action items needed for successful job completion.

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

Start up activities have been fully implemented and all nine of the new pumps are running and in service without interruption. The Contractor has removed the three existing vertical turbine pumps from Regional Plant No.4 and two from Regional Plant No. 1. The pumps have been sent to the manufacturer for modifications that include the removal of one stage from the pumps located at Regional Plant No. 1 and impeller modifications to the pumps from Regional Plant No. 4.

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

The Contractor has completed all contract work and the project is scheduled for acceptance.

IERCF GRADING AND DRAINAGE IMPROVEMENTS, PROJECT NO. RA09005.00

Material submittals have been submitted and approved. Soil berm at the southern end of the IERCF tent structure is being removed and the footing for the new CMU wall is being exposed in compliance with the plans & specifications.

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Inland Empire Utilities Agency
GRANT ADMINISTRATION ACTIVITIES REPORT

~ May 2009 ~

Account Type	Total Number of Active Accounts	Total Award Amount	Total Amount Invoiced	Total Award Balance
IEUA Grants	24	\$ 76,423,661.00	\$ 68,082,305.00	\$ 8,341,356.00
IEUA Loans	4	\$ 25,735,772.00	\$ 23,417,236.00	\$ 2,318,536.00
Grants for CDA	1	\$ 2,800,000.00	-	\$ 2,800,000.00
TOTAL:	29	\$ 104,959,433.00	\$ 91,499,541.00	\$ 13,459,892.00

~ GRANT ADMINISTRATION ACTIVITIES FOR MAY 2009 ~

INVOICE INFORMATION	
Project Name	Amount
DWR- \$15.5M Conjective Use Expansion Program Invoice # 8	\$ 996,772.34
SAWPA- IRWM, Revised Invoice #1 (\$4,900,000- \$4,637,682)	\$ 262,317.88
WRF-WaterReuse Foundation Invoice #6	\$ 18,323.26
SWRCB-Recycled Water Distribution System-Phase 2-Loan Revised Invoice #8 (\$992,257-\$420,714)	\$ (571,543.00)
TOTAL INVOICES	\$ 705,870.48

PAYMENT RECEIVED	
Project Name	Amount
SWRCB-Recycled Water-Phase 2-SRF Loan Invoice # 8	\$ 420,714.00
SWRCB-Recycled Water Distribution System-Phase 3-Loan 110 Invoice #5	\$ 268,159.00
TOTAL PAYMENTS:	\$ 688,873.00

ACTIVE APPLICATION INFORMATION		
Account Type	Total Number of Active Applications	Amount Requested
IEUA Grants	7	\$ 19,555,775.00
IEUA Loans		-
SRF Loan Application - Phase 4 (Red Team) Northeast Area Recylced 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:	17	\$ 195,065,275.00
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	\$ 22,931,588.05	\$ -	\$ 22,931,588.05
TOTAL CASH FLOW:	\$ 109,572,792.02	\$ 38,017,916.14	\$ 147,590,708.16

PUBLIC INFORMATION

Calendar of Events

June 2009

- **June 14 – 18**, American Water Works Association, The World's Water Event, San Diego.
- **June 23**, Conservation presentation to Rancho Cucamonga Rotary, Etiwanda Gardens, beginning at noon.

July 2009

- **July 22**, Conservation presentation to Chino Kiwanis Club, Chino Community Building, beginning at 11:30 a.m.

August 2009

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

October 2009

- **October 24**, Regional Water Fair, Chino Basin Water Conservation District, 9:00 a.m. to 2:30 p.m.

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 May Water Awareness two-page advertisement ran on Sunday, May 31, 2009.

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*.

IEUA is working on putting together meetings with our service clubs to talk about the drought. Martha Davis made presentations to the Fontana Kiwanis Club on June 9, and is scheduled to make presentations to the Rancho Cucamonga Rotary on June 23 and the Chino Kiwanis Club on July 22.

MWD is putting together legislative briefings with Director Santiago and IEUA's local state representatives to discuss drought and upcoming legislation.

GIES dedications were anticipated during the end of May and the beginning of June. The schools have not yet scheduled the garden dedications, but as soon as they provide us with dates, we will contact the Board.

Beginning mid June, IEUA will be running MWD's 30-second conservation ad on 71 screens in our local movie theatres.

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 PSA's on community TV/ movie theaters/ radio/ internet with conservation tips
- Billboards.

Agency Tours

During the month of May, 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. On Friday, May 15, Cucamonga Valley Water District had a tour for their local Chamber members. The group toured RP-4 and the Chino 1 Desalter.

Educational Updates

On May 21, 2009, an informational water conservation presentation plus activities was given to Deb Hilak's fourth grade class at Mission Elementary School in Ontario.

The Water Education Water Awareness Committee (WEWAC) held an awards ceremony at the Council Chambers at City of La Verne for the participants of the High School video Public Service Announcement (PSA) contest. Chino Hills High School took first place, Bonita High School second, Nogales High School third, and Claremont High School and Pomona High School received Honorable Mention.

The Metropolitan Water District of Southern California held their annual Solar Cup Competition at Lake Skinner on May 15-17, 2009. IEUA sponsored three schools: Rancho Cucamonga High School, Upland High School, and Ayala High School. There were a total of thirty-three schools that competed. Rancho H.S. came in 17th, Upland H.S. came in 21st and Ayala High School came in 26th place.