

**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, MAY 4, 2011
10:00 A.M.**

DIRECTORS PRESENT:

Terry Catlin, President
Michael Camacho, Vice President
Steven J. Elie, Secretary/Treasurer
Gene Koopman
Angel Santiago

STAFF PRESENT:

Thomas A. Love, General Manager
Craig Miller, Assistant General Manager
Patrick Sheilds, Executive Manager of Engineering
Christina Valencia, Chief Financial Officer
Rosemary Alvarado, Supervising Contracts and Programs Administrator
Sondra Elrod, Public Information Officer
Gina Hillary, Manager of Human Resources
Arturo Landeros, Staff Internal Auditor I
Randy Lee, Manager of Operations
Lisa Morgan-Perales, Water Resources Analyst II
Beth Olhasso, LT Water Resources Analyst I
Robert Wallin, Contracts and Programs Administrator
April Woodruff, Board Secretary

OTHERS PRESENT:

Jack Allingham, IEUA Retiree
Jean Cihigoyenetché, Cihigoyenetché, Grossberg & Clouse
Susie Spears, IEUA Retiree

A regular meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A., Chino, California on the above date.

President Catlin called the meeting to order at 10:00 a.m., and he led the pledge of allegiance to the flag. A quorum was present.

President Catlin stated that members of the public may address the Board. There was no public desiring to address the Board of Directors.

President Catlin asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

President Catlin requested that the Information Items be presented at the beginning of the meeting to allow Director Elie time to arrive to the meeting.

(Director Elie entered the meeting room at 10:06 a.m.)

INFORMATION ITEMS

IEUA 2010 URBAN WATER MANAGEMENT PLAN UPDATE

Associate Engineer, Ryan Shaw, gave a PowerPoint update on the IEUA 2010 Urban Water Management Plan status. He highlighted the schedule of the Urban Water Management Plan, which is in the 60-day public notice period. He reported that a public hearing is scheduled for June 1, with a recommendation to the Board for approval scheduled at the same Board meeting. He highlighted population projections, water use projections, water supply based on water source, demand vs. supply, and projected recycled water use and supply.

MWD WATER SUPPLY UPDATE

Associate Engineer, Ryan Shaw, gave an oral report on the MWD Water Supply Update. He stated that on Monday, May 2, DWR had their 5th and final snow survey. He reported that overall it was 144% above normal. Lake Oroville and Lake Shasta are nearly full at a combined capacity of about 7,000,000 a/f. The allocation remains at 80%, unchanged from last month. Mr. Shaw further stated that MWD is projecting to have 2.5 million a/f in reserves by the end of the calendar year. He stated that at the next MWD Board meeting, they are going to discuss bringing back replenishment rates – there is 225,000 a/f available, and will decide if they want to sell at the replenishment rate. Mr. Shaw said that the CDA Local Resources Program agreement will also be discussed for the first time at the next MWD Board meeting.

LEGISLATIVE REPORTS

General Manager, Thomas A. Love, stated that there is nothing to report at this time; however, staff will provide a report at the May 11, 2011, Public, Legislative Affairs, and Water Resources Committee.

CONSENT CALENDAR

President Catlin asked if anyone wished to remove any item from the Consent Calendar.

Director Koopman requested that Item 1B, TREASURER'S REPORT, be pulled. It was the consensus of the Board to do so.

Upon motion by Director Elie, seconded by Director Santiago, and unanimously carried:

M2011-5-1

MOVED, approval of the Consent Calendar.

- A. The Board approved the minutes from the April 20, 2011, regular Board meeting.
- B. PULLED.
- C. The Board adopted Resolution No. 2011-5-1, Adjusting the Rate of Compensation of Members of the Board of Directors

RESOLUTION NO. 2011-5-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, TO ADJUST THE RATE OF COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS PURSUANT TO CALIFORNIA WATER CODE SECTION 20202 (for full text, see Resolution Book)

TREASURER'S REPORT

Director Koopman noted that on his March timesheet, it was reported that he attended the March 21 Special District Dinner meeting, where in fact, he did not attend. He stated that a revised timesheet for March has been submitted, and the adjustment will be reflected in his next stipend check.

Upon motion by Director Koopman, seconded by Director Santiago, and unanimously carried:

M2011-5-2

MOVED, to approve the Treasurer's Report as submitted.

ACTION ITEMS

REGIONAL WATER RECYCLING PLANT NO. 2 (RP-2) DIGESTER CLEANING

Manager of Maintenance, Ernest Yeboah, gave a PowerPoint presentation on the Digester Cleaning Project. He highlighted the Digester Cleaning Process, Background, and Bid Summary. He stated that the RP-2 wastewater treatment facility has one (1) aerobic and three (3) anaerobic digesters that are used for the treatment of sludge, which is a byproduct of the wastewater treatment process. He said that over time, debris such as grit and fibrous material inevitably accumulates in the digester, and reduces the effectiveness of the digester. Mr. Yeboah stated that staff is recommending that the Board approve the award of Contract No. 4600000906, to Synagro-WWT, Inc. for the contract service to clean Digester No. 3 at RP-2, for a not-to-exceed price of \$345,000.

Upon motion by Director Elie, seconded by Director Camacho, and unanimously carried:

M2011-5-3

MOVED, to:

1. Approve the award of Contract No. 4600000906 to Synagro-WWT, Inc. for the contract service to clean Digester No. 3 at RP-2, for a not-to-exceed price of \$345,000; and
2. Authorize the General Manager to execute the contract.

GENERAL MANAGER'S REPORT

The General Manager's Report was received and filed by the Board.

Chief Financial Officer, Christina Valencia, reported that, this morning, the municipal variable rate came in weekly at .17, which is low. She stated that this is favorable for the Agency's variable rate debt.

Executive Manager of Operations, Patrick Shields, provided an update on the source testing on the bio-filter at the compost facility. He stated that at the composter, there are very stringent permit standards for the emission from the bio-filter, and the Agency is required to source test every two years. He reported that the Agency passed the source test.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEMS

Director Santiago requested that staff provide an update on the Small Business Program to the next Board meeting.

DIRECTORS' COMMENTS

President Catlin commented that on April 27, he attended the OWOW Conference – Working Together for a Sustainable Future. He reported that it was well attended and the conference addressed the mounting challenges facing the region; such as, reductions of imported water supplies, population growth, increasing water needs, and climate change by working together.

CLOSED SESSION

The Board went into closed session at 10:30 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1) IEUA vs. Mr. Anthony Maglica, Case No. RCV098354; (2) Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (3) Taisei-T&K Joint Venture vs. IEUA. Case No. CIVRS 914130 (4) Martin vs. IEUA, Case No. CIVRS 1000767. B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (1) Property: Water and Pipeline Capacity/Cadiz, Negotiating Parties: General Manager Thomas A. Love, Under Negotiation: Price and Terms of Purchase; (2) Property: RP-5 SHF, Negotiating Parties: Environ Strategy, Under Negotiation: Terms of Lease. C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Two (2) cases D. PURSUANT TO GOVERNMENT CODE SECTION 54957.6 – CONFERENCE WITH LABOR NEGOTIATOR Meet and Confer Negotiations – General Unit, Operators' Association, Laboratory Unit, and Supervisors Unit, Negotiating Parties: Thomas A. Love and Gina Hillary

The meeting resumed at 11:20 a.m. and General Counsel, Jean Cihigoyenetché, stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

Taisei-T&K Joint Venture vs. IEUA, Case No. CIVRS 914130

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

IEUA vs. Mr. Anthony Maglica, Case No. RCV098354

Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010

Martin vs. IEUA, Case No. CIVRS 1000767

The Board did not discuss these items.

Regarding Conference with Real Property Negotiator

Property: Water and Pipeline Capacity/Cadiz
Negotiating Parties: General Manager Thomas A. Love
Under Negotiation: Price and Terms of Purchase

Property: RP-5 SHF
Negotiating Parties: Environ Strategy
Under Negotiation: Terms of Lease

The Board took no reportable action.

Regarding Conference with Legal Counsel – Anticipated Litigation:

Two (2) cases

The Board took no reportable action.

Regarding Conference with Labor Negotiator

Meet and Confer Negotiations – General Unit, Operators’ Association, Laboratory Unit, and Supervisors Unit, Negotiating Parties: Thomas A. Love and Gina Hillary

The Board took no reportable action.

With no further business, President Catlin adjourned the meeting at 11:20 a.m.

Secretary

APPROVED: MAY 18, 2011