



Date: July 1, 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 July 23, 2009, as part of the Watermaster Advisory Committee agenda.

RECYCLED WATER THREE YEAR BUSINESS PLAN UPDATE

Recycled Water Connected Demand: By the end of the fiscal year, IEUA is expected to exceed its goal of connecting 31,000 AFY of recycled water for fiscal year 2008/2009 by 1,594 AFY. The following new connections were made through May 2009:

Retail Agency	Customers	AFY
Chino	Norco Injection Molding	1.5
Chino Hills	Chino Hills High School	30
	Rincon Park	22
IEUA	RP-3 Recharge Basin	1,800
Ontario	CCC-S (5 Connections)	50
	Chad Farms (CC1-CC5)	1,600
	Temple Inland Irrigation	100
Total		3,603.5 AFY

The total potential annual recycled water usage from these customers is 3,603.5 AFY. The actual connected capacity has increased to 27,594. We anticipate on connecting another potentially 5,000 to 7,000 AFY within the next 30 to 90 days, increasing the total connected demand to over 32,000 AFY, exceeding our FY 08/09 goal of 31,000 AFY.

The following are some of the upcoming priority customers and their current status.

Name	City	Demand (AFY)	Estimated Completion Date
Bellevue Cemetery	Ontario	220	June 2009
CIM North Connection	Chino	2,000	August 2009
Guasti Park	Ontario	220	July 2009
Kellogg Farm (Schaefer)	Ontario	2,000	August 2009
Lee Farm	Ontario	2,000	August 2009
Vellano	Chino Hills	1,000	August 2009
Total Demand		7,440	

DWR Urban Drought Assistance Grant (\$1 Million): IEUA has completed and submitted the Site Selection Disbursement Strategy for State approval. Cucamonga Valley Water District, City of Chino and the City of Ontario have approved the reimbursement agreements; IEUA is negotiating final terms of the agreement with Monte Vista Water District.

Northeast Area Project Updates: The lowest responsive bids for the 1299 E Reservoir & 1630 E Pump Station, 1299 E Pipeline, and the 1630 E Pipeline Segment A will be submitted to the SWRCB for their approval by the end of June. The construction projects are anticipated to start in August 2009. The bids for the Monitoring Wells and Lysimeter projects are expected to be received on July 28th and July 30th, with an anticipated construction start date of September 2009. Summary of the NE Area RW Regional Facilities is provided below:

Project	Design	Construction Completion	Project Budget	Actual Cost	Status
1299 E Pipeline	Completed	Summer 2010	\$11,169,925	\$574,031	Award Period
1299 E Reservoir & 1630 E PS	Completed	Summer 2010	\$13,600,000	\$956,010	Award Period
1630 E Pipeline, Segment A	Completed	Summer 2010	\$12,832,555	\$1,418,776	Award Period
Monitoring Wells & Lysimeters	Completed	Winter 2009	\$1,500,00	\$72,526	Bid

Following is a summary of the Design Contracts for the NE Area Projects:

Project	Design Contract	Contract Amount	Invoiced To Date
1299 E Pipeline	CVWD	\$299,999	\$98,350.50
1299 E Reservoir & 1630 E PS	CVWD	\$5,700,000*	\$319,953.29
1630 E Pipeline, Segment A	RMC	\$1,056,294	\$942,063.32
Monitoring Wells & Lysimeters	Tom Harder	\$139,985	\$16,679

*Includes design and construction of the project

Southern Area: The preliminary design report for the project has been completed, and is currently awaiting the City of Chino Hills's consensus on the preferred alignment. The Agency has requested Stantec to cease all design efforts on the project until an MOU is executed with the City of Chino Hills that outlines future obligations of both Agencies towards the Capital Project. The project's business case evaluation and MOU is scheduled to be presented as an info item once the consensus is reached, anticipated to be in July 2009.

Project	Design	Construction Completion	Project Budget	Actual Cost	Status
930 W. Pipeline & Reservoir	Preliminary Design	On Hold	\$20,251,000	\$646,191	On Hold

Following is a summary of the Design Contracts for the Southern Area Projects:

Project	Design Contract	Contract Amount	Invoiced To Date	Status
930 W. Reservoir & Pipeline	Stantec	\$1,456,882	\$166,010	Preliminary Design

Northwest Area: The Northwest Area Recycled Water Project will primarily build the Regional Recycled Water distribution system from the Montclair/MVWD service area north in the City of Upland and the western service areas of the CVWD. The capital projects in the Northwest area are in the Preliminary Design Stage by MWH Americas. A draft Preliminary

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Design Report (PDR) has been submitted and circulated, for review and comments with the retail water agencies affected by the Northwest Project area..

MWH will later be tasked with the final design of the 1630 W Pipeline, Phase 1 and the 1630 W Pump Station. A joint design team of the IEUA/CVWD will conduct the final design efforts for the 1630 W Pipeline Phase 2 and the 1630 W Reservoir. IEUA intends to partner with Upland and CVWD through Memorandum of Understanding (s) prior to authorizing the final design for the NW Area Project to clearly document the project components and staff responsibilities for implementing the design and ultimately the construction and financing plan. Staff has submitted draft MOU's with both agencies as Informational Items for the March 18, 2009 Board Meeting. Staff anticipates finalizing the agreements in August. Staff is revising the project schedule to incorporate the time required to receive approval from both agencies on MOU's regarding the financial obligations to IEUA, City of Upland and CVWD for each component of the NW project facilities. Summary of the NW Area RW Regional Facilities is provided below:

Project	Design	Construction Completion	Project Budget	Actual Cost	Status
1630 W Reservoir	Spring 2010	Summer 2011	\$8,100,000	\$52,413	Preliminary Design
1630 W Pump Station	Spring 2010	Summer 2011	\$8,500,000	\$24,271	Preliminary Design
1630 W Pipeline, Phase 1	Spring 2010	Summer 2011	\$15,600,000	\$734,040	Preliminary Design
1630 W Pipeline, Phase 2	Spring 2010	Summer 2011	\$4,250,000	\$9,602	Preliminary Design

Following is a summary of the Task Orders associated with the Master Contract for the design services for the NW Area with MWH Americas:

Northwest Project Area - \$2,000,000.00 (Task Order 2.0)	
Description	Amount
Task Order 2.1 - Seismic Evaluation Upland Reservoir	\$80,800
Task Order 2.2 Prelim Design Report NW Phase I	\$242,870.00
Total Assigned:	\$323,670
Total Invoiced:	\$223,176
Remaining Unassigned:	\$1,676,330

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In addition to the Regional Facilities, MWH Americas was contracted by the Agency in May 2008 to provide Program Management Services for the Recycled Water Program. Following is a summary of the Task Orders associated with the Master Contract:

Program Management - \$2,000,000.00 (Task Order 1.0)	
Description	Amount
Task Order 1.1 - CADD Assistance Service for RW Retrofits	\$49,998
Task Order 1.2- On Call RW Hydraulic Model	\$100,000
Task Order 1.3 - RW Database Assistance	\$147,858
Task Order 1.4 - Construction Management Reorganization Memo	\$76,779
Task Order 1.5 - MWD LRP Application Assistance	\$88,120
Task Order 1.6 - NRWS Philadelphia Pump Station RW Retrofit	\$27,951
TO # 1.7 RW Implementation Program Management (Staff Assistance)	\$105,435
TO # 1.8 - Monitoring Well & Lysimeter Permit for Victoria and San Sevaine	\$29,266.40
TO # 1.9 - Guasti Park & Temple Inland RW Retrofit	\$32,000
TO # 1.10 Construction Management Augmentation (Resident Engineer)	\$74,500
TO # 1.11 Green Team Engineering Support	\$50,000
TO #1.12 CM Implementation Support	\$81,000
Total Assigned:	\$862,907.40
Total Invoiced:	\$638,158.60
Remaining Unassigned:	\$1,137,092.60

HUMAN RESOURCES

In June, 23 Level 1 employees attended a TEAMS course on Presentation Skills. Level 2 and 3 employees, who have yet to complete their TEAMS requirements, will continue their coursework with the e-learning curricula. In July, Level 4 employees are scheduled for online courses on Motivational Techniques while Level 1 employees will attend a facilitated course on Teambuilding.

The CalPERS Board approved an overall 2.9 percent increase in health care premiums for 2010 - the lowest increase achieved in the health program in 14 years. PERS Care and Kaiser Permanente will have the highest increases of the six plans available. The rates will become effective on January 1, 2010. The open enrollment period for the CalPERS Health Benefits Program will begin in September. More information will become available during the open enrollment period.

<u>CURRENT STAFFING</u>	
Regular Full-time Employees:	292
Contract/Limited Term Employees:	16
Interns:	22
TOTAL:	330

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	7/09	Offer Pending

<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	Engineering Technician	420-Engineering	3/09
6	Deputy Manager of Construction Management	425-Construction Management	8/08
7	Construction Project Coordinator (Limited Term)	425-Construction Management	2/09
8	Administrative Secretary (Limited Term)	425-Construction Management	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.

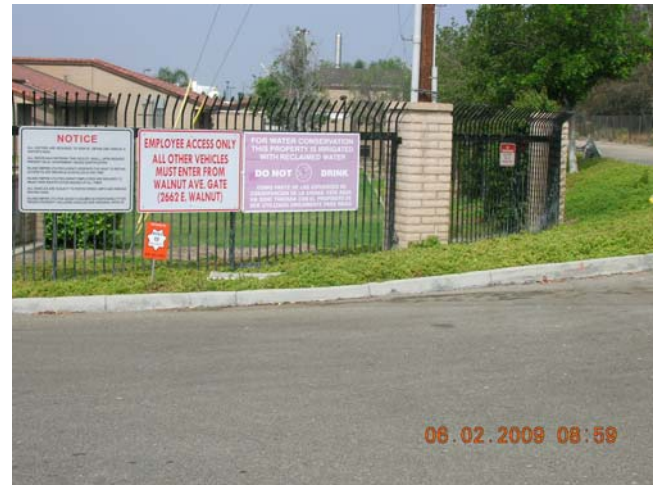
INTERN VACANCIES

None.

CONTRACTS AND PROCUREMENT

The attached photographs show the recently completed RP-1 fence and gate project, as it neared completion.





Please note the enhanced security features; the solid bar at the base of the fence, the finer mesh design, the heavier gauge of the wire, and three-barbed-wire crown. Additionally, two new gates were constructed. A yellow “barrel style” gate was installed to limit public access to the frontage road along the 60 freeway and a new chain-linked fence was installed to control ingress and egress to the Whispering Lakes Golf Course maintenance yard.

This project utilized an enhanced level of coordination and cooperation between Operations, Maintenance, and CAP staff. An extra (proactive) effort was made to preserve the existing shrubs on the golf course side of the new fence. These shrubs were “saved” – thanks in large part to Eric Lesser’s effort to ensure the shrubs were trimmed back to facilitate the installation of the new fence. The mature shrubbery also enhances the eye-appeal and good neighbor functionality of the project.

Finally, as you’ll note, with the recent shutdown of the Philadelphia Gate Guard Post, signage has been installed, directing all commercial and other traffic to use the Walnut Avenue Gate.

PUBLIC INFORMATION

Calendar of Events

July 2009

- **July 7**, Summer Blood Drive, IEUA Event Center, 9:00 a.m. to 2:00 p.m.
- **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.

September 2009

- **September 23**, Agency-wide Picnic, IEUA HQA, 11:00 a.m. to 2:00 p.m.

October 2009

- **October 1**, Project WET Workshop, Cucamonga Valley Water District Frontier Center, 9:00 a.m. to 4:00 p.m.
- **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 Agency's annual report will run at the end of June.

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*.

Martha Davis has been making presentations at our local service clubs on the importance of conservation. She has made presentations to the Fontana Kiwanis Club on June 9, the Rancho Cucamonga Rotary on June 23 and will be making a presentation to 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. Staff attended the Ontario Chamber Breakfast on June 12th where Assembly Member Norma Torres was the keynote speaker and an MWD hosted breakfast on June 10th where Senator Huff was the keynote speaker.

GIES dedications are scheduled to take place this fall to coincide with the school's Back-to-School nights.

Beginning June 12th, IEUA began running MWD's 30 second conservation ad on 71 screens in our local movie theatres. They will continue to run through October 18, 2009.

Regional Conservation Outreach Campaign

- Ongoing monthly 1/4 page conservation ads will run in the Inland Valley Daily Bulletin, Champion Newspaper, Fontana Herald News, La Opinion, and the Inland Empire Magazine.
- Ongoing water wise gardening classes.
- 30 second PSA's on community TV/movie theaters/radio/internet with conservation tips
- We hope to have the ad-hoc buy-in on the billboards so we can have them installed in July.

Agency Tours

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

Educational Updates

- June 3-4th, participated in DWR's Education Committee Meeting in Temecula, CA. Participated in a tour of Eastern Municipal Water District's drought tolerant garden/landscape, toured Elsinore Valley Municipal Water District's treatment plant, participated in a formal meeting at Wilson Creek Winery where educational ideas were shared across the board.
- June 15-18th, IEUA hosted MWD's K-12 Poster Contest Winners. Two entries from IEUA's service area placed to be printed in the calendar. One entry from Briggs (CVWD) and the other from Stork Elementary (MVWD).
- Coordinating with the Santa Ana Watershed Association (SAWA) to host a Project Webfoot Workshop at IEUA for teachers throughout SAWA's service area. This workshop will focus on wetlands and the environment in general.