

**MINUTES OF THE REGULAR
MEETING OF
THE BOARD OF DIRECTORS
OF
THE INLAND EMPIRE UTILITIES AGENCY*
WEDNESDAY, JULY 20, 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
Martha Davis, Executive Manager of Policy Development
Patrick Sheilds, Executive Manager of Operations
Christina Valencia, Chief Financial Officer
Rosemary Alvarado, Supervising Contracts and Programs Administrator
Kathleen Baxter, Supervising Contracts and Programs Administrator
Chris Berch, Manager of Planning and Environmental Compliance
Andrea Carruthers, Community Outreach and Education Coordinator I
Tina Cheng, Budget Officer
Gabe DeSaddi, Manager of Construction Management
Parivash Dezham, Manager of Pretreatment and Source Control
Lucia Diaz, Senior Site Administrator
Sondra Elrod, Public Information Officer
Nel Groenveld, Manager of Laboratories
Scott Johnson, Construction Project Manager
Arturo Landeros, Staff Internal Auditor I
Cameron Langner, Manager of Contracts and Procurement
Randy Lee, Manager of Operations
Alex Lopez, Senior Financial Management Analyst
Michelle O'Brien, LT CIP Coordinator
Beth Olhasso, LT Water Resources Analyst I
Craig Parker, Manager of Engineering
Craig Proctor, Pretreatment and Source Control Supervisor
Ryan Shaw, Associate Engineer
April Woodruff, Board Secretary

OTHERS PRESENT:

Jack Allingham
Susan Barajas, Agency Temp
Jean Cihigoyenette, Cihigoyenette, Grossberg & Clouse
Mr. John McNamara, Environ Strategy Consultants
Susie Spears, 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 10:02 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.

Mr. John McNamara from Environ Strategy Consultants thanked Inland Empire Utilities Agency staff, as well as, Mr. Tom Dodson from Dodson and Associates, for their efforts in completing the Addendum to the On-site Dairy Digester/Chino I Desalter Power Generation Pilot Scale Project Mitigated Negative Declaration, which is on the Consent Calendar for approval by the Board.

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

PUBLIC HEARING AND ADOPTION OF ORDINANCE NO 88 – PROCUREMENT ORDINANCE

President Catlin, as the Hearing Officer, called the public hearing to order and turned the meeting over to the Manager of Contracts and Procurement Cameron Langner, who provided a brief overview for the purpose of the public hearing.

Mr. Langner stated that the purpose of the hearing is to provide the public with an opportunity to submit comments on Ordinance No. 88, establishing and setting forth the policies governing Agency authority and dollar limits for best value procurements and procurement-related activities. He reviewed the proposed changes of the Ordinance, and reported that there were no written comments received.

President Catlin opened the Public Hearing at 10:10 a.m. and, receiving no comments, the Public Hearing was closed at 10:10 a.m.

Upon motion by Director Santiago, seconded by Director Catlin, the motion carried (5-0):

M2011-7-1

MOVED, to adopt Ordinance No. 88, establishing and setting forth the policies governing Agency authority and dollar limits for procurements and procurement-related activities.

**ORDINANCE NO. 88
ORDINANCE OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO
COUNTY, CALIFORNIA, ESTABLISHING AND SETTING
FORTH THE POLICES GOVERNING AGENCY AUTHORITY
AND DOLLAR LIMITS FOR BEST VALUE PROCUREMENTS
AND PROCUREMENT-RELATED ACTIVITIES (for full text, see
Ordinance Book)**

With the following roll call vote:

Ayes:	Santiago, Elie, Camacho, Koopman, Catlin
Noes:	None
Absent:	None
Abstain:	None

CONSENT CALENDAR

President Catlin asked if anyone wished to remove any item from the Consent Calendar. There was no one desiring to do so.

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

M2011-7-2

MOVED, to approval of the Consent Calendar.

A. The Board approved the minutes from the June 15, 2011, regular Board meeting and the June 15, 2011, special Board meeting.

B. The Board approved the Treasurer's Report on General Disbursements and Investment Report, as submitted.

C. The Board approved Policy A-84, Use of Public Affairs Local Community Outreach Contributions, establishing rules and procedures for the use of these funds.

D. The Board:

1. Accepted the work as performed by Casa Verde Landscape as complete under the construction contract for the Dorothy Gibson High School, Ray Wiltsey Middle School, Mariposa Elementary School, and Arroyo Elementary Middle School Recycled Water Retrofits, Project Nos. PU06407.08, PU06407.09, PU06407.10, and PU06407.11, respectively; and
2. Authorized the General Manager to execute the Notice of Completion.

E. The Board:

1. Approved Amendment No. 002, to Contract No. 4600000538 to Advanced Survey Concepts, Inc. (ASC) for surveying and related services for an additional one-year term; and
2. Authorized the General Manager to execute and issue said Amendment.

F. The Board:

1. Adopted the Addendum to the On-site Dairy Digester/Chino I Desalter Power Generation Pilot Scale Project Mitigated Negative Declaration; and
2. Authorized the General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

G. The Board:

1. Approved the request from Chino Holding Company, LLC (by assignment from Lewis Investment Company) to extend the repayment of the Co-Composter Relocation Mitigation Fee and reduce the annual interest rate; and

Continued...

M2011-7-2, continued.

2. Authorized the General Manager to execute the Seventh Amendment to the Real Property and Sale Agreement with Chino Holding Company, LLC to extend the principal repayment date by two years and reduce the interest rate from 6% to 5% per annum beginning July 1, 2011.

H. The Board:

1. Approved the amendment to Contract No. CRW07999 for financial advisory services with Public Financial Management (PFM) for the annual not-to-exceed amount of \$75,000, and extend the termination date to June 30, 2012;
2. Approved a budget amendment of \$15,000 for professional services in the Administrative Services (GG) Fund; and
3. Authorized the General Manager to execute the amendment to Contract No. CRW07999.

- I. The Board approved the emergency construction work for the Philadelphia Pump Station Wastewater Leak Repair to MBC for the total amount of \$293,000.

ACTION ITEMS

ADOPTION OF AMENDMENT TO ORDINANCE NO. 87, ADDRESSING THE USE OF SELF-REGENERATING WATER SOFTENERS

Executive Manager of Policy Development Martha Davis stated that on June, 15, 2011, a Public Hearing was held at a Special Board meeting to provide the public an opportunity to submit comments on the proposed amendment to Ordinance No. 87, which will restrict the future installation, replacement, or enlargement of any self-regenerating water softener applicant, which discharges into the Regional Sewer System. She stated that she is pleased to report that there were no comments of opposition at the hearing, and approximately 150 letters of support were sent to the Agency. Ms. Davis stated that staff is requesting that the Board now adopt the amended Ordinance No. 88. She also recognized staff for their efforts leading up to this adoption.

Upon motion by Director Santiago, seconded by Director Koopman, the motion carried (5-0):

M2011-7-3

MOVED, to adopt, by roll call vote, an amendment to Ordinance No. 87, to prohibit the future installation of self-regenerating water softeners.

**ORDINANCE NO. 87
ORDINANCE OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO
COUNTY, CALIFORNIA, REGULATING THE AVAILABILITY
AND USE OF THE REGIONAL SEWERAGE SYSTEM (for full
text, see Ordinance Book)**

With the following roll call vote:

Ayes:	Santiago, Elie, Camacho, Koopman, Catlin
Noes:	None
Absent:	None
Abstain:	None

INFORMATION ITEMS

AGENCY REDISTRICTING SCHEDULE UPDATE

Manager of Planning and Environmental Compliance Chris Berch provided an update on the Agency's redistricting. He stated that with the recent release of the 2010 census data, IEUA staff has initiated the integration of population and demographic data into the IEUA GIS system. Staff will bring back a summary of changes and any proposed changes to District boundaries over the next several months. Mr. Berch said that changes need to be completed within 12-months of the release of census data (released in March 2011) and at least 180-days prior to any Agency elections.

RECYCLED WATER GROUNDWATER RECHARGE PROGRAM BACKGROUND AND STATUS UPDATE

Manager of Operations Randy Lee gave a PowerPoint status update on the Recycled Water Groundwater Recharge Program. He reviewed the history of the Recharge Program, Permitting Overview, Recycled Water Contribution, 2009 Permit Amendment, Key Changes in 2009 Permit Amendment, Recharge Site RWC Limits, RWC Management Planning (60-month & 120-month), FY 2010/11 Recycled Water Recharge Totals, Value of Groundwater Recharge, Imported Water Recharged, Recharge Basin Usage, Proactive Basin Maintenance, Proactive Annual Cleaning, and Improvement Suggestions for Increased Stormwater Capture.

COMMERCIAL PAPER PROGRAM UPDATE

Chief Financial Officer Christina Valencia gave an update on the Commercial Paper Program. She stated that there was a meeting on July 5, with the Chino Basin Watermaster to discuss the financing of the Replenishment. She stated that the discussion looped back to the beginning with no action taken. She further stated that no discussions have taken place since the last workshop. She stated that there is another meeting scheduled for Thursday (July 21), and she will report back to the Board. Ms. Valencia stated that the Commercial Paper Program has been put on hold; however, the Agency is prepared to move forward with the Commercial Paper transaction, if warranted.

THE FOLLOWING INFORMATION ITEMS WERE RECEIVED AND FILED BY THE BOARD:

TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR MAY 2011

PUBLIC OUTREACH AND COMMUNICATIONS

LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES, LLC

LEGISLATIVE REPORT FROM THE DOLPHIN GROUP

LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES

IEUA MONTHLY WATER NEWSLETTER

UPDATE ON THE DELTA STEWARDSHIP COUNCIL'S PROGRESS ON THE DRAFTING OF THE DELTA PLAN

EL PRADO ROAD IMPROVEMENTS

LOCAL RESOURCES PROGRAM (LRP) AGREEMENT BETWEEN IEUA AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) FOR THE CHINO BASIN DESALTERS

RECYCLED WATER PROGRAM UPDATE

CHINO CREEK INTEGRATED PLAN & CLEAN-UP PROJECT

LABORATORY SEMI-ANNUAL STATUS REPORT

4TH QUARTER PLANNING & ENVIRONMENTAL COMPLIANCE UPDATE

AGENCY REPRESENTATIVES' REPORTS

SAWPA REPORT

President Catlin reported that the Commission adopted an Ordinance for the new rates for the purchase price for treatment and disposal capacity, which were reduced from the previous rates.

MWD REPORT

Director Camacho reported that the meeting was generally routine in nature.

REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

Next meeting is October 6, 2011.

CHINO BASIN WATERMASTER REPORT

Director Elie reported that the Budget was pulled at the last minute so that a public hearing could be properly noticed because the Advisory Committee had not obtained 80% voting rights.

GENERAL MANAGER'S REPORT

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

Executive Manager of Operations Patrick Shields reported that the California Resource Recovery Association (CRRRA) has selected the Inland Empire Regional Composting Authority as a 2011 award winner in the "Dave Hardy Leadership in Organics" category, for the commitment and efforts that the IERCA has made to further the composting industry. He stated that the awards will be presented on August 2 during the 35th Annual CRRRA Statewide Conference and Tradeshow at the Loews Coronado Bay Resort.

BOARD OF DIRECTORS REQUESTED FUTURE AGENDA ITEM

There were no requested future agenda items by the Board of Directors.

BOARD OF DIRECTORS' COMMENTS

There were no Board of Directors' comments.

CLOSED SESSION

General Counsel Jean Cihigoyenette requested that the Board of Directors approve the addition of two new potential claims to the agenda for Closed Session, which staff became aware of after the posting of the agenda.

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

M2011-7-4

MOVED, to add two new potential claims to the agenda for Closed Session, under GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

The Board went into closed session at 10:55 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: One (1) case 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 12:20 p.m. and General Counsel, Jean Cihigoyenette, 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:

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

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

M2011-7-5

MOVED, to:

1. File a dismissal of the lawsuit without prejudice; and
2. Direct General Counsel to reinstate condemnation proceedings on the property against Mr. Maglica.

Regarding Conference with Legal Counsel – Existing Litigation:

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

Martin vs. IEUA, Case No. CIVRS 1000767

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

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

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:

Three (3) cases (two cases added by unanimous vote)

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 12:22 p.m.

Secretary

APPROVED: AUGUST 17, 2011