



Date: July 15, 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.

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	133	96%	\$ 622,472.11	May
City of Chino Hills	334	119	36%	\$ 555,124.83	May
C.V.W.D.	615	291	47%	\$ 1,379,843.44	May
City of Fontana	800	415	52%	\$ 1,941,036.63	May
City of Montclair	92	81	88%	\$ 378,985.44	May
City of Ontario	1,000	126	13%	\$ 589,615.78	May
City of Upland	370	25	7%	\$ 114,851.12	May
TOTAL	3,350	1,190	36%	\$ 5,581,929.35	

HUMAN RESOURCES

The vision open enrollment period concluded on June 23rd. A total of fifteen (15) changes were processed. All changes are effective July 1, 2009.

The *Benefits Fair* will be held on Wednesday, September 16th from 8:00 AM to 11:00 AM in the Event Center. The annual event is fun and informative and facilitates employee interaction with plan representatives. Employees receive free health screening, informational brochures and free items. Additional, employees in attendance are entered into a raffle for a chance to win a variety of door prizes donated by the various plan participants. Some of last year's prizes included gift cards, movie tickets and other novelty items; a total of 17 gifts were raffled.

General Manager's Report Regarding Agency Activities

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In 2007, CalPERS introduced my|CalPERS, an automated system that allows members to access their personal account information and to manage their retirement, health benefits, and financial planning needs. Today, CalPERS is focusing on expanding the benefits to employers. By April 19, 2010, all agencies will be required to report data to CalPERS via the internet using my|CalPERS. Some of the benefits CalPERS seeks to achieve include the following:

- my|CalPERS will replace 49 different databases and interfaces
- More on-line services for members and employers
- Increased data security
- Enhanced data accuracy
- Timely access to data
- Reduce the reliance of paper based interaction between CalPERS, employers and members

CalPERS is working with all employers to ensure they are ready for system implementation by April 19, 2010.

<u>CURRENT STAFFING</u>	
Regular Full-time Employees:	292
Contract/Limited Term Employees:	16
Interns:	14
TOTAL:	322

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	Waiting for background results

<u>CURRENT RECRUITMENT ACTIVITIES</u>	
Recruitments in Process/Offer Pending	0
Placement in Process:	1
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.

<u>INTERN VACANCIES</u>							
Position	Department	RFVP Received	Closing Date	Salary Range	Tentative Placement Date	Notes	
2	Intern	238 – Financial Planning	6/18/09	OUF	UN999 I	07/09	Recruitment in Process

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

IEUA, BEC and Camp, Dresser & McKee (CDM), City of Fontana and IEUA Technical Service, Operations and Collections staff successfully commissioned the Lift Station on June 24, 2009. With the exception of some nuisance alarms, the commissioning phase has been uneventful. Construction Management staff has provided 24/7 monitoring of the facility to confirm the operations parameters and plant characteristics are identified. Adjustments to the plant are completed accordingly. Current flows average approximately 3.2 MGD with weekend peaks to 5.1. Full diversion of flows from the City of Fontana was to be completed on July 8, 2009.

RENEWABLE ENERGY EFFICIENCY PROJECT, PROJECT NO. EN03029.00

All work on this project is now on hold, pending the results of the third party review. Staff is working with Engineering to complete the final control strategy for the Central Plant and HQ cooling without the REEP.

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

Taisei-T&K has begun demobilizing. Secondary clarifier 30-inch overflow piping was started on June 30, 2009. This project is anticipated to be taken to the Board for project acceptance in August 2009.

CCWRF FILTER TEST, PROJECT NO. EN05061.00

The final test has been completed and the initial results look favorable. Staff has recommended that the temporary pumping system be removed.

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

The elevated foundations for the SBS tanks have been poured and the ventilation ducting has been removed for modifications. The new SHC tanks will be installed within the next week.

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

This project has been completed with three scheduled plant outages. Each outage was contained to less time than requested and the contractor performed well. All temporary pumping and piping systems have been removed.

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

The SARI Septic Dump Station landscaping is currently being installed. Staff identified additional isolation gates to prevent unauthorized dumping and this is being implemented prior to station operation. This station is expected to be placed into service on July 15.

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

Half of the material in the DCL has been removed and disposed of. This project is anticipated to be taken to the Board for project acceptance in August 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. A dye test is being considered. Set-up of the future Sodium Bisulfate Pump shutdown, which will require a temporary control panel to be constructed to facilitate new motor installation, is progressing. Preparations are being made for a two day intermittent shutdown to assess gate replacement requirements, which was scheduled for early July.

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

Structural rehabilitation and final job walk has been completed. Minor pick up items are in process.

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

Final job walk has been completed. This project is anticipated to be taken to the Board for project acceptance on July 15, 2009.

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

Revised specifications and plans have been prepared and a RFP has been prepared for cleaning and access to these two force mains. This scope of work is expected to be presented to the Board in July 2009. Additional construction activities will not begin until later this year.

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

The contractor has completed the work in El Prado Road. Final gate installation will take place next week.

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

The flame traps have been installed on Digester No. 5 and Digester No. 7. An apparent failure of the thermal plug on Digester No. 5 required thermal plugs to be changed. CM staff has completed this warranty work and the unit is back on line.

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

Rough sandblasting and Engineer's inspection on structural steel roof supports has been completed. Additional welding recommended by the consulting engineer has been completed within the structure's roof attic. Final roof sandblasting is being completed. Submittal reviews continue. Contractor is focusing construction efforts on completing sandblasting, prepping and coating of the roof section of the digester and has made satisfactory progress.

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

Start-up for the subject project has been completed. An RFP has been prepared for modifications for lifting of the header. Work had been scheduled for the new 09/10 fiscal year. Construction Management anticipates the current project to begin in July 2009.

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

Utilities discovered beneath the proposed RP-1 Tower have been successfully relocated. All construction of the RP-1 Tower has been completed. Level sensor communications wiring at Turner, San Sevaine, and Upland basins continues and the contractor's electrical subcontractors will also be performing loop checks for the new equipment at all five basin sites. Additional activities include a project site-walk with the Agency and Metropolitan Water District (MWD) and will be scheduled immediately following installation of MWD's communications equipment at CB-14 & CB-20. A PCSI coordination meeting will be scheduled within the next 45 days to discuss issues regarding start-ups, warranty, and commissioning the project. With the addition of telemetry and relocation of pedestals at San Sevaine Basin, work is estimated to be completed by late August 2009, with environmental restoration of San Sevaine Basin being completed by December 2009.

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 which includes the removal of one stage from the pumps located at Regional Plant No.1 and impeller modifications to the pumps from 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 anticipated to be taken to the Board for project acceptance in July 2009.

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

The contractor has installed the footing in the areas that were missing on the east and west sides of the tent structure. They have also placed the entire 560 linear feet of concrete masonry unit wall.

SITE ADMINISTRATION

VOLUNTEER PROGRAM FOR THE CHINO CREEK WETLANDS AND EDUCATIONAL PARK

The Volunteer Program is facilitated through the Chino Creek Wetlands and Educational Park partnership between the Santa Ana Watershed Association (SAWA) and the Inland Empire Utilities Agency (IEUA). On June 6, 2009, the Inland Empire Utilities Agency and the Santa Ana Watershed Association hosted the kickoff to the Volunteer Program at the Chino Creek Wetlands and Educational Park.

This new program will provide education opportunities along with activities to promote community involvement. The events will be held bi-monthly on the first Saturday from 8:30 a.m. to 11:30 a.m. excluding December. IEUA and SAWA will provide gloves, hand tools, materials and refreshments for all who participate at the volunteer work parties.

The goal of the program is to provide the community with the opportunity to reconnect with nature and get involved in their local community through volunteering and education. Each work party event will provide an educational lecture and a work activity in the Chino Creek Wetlands and Educational Park. If other volunteer opportunities arise for either SAWA and/or IEUA outside the park, special work party events will be held.

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 five 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 made presentations to the Fontana Kiwanis Club on June 9, 2009, the Rancho Cucamonga Rotary on June 23, 2009, and will be making a presentation to the Chino Kiwanis Club on July 22, 2009.

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 12, 2009, where Assembly Member Norma Torres was the keynote speaker and an MWD hosted breakfast on June 10, 2009, where Senator Huff was the keynote speaker. In addition, IEUA, CVWD and Chino Basin Watermaster are scheduling meeting with Senator Bob Dutton to discuss AB 1366 (water softener bill) and other water legislation.

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

Beginning June 12, 2009, IEUA began running MWD's 30 second conservation ad on 71 screens in our local movie theatres. The ad 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.

A tour of the Recharge Basins with the Board, CBWM, CBWCD and other agencies is planned for early August.

Educational Updates

- June 15- 23, IEUA hosted MWD's Traveling Art Show. Out of hundreds of entries, a total of 36 were chosen to be placed in the calendar from MWD's service area. Two posters were placed in the calendar from IEUA's service area: one from Monte Vista Water District and one from Cucamonga Valley Water District.
- The Water Education Water Awareness Committee (WEWAC) has begun planning for the garden that is placed at the Pomona Fairplex during the LA County Fair.

CHINO HOLDING COMPANY REAL PROPERTY PURCHASE AGREEMENT UPDATE

On July 1, 2009, the Agency received the fourth quarterly interest installment in the amount of \$34,992.62 from Chino Holding Company, LLC. In January 2002, the Agency sold the Co-Composter site to Lewis Operating Corporation (Lewis) for a total of \$9,225,000. In addition to the purchase price, Lewis also agreed to pay \$4,678,500 toward the Agency's relocation costs. This amount was to be paid in two equal installments of \$2,339,250 over a two year period beginning June 20, 2008.

On May 21, 2008, the Board approved a request from Lewis to extend the repayment of the relocation costs for three years with the first installment due on June 30, 2011 and the final on June 30, 2012. In exchange for the extension, Lewis agreed to pay interest at a fixed rate of 6% and provide the Agency an irrevocable Letter of Credit until the obligation is paid in full. The fixed interest rate of 6% was based on the prime rate as May 13, 2008 of 5%, plus 1%.

To date, the Agency has received \$139,970.47 in quarterly interest payments against the first installment originally due June 30, 2008. Beginning June 30, 2009, interest will be due on the full outstanding amount increasing quarterly payments to approximately \$70,000. The Agency's current investment rate is approximately 1.717%.